

NOTICE OF MEETING

The Port Commission ("Commission") of the Port of Corpus Christi Authority ("PCCA") will hold a Regular Session Meeting on Tuesday, February 17, 2015, at 9:00 AM, at the Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact Sherry DuBois at 885-6174 at least 48 hours in advance so that appropriate arrangements can be made.

Si usted se dirige a la junta y cree que su inglés es limitado, habrá un intérprete inglés español en la reunión de la junta para ayudarle.

Members of the audience will be provided an opportunity to address the Port Commission. Please speak into the microphone located at the podium and state your name and address. Your presentation will be limited to three minutes.

PUBLIC NOTICE is given that the Commission may go into executive session at any time during the meeting to discuss matters listed on the agenda when authorized to do so by the provisions of Section 418.183 or Chapter 551 of the Texas Government Code. In the event the Commission elects to go into executive session regarding any agenda item, the presiding officer will publicly announce the section or sections of the Texas Government Code authorizing the executive session.

The agenda for the meeting is as follows:

1. Call meeting to order; Pledge of Allegiance; Opening Prayer; and receive conflict of interest affidavits.
2. Approve the minutes of the January 13, January 27, and February 9, 2015 Commission meetings.
3. Receive comments from the public. *(Each speaker will be limited to three minutes)*
4. Elect Secretary of the Port Commission for 2015.
5. Elect Director to fill the vacancy of the Board of Directors of the Industrial Development Corporation of Port of Corpus Christi.
6. Approve a Resolution of Appreciation for Commissioner Al Jones.
7. Adopt a Resolution regarding the role of the Port Commission and related matters.
8. Consider and possibly take action on possible changes to the Operating Rules of the Port Commission.
9. Appoint PCCA's representative(s) on the Corpus Christi Economic Development Corporation board; Robstown Area Economic Development Corporation; chairperson for Audit Committee and fill vacancy; and fill vacancy on the Security Committee.
10. Receive Windstorm Insurance Reform presentation from Commissioner Charles Zahn.

11. Receive committee reports from the following Commission committees:
 - A. Security
 - B. Audit

12. Receive staff report on the following:
 - A. Water
 - B. Channel Improvement Project
 - C. Bulk Terminal

13. Consider and possibly take action on a proposed bill for the 2015 legislative session of the Texas Legislature relating to the powers and duties of navigation districts.

14. Approve Local Project Advance funding Agreement with the State of Texas through the Texas Department of Transportation to Fund Construction of the New Harbor Bridge.

15. Approve the First Reading of a Franchise granting Corpus Christi Liquefaction, LLC (Cheniere Energy, Inc.), the right to cross the north bulkhead line of the La Quinta Ship Channel from its property adjacent to the channel and related rights.

16. Approve the Third and Final Reading of a Franchise granting E F Terminals Corpus Christi, LLC (formerly known as Plains Terminals Corpus Christi, LLC), the right to cross the south bulkhead line of the Tule Lake Channel from its property adjacent to the channel and related rights.

17. Approve a One-Year Contract Extension with Susser Petroleum Operating Co., LLC for the purchase of bulk fuel.

18. Consent Agenda. The Port Commissioners have been furnished with supporting documentation and staff's recommendation for each of the following items. All Consent Agenda items will be approved, in accordance with the respective staff recommendations, by one vote without being discussed separately unless a Port Commissioner requests otherwise:
 - A. Approve Lease Agreement with Mossi and Ghisolfi Logistics Company, for Building 26 and Building 27 on Sam Rankin Street for Storage of Construction Materials and Components in Conjunction with the Construction of M&G Resins USA's plastics plant.
 - B. Approve a Lease Agreement with Mossi and Ghisolfi Logistics Company, for approximately 8 acres of PCCA property along the Viola Channel for a temporary laydown yard.
 - C. Approve an amendment of Rail Spur Easement with M&G Resins USA, LLC to finalize easement limits to support M&G's railroad operations.

- D.** Approve a Lease Agreement with Cooper Outdoor Advertising Inc. for one (1) billboard located along US 181 fronting on the La Quinta Trade Gateway property.
- E.** Approve a Lease Agreement with Cooper Outdoor Advertising Inc. for one (1) billboard located along Interstate Highway 37 near the Savage Lane Railroad Track.
- F.** Approve Second Amendment of Lease Agreement with Koch Carbon, LLC to extend the term and agree to make improvements to support operations at the approx. 10-acre site at the Bulk Terminal.
- G.** Approve First Amendment of Lease Agreement with Koch Sulfur Products Company, LLC to clarify a lease provision enabling Koch Carbon, LLC, a lessee under a separate lease with the PCCA, to co-locate on Koch Sulfur's approx. 16.23 acre site at the Bulk Terminal.
- H.** Approve a Utility Easement Agreement with Corpus Christi Liquefaction, LLC from AEP's Hecker substation located on the PCCA's La Quinta Trade Gateway property to serve company's proposed LNG facility located along the La Quinta Ship Channel.
- I.** Approve Lease Agreement with the United States of America, through the U.S. Coast Guard to locate two (2) ship channel range markers and equipment on the PCCA's Harbor Island property.
- J.** Approve a Service Order with Rosengarten, Smith & Associates, Inc., under its professional services master agreement, for sediment testing associated with the maintenance dredging of PCCA-owned docks to be included in the U.S. Army Corps of Engineers - Galveston District's FY15 Maintenance Dredging of the Inner Harbor.
- K.** Approve the purchase of four (4) vehicles from Caldwell Country Chevrolet, one (1) vehicle from Grapevine Dodge Chrysler Jeep, and seven (7) vehicles from Sames Ford, the lowest and best bidders based on bids received on January 30, 2015.
- L.** Award contract to Robstown Hardware, the lowest and best bidder based upon bids received on January 30, 2015, for Purchase of three (3) Utility Vehicles.
- M.** Ratification of six applications to the Texas Commission on Environmental Quality Rebate Grant Program for the replacement of PCCA heavy-duty diesel equipment.
- N.** Approval to apply for Texas Commission on Environmental Quality Purchase of Compressed Natural Gas Reimbursement Grants.

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19. Receive report from the Executive Director on upcoming community events, PCCA events and activities of the following PCCA departments during the preceding month: business development, community relations, government affairs, operations, engineering services, accounting, and human resources.
20. Receive comments from Port Commissioners on any of the agenda items for this meeting, the PCCA's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.
21. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate purchasing property on the north side of the Inner Harbor.
22. The Port commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate purchasing property in the vicinity of the La Quinta channel.
23. Adjourn.

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
JANUARY 13, 2015**

The Port Commissioners of the Port of Corpus Christi Authority convened at the Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas, on Tuesday, January 13, 2015, at 9:00 a.m., for the regular monthly meeting of the Port Commission.

Present: Ms. Judy Hawley
Mr. Charles Zahn
Mr. Al Jones
Ms. Barbara Canales
Mr. David P. Engel
Mr. Richard Valls
Mr. Richard L. Bowers

Present: Mr. John P. LaRue
Mr. Frank Brogan
Ms. Patricia Cardenas
Mr. Dennis DeVries
Mr. David Krams
Mr. Ruben Medina
Ms. Sandra Terrell-Davis
Ms. Nelda Olivo
Mr. John Pasch
Mr. Tom Mylett
Mr. Darrin Aldrich
Ms. Audre Debler
Ms. Sherry DuBois
Mr. Brett Flint
Mr. Tyler Fuhrken
Ms. Sarah Garza
Mr. Ray Harrison
Mr. Dan Koesema
Ms. Angela Leyva
Ms. Sonya Lopez
Mr. Dave Michaelson
Ms. Maggie Turner
Mr. Eddie Martinez
Mr. Jacob Morales
Mr. Bennie Benavides
Ms. Teresa Betzold
Ms. Sonya Budilo
Ms. Liz Cantu
Ms. Natasha Fudge
Ms. Peggy Mettlen
Mr. Jesse Samu

Mr. Matt Garcia
Ms. Vicky Garza
Ms. Melinda Maldonado
Ms. Eileen Mink

Others Present:

Mr. Leo J. Welder, Jr.

Others Present:

Mr. Tom Moore
Consultant
Mr. Rick DuPriest
W.L. Bates Co.
Mr. Fred Dotts
Nancy Zuniga
MDR
Ms. Lillian Riojas
Capt. Joe Harrington
Valero
Mr. Scott Harris
LAN
Mr. Terry Arnold
Arnold Trucking
Mr. Xavier Valverde
G&H Towing
Mr. Chris Ramirez
Caller-Times
Mr. Bob Paulison
Port Industries
Ms. Paula Wakefield
City of Robstown
Mr. Don Rodman
The Rodman Co.
Mr. Scott Harris
LAN
Mr. Kevin Miller
CITGO
Mr. Dave Brun
Welder Leshin
Mr. Larry Perryman
Bay-Houston Towing
Capt. Louis Adams
Capt. John Williams
Capt. Kevin Monaco
Aransas/CC Pilots
Mr. A.J. Pope
Mr. Rich Stroot
Stroot Rail Consulting

Mr. Joe Guzman
Robstown AEDC
Mr. Ray Hunt
RIDC
Mr. John Michael
Naismith

I.

Chair Hawley called the meeting to order.

II.

On motion made by Mr. Valls and seconded by Ms. Canales, the Commission approved the minutes of December 9 and December 17, 2014 Commission meetings in the form presented to the meeting.

III.

On motion made by Mr. Zahn and seconded by Mr. Jones, the Commission adopted the following resolution:

**Resolution of Appreciation
For
Commissioner Richard M. Borchard**

WHEREAS, Richard M. Borchard, was born and raised in Robstown, Texas; and

WHEREAS, Richard M. Borchard attended Texas A&I University and received from that distinguished college his Bachelor of Science Degree in 1969 and his Master of Science Degree in 1976; and

WHEREAS, Richard M. Borchard was elected a Nueces County Commissioner in 1981 and served until January 1994; and

WHEREAS, Richard M. Borchard was elected Nueces County Judge in 1994 and served through 2002; and

WHEREAS, Richard M. Borchard was then Director of Client Relations for Lineberger, Goggan, Blair & Sampson, Attorneys at Law, from 2003 to the present; and

WHEREAS, Richard M. Borchard was appointed Port Commissioner by Nueces County in 2009 and was elected Vice Chair of that Commission in 2010 and has served as such until the present; and

WHEREAS, Richard M. Borchard has served on the Organizational, Security, Naval Station Ingleside, Agriculture, Health & Dental, and Transportation Committees for this Port Commission; and

WHEREAS, Richard M. Borchard has served as the Port Commission's representative on the Robstown Area Development Corporation; and

WHEREAS, Richard M. Borchard has served on so many Boards and Commissions throughout his public life that they are almost too numerous to list but include President Elect of the Texas Association of County Judges and Commissioners Association, President of the South Texas County Judges and Commissioners Association, Chairman of the State of Texas Tobacco Settlement Permanent Trust Account Administration Advisory Committee, President of the Coastal Bend Council of Governments, Chairman of the Highway 77 & 281 Coalition for Interstate 69, Nueces County Juvenile Board, Homeport Steering Council, State Job Training Council, Metropolitan Planning Organization, Alliance for Interstate 69 Texas Executive Committee, Greater Corpus Christi Business Alliance, Treasurer of Council of Urban Counties, United Way Board of Governors, and Board of Directors of NorWest Bank.

NOW THEREFORE BE IT RESOLVED that the Port Commission of the Port of Corpus Christi Authority expresses its sincere gratitude for the years of service that The Honorable Richard M. Borchard has given to the Port of Corpus Christi, the Coastal Bend, and the citizens of this community and its thanks for all of his years of services in this community; and

BE IT FURTHER RESOLVED that this resolution be made a part of the permanent minutes of this Port Commission and that a signed original of this Resolution be furnished to Judge Borchard and his lovely wife, Norma.

IV.

Nueces County Judge Loyd Neal administered the Oath of Office of Port Commissioner to Richard L. Bowers and Charles W. Zahn, Jr.

V.

Chair Hawley asked for conflict of interest affidavits to be submitted. None were received.

VI.

Mr. Engel moved that Judy Hawley be elected Chair; Charles Zahn be elected Vice Chair; and Al Jones be elected Secretary of the Commission for 2015. Mr. Bowers seconded the motion. There being no other nominations, Judy Hawley was elected Chair, Charles Zahn was elected Vice Chair, and Al Jones was elected Secretary of the Commission for 2015 by acclamation.

VII.

On motion made by Mr. Valls and seconded by Mr. Jones, the Commission adopted the following resolution:

**Resolution of Appreciation
For
Frank Cofer Brogan, Managing Director**

WHEREAS, Frank Brogan was born and raised in San Antonio, Texas, and

WHEREAS, Frank Brogan received his Bachelor of Science Degree in Civil Engineering with honors from the University of Texas at Austin and his Masters in Engineering from Texas A&I in Kingsville; and

WHEREAS, Frank Brogan has been a resident of Corpus Christi, Texas, since 1974 and has been with the Port of Corpus Christi since 1987; and

WHEREAS, Frank Brogan was a consulting engineer in the Corpus Christi area for thirteen years specializing in the design of industrial and marine facilities and worked for a number of port authorities along the Texas Gulf Coast; and

WHEREAS, Frank Brogan was president of Maverick Engineering Company from 1981 to 1987 and was responsible for the overall management and operations of the firm's one hundred employees and three offices in Texas; and

WHEREAS, Frank Brogan began his career at the Port of Corpus Christi as the Deputy Director of Engineering Services under Colonel Nolan S. Rhodes and was promoted to Director of Engineering Services in 1989 and was further promoted to Deputy Port Director of Engineering, Finance and Administration in 2008 and was promoted again to his current position of Managing Director in 2012; and

WHEREAS, Frank Brogan has always been active in the local community and has served on a number of boards including past president of the Kiwanis Club of Corpus Christi and the Corpus Christi Branch of the American Society of Civil Engineers, six years as a member of the board of the Flour Bluff Independent School District, three years on the Board of Directors of the CHRISTUS Spohn Health System, and chairman of the American Association of Port Authorities Professional Port Manager Committee; and

WHEREAS, Frank Brogan in 2003 achieved the designation of Professional Port Manager from the American Association of Port Authorities, the forty-seventh person to receive this national designation; and

WHEREAS, Frank Brogan is now responsible for the Operations, Engineering, Finance, Information Technology, Business Development, Human Resources, and Police Departments; and

WHEREAS, Frank Brogan has been instrumental in the long-awaited diversification of the Port's businesses and significant growth in infrastructure and personnel at the Port and has overseen numerous projects that have changed the face of the Port and how it operates including completion of the deepening of the Ship Channel from -40 feet to -45 feet and obtaining federal authorization to deepen the channel to -52 feet; the construction of the Joe Fulton International Trade Corridor; the removal of the Tule Lake Lift Bridge, literally pressing the button to ignite the demolition charges; the purchase and initial development of the La Quinta Trade Gateway

property and the relocation of Gulf Compress to that site, which made room for the construction of Whataburger Field; the extension of the La Quinta Ship Channel; the relocation of the Harbor Master's office to the Annex Building and implementation of the Vessel Traffic Information System; construction of Cargo Dock 8; expansion and upgrades at Cargo Docks 9 and 14, the Southside and Northside Storage Yards, which provided the space needed to handle new wind turbine cargoes, and upgrades of the breasting structures at Oil Docks 1, 4, 8 and 11 to accommodate growth of the Port's refineries; the construction of a loop rail track at the Bulk Terminal, a conveyor system at Bulk Dock 2, and an LMSR layberth at the future Bulk Dock 3; the construction of the Solomon P. Ortiz International Center and the Jimmy Storm Pavilion; the negotiation of easements and construction of the Mary Rhodes Water Pipeline, a 102-mile-long water supply system for the Coastal Bend; the negotiation of a long-term lease of the Port's grain elevator to ADM; the construction of the first phase of the Nueces River Rail Yard and design of major rail expansion at the Port; the sale of Naval Station Ingleside; the negotiation long-term lease agreements with companies willing to make major capital investments on Port property, including NuStar Logistics, Martin Midstream Partners, voestalpine Texas Holding, M&G Resins USA, to name just a few; \$70 million in federally funded security projects around the Port since 9/11; the reorganization plan for the future direction of the Port; and the design of a new Harbor Bridge with 205 feet of vertical clearance over the Corpus Christi Ship Channel.

NOW THEREFORE BE IT RESOLVED that the Port Commission of the Port of Corpus Christi Authority, for itself and on behalf of Port staff and the Port community as a whole, expresses its sincere gratitude and appreciation for the years of innovative service that Frank Brogan has given to the Port of Corpus Christi and the citizens of the Coastal Bend; and

BE IT FURTHER RESOLVED that the Port Commission and the Port of Corpus Christi will be forever grateful to Frank Brogan for the incredible improvements to the Port of Corpus Christi that were made during his tenure and which came to fruition in large part due to his unwavering persistence, remarkable skills in leadership and negotiation, and talent in design and construction, all of which are unsurpassed; and

BE IT FURTHER RESOLVED that this resolution be made a part of the permanent minutes of this Port Commission and that a signed original of this Resolution be furnished to Frank, his devoted wife, Deedie, and accomplished daughter, Sarah.

After reading of the Resolution by the Port Commission, Mr. Brogan made the following comments.

Madame Chair, Commissioners, thank you for your kind words. The outpouring of appreciation and support that I have received from you, Port staff and my many friends have been overwhelming. It has been an honor and a privilege to work for this Port.

It has been said that "If you find a job that you love, you will never have to work a day in your life". If that is true, I would say that I have only had to work a couple of years here at the Port. I have been very fortunate to find a job that I loved.

I have had a great career here at the Port. It has been my home and the employees have been my family for over 27 years. I have had the opportunity to plan and execute some major projects that have put the Port in a position to compete effectively and grow for many years to come.

As I look back on my time here at the Port, two projects stand out most in my mind. The Fulton Corridor and the Mary Rhodes Pipeline. When we started those projects, many in the community questioned the need for these two projects.

There were critics that said the Fulton Corridor was a “road to nowhere, that it could never be built because of the soft soils and that no one would ever use it”. They were proven wrong.

When the community was faced with a record drought in the early 1990s, there were plenty of people who criticized the idea of building a 101 mile long pipeline to Lake Texana. They said it wasn’t needed and that it would rain. Some said we shouldn’t build it because the community should not grow. They said it could not be built for the proposed \$125 million budget and could not be built within the proposed two year time frame. They said we would never get one drop of water from that muddy lake. They were proven wrong.

I point this out, not to blow my own horn, but to remind you, that there is still much hard work to be done. You must invest for the long term growth of the Port and the community and not be held back by those that only want to focus on today’s needs and the past.

With the new strategic plan and organizational study, the Port Commission and staff have a road map, or nautical chart to the future. You hold the compass in your hands and your hand is on the helm. I hope that you will continue to focus on the long term growth of the Port and make the tough decisions that are necessary.

I do want to take this opportunity to thank the employees at the Port. They have been my “work family” for these last 27 years. Time doesn’t allow me the chance to thank all of them today, but there are two that I must recognize because they have been with me the entire time. In fact I brought them with me to the Port from Maverick Engineering. Peggy Mettlen and Ralph Mendez, would you please stand? As you know Peggy, has been my trusted assistant throughout my entire career. She has done so much for me that I could not begin to adequately thank her. Ralph has been one of those employees most never see, but he has played a key role here at the Port. He is our Chief Draftsman and the keeper of all of our maps and records. If you want a drawing, map or other information on our facilities, you go see Ralph. We have many terrific employees here at the Port. I hope that you will take good care of them in the future.

Again, thank you for the chance to serve our community.

VIII.

The Chair asked for comments from the public. Comments were received by Mr. Mauricio Suarez, Port of Santa Marta, Colombia.

IX.

On motion made by Mr. Jones and seconded by Mr. Zahn, the Commission elected Richard Bowers to fill the vacancy on the Board of Directors of the Industrial Development Corporation of Port of Corpus Christi. Mr. Bowers' term as an IDC director will end April 12, 2016 or when his successor is elected.

X.

On motion made by Mr. Zahn and seconded by Mr. Engel, the Commission approved an amendment to the Operating Rules of the Port Commission which would change the date of the Commission's regular monthly meetings from the second Tuesday of each month to the third Tuesday of each month. This change would become effective beginning with the February 2015 meeting. Mr. Jones was not present for this vote or the remainder of the meeting.

The Commission meeting was recessed at 9:42 a.m. to conduct the Pilot Board meeting. The meeting of the Port Commission reconvened at 9:54 a.m., at the conclusion of the Pilot Board meeting.

XI.

The Commission received a Windstorm Insurance Reform update from Mr. Zahn.

XII.

The Commission received a Security Committee report.

XIII.

The Commission received a report from Frank Brogan, the Port's Managing Director, regarding water.

XIV.

On motion made by Mr. Engel and seconded by Mr. Bowers, the Commission approved a professional services contract with Boyden Global Executive Search, in the form presented to the meeting, for assistance in filling the positions of Deputy Executive Director and Director of Development. Mr. Valls and Ms. Canales voted against the motion.

XV.

On motion made by Mr. Zahn and seconded by Ms. Canales, the Commission approved changes to Item 285, "Assignment of Berth and Conditions of Assignment," and Item 300, "Dockage Charges," in the PCCA's Tariff 100-A. These changes are attached to the minutes of this meeting.

XVI.

On motion made by Mr. Engel and seconded by Mr. Bowers, the Commission approved, in the form presented to the meeting, the proposal from Leigh | Fisher to facilitate the preparations of action plans in support of the strategic goals and objectives included in PCCA's Strategic Plan. The cost of these services is not to exceed \$85,000, excluding direct costs, travel and subsistence.

XVII.

On motion made by Mr. Valls and seconded by Mr. Bowers, the Commission approved, in the form presented to the meeting, a consulting agreement with Stroot Rail Consulting, in an amount not to exceed \$30,000, to assist in the implementation of PCCA's Strategic Plan.

XVIII.

On motion made by Mr. Zahn and seconded by Mr. Bowers, the Commission approved, in the form presented to the meeting, a consulting agreement with The Rodman Company, in an amount not to exceed \$30,000, to assist in the implementation of PCCA's Strategic Plan.

XIX.

On motion made by Mr. Valls and seconded by Ms. Canales, the Commission approved the following resolution:

**RESOLUTION AUTHORIZING THE
PORT OF CORPUS CHRISTI AUTHORITY
TO JOIN IN THE EXECUTION OF
TAX ABATEMENT AGREEMENTS
FOR THE BENEFIT OF
CCI CORPUS CHRISTI, LLC,**

WHEREAS, CCI Corpus Christi, LLC ("*Company*"), and the County of Nueces ("*County*") have executed or are about to execute a tax abatement agreement in the form presented to this meeting ("*County Tax Abatement Agreement*") with respect to the Company's project described in Exhibit B attached to the County Tax Abatement Agreement ("*Project*"); and

WHEREAS, the Project is located on land which the Company is leasing from the Port of Corpus Christi Authority ("*PCCA*"); and

WHEREAS, when a project is constructed by a lessee on leased property, the County's tax abatement guidelines require the landowner to join in the execution of the agreement, even though by doing so the landowner does not become obligated to perform any of the lessee's obligations under the tax agreement abatement; and

WHEREAS, the Company has informed PCCA that it also intends to enter into a tax abatement agreement with Del Mar College ("*Del Mar*") with respect to the Project ("*Del Mar*");

Tax Abatement Agreement”) that will be in substantially the same form as the County Abatement Agreement; and

WHEREAS, when a project is constructed by a lessee on leased property, Del Mar’s tax abatement guidelines also require the landowner to join in the execution of the agreement, even though by doing so the landowner does not become obligated to perform any of the lessee’s obligations under the tax agreement abatement; and

WHEREAS, the Company has asked PCCA to execute the County Tax Abatement Agreement and the Del Mar Tax Abatement Agreement since the Project will be located on land which the Company is leasing from PCCA;

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Corpus Christi Authority that PCCA’s Executive Director be, and he hereby is, authorized and directed, for and on behalf of PCCA, to join in the execution of the County Tax Abatement Agreement and the Del Mar Tax Abatement Agreement, subject to the conditions and stipulations stated in the paragraph of the Agreement under the heading *Joinder by Landowner*.

XX.

On motion made by Mr. Engel and seconded by Mr. Valls, the Commission approved, in the form presented to the meeting, the first reading of a franchise granting Plains Terminals Corpus Christi, LLC, the right to cross the south bulkhead line of the Tule Lake Channel from 12.1 acres of land adjacent to the channel, which is more particularly described in Exhibit B attached to the franchise, and related rights.

XXI.

Items **A, G, I, and L** were removed from the Consent Agenda to be acted upon separately and Item B was removed from the Consent Agenda to be acted on at later date. Then, on motion made by Mr. Valls and seconded by Ms. Canales, Items **C, D, E, F, H, J, and K** on the Consent Agenda were approved by one vote, in accordance with the respective staff recommendations furnished to the Commission at the meeting. These items were as follows

- C.** Approve a natural gas Pipeline Easement with City of Corpus Christi to serve the emergency generator to be provided under Security Grant 13 emergency power project.
- D.** Approve an amendment to Pipeline Easement with Oxy Ingleside Energy Center, LLC, for four pipelines to be located near Good Hope Dredge Material Placement Area.
- E.** Approve Farm and Pasture Lease with Rachal Farms for approximately 115 acres on PCCA’s La Quinta property.
- F.** Approve Surface Site and Access Easement Agreement with Ingleside Dock and Fuel Inc. for the installation and maintenance of camera equipment for

security surveillance of reaches of the Gulf Intracoastal Waterway and the Corpus Christi Ship Channel.

- H.** Approve a contract to Division 16 Construction Corporation, the lowest and best bidder based on bids received on November 25, 2014, for the Security Grant 13 emergency power project.
- J.** Approve Service Order with Apex TITAN Inc., a subsidiary of Apex Companies, LLC, under its professional services master agreement, for additional environmental services associated with investigation and assessment of PCCA property near the south side of the channel and Navigation Boulevard.
- K.** Approve professional services purchase order with Sage Environmental Consulting, L.P., for environmental services supporting air permitting at the Bulk Terminal.

After discussing Item A on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, a purchase order with EAI Inc. to perform a study of the Crude Production Forecast for the Coastal Bend.

After discussing Item G on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, a service order with Freese and Nichols Inc., under its professional services master agreement, for engineering services associated with development of approximately 18 acres of storage yard on the north side of the Inner Harbor.

After discussing Item I on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, an additional professional services purchase order with AG/CM Inc. to provide inspection and construction contract administrative services associated with the Nueces River Rail Yard Phase I project.

After discussing Item L on the Consent Agenda, upon motion duly made and seconded, the Commission approved, in accordance with staff's recommendation presented to the meeting, an amendment to the retention agreement with Connelly Baker Wotring, LLP, for legal work associated with air permitting at the Bulk Terminal.

XXII.

The Executive Director reported on the following during his report: Updates on Refrigerated Warehouse bids; Harbor Island cleanup; ship channel dredging project; 2015 Austin events; TPA reception; San Patricio Economic Development Corp reception; and CEO selection for CCREDC. Congratulated staff member, Angela Leyva for passing her safety certification and introduced new staff members Samuel Esquivel, Eduardo Ochoa and Natasha Fudge.

XXIII.

Chair Hawley appointed David Engel to serve as PCCA's representative to the board of the Corpus Christi Regional Economic Development Corp.

XXIV.

Chair Hawley asked for comments from Commissioners.

At 10:49 a.m. Chair Hawley announced that the Commission would go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate agenda items 25 and 26.

At 12:02 p.m. the Commission reconvened into open session.

XXV.

This item was for executive session only: To deliberate leasing PCCA property on the north side of the Corpus Christi Ship Channel in the Inner Harbor and offering financial or other incentives to business prospects that PCCA seeks to have locate on this property and with which PCCA is conducting economic development negotiations.

XXVI.

This item was for executive session only: To deliberate purchasing property on the north side of the Inner Harbor.

XXVII.

There being no further business, the meeting adjourned at 12:02 p.m.

ATTACHMENT

Item 285

ASSIGNMENT OF BERTH AND CONDITIONS OF ASSIGNMENT

Vessel owners or their agents desiring a berth for vessels of any kind at any Authority Terminal Facility must as far in advance as possible of the date of docking, make application in writing for same to the Harbormaster on a form prescribed by the Authority specifying the date of docking, sailing and the nature and quantity of cargo to be handled. Qualified Barge Tows (see Note 1) will be classified as ships for purposes of berth assignments.

Assignment of berth to vessels will be on first-come first-served basis. The Harbormaster maintains a record of arrival times for all vessels, which is used for berth assignments. Arrival time for ships and ocean barges will be at the time of anchorage on the bar or at the time a vessel crosses the bar and declares to be ready in all respects to commence operations. Arrival time for Qualified Barge Tows and other inland waterway barges to queue for Port public docks will commence upon arrival at mile marker 512 of the Gulf Intracoastal Waterway (GIWW).

To expedite the handling of vessels (See Note 1) and avoid congestion when there are more vessels to be assigned to specific berths than can be accommodated at one time, vessels already in berth may be ordered by the Harbormaster to work continuously at their own expense. A vessel refusing or unable to work continuously may be ordered to vacate its berth by the Harbormaster, regardless of the reason for the vessel's refusal or inability to work continuously, including circumstances which are beyond its control. Failure of a vessel to vacate its berth when ordered to do so shall subject the vessel owners or their agents to payment of an additional dockage charge at the rate of one thousand dollars (\$1,000.00) per vessel per hour or fraction thereof. Assessment of this additional dockage charge shall not affect the right of the Port Authority to effect removal of such vessels at the cost, risk and expense of the vessel owners or their agents. **When a vessel refuses to vacate its berth when ordered to do so under the provisions of this item, its owners or their agents, individually and collectively, will indemnify and hold harmless the Port Authority against all claims by incoming vessels assigned to the same berth for delay caused by failure of the vessel to vacate the berth.**

An inland waterway barge or barges (see note 1) assigned to occupy a berth for loading or unloading will have the right to finish loading or unloading. However, if ordered by the Harbormaster to work continuously and to vacate the berth when loading or unloading is finished such barge or barges will be subject to the additional dockage and other provisions of stated in the preceding paragraph of this Item.

Ships, ocean barges and ~~inland waterway barge tows of not less than four barges~~ and Qualified Barge Tows have preference at all Port Authority berths over tows of less than four inland waterway barges.

Vessels awaiting berth will load or unload in turn. Port Authority management has the right to change the turn of vessels when confronted with congestion, the urgent need to load or unload a particular cargo, or to otherwise facilitate operations. The Port Authority is not responsible for delays to vessels at or seeking berths regardless of the cause of such delay.

NOTE 1: *For the purpose of applying the provisions of this item, ~~inland waterway barge tows of not less than four barges~~. Qualified Barge Tows will be treated the same as ships and ocean barges for berth turn. A "Qualified Barge Tow" means (1) an inland waterway barge tow of not less than four barges which gives its written notice of arrival requesting to be classified as such to the Harbormaster's Office as far in advance as possible prior to its arrival at Mile Marker 512 of the Gulf Intracoastal Waterway (GIWW); (2) enters the Inner Harbor as a unit and remains a unit in the Inner Harbor until all of its cargo operations are completed; (3) hires a tug that will remain with the barges throughout dock occupancy in the Inner Harbor to conduct barge shifting; (4) pays Dockage per Item 300 D.*

ATTACHMENT

Tariff 100-A Section Three

<u>Dockage Charges</u>	<u>300</u>	12 th Revision	Jan 1, 2014 (A)
<u>Harbor Safety Fee</u>	<u>301</u>	4 th Revision	Jan 1, 2014 (R)

Section Three

DOCKAGE CHARGES

ITEM 300

DOCKAGE CHARGES

Dockage charges apply to vessels moored to any Port Authority Terminal Facility property or moored to vessels so berthed, except the Bulk Terminal.

UNLESS OTHERWISE PROVIDED DOCKAGE RATES AND MINIMUM CHARGES COMPUTED PER 24-HOUR PERIOD OR FRACTION THEREOF.

PART ONE – SELF-PROPELLED VESSELS AND SEA GOING BARGES

- A. DOCKAGE FOR SELF-PROPELLED VESSELS, SEA GOING DRY CARGO BARGES, SEA GOING TANK BARGES OVER 360 FEET LOA, INTEGRATED TUG BARGES (ITB), AND ARTICULATED TUG BARGES (ATB) WILL BE CHARGED ON VESSEL'S LENGTH OVERALL (LOA) AS SHOWN IN LLOYDS REGISTER OF SHIPS AT THE FOLLOWING RATES. DOCKAGE FOR ITB AND ATB VESSELS WILL BE INCLUSIVE OF THE TUG.

LOA IN FEET	DOCKAGE RATE PER FOOT (R)
0 – 199	\$2.67
200 – 399	\$3.51
400 – 499	\$4.95
500 – 599	\$6.66
600 – 699	\$7.63
700 – 799	\$9.83
800 – 899	\$11.84
900 & OVER	\$14.14
LOA IN METERS	DOCKAGE RATE

ATTACHMENT

	PER METER (R)
0 – 60.65	\$8.75
60.96 – 121.61	\$11.49
121.92 – 152.09	\$16.25
152.4 – 182.57	\$21.84
182.88 – 213.05	\$25.00
213.36 – 243.53	\$32.23
243.84 – 270.02	\$38.80
274.32 & OVER	\$46.41

Due to differences in rounding between feet and meters, dockage will be calculated and charged on the basis of feet.

- B. Dockage for non self-propelled Inland Waterway Dry Cargo Barges: \$150.00 per 24-hour period or fraction thereof. **See Notes 1 and 2 (A) 1-1-14**
- C. Dockage for Ocean Going and Inland Waterway Tank Barges 360 ft or less LOA will be charged the following rates per function per 24-hour period or fraction thereof. **See Notes 1 and 2 (A) 1-1-2014**

Loading, Unloading, Standby	
max 200' LOA	\$150.00
>200'- 360' LOA	\$225.00
>360' LOA	per LOA dockage table (A)

- D. Dockage for Qualified Barge Tows (see Item 285, Note 1): \$2,250 per 24-hour period or fraction thereof.

PART TWO (D)

Provisions Deleted

PART THREE – MOORING OF DRILLING RIGS AND RELATED OFFSHORE EQUIPMENT

Dockage rates for mooring drilling rigs and related offshore equipment will be quoted on request.

PART FOUR – CRUISE AND RELATED VESSELS (D)

Provisions Deleted

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
JANUARY 27, 2015**

The Port Commissioners of the Port of Corpus Christi Authority convened at the Ruben Bonilla Center for Global Trade, located at 222 Power Street, Corpus Christi, Texas, on Tuesday, January 27, 2015, at 8:15 a.m., for a special called meeting of the Port Commission.

Present: Ms. Judy Hawley
Mr. Charles Zahn
Ms. Barbara Canales
Mr. David P. Engel
Mr. Richard Valls
Mr. Richard L. Bowers
Mr. Wayne Squires

Present: Mr. John P. LaRue
Mr. Frank Brogan
Ms. Patricia Cardenas
Mr. Dennis DeVries
Mr. David Krams
Mr. Ruben Medina
Ms. Sandra Terrell-Davis
Ms. Nelda Olivo
Mr. Tom Mylett
Ms. Sherry DuBois
Ms. Sarah Garza
Ms. Maggie Turner
Ms. Peggy Mettlen

Others Present: Mr. Leo J. Welder, Jr.

Others Present: Mr. Richard Batty
Mr. Nick Davidson
Leigh Fisher
Mr. Doug Smith
Descon
Mr. Jim Shiner
Shiner Consulting
Mr. Roger TenNapel
Flint Hills
Mr. Richard Stroot
Stroot Consulting
Mr. Don Rodman
Rodman Consulting
Ms. Lillian Riojas
Valero

Ms. Nancy Zuniga
MDR
Mr. Dane Bruin
Welder Leshin

I.

Chair Hawley called the meeting to order and asked for Conflict of Interest Affidavits. None were submitted.

II.

Chair Hawley asked for comments from the public. None were received.

III.

Nueces County Judge Loyd Neal administered the Oath of Office of Port Commissioner to Wayne Squires.

IV.

On motion made by Mr. Bowers and seconded by Mr. Valls, the Commission accepted the bid from Texas Descon, LLP, representing the Port of Santa Marta, in the amount of \$410,000, the highest and best bid based on bids received on January 13, 2015, for the purchase of PCCA's Refrigerated Warehouse Facility, Furniture, Fixtures and Equipment at Cargo Dock 10 and authorized the Executive Director to execute the of a Bill of Sale and Indemnity Agreement for this personal property.

V.

On motion made by Mr. Bowers and seconded by Mr. Engel, the Commission approved Additive Bid Item 1, for an additional \$625,000 to a previously awarded contract with Russell Marine, LLC, to provide the hose tower foundation and platform for construction of Public Oil Dock 14 along with the associated Change Order.

VI.

On motion made by Mr. Bowers and seconded by Mr. Valls, the Commission approved, in the form presented to the meeting, the Second Reading of a Franchise granting Plains Terminals Corpus Christi, LLC, the right to cross the south bulkhead line of the Tule Lake Channel from 12.1 acres land adjacent to the channel, which is more particularly described in Exhibit B attached to the Franchise, and related rights.

VII.

On motion made by Mr. Engel and seconded by Mr. Bowers, the Commission approved an amendment to an existing contract with Grande Truck Center to decrease the trade-in value of a 1996 Ford F-700 winch truck currently owned by PCCA by \$3,500 due to major mechanical failures, increasing the total contract price of a new winch truck from \$83,863 to \$85,363.

VIII.

At 8:21 a.m. Chair Hawley announced that the Commission would begin its Workshop session to discuss the Commission's governance practices, the Commission's policymaking responsibilities, the management responsibilities of the Executive Director, the Commission's Operating Rules, compliance with open meetings and open records laws, lobbying by vendors, and related matters.

Nick Davidson and Richard Batty, with Leigh | Fisher, made a presentation to the Commission entitled "The Role of the Commission." At the conclusion of the presentation and related discussion, Chair Hawley asked Mr. Welder to prepare a resolution for the Commission to consider at its next meeting approving the "The Role of the Commission" in the form presented to the meeting and calling for annual workshops to review "The Role of the Commission" and related matters.

The Commission and Mr. Welder then engaged in a question and answer session on various items in the Commission's Operating Rules, the Texas Open Meetings Act, the Texas Public Information Act, records retention and lobbying by PCCA's vendors while an RFP is outstanding. At the end of this portion of the workshop, Chair Hawley asked Mr. Welder to include something in the resolution about reviewing these matters annually at the Commission governance workshop.

At 10:21 a.m., Chairman Hawley announced that the Commission would go into executive session pursuant to §551.072 of the Texas Government Code to deliberate agenda item 9.

At 11:25 a.m. the Commission reconvened into open session.

IX.

This item was for executive session only: To deliberate leasing property on the north side of the Inner Harbor.

X.

There being no further business, the meeting adjourned at 11:25 a.m.

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
FEBRUARY 9, 2015**

The Port Commissioners of the Port of Corpus Christi Authority convened at the Ruben Bonilla Center for Global Trade, located at 222 Power Street, Corpus Christi, Texas, on Monday, February 9, 2015, at 9:00 a.m., for a special called meeting of the Port Commission.

Present: Ms. Judy Hawley
Mr. Charles Zahn
Ms. Barbara Canales
Mr. David P. Engel
Mr. Richard Valls
Mr. Richard L. Bowers
Mr. Wayne Squires

Present: Mr. John P. LaRue
Mr. Tony Alejandro
Ms. Patricia Cardenas
Mr. Dennis DeVries
Mr. David Krams
Mr. Ruben Medina
Ms. Sandra Terrell-Davis
Ms. Nelda Olivo
Mr. Tom Mylett
Mr. John Pasch
Ms. Sherry DuBois
Mr. Eddie Martinez
Ms. Maggie Turner
Mr. Jesse Samu
Ms. Peggy Mettlen

Others Present: Mr. Leo J. Welder, Jr.
Mr. Dane Bruun

Others Present: Mr. Richard Stroot
Stroot Consulting
Mr. Joe Leto
Mr. Paul Ralniak
EAI, Inc.
Mr. Chris Ramirez
Caller-Times
Mr. Bob Paulison
Port Industries
Mr. Terry Arnold
Mr. Mark Trexler
Mr. Ram Khatti

Mr. Chris Vratil
NuStar

I.

Chair Hawley called the meeting to order.

II.

Chair Hawley asked for comments from the public. None were received.

III.

The Commission received a report from EAI, Inc. on crude oil imports/exports.

IV.

There being no further business, the meeting adjourned at 11:03 a.m.

AGENDA ITEM NO. 03

No Attachment

AGENDA ITEM NO. 04

No Attachment

AGENDA ITEM NO. 05

No Attachment

DATE: February 17, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 6

Approve a Resolution of Appreciation for Commissioner Al Jones

WHEREAS, Al Jones was born in Austin, Texas, and attended the University of Texas at Austin; and

WHEREAS, Al Jones is a lifelong resident of Texas and has resided in Corpus Christi for over 40 years; and

WHEREAS, Al Jones is currently Chairman and Chief Executive Officer of American Bank, N.A., and is President of American Bank Holding Corporation; and

WHEREAS, Al Jones is currently serving on many boards, commissions and associations almost too numerous to list but include Chair of the Corpus Christi Regional Economic Development Council, Past Chair and Board of Directors of the Texas A&M University Corpus Christi Foundation, the Governor’s Business Council for the State of Texas, the Executive Committee of the University of Texas Chancellors Council, the Board of Directors of Texas Exes, the Business Advisory Council for Texas A&M-Corpus Christi College of Business, Director and Past Chair of the Independent Bankers Association of Texas, Secretary/Treasurer of FutureBridge, Director of Spohn Investment Corporation, Director of the Sub-S Bank Association, member of the Board of Directors of the Federal Reserve Bank of Dallas – San Antonio Branch; and

WHEREAS, Al Jones previously served as Chair of the Board of Directors of CHRISTUS Spohn Health System, Director and Past Chair of the GCCBA Economic Development Council; Director of TexasOne; Chairman of IBAT Services; Chairman of the Board of Governors of the Art Museum of South Texas; Co-Chairman of the Art Museum of South Texas Capital Campaign; Chairman of the Corpus Christi Regional Economic Development Council; Chairman of the Texas State Aquarium Capital Committee; Chairman of the Chamber of Commerce Foundation; Chairman of the Corpus Christi Area Convention and Visitor’s Bureau; Director of the Texas Lyceum Association; Chairman of the Community Progress Partnership; Director and Vice President of the YMCA; Director of 4UCC; member of CC’90 and the Committee of 16; graduated from Leadership Corpus Christi Class VI; General Chair for Leadership Corpus Christi Class IX and served on the advisory committee for Leadership Corpus Christi Classes XX, XXI, and XXII; Director of the U.S.S. Lexington Museum on the Bay; Advisory Board for the South Texas Public Broadcasting; Advisory Board

for the Junior League; Co-Chairman of the Corpus Christi Y2K Task Force; and Director of the Economic Development Corporation Texas; and

WHEREAS, Al Jones has received a number of awards including the 1993 Outstanding Leadership Award from the Leadership Corpus Christi Alumni Association, the 1995 Henry B. Baldwin Award from the Greater Corpus Christi Business Alliance, was a Texas A&M University Corpus Christi College of Business Kirkland Distinguished Visitor in 2000, voted into the Jr. Achievement Business Hall of Fame by the Junior Achievement of South Texas in 2008, and the 2011 Brad Lomax Spirit of Hospitality Award from the Corpus Christi Convention and Visitor's Bureau.

NOW THEREFORE BE IT RESOLVED that the Port Commission of the Port of Corpus Christi Authority expresses its sincere gratitude for the years of service that Al Jones has given to the Port of Corpus Christi, the Coastal Bend, and the citizens of this community as well as its thanks for all of his years of service in this community; and

BE IT FURTHER RESOLVED that this resolution be made a part of the permanent minutes of this Port Commission and that a signed original of this Resolution be furnished to Al Jones and his loving wife, Janet.

May God bless and keep you all the days of your life.

LEAD CONTACT: John LaRue; 885-6189; john@pocca.com

DATE: February 17, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 7

**Adopt a Resolution Regarding the Role of the Port Commission
& Related Matters**

**RESOLUTION RELATED TO GOVERNANCE OF PORT COMMISSION OF THE
PORT OF CORPUS CHRISTI AUTHORITY**

WHEREAS, on January 27, 2015, the Port Commission (“Commission”) of the Port of Corpus Christi Authority (“PCCA”) met in Special Session at the Ruben Bonilla Center for Global Trade, located at 222 Power Street, Corpus Christi, Texas; and

WHEREAS, Agenda Item No. 8 included a workshop (“workshop”) to discuss the Commission’s governance practices, the Commission’s policymaking responsibilities, the management responsibilities of the Executive Director, the Commission Operating Rules, compliance with open meetings and open records laws, lobbying by vendors, and related matters; and

WHEREAS, the workshop included a presentation by Leigh | Fisher entitled “The Role of the Commission;” and

WHEREAS, the Commission agreed to adopt generally the recommendations and rationales contained in “The Role of the Commission” and to review the presentation, or an updated version, at future governance workshops;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY AS FOLLOWS:

Section 1. The Commission hereby approves and adopts the “The Role of the Commission,” including the recommendations and rationales contained therein, in the form presented at the January 27, 2015, Special Session, and attached hereto as “Exhibit A.”

Section 2. The Commission will conduct governance workshops annually to review “The Role of the Commission,” or an updated version of it, as well as other matters pertaining to the Commission’s operations, including without limitation the Commission’s Operating Rules and open meetings and open records laws.

Section 3. This resolution is adopted by the Commission this 17th day of February, 2015.

LEAD CONTACT: John LaRue; 885-6189; john@pocca.com

Possible Changes to the Operating Rules

**OPERATING RULES OF THE PORT COMMISSION OF THE
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**

Section 1. Officers; Terms of Office.

The officers of the Port Commission ~~of the Port of Corpus Christi Authority of Nueces County, Texas ("PCCA")~~ are Chair, Vice Chair and Secretary. The officers of the Port Commission will be elected ~~by the Port Commission each calendar year for a one (1) year term~~ at the ~~regular~~ first meeting of the Port Commission held ~~during such calendar in January of each year;~~ a ~~A~~ vacancy in any office will be filled by a vote of the Port Commission. Election of officers and filling of vacancies will be by a vote of a majority of the Port Commissioners then serving. Each officer shall hold office until his or her successor has been elected, or until the officer is no longer a Port Commissioner.¹

Section 2. Meetings.

The Port Commission's regular monthly meeting will be on the third Tuesday of each month. The Chair, ~~or the Vice Chair in the absence of the Chair,~~ may change the date of a regular Port Commission meeting for a particular month when circumstances necessitate a change of date.

The Chair, ~~or the Vice Chair in the absence of the Chair,~~ or any four (4) Port Commissioners, may schedule a special meeting ~~or a called meeting~~ or an emergency meeting of the Port Commission by providing the Executive Director with written instructions concerning the date, time, place and ~~agenda~~ primary purpose of the meeting.

The Chair and the Executive Director will establish the agenda for each Port Commission meeting. Any two Port Commissioners may request in writing that a matter be placed on the agenda for a particular Port Commission meeting, and such request will be carried out by the Executive Director.² ~~The Executive Director or person designated by the Executive Director in writing is the person charged with preparation, and posting, of notice of a meeting of the Port Commission.~~³ The Executive Director will send a draft of the agenda for each Port Commission meeting to the Port Commissioners by the close of business on the sixth day before such meeting.⁴

Possible Changes to the Operating Rules

All meetings of the Port Commission shall be conducted in accordance with the statutes and laws of the State of Texas applicable to governmental bodies in Texas, and in particular the Texas Open Meetings Act as codified in Chapter 551, Texas Government Code.

Notice of and the agenda for all regular or specially called meetings of the Port Commission shall be posted ~~at the time provided for in~~ compliance with the Texas Open Meetings Act, and in the manner applicable to a district or political subdivision extending into fewer than four counties.

All materials, including, but not limited to memorandums, agreements, financial information, recommendations and correspondence, provided by ~~the PCCA's staff or professional advisors, including the professional staff, of the Port of Corpus Christi Authority~~ to the members of the Port Commission to be used by the members of the Port Commission in addressing ~~and or~~ taking action on an agenda item ~~placed on an agenda posted as set forth herein~~ at a Port Commission meeting (collectively referred to herein as the "Supporting Materials") shall be provided to the members of the Port Commission ~~at such time as the notice and agenda for the regular or specially called meeting is posted as provided for herein~~ electronically by the close of business on the fifth day prior to the day of the meeting at which the agenda item will be considered (the "Supporting Materials Deadline").⁵

~~In the event materials, including, but not limited to memorandums, agreements, financial information, recommendations and correspondence provided by the staff, including the professional staff, of the Port of Corpus Christi Authority to the members of the Port Commission to be used by the members of the Port Commission in addressing and taking action on an item placed on an agenda posted as set forth herein~~ If the Supporting Materials for a posted agenda item are provided to the members of the Port Commission after the ~~date of the posting of notice of the meeting~~ Supporting Materials Deadline for that agenda item, then, in that event, the agenda item shall be tabled for consideration at a subsequent regular or specially called meeting of the Port Commission.⁶

~~In the event materials, including, but not limited to memorandums, agreements, financial information, recommendations and correspondence provided by the staff, including the professional staff,~~

Possible Changes to the Operating Rules

~~of the Port of Corpus Christi Authority to the members of the Port Commission to be used by the members of the Port Commission in addressing and taking action on an item placed on an agenda posted as set forth herein are~~ Should the Supporting Materials for a properly posted agenda item be provided to the members of the Port Commission after the ~~date of the posting of notice of the meeting~~ Supporting Materials Deadline for that agenda item, ~~and the but PCCA's staff or professional advisors, including professional staff of the Port of Corpus Christi Authority,~~ advises the members of the Port Commission that consideration of the agenda item to be considered is an emergency, or that failure to act on the agenda item at that time will cause material harm to ~~the Port of Corpus Christi Authority~~ PCCA or its customers, then, in that event, with the approval of a at least five members of the Port Commission, the members of the Port Commission may consider and take action on the agenda item.⁷

At or before the commencement of each Port Commission meeting, any Port Commissioner who intends to abstain from participating in the discussion of, and voting on, an Agenda agenda item in accordance with Section ~~H. B. 1.1.04~~ of the Amended and Restated Code of Ethics of Port of Corpus Christi Authority of Nueces County, Texas ("PCCA Code of Ethics"); shall file the required affidavit with ~~the PCCA's~~ official record keeper ~~who shall then at the direction of the presiding officer announce the name or names of each Port Commissioner and each Agenda item or items upon which the Commissioner or Commissioners will abstain⁸,~~ and ~~the Commissioner or Commissioners shall~~ abstain from participating in, or voting on, ~~each~~ such Agenda agenda item.

At any meeting of the Port Commission the presiding officer may permit the public to comment with respect to an Agenda agenda item during its consideration or during the Public Comment section of the Agenda agenda. Comments by the public are encouraged, but will be limited to three (3) minutes per speaker. When there are several persons who wish to speak for or against a matter, the presiding officer may limit the total amount of time allocated to each side and the respective sides will decide who among them will speak.

Possible Changes to the Operating Rules

At each meeting of the Port Commission a staff person designated by the Executive Director will provide ~~near the entrance or entrances to the meeting room~~ a sign-up ~~in~~ sheet ~~near the main entrance to the meeting room~~ for those members of the public wishing to speak at the meeting. Any person wishing to speak at a Port Commission meeting shall write the following information on the sign-up ~~in~~ sheet: his or her name, address and the subject about which the person wishes to speak.

Section 3. Closed Meetings.

Closed meetings of the Port Commission shall be held in accordance with Subchapter ~~E~~ of Chapter 551 of the Texas Government Code, as amended. Closed meetings are confidential and it is the desire of the Port Commission that neither Port Commissioners, staff members nor any other person attending such meetings should reveal to others the nature or content of such meetings.

If a Port Commissioner determines that he or she has a conflict of interest with respect to any matter to be discussed at a closed meeting, the Commissioner shall announce that he or she has a conflict of interest with respect to such matter and shall excuse himself or herself from the meeting while that matter is being discussed.

Section 4. Port Commission Committees.

~~The functions of a standing or special committee of the Port Commission will be established by a majority vote of Port Commissioners attending the meeting at which the committee is established.~~⁹

~~Except as provided in Section 5 hereof, standing and special committees and the Chair of each will, in the case of newly established committees, be appointed by the Chair within thirty (30) days of the establishment of such committee; or, in the case of existing standing or special committees, be appointed in February of each year, following the election of officers of the Commission, by the Chair of the Port Commission.~~¹⁰

~~As of February 12, 2002, the only standing committee of the Port Commission shall be the Audit Committee, and all other standing committees in existence prior to February 12, 2002, are~~

Possible Changes to the Operating Rules

hereby terminated. The Port Commission has two standing committees – the Audit Committee and the Security Committee. The Port Commission may establish additional standing committees from time to time by an amendment to these Operating Rules.¹¹

The functions of the Audit Committee are to review the financial affairs of ~~Port of Corpus Christi Authority of Nueces County, Texas ("PCCA")~~ PCCA, to make recommendations with respect to the selection of ~~the~~ PCCA's auditors, to meet with ~~the~~ PCCA's auditors to review ~~their~~ annual audit report of ~~the~~ PCCA's ~~auditors~~ activities, and to act as a designated investment committee advising the investment officer of PCCA pursuant to ~~Chapter~~ Section 2256.0005(e), Texas Government Code, and ~~the PCCA~~ PCCA's Investment Policy, ~~(revised as of December 3, 1998)~~ as amended from time to time. The Audit Committee shall consist of three ~~(3)~~ Port Commissioners.

The functions of the Security Committee are to periodically review and make recommendations regarding the security of PCCA and the Port of Corpus Christi and to consult with PCCA's Chief of Police on a regular basis concerning these these matters. The Security Committee shall consist of three Port Commissioners.

The Chair may establish or abolish special committees from time to time in the Chair's sole discretion. The Chair will appoint the members and the chairperson of each standing or special committee as soon as practicable after the Chair's election or the establishment of such committee, as the case may be.¹²

The Chair will also appoint PCCA's representatives on the governing boards or committees of any outside organizations to which PCCA has the right to appoint representatives. The Port Commission will elect the directors of PCCA's Industrial Development Corporation in accordance with the bylaws of the corporation.¹³

Section 5. Duties and Authority of Officers.

~~The Chair will establish the agenda for Port Commission meetings, in consultation with the Vice Chair and Secretary, and with the assistance of members of the staff, but without discussing the~~

Possible Changes to the Operating Rules

~~merits of the agenda items. The Executive Director will send a draft of the agenda for each Port Commission meeting to the Port Commissioners by the close of business on the sixth day before such meeting.~~¹⁴The Chair will preside at all meetings of the Port Commission, ~~announce the business before the Port Commission,~~ and decide the order in which ~~it is the agenda items to will~~ be acted upon, ~~state and~~ The Chair will put to a vote all questions which are ~~regularly properly~~ moved or necessarily arise in the course of the proceedings and announce the result of ~~the each~~ vote, ~~and will, unless otherwise directed by the Port Commission, appoint the members of all standing and special committees established from time to time by the Port Commission.~~The Chair will decide all questions of parliamentary procedure, and there is no appeal from the decision of the Chair. Counsel for the Port Commission may advise the Chair on matters of parliamentary procedure. ~~Any two Port Commissioners, including the Chair, may request in writing that a matter be placed on the Port Commission Agenda for a meeting, and such request will be carried out by the Executive Director if it is received by the close of business on the fifth day before such meeting.~~¹⁵

~~The~~ If the office of Chair is vacant, the Vice Chair shall, ~~in the absence of the Chair,~~ perform the duties and have the authority to exercise the powers of the Chair. The Vice Chair will act as the presiding officer of any Port Commission meeting at which the Chair is absent or whenever the Chair chooses not to act as the presiding officer.¹⁶

The Secretary will review and sign the minutes of the meetings of the Port Commission and will, when appropriate, attest the execution of documents by ~~PCCA~~PCCA's officers or the Executive Director ~~when it is necessary to do so.~~

The Chair, Vice Chair, Secretary, or Executive Director may execute agreements and other documents ~~on behalf of~~approved by the Port Commission ~~following approval by the Port Commission of the action provided for in the documents and approval of the documents~~ and approved as to legal form by Counsel for the Port Commission.

Possible Changes to the Operating Rules

Section 6. Quorum; Voting.

Four (4) Port Commissioners constitute a quorum for the purpose of conducting business at any meeting of the Port Commission. The affirmative vote of a majority of the Port Commissioners present and voting at any meeting at which a quorum is present, but not less than the affirmative vote of three Port Commissioners¹⁷; is sufficient for the adoption of any motion or resolution except where a vote of greater than a majority of Port Commissioners present and voting at the meeting is required by law, statute or these rules. Each Port Commissioner present at a meeting shall be entitled to ~~cast a~~-vote on any issue put to a vote of the Port Commission at such meeting, except as provided in ~~(i) the PCCA~~PCCA's Code of Ethics, or ~~(ii)~~ Chapter 171 of the Texas Local Government Code. When a Port Commissioner present at a meeting abstains from voting on a matter taken up by the Port Commission, the record will reflect ~~that~~ the Port Commissioner's abstention ~~in question abstained from voting~~, and ~~in~~ any certifications ~~relative to~~ regarding the voting record on such matter ~~or in any documents to be executed relative to such matter, the certifications or documents~~ shall reflect ~~that~~ the Port Commissioner's abstention ~~abstained~~. If a Port Commissioner is absent from a meeting of the Port Commission, the minutes of the meeting ~~at which action is taken on a matter and documents or certifications are provided relative to such matter, the documents or certifications~~ shall reflect ~~that~~ the Port Commissioner's absence ~~was absent from the meeting at which the matter was acted upon~~.

Section 7. Robert's Rules of Order.

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Port Commission in all cases to which they are applicable and in which they are not inconsistent with any law, statute, or rule of the Port Commission.

Section 8. Contact With Staff.

Except for purposes of inquiry or investigation to obtain factual information, the Port Commissioners will deal with ~~the PCCA~~ PCCA's staff through the Executive Director and shall not give

Possible Changes to the Operating Rules

orders to any members of ~~the PCCA~~ PCCA's staff other than the Executive Director. ~~Willful violation of this operating rule will constitute official misconduct.~~¹⁸

Section 9. Amendments.

These Operating Rules may only be amended by a vote of two-thirds of all Port Commissioners.¹⁹

ADOPTED BY THE PORT COMMISSION the 12th day of February, 2002, as complete amendment and restatement of the prior Operating Rules of the Port Commission, and amended on August 12, 2008, and February 9, 2010, December 11, 2012, and January 13, 2015.

¹ **Reasons for changes** – to make it clear that (1) officers will be elected each calendar year at the first meeting held during that calendar year, (2) an officer must be elected by a majority of the number of Port Commissioners then serving, and (3) an officer will remain in office until his or her successor has been elected or until the officer is no longer a Port Commissioner. **Counsel's commentary:** Port Commissioners are appointed for three-year terms that expire in January, but when in January? Although this is not covered by the Operating Rules, we believe a Port Commissioner's term ends at the beginning of the first Port Commission meeting held in January, if the Commissioner's successor has taken the oath of office prior to the beginning of the meeting. If a Port Commissioner's successor has not taken the oath of office prior to the beginning of the first Port Commission meeting held in January, we believe the Commissioner's term ends when the Commissioner's successor takes the oath of office.

² **Reasons for changes** – these two sentences describe how the agendas for Port Commission meetings are determined; they were moved here from Section 5 of the current Operating Rules because they deal with the subject matter of meetings. The current Operating Rules say the Chair will establish the agenda for each meeting in consultation with the Vice Chair and Secretary and with the assistance of members of the staff, but the practice has been for the Executive Director and Chair to determine the agenda for each meeting. Of course, any two Commissioners can still add matters to an agenda.

³ **Reason for change** – posting notices of meetings is adequately covered in the paragraph after next.

⁴ **Reason for change** – this sentence was moved here from Section 5 because it deals with the subject matter of meetings.

⁵ **Reason for change** – the Port Commission requested that all materials for a Commission meeting be delivered to the Commissioners electronically by the close of business on the fifth day before the day of the Commission meeting.

⁶ **Reason for change** – trying to condense, but not change, the deadline requirements.

⁷ **Reason for change** – See footnote 5.

Possible Changes to the Operating Rules

⁸ **Reasons for changes** – to change the cross reference to PCCA’s current Code of Ethics and to eliminate the requirement that the official record keeper announce at the beginning of each Port Commission meeting which Commissioners will be abstaining from voting at that meeting, because this procedure is rarely followed and is not legally required.

⁹ **Reason for change** – the Port Commission does not follow this procedure and is not legally required to do so.

¹⁰ **Reason for change** – the power of the Chair to appoint the members and chairperson of each standing or special committee has been moved to the second sentence of the next to last paragraph of this Section 4.

¹¹ **Reason for change** – to clarify that the Port Commission has only two standing committees at this time, the Audit Committee and the Security Committee.

¹² **Reasons for changes** – historically, the Chair has established or abolished special committees of the Port Commission as the Chair sees fit, and this change merely recognizes that practice. The power of the Chair to appoint the members and chairperson of each standing or special committee has been moved here from the second paragraph of Section 4 of the current Operating Rules.

¹³ **Reasons for changes** – this paragraph has been added to make it clear that (1) the Chair will appoint PCCA’s representatives to outside boards and committees, and (2) the Port Commission itself will elect the directors of the Industrial Development Corporation of Port of Corpus Christi.

¹⁴ **Reason for change** – see footnote 2.

¹⁵ **Reasons for changes** – see footnote 4.

¹⁶ **Reasons for changes** – to make it clear that the Vice Chair will perform all of the duties of Chair if the office of Chair is vacant, but will only act as the presiding officer of a meeting in the absence of the Chair.

¹⁷ **Reason for change** – to make it clear that no motion or resolution may be adopted by the Port Commission without the approval of at least three Commissioners.

¹⁸ **Reason for change** – it is doubtful that a violation of this rule constitutes official misconduct in the traditional sense and, even if it does, there is no remedy for a violation of this rule. For comparison purposes, a county commissioner can be removed from office for official misconduct. In the case of a county commissioner, “official misconduct” means intentional, unlawful behavior relating to official duties, including an intentional or corrupt failure, refusal, or neglect of a county commissioner to perform a duty imposed on the commissioner by law.

¹⁹ Mr. Bowers suggested that this be changed to a vote of a majority of the Commissioners.

AGENDA ITEM NO. 09

No Attachment

AGENDA ITEM NO. 10

No Attachment

AGENDA ITEM NO. 11

No Attachment

AGENDA ITEM NO. 12

No Attachment

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13

Consider and Possibly Take Action on a Proposed Bill for the 2015 Legislative Session of the Texas Legislature Relating to the Powers and Duties of Navigation Districts

The Port of Houston Authority has been working a bill that would modify the Texas Water Code and the Texas Open Meetings Act in various ways designed to assist navigation districts in carrying out their missions. Attorneys representing some of the members of the Texas Ports Association have also contributed to the bill. A copy of the proposed legislation is attached. Here is a summary of the sections of the bill:

Section 1 would allow port commissions to receive reports from staff and commissioners about items of community interest during a meeting without having given notice of the subject of the reports, as long as no action is taken on the reports.

Section 2 would authorize commissions to consider the following matters in closed session: (i) a bid, proposal, or contract for goods or services under negotiation, if disclosure of the information would have a detrimental effect on the position of the navigation district in negotiations with a third person; or (ii) proposed changes to facilities or services of the navigation district.

Section 3 says that a navigation district, not the port commission, may lease its land for oil and gas exploration. This change appears to be mostly semantical.

Section 4 clarifies that a navigation district may make oil and gas leases under Sections 60.035-60.037 of the Water Code or Chapter 71 of the Natural Resources Code.

Section 5 clarifies that a navigation district may make oil and gas leases under Sections 60.035-60.037 of the Water Code or Chapter 71 of the Natural Resources Code. Section 5 also gives a navigation district the power to impose restrictions on the development, use, and transfer of any land the district sells or exchanges, and authorizes a navigation district to (i) donate, exchange, sell, or lease land to a utility company for a public purpose for less than its fair market value and without complying with the bidding requirements of Water Code; (ii) convey narrow strips of land to abutting property owners on terms and conditions advantageous the district; and (iii) grant easements on district land on terms and conditions advantageous to the district. The section also clarifies that a navigation district may dispose of interests in land under Section 60.038 of the Water Code or Chapter 272 of the Local Government Code.

Section 6 makes various changes to the Sections of Chapter 60 of the Water Coder pertaining to the sale or lease of navigation district land. It authorizes a navigation district to

lease land for not more than 50 years (currently the maximum is 30 years) without bidding. It provides that a navigation district may attempt to negotiate a sale with one or more buyers or a lease with one or more lessees before publishing notice of the sale or lease, and these negotiations will not affect the validity of the sale or lease. It changes the amount of the bid bond (or cashier's check) for a bid to buy navigation district land from 100% of the bid price to 5% of the bid price.

Section 7 authorizes a navigation district to accept a gift, grant, donation, or bequest of money, services, equipment, goods, or other tangible or intangible property from any source for any district purpose.

Section 8 makes the publication requirements for competitive bids and competitive proposals the same in Subchapters M and P of Chapter 60 of the Water Code. It also expressly requires the navigation district state whether a local preference program will apply to a particular bid.

Section 9 authorizes a navigation district to purchase any goods or services the district needs, except construction services, through a request for proposals from as many sources as are readily available. The section authorizes the navigation district or the district's broker to request such proposals and to award the contract to the responsible offeror whose proposal is determined to provide the best value to the district, with or without negotiations with the offerors.

Section 10 requires that an official of the district open all bids and competitive sealed proposals on the date specified in the bid or proposal notice.

Section 11 says that if a navigation district uses unit pricing in its bid or RFP notice, the total contract amount (for comparison purposes) may be based on estimated maximum quantities, but the compensation paid must be based on the actual quantities purchased.

Section 12 authorizes a navigation district to determine that bidders or proposal offerors for contracts for the construction of public works for the district, and otherwise subject to Chapter 2253, Government Code, are not required to furnish bonds in the amounts provided by that article, but in such other amounts as may be required by the district.

Section 13 says that in determining to whom to award a contract, the navigation district may consider a local preference program or other contracting program adopted by the port commission.

Section 14 provides that if a navigation district selects a contractor for construction services through competitive sealed proposals, the district shall do so in either a one-step or two-step process and then goes on to describe the two processes.

Section 15 authorizes a navigation district to grant franchises for not more than 50 years (currently the maximum is 30 years).

Section 16 says that the district treasurer (i.e., the Nueces County Clerk) is not required to sign a check drawn on a depository set up for district revenue other than tax revenue.

Section 17 repeals a banking section of the Water Code not applicable to the Port of Corpus Christi Authority.

Section 18 authorizes a self-liquidating navigation district (e.g., the Port of Brownsville) to grant franchises for not more than 50 years (currently the maximum is 30 years).

LEAD CONTACT: John LaRue; 885-6189; john@pocca.com

By: _____

____.B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of navigation districts, port authorities, and boards of trustees under Chapter 54, Transportation Code.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 551, Government Code, is amended by amending Section 551.0415(a) to read as follows:

Sec. 551.0415. GOVERNING BODY OF MUNICIPALITY, ~~[OR]~~ COUNTY, NAVIGATION DISTRICT, OR BOARD OF TRUSTEES UNDER CHAPTER 54, TRANSPORTATION CODE: REPORTS ABOUT ITEMS OF COMMUNITY INTEREST REGARDING WHICH NO ACTION WILL BE TAKEN. (a) Notwithstanding Sections 551.041 and 551.042, a quorum of the governing body of a municipality, ~~[or]~~ county, navigation district, or a board of trustees under Chapter 54, Transportation Code may receive from staff of the political subdivision and a member of the governing body may make a report about items of community interest during a meeting of the governing body without having given notice of the subject of the report as required by this subchapter if no action is taken and,

except as provided by Section 551.042, possible action is not discussed regarding the information provided in the report.

SECTION 2. Subchapter D, Chapter 551, Government Code, is amended by adding Section 551.091 to read as follows:

Sec. 551.091. DELIBERATION REGARDING CERTAIN NEGOTIATIONS AND PROPOSED CHANGES TO FACILITIES OR SERVICES; CLOSED MEETING.

This chapter does not require a navigation district, port authority, or board of trustees under Chapter 54, Transportation Code, to conduct an open meeting to deliberate about information relating to:

(1) a bid, proposal, or contract for goods or services under negotiation, if disclosure of the information would have a detrimental effect on the position of the navigation district, port authority, or board of trustees in negotiations with a third person; or

(2) proposed changes to facilities or services of the navigation district, port authority, or board of trustees.

SECTION 3. Section 60.034, Water Code, is amended to read as follows:

Sec. 60.034. OIL, GAS, AND MINERAL LEASES. The district [~~commission~~] may lease for oil, gas, and minerals rights-of-way, spoil grounds, spoil basins, or any other land owned by a navigation district if it does not interfere with use of or

obstruct any natural or artificial waterway of the district used for navigation purposes.

SECTION 4. Section 60.035(a), Water Code, is amended to read as follows:

Sec. 60.035. NOTICE OF CERTAIN OIL, GAS, AND MINERAL LEASES [~~LEASE~~]. (a) Before a lease may be entered into by a district [~~executed by the commission~~] under Section 60.034 of this code, the district [~~commission~~] shall have a notice requesting bids on the lease published in a newspaper of general circulation in the district. The notice shall be published at least once a week for two consecutive weeks before the final date for the receipt of bids. Chapter 71 of the Natural Resources Code does not apply to a lease made under this section, if the lease is made in accordance with Sections 60.035-60.037 of this code.

SECTION 5. Section 60.038, Water Code, is amended to read as follows:

Sec. 60.038. DISPOSITION [~~SALE OR LEASE~~] OF INTERESTS IN REAL PROPERTY [~~LAND~~]. (a) A district may sell, exchange, or lease real property or any interest in real property [~~sell or lease all or any part of land~~] owned by it, whether the real property was [~~land is~~] acquired by gift or purchase, in settlement of any litigation, controversy, or claim in behalf of

the district, or in any other manner, except that lands or flats heretofore purchased from the State of Texas under Article 8225, Revised Civil Statutes of Texas, 1925, or granted by the State of Texas in any general or special act, may be sold only to the State of Texas or exchanged with the State of Texas for other lands or exchanged for adjacent littoral land as authorized by Section 61.117 of this code. The district may impose restrictions on the development, use, and transfer of any real property or interest in real property in connection with its sale or exchange under this section.

(b) Except as provided in subsection (d), before [~~Before~~] a district may sell or exchange real property, the commission shall determine by resolution that the land is no longer needed for use by the district in connection with the development of a navigation project.

(c) Except as provided in in subsections (d) and (e), a sale [~~Sale~~] or exchange of real property [~~land~~] shall be made as provided by Sections 60.040-60.042 of this code.

(d) A district may donate, exchange, convey, sell, or lease lands, improvements, easements, or any other interests in real property to a utility, as that term is defined by Utilities Code Sections 31.002 or 51.002, to promote a public purpose related to the development of a district. The district shall

determine the terms and conditions of the transaction so as to effectuate and maintain the public purpose. A district may donate, exchange, convey, sell, or lease a real property interest under this subsection for less than its fair market value and without complying with the notice and bidding requirements of Water Code Sections 60.039-60.042.

(e) Narrow strips of real property resulting from boundary or surveying conflicts or similar causes, or from insubstantial encroachments by abutting real property owners, or real property of larger configuration that has been subject to encroachments by abutting real property owners for more than 25 years may be abandoned, released, exchanged, or transferred to such abutting owners upon terms and conditions deemed appropriate or advantageous to the district. A district may convey real property under this subsection for less than its fair market value and without complying with the notice and bidding requirements of Water Code Sections 60.040-60.042.

(f) A district may grant easements over, on, or under its real property on such terms and conditions as the commission determines to be advantageous to the district.

(g) The authority granted to a district in this section to dispose of interests in real property is in addition to that set forth in Chapter 272, Local Government Code, and a disposition

of an interest in real property under this section is exempt from the notice, bidding, and other requirements in Chapter 272.

SECTION 6. Sections 60.039, 60.040, 60.041, and 60.042(b), Water Code, are amended to read as follows:

Sec. 60.039. CERTAIN SURFACE LEASES [~~LEASE~~]. (a) A district [~~The commission~~] may lease, as lessor, the surface of real property [~~land~~] for not more than 50 [~~30~~] years by the entry of an order on the minutes of the commission and the execution of a lease in the manner provided by the original order. The lease may not be extended beyond the 50 [~~30~~]-year period by renewal, extension, or otherwise until the term of the lease has expired.

(b) The commission or the executive director of the district, or a person authorized by the commission or the executive director, may enter into a lease, as lessor, for the surface of real property for not more than one year. [~~a monthly tenancy or a tenancy from month to month~~]. ~~The lease term may only exceed one year if:~~

(1) ~~the commission enters an order on the minutes;~~

and

(2) ~~the execution of the lease is in the manner provided by the original order for the lease.]~~

Sec. 60.040. PUBLICATION OF NOTICE FOR SALES AND LEASES IN EXCESS OF 50 [~~30~~] YEARS. Except as otherwise provided in Subsections 60.038(d) or (e), before [~~Before~~] making a sale of real property or a lease of real property [~~land~~] for more than 50 [~~30~~] years, the district [~~commission~~] shall publish a notice in the manner provided in Section 60.035 of this subchapter. Prior to publication of the notice, a district may attempt to negotiate a sale with one or more buyers or a lease with one or more lessees, and these negotiations will not affect the validity of the sale or lease.

Sec. 60.041. SECURITY FOR BIDS ON LAND TO BE SOLD OR LEASED FOR MORE THAN 50~~30~~ YEARS. Each bid submitted on real property [~~land~~] to be sold or leased for more than 50 [~~30~~] years pursuant to Section 60.040 shall be accompanied by a certified check, cashier's check, or bidder's bond with a responsible corporate surety authorized to do business in Texas. The check or bond shall be in an amount equal to 5 percent of the bid price for the real property [~~land~~] or 100 percent of the first rental payment under the lease and shall guarantee that the bidder will perform the terms of his bid if it is accepted by the district [~~commission~~].

Sec. 60.042. AWARD AND EXECUTION OF DEED OR LEASE IN EXCESS OF 50~~30~~ YEARS. (a) After notice is published under

Section 60.040 of this code, the district [~~commission~~] may sell or lease pursuant to Section 60.040 all or any part of the real property [~~land~~] to the highest and best bidder for an amount which is not less than the reasonable market value in the locality at the time and place of the sale or lease.

SECTION 7. Section 60.124, Water Code, is amended to read as follows:

Sec. 60.124. GIFTS, GRANTS, AND DONATIONS. A district may accept a gift, grant, donation, or bequest of money, services, equipment, goods, or other tangible or intangible property from any source for any district purpose.

SECTION 8. Sections 60.404(b) and (d), Water Code, are amended to read as follows:

Sec. 60.404. COMPETITIVE BIDDING REQUIREMENTS.

(b) A notice of proposed purchase must be published once a week for two consecutive weeks in a newspaper with general circulation in each county in which the district or port authority is located. [~~The first notice must be published not later than the 14th day before the date the proposals or bids are to be opened.~~] If there is no newspaper of general circulation in a county in which the district or port authority is located, [~~the notice for that county must be given by posting the notice in a prominent place in the courthouse of that county~~

~~for not less than 14 days before the date the proposals or bids are to be opened.]~~ the notice shall be published in a newspaper of general circulation in the county nearest the county seat of the county in which the district is located or the county in which the greatest amount of the district's territory is located.

(d) The specifications must:

(1) describe in detail the item to be acquired;

(2) require that bids be sealed;

(3) require the attachment to the bid of a certified check, cashier's check, or bidders bond, if security is required in connection with the bid; and

(4) indicate whether a small business development program, local preference program, or other contracting program adopted by the port commission of the port authority or district applies to the purchase and, if so, where a copy of the program requirements may be obtained.

SECTION 9. Section 60.405, Water Code, is amended to read as follows:

Sec. 60.405. PROPOSAL PROCEDURES. (a) Items other than construction services valued at more than the amount authorized in Section 60.403(a) for routine purchases or contracts

~~[Insurance or high technology items]~~ may be purchased under the procedure provided by this section.

(b) Quotations shall be solicited by the district or its broker through a request for proposals from as many sources as are reasonably available. The request for proposals must specify the relative importance of price and all other factors of evaluation.

(c) Public notice of the request for proposal must be made in the same manner as provided by Section 60.404 of this code.

(d) The award of the contract shall be made by the port commission in open session to the responsible offerer whose proposal is determined, with or without negotiations, to provide the best value to the district ~~[be the lowest evaluated offer resulting from negotiation]~~ giving consideration to evaluation factors set forth in the request for proposals.

(e) If so provided in the request for proposals, information in proposals may not be disclosed to the public ~~[competing offerers]~~ until the contract is awarded. After a contract is awarded, proposals shall be open for public inspection, except that information contained in a proposal identified as a trade secret or as confidential shall be kept confidential.

(f) A port commission may adopt rules relating to

negotiations to be conducted with responsible offerers submitting proposals. Offerers must be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. Revisions to proposal and contract terms may be permitted after submission of a proposal and before award of the contract.

SECTION 10. Section 60.407(a), Water Code, is amended to read as follows:

Sec. 60.407. OPENING SEALED PROPOSALS AND BIDS. (a) An official of the district or port authority shall open the bids and competitive sealed proposals on the date specified in the notice. If an error is discovered in the original specifications or the nature of the item to be purchased requires an extension, the date may be extended.

SECTION 11. Section 60.409(b), Water Code, is amended to read as follows:

(b) If a district or port authority uses unit pricing in its notice, the information furnished proposers or bidders shall specify the approximate quantities estimated on the best available information, or other quantities reasonably specified to permit comparison of proposals or bids, and the total contract amount may be based on estimated maximum quantities,

but the compensation paid the bidder must be based on the actual quantities purchased.

SECTION 12. Section 60.411(d), Water Code, is amended to read as follows:

Sec. 60.411. BOND REQUIREMENTS. (d) A port authority or district may determine that bidders [~~Bidders~~] or proposal offerers for contracts for the construction of public works for a port authority or district, and otherwise subject to Chapter 2253, Government Code, are not required to furnish bonds in the amounts [~~a bond as~~] provided by that article, but in such other amounts as required by the port authority or district [~~except that a district or port authority may require that the bond be executed with a surety company listed on the United States Department of Treasury List of Approved Sureties~~].

SECTION 13. Section 60.458, Water Code, is amended to read as follows:

Sec. 60.458. PURCHASE CONTRACT AWARD CRITERIA. Except as provided by this subchapter, in determining to whom to award a contract, the district may consider:

- (1) the purchase price;
- (2) the reputation of the vendor and of the vendor's goods or services;
- (3) the quality of the vendor's goods or services;

(4) the extent to which the goods or services meet the district's needs;

(5) the vendor's past relationship with the district;

(6) the impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses, the district's small business development program, local preference program, or other [another] contracting program adopted by the port commission of the port authority or [approved by the] district, if any;

(7) the total long-term cost to the district to acquire the vendor's goods or services; and

(8) any other relevant factor specifically listed in the request for bids or proposals.

SECTION 14. Section 60.463 (d) and (e), Water Code, is amended and adding Subsection (d-1) to read as follows:

Sec. 60.463. SELECTING CONTRACTOR FOR CONSTRUCTION SERVICES THROUGH COMPETITIVE SEALED PROPOSALS.

(d) The district shall select a contractor through competitive sealed proposals in either a one-step or two-step process. The district shall prepare a request for competitive sealed proposals, in the case of a one-step process, or a request for qualifications, in the case of a two-step process, that includes construction documents, selection criteria,

project scope, schedule, the time and place for receipt of proposals or qualifications, as applicable, a statement as to whether the selection process is a one-step or two-step process, and other information that contractors may require to respond to the request. The district shall state in the request for proposals or qualifications, as applicable, the selection criteria that will be used in selecting the successful offeror. If a one-step process is used, the district may request, as part of the offeror's proposal, proposed prices.

(d-1) If a two-step process is used, the district may not request prices in step one. In step two, the district may request that five or fewer offerors, selected solely on the basis of qualifications, provide additional information, including proposed prices.

(e) At each step, the ~~The~~ district shall receive, publicly open, and read aloud the names of the offerors ~~[and, if any lump-sum prices are required to be stated, all such lump-sum prices stated in each proposal]~~. At the appropriate step, the district shall also read aloud the prices, if any, stated in each proposal as the proposal is opened. Not later than the 45th day after the date of opening the proposals, the district shall evaluate and rank each proposal submitted in relation to the published selection criteria.

SECTION 15. Section 61.164(b), Water Code, is amended to read as follows:

Sec. 61.164. FRANCHISES. (b) No franchise shall be granted for longer than 50 [~~30~~] years nor shall a franchise be granted except on the affirmative vote of a majority of the commissioners at three separate meetings of the commission which meetings may not be closer together than one week.

SECTION 16. Section 62.153, Water Code, is amended to read as follows:

Sec. 62.153. DUTIES OF DISTRICT TREASURER. The district treasurer shall:

(1) open an account for all funds received by him for the district and all district funds which he pays out;

(2) pay out money on vouchers signed by the chairman of the commission, any two members of the commission, or the commissioners court, or any two of any number of persons delegated by the commission with authority to sign vouchers, provided that the commission may, in such delegation, limit the authority of such persons and may require that each furnish a fidelity bond in such amount as the commission shall specify and subject to commission approval;

(3) carefully preserve all orders for the payment of money; [~~and~~]

(4) render a correct account to the commissioners court of all matters relating to the financial condition of the district as often as required by the commissioners court[-]; and

(5) not be required to sign a check drawn on a depository selected under Section 62.156 of this code, unless the district treasurer is the designated officer of the district, as defined in Section 60.271(g) of this code.

SECTION 17. Section 62.154, Water Code, is repealed.

SECTION 18. Section 63.178(b), Water Code, is amended to read as follows:

Sec. 63.178. FRANCHISES. (b) A franchise may be granted for a period of not more than 50 [~~30~~] years.

SECTION 19. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 14

**Approve Local Project Advance Funding Agreement with the
State of Texas through the Texas Department of Transportation to
Fund Construction of the New Harbor Bridge**

On May 14, 2013 the Port Commission approved the attached resolution to provide funding in the amount of \$15,000,000 and to dedicate the necessary right-of-way through Port property for the proposed replacement of the U.S. Highway 181 Harbor Bridge.

Development of the new Harbor Bridge project is progressing well with construction anticipated to start in late 2015. Over the past few months, the Texas Department of Transportation (TxDOT) and PCCA staff have negotiated the attached Local Project Advanced Funding Agreement outlining the terms and conditions associated with providing the \$15 million in project funding. This Agreement calls for the PCCA to provide the construction funds in five annual payments of \$3,000,000 each, with the first payment due generally upon approval of the proposed Agreement. Should the new Harbor Bridge not be constructed, TxDOT has agreed to return the funds to the PCCA.

As required by TxDOT, staff recommends approval of the attached additional resolution authorizing the Executive Director to sign the Local Project Advance Funding Agreement with the State of Texas. Staff further recommends approval for the PCCA to pay the \$15,000,000 to the State of Texas in five annual payments of \$3,000,000 each.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

ATTACHMENT

Resolution from May 14, 2013 Port Commission Meeting

DATE: May 14, 2013

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 8

<p style="text-align: center;">PORT OF CORPUS CHRISTI AUTHORITY RESOLUTION TO PROVIDE FUNDING AND RIGHT-OF-WAY FOR THE REPLACEMENT OF THE HARBOR BRIDGE</p>
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WHEREAS, the Texas Department of Transportation, in cooperation with the Federal Highway Administration, proposes to replace the existing Corpus Christi Harbor Bridge and improve the approach roadways along US-181 and SH-286; and

WHEREAS, the Harbor Bridge provides a very important and critical transportation link serving the Port of Corpus Christi Authority, its Industrial Customers and the entire region; and

WHEREAS, the existing Harbor Bridge is a six-lane structure with no shoulders; and

WHEREAS, the proposed project is needed to address several long-term concerns including maintaining the long-term operation of US-181 crossing the Corpus Christi Ship Channel and the elimination of safety risks caused by design deficiencies; and

WHEREAS, the bridge currently restricts movement of maritime vessels to a 138-foot vertical clearance within the Corpus Christi Inner Harbor; and

WHEREAS, the mission of the Port is to serve as a regional economic development catalyst while protecting its existing industrial base and simultaneously working to diversify its international maritime cargo business; and

WHEREAS, a modern, efficient and safe Harbor Bridge will improve the operations of the Port and make it more attractive to new Industry; and

WHEREAS, the Port supports development of multi-modal transportation projects that enhance and facilitate economic development for the benefit of our region; and

WHEREAS, the Port of Corpus Christi Authority (Port) is authorized by law to commit funding and dedicate rights-of-way for future transportation projects that benefit its mission.

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY that the Port of Corpus Christi Authority, in cooperation with the Texas Department of Transportation, the Federal Highway Administration, and the Corpus Christi Metropolitan Planning Organization, will contribute \$15,000,000 in cash toward the replacement of the Harbor Bridge and will provide the necessary rights-of-way over land it owns and controls that may be needed for the construction of the new Harbor Bridge.

LEAD CONTACT: John LaRue; 885-6189; john@pocca.com

**RESOLUTION APPROVING A
LOCAL PROJECT ADVANCE FUNDING AGREEMENT
FOR VOLUNTARY CONTRIBUTIONS TO THE STATE OF TEXAS
FOR THE HARBOR BRIDGE REPLACEMENT PROJECT**

WHEREAS, Chapters 201, 221 and 222 of the Texas Transportation Code authorize the State to lay out, construct, maintain, and operate a system of streets, roads, and highways that comprise the State Highway System; and,

WHEREAS, Texas Government Code Chapter 791 and Texas Transportation Code § 201.209 and Chapter 221 authorize the State to contract with municipalities and political subdivisions; and,

WHEREAS, Texas Transportation Commission Minute Order Number 113853 authorizes the State of Texas to undertake and complete a highway improvement generally described as the design, construction and maintenance of the US 181 Harbor Bridge Replacement Project, which extends north-south along US Highway 181 and the Crosstown Expressway and east-west along I-37 and includes: US Highway 181 at Beach Avenue on the north; Crosstown Expressway at Laredo Street on the south; I-37 and Nueces Bay Boulevard on the west; and I-37 and Mesquite Street on the east side (the “Project”); and,

WHEREAS the Port of Corpus Christi Authority of Nueces County, Texas (“Port Authority”), supports the development of multi-modal transportation projects that enhance and facilitate economic development for the benefit of the region; and,

WHEREAS, the Port Authority supports the State’s project for a new, modern, efficient and safe Harbor Bridge which will improve the operations of the Port of Corpus Christi and make it more attractive to new industry, and the Port Authority has agreed to participate in the Project by funding a portion of the cost of construction of the Project in addition to other considerations; and,

WHEREAS, Authority desires to enter into a Local Project Advance Funding Agreement, copy of which is attached hereto, with the State of Texas, acting by and through the Texas Department of Transportation, for the construction of the US Highway 181 Harbor Bridge Replacement Project.

NOW THEREFORE, BE IT RESOLVED THAT the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, hereby approves the Local Project Advance Funding Agreement for the construction of the US Highway 181 Harbor Bridge Replacement Project, in the form attached to this Resolution; and the Executive Director, of the Port of Corpus Christi Authority, John P. LaRue, is hereby authorized to execute the agreement with any changes he deems appropriate to carry out the purposes of this Resolution.

PASSED by the Port Commission in an open meeting on February 17, 2015.

STATE OF TEXAS §

COUNTY OF TRAVIS §

**LOCAL PROJECT ADVANCE FUNDING AGREEMENT FOR
VOLUNTARY LOCAL GOVERNMENT CONTRIBUTIONS
TO TRANSPORTATION IMPROVEMENT
PROJECTS WITH NO REQUIRED MATCH**

THIS AGREEMENT is made by and between the State of Texas, acting through the Texas Department of Transportation, called the "State", and the Port of Corpus Christi Authority of Nueces County Texas, acting by and through the Port Commission, called the "Port." The State and Port may be referred to herein as "Party" or collectively as the "Parties."

WITNESSETH

WHEREAS, Chapters 201, 221 and 222 of the Texas Transportation Code authorize the State to lay out, construct, maintain, and operate a system of streets, roads, and highways that comprise the State Highway System; and,

WHEREAS, Texas Government Code Chapter 791 and Texas Transportation Code § 201.209 and Chapter 221 authorize the State to contract with municipalities and political subdivisions; and,

WHEREAS, Texas Transportation Commission Minute Order Number 113853 authorizes the State to undertake and complete a highway improvement generally described as the design, construction and maintenance of the US Highway 181 Harbor Bridge Project, which extends north-south along US Highway 181 and the Crosstown Expressway and east-west along I-37 and includes: US Highway 181 at Beach Avenue on the north; Crosstown Expressway at Laredo Street on the south; I-37 and Nueces Bay Boulevard on the west; and I-37 and Mesquite Street on the east side (the "Project"); and,

WHEREAS, the Port supports the development of multi-modal transportation projects that enhance and facilitate economic development for the benefit of the region; and,

WHEREAS, the Port supports the State's project for a new, modern, efficient and safe Harbor Bridge which will improve the operations of the Port and make it more attractive to new industry, and the Port has agreed to participate in said improvements by funding a portion of the cost of construction of the Project in addition to other considerations; and,

WHEREAS, the State and the Port have previously entered into the Master Agreement Governing Local Transportation Project Advance Funding Agreements, effective as of March 12, 2002 (as amended) (the "MAFA"), which contemplates the execution of one or more Local Project Advance Funding Agreements ("LPAFAs") pursuant to and subject to the terms of the MAFA; and,

WHEREAS, this Agreement constitutes an LPAFA (the "Agreement"); and,

WHEREAS, the governing body of the Port has approved entering into this Agreement by resolution dated February 17, 2013, which is attached to and made a part of this Agreement as Attachment "A" for the improvement covered by this Agreement. A map showing the Project location appears in Attachment "B," which is attached to and made a part of this Agreement.

WHEREAS, the State has determined that such participation is in the best interest of the citizens of the State;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, the State and the Port do agree as follows:

AGREEMENT

1. Period of the Agreement

This Agreement becomes effective on the date signed by the last party to execute the Agreement, whose signing makes the Agreement fully executed. This Agreement shall remain in effect until the Project is completed or unless terminated as provided below.

2. Payment of Funds

A. The Port will pay to the State the periodic payments specified in the schedule below:

- \$3,000,000 due by February 28, 2015;
- \$3,000,000 due by January 31, 2016;
- \$3,000,000 due by January 31, 2017;
- \$3,000,000 due by January 31, 2018;
- \$3,000,000 due by January 31, 2019;

B. The total amount paid by the Port under this Agreement will be \$15,000,000 in the amounts and on or before the dates set forth above in Section 2.A. The Port will not be responsible for any overruns or other amounts in excess of \$15,000,000, nor will the Port be responsible for the administration and management of

the planning, design, and construction phases of the Project; nor is it responsible for doing any construction of, or any supervision of construction of the project.

C. Whenever funds are paid by the Port to the State under this Agreement, the Port shall remit a check or warrant made payable to the "Texas Department of Transportation Trust Fund." The check or warrant shall be deposited by the State in an escrow account to be managed by the State. Funds in the escrow account may only be applied to the State Project. The State agrees to use the funds provided hereunder for payment of design, development, construction, environmental, right of way acquisition, utility relocation and adjustment, and/or indirect State costs incurred in connection with the Project.

3. Termination

This Agreement shall remain in effect until the project is completed and accepted by all parties, unless:

A. The Agreement is terminated in writing with the mutual consent of the parties;

B. The Agreement is terminated by one party because of a breach, in which case any cost incurred because of the breach shall be paid by the breaching party; or

C. The Project does not proceed because of insufficient funds or other reason in the discretion of the State.

In the event this Agreement is terminated for reasons other than breach, or the Project is not completed by the State, the State will refund to the Port all payments, that the Port has made under this Agreement.

4. Amendments

Amendments to this Agreement may be enacted through a mutually agreed upon, written amendment.

5. Remedies

This Agreement shall not be considered as specifying the exclusive remedy for any Agreement default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

6. Environmental Assessment and Mitigation

The Port will have no responsibility for environmental assessment and mitigation related to the planning design and/or construction of the Project.

7. Compliance with Texas Accessibility Standards and ADA

The State shall ensure that the plans for, and the construction of, all projects subject to this Agreement are in compliance with the Texas Accessibility Standards (TAS) issued by the Texas Department of Licensing and Regulation, under the Architectural Barriers Act, Article 9102, Texas Civil Statutes. The TAS establishes minimum accessibility requirements to be consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336).

8. Architectural and Engineering Services

The State has responsibility for the performance of architectural and engineering services. The engineering plans shall be developed in accordance with the applicable State's Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges and the related special specifications and special provisions. The design shall, at a minimum conform to applicable State manuals. In procuring professional services, the parties to this Agreement must comply with federal requirements cited in 23 CFR Part 172 if the project is federally funded and with Texas Government Code 2254, Subchapter A, in all cases. Professional contracts for federally funded projects must conform to federal requirements, specifically including the provision for participation by Disadvantaged Business Enterprises (DBEs), ADA, and environmental matters.

Further, the State agrees to provide the Port with designs related to construction to occur on Port property or that may have an impact on Port property or Port operations, in advance of construction, for review and agrees to provide due consideration to any comments or requests made by the Port regarding designs related to construction to occur on Port property or that may have an impact on Port property or Port operations. However, the Port acknowledges that the State is using the design-build methodology to procure the Project (by means of a comprehensive development agreement), and the use of that methodology may limit the ability of the State to make changes to the Project design.

9. Construction Responsibilities

The State agrees to procure and administer the contract for the design, development, construction, and maintenance of the Project according to the statutes, rules and procedures applicable to comprehensive development agreements, including, but not limited to, Chapter 223, Subchapter E of the Texas Transportation Code, and Title 43, Chapter 27, Subchapter A of the Texas Administrative Code.

10. Maintenance

Project maintenance will be under the conditions as provided for in the MAFA, or as outlined in other agreements between the Parties defining the design, construction, and maintenance of the project on and through Port property.

11. Right of Way and Real Property

The State is responsible for the provision and acquisition of any needed right of way or real property as set forth in the MAFA, except that the Port, as set forth in the Construction Access Agreement Between Texas Department of Transportation and Port of Corpus Christi Authority for the US 181 Harbor Bridge Replacement Project (the "Access Agreement") agrees to convey to TxDOT, via a separate instrument and at no additional charge to TxDOT, a permanent easement, the purpose of which will be for the construction, operation, and maintenance of the Project on the property of the Port. Except as set forth in the Access Agreement, the Port will have no responsibility for the payment of any relocation costs, nor will the Port have any responsibility for the payment of any portion of the right of way costs for the Project.

12. Notices

All notices to either party shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to that party at the following address:

Port:	State:
John P. LaRue Executive Director Port of Corpus Christi Authority P.O. Box 1541 Corpus Christi, Texas 78403 222 Power Street Corpus Christi, Texas 78401	Texas Department of Transportation 125 E. 11th Street Austin, Texas 78701

All notices shall be deemed given on the date delivered in person or deposited in the mail, unless otherwise provided by this Agreement. Either party may change the above contact information by sending written notice of the change to the other party. Either party may request in writing that notices shall be delivered personally or by certified U.S. mail, and that request shall be carried out by the other party.

13. Legal Construction

If one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.

14. Responsibilities of the Parties

The State and the Port agree that neither party is an agent, servant, or employee of the other party, and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

15. Ownership of Documents

Upon completion or termination of this Agreement, documents prepared by the State shall remain the property of the State. Relevant data prepared under this Agreement by the Port shall be made available to the State without restriction or limitation on their further use. Documents produced or approved or otherwise created by the Port shall be transmitted to the State in electronic form or photocopy reproduction, at the State's election, on a monthly basis, or as agreed by the Parties. The originals shall remain the property of the Port. At the request of the State, the Port shall submit any information required by the State in the format directed by the State.

The State agrees to provide to the Port copies of relevant documentation and information related to investigations, studies, evaluations, designs and construction conducted as part of the development of the Project as it relates to, or has an impact on, Port property or Port operations, as reasonably requested by the Port. The State will retain ownership of the originals.

16. Compliance with Laws

The Parties shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, the Port shall furnish the State with satisfactory proof of this compliance.

17. Sole Agreement

This Agreement, in conjunction with applicable provisions of the MAFA, constitutes the sole and only Agreement between the parties relative to advanced funding of the Project and supersedes any prior understandings or written or oral agreements respecting the Agreement's subject matter. The Port and the State contemplate entering into other agreements as may be necessary to define other aspects of the mutual participation and cooperation on the Project.

18. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the Cost Principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Project.

19. Procurement and Property Management Standards

The parties shall adhere to the procurement standards established in Title 49 CFR §18.36 and with the property management standard established in Title 49 CFR §18.32.

20. Inspection of Books and Records

The Parties to this Agreement shall maintain all books, documents, papers, accounting records, and other documentation relating to costs incurred under this Agreement and shall make such materials available to the State, the Port, and, if federally funded, the Federal Highway Administration (FHWA), and the U.S. Office of the Inspector General, or their duly authorized representatives for review and inspection at its office during the contract period and for four (4) years from the date of completion of work defined under this contract or until any impending litigation, or claims are resolved. Additionally, the State, the Port, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

21. Civil Rights Compliance

The Parties shall comply with the regulations of the United States Department of Transportation as they relate to non-discrimination (49 CFR Part 21 and 23 CFR Part 200), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60).

22. Disadvantaged Business Enterprise (DBE) Program Requirements

The Parties shall comply with the Disadvantaged Business Enterprise Program requirements established in 49 CFR Part 26.

23. Debarment Certifications

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension."

24. Lobbying Certification

In executing this Agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

A. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Port shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

25. Federal Funding Accountability and Transparency Act Requirements

Any recipient of funds under this Agreement agrees to comply with the Federal Funding Accountability and Transparency Act (FFATA) and implementing regulations at 2 CFR Part 170, including Appendix A. This Agreement is subject to the following award terms:

<http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22705.pdf> and

<http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22706.pdf>.

26. Successors and Assigns

The State and the Port each binds itself, its successors, and assigns to the other Party to this Agreement and to the successors and assigns of such other Party in respect to all covenants of this Agreement.

27. Incorporation of Master Agreement Provisions

This LPAFA incorporates relevant provisions of the MAFA in effect on the date of final execution of this LPAFA, except as otherwise provided for herein. Any conflict between the terms of the MAFA and this LPAFA shall be governed and controlled by this LPAFA.

28. State Auditor

The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this Agreement or indirectly through contract or a subcontract executed under this Agreement. Acceptance of funds directly under the Agreement or indirectly through contract or subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

29. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this Agreement on behalf of the entity represented.

THIS AGREEMENT IS EXECUTED by the State and the Port in duplicate.

THE PORT OF CORPUS CHRISTI AUTHORITY

John P. LaRue
Executive Director
Port of Corpus Christi Authority

Date

AGENDA ITEM NO. 14

CSJ # 0101-06-095

District 16-Corpus

Code Chart 64 # 62136

Project: US 181 Harbor Bridge

Federal Highway Administration

CFDA: 20.205

Not Research and Development

THE STATE OF TEXAS

Name
Title

Date

AGENDA ITEM NO. 14

CSJ # 0101-06-095

District 16-Corpus

Code Chart 64 # 62136

Project: US 181 Harbor Bridge

Federal Highway Administration

CFDA: 20.205

Not Research and Development

ATTACHMENT A

RESOLUTION OR ORDINANCE

[to be supplied by Port]

AGENDA ITEM NO. 14

CSJ # 0101-06-095

District 16-Corpus

Code Chart 64 # 62136

Project: US 181 Harbor Bridge

Federal Highway Administration

CFDA: 20.205

Not Research and Development

ATTACHMENT B

MAP OF PROJECT

MAP OF PROJECT



DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 15

**Approve the First Reading of a Franchise Granting
Corpus Christi Liquefaction, LLC, (Cheniere Energy Inc), the
Right to Cross the North Bulkhead Line of the
La Quinta Ship Channel from Its Property
Adjacent to the Channel and Related Rights**

Corpus Christi Liquefaction, LLC, (CCL) currently owns a 337.4-acre tract of land (“CCL’s Property”) located along the La Quinta Ship Channel just east of the PCCA La Quinta Terminal site. The tract includes approximately 57 acres of submerged land in Corpus Christi Bay (the “Submerged Land”) which was conveyed by the Nueces County Navigation District No. 1 (now the PCCA) to CCL’s predecessors in title by Mutual Conveyances dated May 23, 1952, and December 4, 1973. See attached Exhibits. By the Mutual Conveyances, CCL’s predecessors in title conveyed to PCCA all littoral and riparian rights belonging to CCL’s Property. In this way, the Mutual Conveyances established the north bulkhead line of the La Quinta Ship Channel as the boundary between CCL’s Property and PCCA’s property.

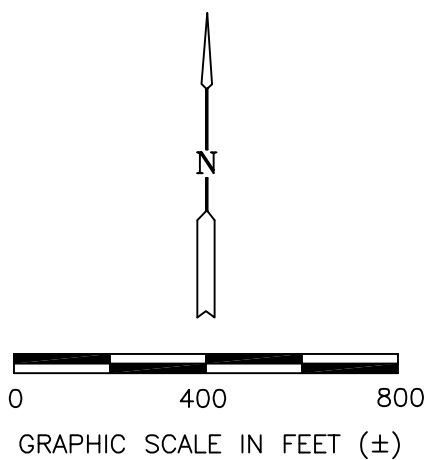
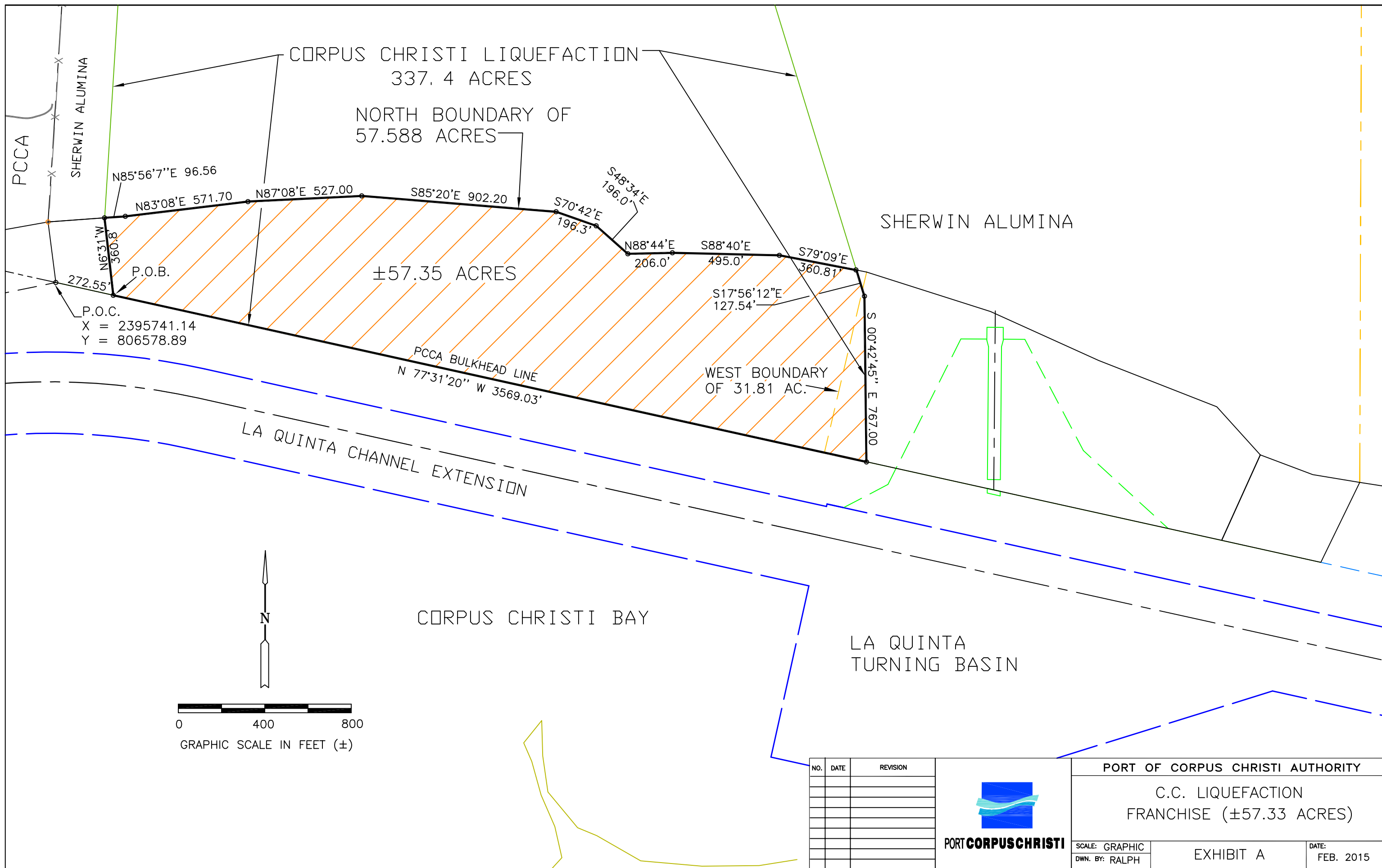
The Mutual Conveyances were made on the express condition that the owners of the Submerged Land would not use or permit the use of all or any part of the Submerged Land for any business seeking access to the La Quinta Ship Channel through the north bulkhead line without first obtaining a franchise from the PCCA to cross the bulkhead line, all upon reasonable conditions and reasonable rentals as defined in the Mutual Conveyance. Conversely, when asked to do so by the owner of the Submerged Land, PCCA is required to grant a franchise to the owner which permits the owner to use the Submerged Land for the requested purpose (except a railway terminal) and to have access to the channel over the north bulkhead line, subject to reasonable regulations as to construction and use, reasonable conditions for the protection of the PCCA, its property, and the property of its tenants; and reasonable rentals as defined in the Mutual Conveyance.

CCL has recently obtained the necessary regulatory approvals to proceed with construction of its \$12 billion LNG liquefaction facility to be located on CCL’s Property, with much of the related waterfront facilities and slips to be constructed on the Submerged Land. CCL has requested a franchise from the PCCA granting CCL the right access to the La Quinta Ship Channel from CCL’s Property for all purposes necessary, proper or convenient in connection with: (i) the use and operation of its LNG terminal as now constructed or that may be hereafter constructed (ii) the use of CCL’s Property for other commercial enterprises, (iii) the maintenance of the channel and (iv) the use operation of the docks and wharves constructed or to be constructed on CCL’s Property.

In exchange for the franchise, CCL will pay to PCCA a rental payment equal to 50% of the PCCA's then current tariff wharfage rates on all commodities shipped by water across the north bulkhead line to or from CCL's docks. This is the standard rental rate for private docks constructed on submerged land subject to the terms of a mutual conveyance. Accordingly, the attached franchise has been drafted by PCCA counsel and has been duly advertised as required under the laws of the State of Texas. The franchise must be approved at three meetings by a majority of the Port Commission.

Staff recommends that the Port Commission approve and pass the first reading of this franchise. The second reading is scheduled for March 17, 2015.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



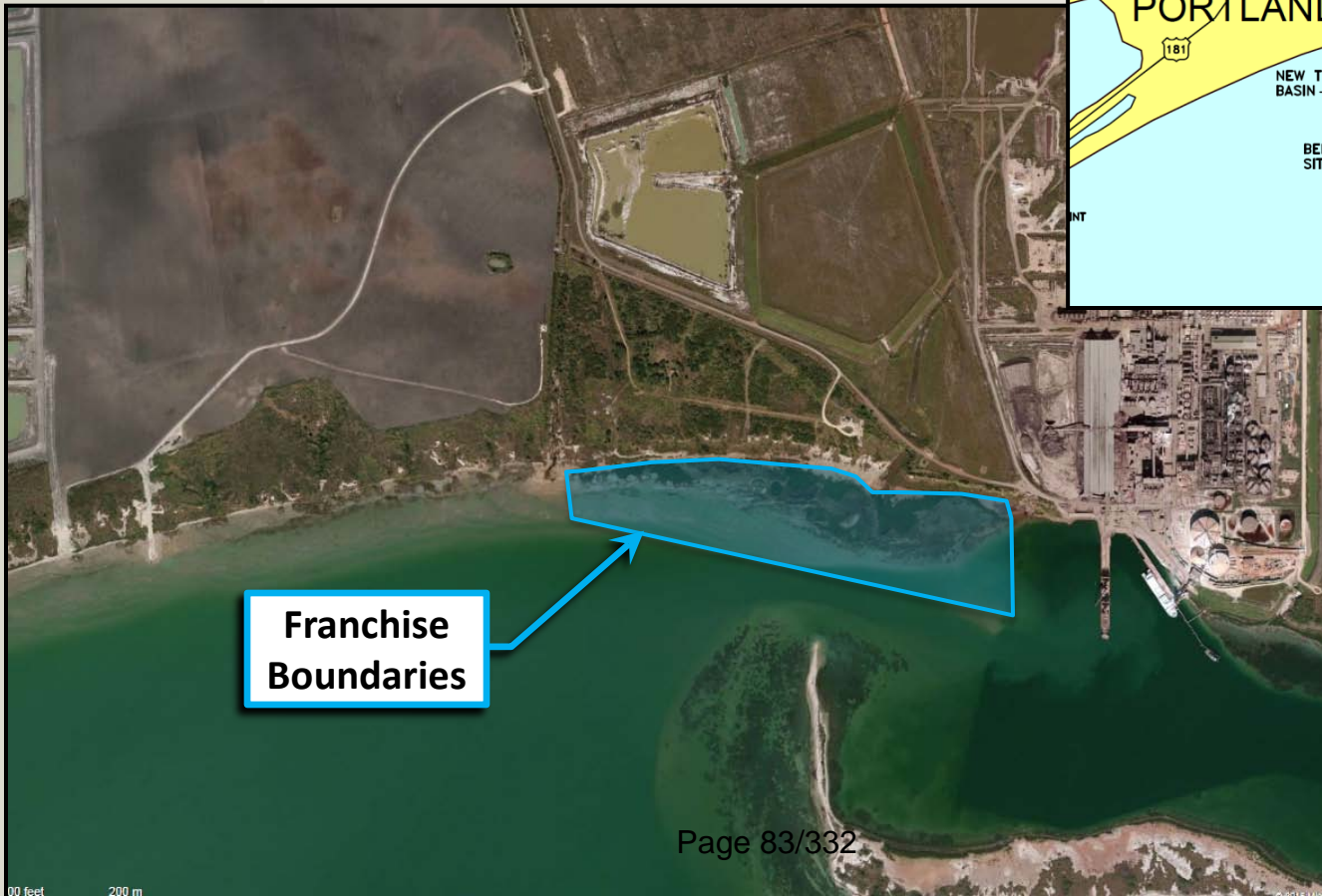
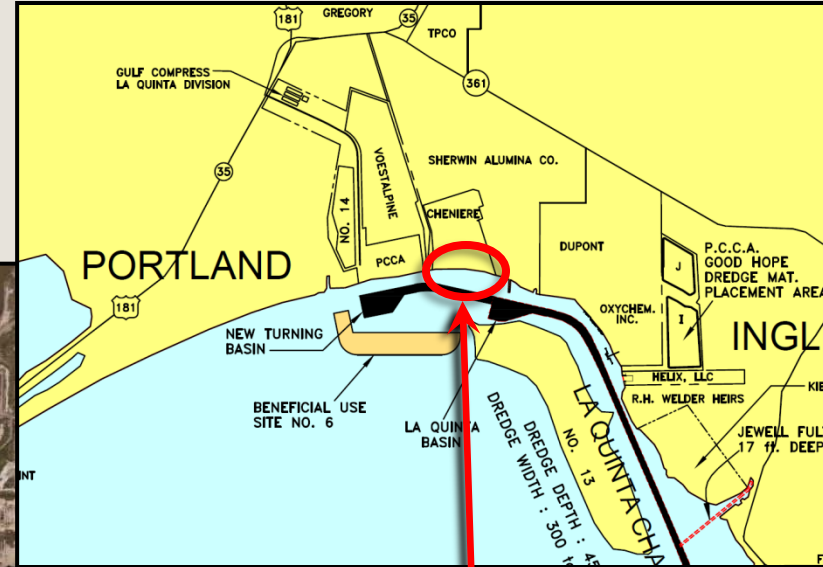
NO.	DATE	REVISION



PORT OF CORPUS CHRISTI AUTHORITY		
C.C. LIQUEFACTION FRANCHISE (±57.33 ACRES)		
SCALE: GRAPHIC DWN. BY: RALPH	EXHIBIT A	DATE: FEB. 2015



AGENDA ITEM NO. 15 Corpus Christi Liquefaction, LLC Franchise Agreement



**Franchise
Boundaries**

**General
Location**

LA QUINTA SHIP CHANNEL FRANCHISE

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
TO
CORPUS CHRISTI LIQUEFACTION, LLC**

SECTION 1
GRANT OF ACCESS TO CHANNEL

Subject to the terms and conditions of this franchise, the Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), hereby grants to Corpus Christi Liquefaction, LLC, a Delaware limited liability company whose business address is 700 Milam Street, Suite 800, Houston, Texas 77002, its successors and assigns (“Grantee”), for the term specified in this Section 1, the right of access to the La Quinta Ship Channel (“Channel”) and other waters of Nueces County, Texas from Grantee’s Land (hereinafter defined) for all purposes necessary, proper or convenient in connection with: (i) the use and operation of its LNG terminal as now constructed or that may be hereafter constructed on or adjacent to Grantee’s Land (ii) the use of Grantee’s Land for other commercial enterprises, (iii) the maintenance of the Channel and (iv) the use and operation of the docks and wharves constructed or to be constructed on Grantee’s Land. The term of this franchise shall begin when Grantee files its written acceptance of it with the Authority in accordance with Section 13 of this franchise and shall end on February 28, 2045. “Grantee’s Land” is that certain 337.4 acres, more or less, of land situated in San Patricio County, Texas and Nueces County, Texas, which is shown on the plat attached hereto as Exhibit A and which is more particularly described in Exhibit B attached hereto, and both exhibits are incorporated herein by reference. The portion of Grantee’s Land which was conveyed to Grantee’s predecessors in title by the Nueces County Navigation District No. 1 by those certain Mutual Conveyances described in Section 8 of this franchise is referred to in this franchise as “Grantee’s Submerged Land”. Grantee’s Submerged Land” contains approximately 57.35 acres, more or less, and for ease of reference only is shown as the 57.35-acre shaded area on the Authority’s Boundary Map attached hereto as Exhibit C.

SECTION 2
AUTHORITY’S SUBMERGED LAND

The Authority has established the north bulkhead line of the Channel, which is the line beyond which no structure may be built, and this line is referred to herein as the “North Bulkhead Line.” The southerly boundary line of Grantee’s Land is the North Bulkhead Line. The Authority owns the submerged land in Corpus Christi Bay south of the North Bulkhead Line which is labeled as the “PCCA Submerged Tract” on the Authority’s Boundary Map attached hereto as Exhibit C and referred to in this franchise as the “Authority’s Submerged Land”. Grantee may cross the North Bulkhead Line (where it is adjacent to Grantee’s Land) and have access to the Channel from Grantee’s Land and may operate, and continue the operation of, docks and dock facilities now or hereafter constructed on Grantee’s Land with access to the Channel, with such additions, alterations, enlargements or new structures or facilities as Grantee may require and construct in the conduct of its business and conduct and perform all dredging

and excavation operations in, on and under the Authority's Submerged Land as may be necessary, proper or convenient to provide slips for Grantee's docks and wharves and a means of access from Grantee's docks and wharves to the Channel. Nothing in this Section 2 shall be construed as giving Grantee permission to construct any structures on the Channel side of the North Bulkhead Line.

Grantee may from time to time when necessary or desirable, dredge or cause to be dredged the Channel to a point opposite Grantee's Land and may remove bottom obstructions from the Channel for the purpose of maintaining the Channel in such condition that it may be used by Grantee for navigation. Grantee shall not be obligated to perform any such dredging, or to maintain the Channel. The rights afforded Grantee by this Section 2 are not exclusive in Grantee (similar rights being held by holders of similar franchises) and the exercise of such rights by Grantee shall be consistent with the exercise of similar rights by holders of other franchises.

SECTION 3
RENTALS

For the rights granted to it hereunder, Grantee shall pay to the Authority a rental calculated upon the movements of property or commodities across the North Bulkhead Line to or from docks and wharves on Grantee's Land, said rentals to be computed and determined in the following manner:

A. Cargo Owned by Others. For all property or commodities owned by a party, or being purchased or sold by a party, other than the holder of this franchise (or one of its affiliates) which is shipped by water across the North Bulkhead Line to, from, or across docks or wharves on Grantee's Land, a rental equal to the product of (i) the quantity of the property or commodities so shipped, multiplied by (ii) fifty percent (50%) of the Authority's then current tariff wharfage rate on the same type of property or commodity.

B. Named Commodities Owned by Grantee. For bauxite ore, alumina, cryolite, pitch, coke, fluorspar, caustic soda, soda ash, lime, limestone, and aluminum billet, blooms, ingot, pigs, slabs, and any aluminum products (collectively, "Named Commodities") owned by the holder of this franchise (or one of its affiliates) or being purchased or sold by the holder of this franchise (or one of its affiliates) which is shipped by water across the North Bulkhead Line to, from, or across docks or wharves on Grantee's Land, a rental equal to two cents (2¢) per long ton of 2,240 U. S. pounds.

C. Cargo Other Than Named Commodities Owned by Grantee. For all property or commodities, except the Named Commodities, owned by the holder of this franchise (or one of its affiliates) or being purchased or sold by the holder of this franchise (or one of its affiliates) which is shipped by water across the North Bulkhead Line to, from, or across docks or wharves on Grantee's Land, a rental equal to the product of (i) the quantity of the property or commodities so shipped, multiplied by (ii) an amount (the "Rental Rate") not more than fifty percent (50%) of the Authority's then current tariff wharfage rate on the same type of property or commodity. The Rental Rate shall be fifty percent (50%) of the Authority's then current tariff

wharfage rate on the same type of property or commodity, unless the Authority agrees to reduce the Rental Rate for a certain type of property or commodity for all individuals or entities holding similar franchises granted by the Authority. The Authority shall give Grantee written notice of any such reductions.

An “affiliate” as used herein means each entity which, directly or indirectly, controls or is controlled by or is under common control or ownership with the holder of this franchise.

Grantee, its successors and assigns, shall keep and maintain a complete and accurate set of books and records showing all property and commodities shipped across the North Bulkhead Line to, from, or across any docks or wharves constructed on the Grantee’s Land in order that the Authority may ascertain therefrom what rentals are due to the Authority from Grantee hereunder, and such books and records shall be subject to the inspection of the Authority, its agents and attorneys, during regular business hours upon written request received by Grantee from Authority no later than five (5) business days prior to the date of such inspection.

The rental payable hereunder shall be paid to the Authority at its offices in Corpus Christi, Nueces County, Texas, and shall be payable monthly or at such other reasonable time or times as the Authority may direct by general rule or regulation which shall be applicable to all persons or parties holding permits or franchises similar to this franchise.

SECTION 4
CONDITIONS

This franchise is granted with reasonable conditions for the protection of the Authority and its property and the property of its tenants, to-wit:

A. Hazards. Grantee will at all times conduct its operations so as not to create any unusual fire or health hazard.

B. Railways. Grantee will not for itself or for others, except with the consent of the Authority, build or operate a railway terminal on, over or across Grantee’s Submerged Land for use in connection with the exercise of the rights granted by this franchise; provided, however, that Grantee may build or use spur railroad tracks in connection with its business and the exercise of its rights under this franchise. Any tracks constructed by Grantee shall be used for switching or loading tracks for the convenience of Grantee for handling its cargo.

C. Plans. Before constructing any structure or commencing any work (including dredging or filling of submerged areas) on Grantee’s Submerged Land or the Authority’s Submerged Land for which a U. S. Department of the Army permit is required, Grantee will submit final for construction plans of such structure or work to the Authority for its approval. Grantee shall not begin such construction or work until it has obtained the Authority’s written approval of such plans, which approval shall not be unreasonably withheld. Authority will review and approve or disapprove any such plans within thirty (30) days after its receipt of the plans. Should the Authority not approve or disapprove such plans within such thirty (30) day period, the plans shall be deemed to have been approved by the Authority. Grantee shall file

with the Authority a copy of any permit or license it obtains from any governmental agency in connection with any construction or work described in this Section 4, and any documents placing conditions on or amending them in any material way.

To facilitate the Authority's review of the plans, Grantee shall submit two (2) sets of formal plans that clearly define the project. The drawings must be prepared in a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. In addition, a detailed site plan (minimum 1" = 50' scale) depicting the location and physical layout of the project site and any area to be dredged, adjacent docking facilities, property lines, federal channels, bulkhead lines, existing channel depth elevations, etc., must be included with the formal plans submitted. The site plan must clearly show the bottom of cut line and top of slope line of any planned dredging. If any dredging is planned by Grantee that will, in Authority's judgment, based upon customary dredging operations, result in removal of a substantial quantity of earth or material from, or damage to, adjacent real property, Grantee must obtain the written permission of the adjacent property owner to carry out such dredging for the project and submit it to the Authority with the formal plans.

D. Compliance. Grantee shall perform all construction or work described in this Section 4 in conformity with applicable building codes and all applicable federal, state and other governmental laws and regulations; and Grantee must comply with any applicable provisions of the code of the National Fire Protection Association.

E. Slips. Grantee's slips along the North Bulkhead Line and within Grantee's Land shall be maintained by Grantee at a depth sufficient to prevent vessels berthed at the docks there from striking bottom due to lowering of the water level from passing vessels or seasonal low tides.

F. Pollution. Grantee shall take all reasonable precautions to prevent the pollution of the Channel and Authority's Submerged Land and shall faithfully observe all regulations adopted by the Authority to prevent the discharge of pollutants. Grantee shall also comply with all federal and state laws and regulations and municipal ordinances relating to maintaining water quality in the Channel, and will file with the Authority copies of all permits received by Grantee relating to water quality to the extent relating to its activities hereunder.

G. Rules and Regulations. This franchise shall be subject to such reasonable rules and regulations as the Authority presently has in effect or may invoke in the future which apply to all individuals or entities holding similar franchises granted by the Authority.

H. Subject to other Easements. The rights of Grantee hereunder shall be subject to all easements of every kind heretofore granted by the Authority and to the right of the Authority to dredge, and to grant easements to the United States and other governmental agencies to dredge, south of the North Bulkhead Line.

SECTION 5
INDEMNITY

Except for liabilities caused by the sole negligence, gross negligence or willful misconduct of the Authority, its commissioners, officers, directors, managers, employees, contractors, agents, attorneys or representatives, Grantee shall defend, indemnify and hold harmless Authority, its commissioners, officers, directors, managers, employees, and agents (for the purposes of this Section 5, the “Indemnified Parties”) from and against, and Grantee shall be responsible for, any and all liabilities (including strict liability), actions, demands, damages, penalties, fines, losses, claims, costs, expenses (including reasonable attorneys’ fees and expenses), suits, settlements or judgments of any nature whatsoever (including claims for personal injury, bodily injury, real and personal property damage and economic loss, which may be brought or instituted or asserted against the Indemnified Parties arising out of or resulting from the sole, joint, concurrent, or comparative negligence of Grantee, its agents or employees (collectively, “Grantee Parties”), in connection with the exercise by Grantee of the rights and privileges granted herein (each an “Indemnified Claim”) **EVEN IF THE INDEMNIFIED CLAIM ARISES OUT OF OR RESULTS FROM THE JOINT, CONCURRENT, OR COMPARATIVE NEGLIGENCE OF THE INDEMNIFIED PARTIES;** provided, however, that Grantee shall be relieved of its obligation of indemnity (but not its obligation to defend) with respect to the percentage of such Indemnified Claim arising out of or resulting from the joint, concurrent, or comparative negligence of the Indemnified Parties. In Indemnified Claims against any Indemnified Party by or for an employee of a Grantee Party, the Grantee’s indemnification obligation under this Section 5 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers’ or workmen’s compensation acts, disability benefit acts, or other employee benefit acts.

SECTION 6
CONSEQUENTIAL DAMAGES

Notwithstanding anything in this franchise to the contrary, neither Authority nor Company shall be liable under any circumstances to the other party for special, indirect, punitive, incidental, exemplary or consequential damages resulting from or arising out of this franchise, including, without limitation, loss of profit or business interruption, loss of or deferral of LNG and/or the receiving or transporting of LNG, however the same may be caused, whether by the sole, joint or concurrent negligence, fault or liability without fault of any party, their contractors or subcontractors, but shall be limited to actual damages. Notwithstanding the immediately preceding sentence, a party may recover from the other party all costs, expenses or damages (including, without limitation, indirect, special, consequential, incidental, exemplary, punitive and other damages, as well as reasonable attorney’s fees) paid or owed to any third party in settlement or satisfaction of claims of the type described herein for which such party has a right to recover from the other party.

SECTION 7
DEFAULT

In the event of default of Grantee in the performance of any of the terms and conditions herein stipulated to be done by it, or required of it under any valid law, rule or regulation of the government of the United States of America or the State of Texas, and in event such default is not cured or is not in the process of being cured in a reasonably diligent manner within sixty (60) days after the Authority has sent a written notice by registered or certified mail to Grantee at its business address, advising it of the nature and extent of such default, this franchise shall be subject to forfeiture, specific performance, termination or any other remedies at law or in equity at the instance of the Authority by suit in a State District Court located in Nueces County, Texas.

In the event of default of Authority in the performance of any of the terms and conditions herein stipulated to be done by it, or required of it under any valid law, rule or regulation of the government of the United States of America or the State of Texas, and in event such default is not cured or is not in the process of being cured in a reasonably diligent manner within sixty (60) days after the Grantee has sent a written notice by registered or certified mail to the Authority at its business address, advising it of the nature and extent of such default, this franchise shall be subject to specific performance, termination or any other remedies at law or in equity at the instance of Grantee by suit in a State District Court located in Nueces County, Texas.

SECTION 8
RIGHTS UNDER THE MUTUAL CONVEYANCE CONFIRMED

Grantee's Submerged Land was acquired by Grantee's predecessors in title pursuant to the following mutual conveyances (collectively, the "Mutual Conveyances"): (a) mutual conveyance between the Nueces County Navigation District No. 1 and Reynolds Reduction Company dated May 23, 1952, and recorded in Volume 178, pages 300-304 of the Deed Records of San Patricio County, Texas, and recorded in Volume 571, page 88, of the Deed Records of Nueces County, Texas; and (b) a mutual conveyance between the Nueces County Navigation District No. 1 and Reynolds Metals Company dated December 4, 1973, and recorded in Volume 479, pages 224-237 of the Deed Records of San Patricio County, Texas, and recorded in Volume 1482, page 983-995 of the Deed Records of Nueces County, Texas. The rights and privileges of Grantee and the Authority arising out of the Mutual Conveyances are hereby expressly recognized and confirmed and in no wise abridged, lessened or diminished by the granting of this franchise and its acceptance by Grantee or by any surrender, cancellation or forfeiture of the same. The rights, privileges, permission and authority provided for in any Section or portion of this franchise shall be in addition to the rights, privileges, permissions and authority acquired by the Grantee as successor in title to the grantees under the Mutual Conveyances.

SECTION 9
ASSIGNMENT

This franchise may be transferred or assigned to any persons or entities holding title or right of use and occupancy of all or any one part of the Grantee's Land, but not as to two or more

segregated or separate parcels – it being intended that the rights of Grantee under this franchise shall at all times be held by one party or by several parties holding the same jointly. Any assignee of this franchise, upon taking transfer or assignment of the same, must file written evidence of such transfer or assignment and of assignee’s acceptance of the same at the office of the Authority.

Grantee shall have the right to convey this franchise by mortgage, deed of trust or any other security instrument. If Grantee shall be in default of any of the covenants or conditions of this franchise, the holder of the mortgage, deed of trust or other security instrument may, before forfeiture is invoked by the Authority, make any and all payments and do and perform any and all acts or things which may be necessary to prevent a forfeiture of this franchise and the party making such payments or performing such acts or things shall thereby be subrogated to all rights of the Grantee under this franchise. The Authority agrees that if the holder of any mortgage, deed of trust or other security instrument delivers a copy of such instrument to the Authority, together with the address to which it desires notices to be sent, the Authority will send to the holder at the address specified copies of all written notices to be served on Grantee under and pursuant to the terms of this franchise. It is understood that the mortgagee, trustee and beneficiary of any security instrument shall in no way be liable to the Authority for any payments or for the performance of any other covenants and conditions of this franchise until such time as it shall acquire by assignment or conveyance from Grantee or by foreclosure or other proceedings provided by law or by the terms of the security instrument all the right, title and interest of Grantee under this franchise; provided, however, that any party who shall acquire said right, title and interest of Grantee, as above provided, shall thereby become liable for all payments and the performance of all other covenants and conditions theretofore and thereafter required to be made by Grantee under the franchise, as fully and to the same extent as if Grantee itself would have been if it still had retained its right, title and interest hereunder.

SECTION 10
IMPROVEMENTS

Any and all structures and other improvements which are, and may be, constructed and placed by Grantee, its successors and assigns, upon Grantee’s Submerged Land (collectively “Grantee’s Improvements”) shall be and remain at all times the property of Grantee, its successors and assigns, notwithstanding a reversion of title to Grantee’s Submerged Land to the Authority pursuant to the provisions of, or as a result of the exercise of any of the rights of the Authority retained in, the Mutual Conveyance. In the event of such reversion, Grantee may remove Grantee’s Improvements or may continue to maintain and operate them and make additions and replacements to them notwithstanding the occurrence of such reversion of title; provided, however, that in the event of such reversion, Grantee shall be permitted to maintain and operate Grantee’s Improvements and any additions thereto and replacements thereof only upon payment of all past due rentals that may be payable under this franchise and only under and pursuant to this franchise, and so long as this franchise is in effect.

SECTION 11
CHANGE IN APPLICABLE LAWS

If the statutes of the State of Texas governing the granting of franchises such as this are amended during the term hereof so as to enable Authority to grant franchises for a longer term than thirty (30) years, then and in that event this franchise, if then in effect and in use, shall be extended for such period of time as will, in the aggregate, amount to the greater period fixed in any such amendment to such statutes, unless such extension is prohibited by such amendment.

SECTION 12
GENERAL

All covenants, conditions and agreements of this franchise shall apply to and be binding upon the Authority and Grantee and their respective legal representatives, successors and assigns (when assignment is made in accordance with the provisions hereof). This franchise is made under the applicable laws of the State of Texas and if any term, clause, provision, part or portion of this franchise shall be adjudged invalid or illegal for any reason, the validity of any other part or portion hereof shall not be affected thereby, and the invalid or illegal portion thereof shall be deleted and ignored as if the same had not been written herein. If any of the rights and authorities granted hereunder are in excess of the authority of the Authority, then the rights and authorities shall be limited to such as the Authority is authorized to grant, under the applicable laws. The failure of Grantee or of the Authority to insist upon the strict performance of any of the covenants and conditions of this franchise, or the consent, either express or implied, of either party hereto to any act or omission by the other party in breach or default hereof, shall not be deemed or construed to be a waiver of any such covenant or condition except for that particular instance only and shall not constitute or be construed as a waiver of such covenant or condition or of any further or future breach or default thereof. The expense of publishing notice of this franchise as required by law shall be borne by the Grantee.

SECTION 13
PASSAGE AND ACCEPTANCE

A majority of the Authority's Port Commissioners voted to grant this franchise at meetings of the Port Commission held on February 17, 2015, [February/March] __, 2015, and March 17, 2015, and the final form of this franchise was approved at the last of these meetings. The Authority shall notify Grantee in writing of such approval within two (2) days of such final approval. Grantee must file its written acceptance of this franchise with the Authority within thirty (30) days after the date on which this franchise was finally approved by the Authority's Port Commissioners, and such written acceptance shall be duly acknowledged by the person or persons executing the same. This franchise shall take effect when the Grantee files its written acceptance of it with the Authority in accordance with this Section.

[End of page; Authority's signature page follows]

IN WITNESS WHEREOF, the Authority has caused this franchise to be signed by the Chairman of the Port Commission and attested by the Secretary of the Port Commission this __ day of March, 2015.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

ATTEST:

By: _____
Judy Hawley
Port Commission Chairman

_____,
Port Commission Secretary

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the __ day of March, 2015, by Judy Hawley, Chairman of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, and _____, Secretary of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Port Authority.

NOTARY PUBLIC, STATE OF TEXAS

[The Exhibits to this Franchise follows this page]



TX HWY 35
P.O.C.

29.59 ACRE TRACT ACCESS
S17°41'05"E
8936.90'

REMAINDER TRACT
OUT OF PARCEL 2A
328.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54 L1

59.39'

L14

L2

L3

L4

L5

L6

L7

1610.0 ACRE TRACT
PARCEL 1A

337.4 ACRE TRACT

L8

L13

L12

L11

L9

L10

LA QUINTA CHANNEL
P.O.C.C.A. BULKHEAD LINE

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
L5	640.06'	S17°42'40"E
L6	314.67'	S67°58'34"W
L7	102.15'	S73°59'30"E
L8	3257.31'	S17°32'43"E
L9	767.00'	S01°10'31"E
L10	3569.03'	N77°30'59"W
L11	340.43'	N07°00'28"W
L12	1080.30'	N03°34'16"E
L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W



1/29/15

George Rubalcaba

CORPUS CHRISTI LIQUEFACTION PROJECT
337.40 ACRES



DRAWN BY BLJ DATE 11/25/14
CHECKED BY GR REV
SCALE: 1" = 800'

NUECES COUNTY

TEXAS

P:\Survey\2014\14CH00231\EXHIBITS\10_PARENT TRACT 337.40\337.4 ACRE TRACT.dwg Jan 29, 2015 - 10:13am b.jackson

EXHIBIT B



9510 Leopard St. Corpus Christi, TX 78409

www.govinddevelopment.com

Office: (361) 241-2777 Fax: (361) 241-2200

January 28, 2015

14CHO0231

**METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT**

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, San Patricio County, Texas and out of Corpus Christi Bay Submerged State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Documents No. 2004020956 and 2014038283, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and also recorded in Document No. 2014038283, O.P.R.N.C.T. and this 337.4 acre tract being more particularly described by metes and bonds as follows:

Commencing at a found concrete monument in the south right-of-way line of Texas State Highway No. 35 for the most northerly northeast corner of the aforementioned 328.9 acre tract, the same being the northwest corner of a 832.0 acre "Reynolds/Alcoa Retained Tract 1" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas;

Thence leaving said south right-of-way line and with the west line of said 832.0 acre tract, S 17 41-05 E, at 8736.90 feet pass a found 5/8-inch iron rod for the southwest corner of said 832.0 acre tract, in all 8936.90 feet to a found 5/8-inch iron rod;

Thence S 72-17-20 W, 59.39 feet, to a found 5/8-inch iron rod for the **POINT OF BEGINNING** and the northwest corner of this tract and said 212.2 acre tract, said corner having a NAD'83 State Plane Grid Coordinate of N 17214778.88', E 1379635.56', Texas South Zone, in U.S. feet;

Thence N 72-17-20 E with the north boundary of this tract and said 212.2 acre tract, at 2644.75 feet pass the common east line of the aforementioned 328.9 acre tract and a west line of the

aforementioned 1610.0 acre tract, in all 2818.29 feet to a found 5/8-inch iron rod for the northmost northeast corner of this tract and said 212.2 acre tract;

Thence with the east boundaries of this tract and said 212.2 acre tract as follows:

S 75-57-21 E, 308.21 feet, to a found 5/8-inch iron rod;

S 17-42-40 E, 838.29 feet, to a found 5/8-inch iron rod;

S72-17-20 W, 246.92 feet, to a found 5/8-inch iron rod;

S 17-42-40 E, 640.06 feet, to a found 5/8-inch iron rod for a corner of this tract;

Thence S 67-58-34 W, at 188.26 feet pass the aforementioned common line between the 328.9 acre tract and the 1610.0 acre tract, in all 314.67 feet to a found 5/8-inch iron rod for an interior corner of this tract and the northmost northeast corner of said 125.2 acre tract;

Thence with the common east boundary of this tract and said 125.2 acre tract as follows:

S 73-59-30 E, 102.15 feet, to a found 5/8-inch iron rod;

S 17-32-43 E, at 2960.50 feet pass a found 5/8-inch iron rod being the southeast corner of said 125.2 acre tract, at 3129.38 feet pass the common south line of the aforementioned 328.9 acre tract and the north line of the aforementioned 58.07 acre tract, at 3192.41 feet pass a found 5/8-inch reference iron rod, at 3242.47 feet pass the common east line of said 58.07 acre tract and the west line of the aforementioned 31.82 acre tract, in all 3257.37 feet to a corner;

Thence S 01-10-31 E, 767.00 feet, to the southeast corner of this tract and said 212.20 acre tract, said corner being on the south line of said 31.82 acre tract and the Port of Corpus Christi Authority North Bulkhead Line;

Thence N 77-30-59 W with said bulkhead line and the south boundary of this tract and said 212.2 acre tract, at 190.69 feet pass the southwest corner of said 31.82 acre tract and the southeast corner of the aforementioned 58.07 acre tract, in all 3569.03 feet to the southwest corner of this tract and said 212.20 acre tract, the same being the southeast corner of a 44.72 acre tract recorded in Document No. 2006043532, Official Public Records of Nueces County, Texas;

Thence leaving said bulkhead line N 07-00-28 W, 340.43 feet, to a corner being on the common north line of said 58.07 acre tract and the south line of the aforementioned 328.9 acre tract;

Thence N 03-34-16 E, at 149.58 feet pass a found 5/8-inch reference iron rod, in all 1080.30 feet, to a found 5/8-inch iron rod for a corner;

Thence N 04-42-55 W, 1132.92 feet, to a found 5/8-inch iron rod for a corner;

Thence N 17-47-50 W, 1473.53 feet, to the point of beginning and containing 337.4 acres of land, more or less.

Notes:

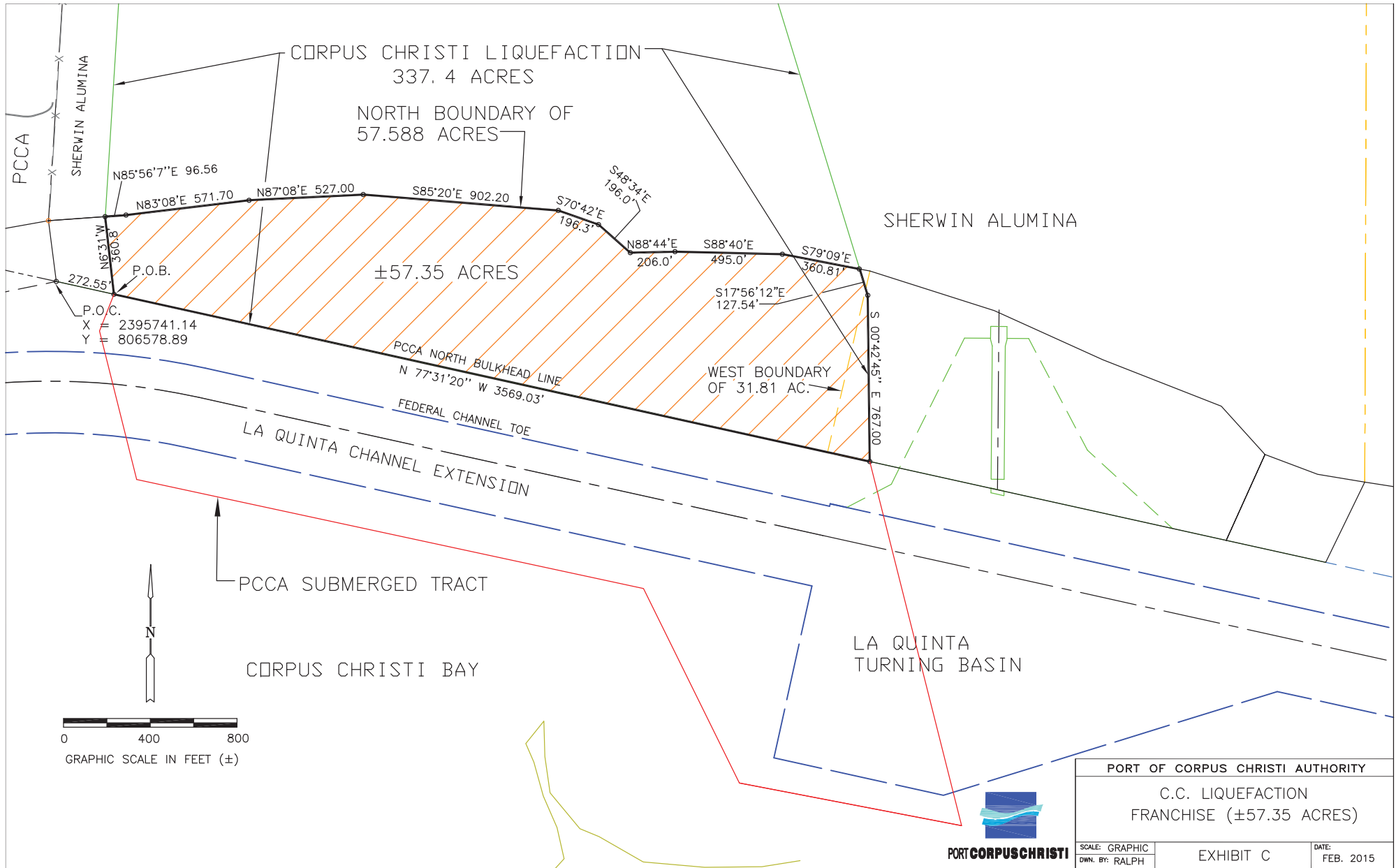
1. Bearings are State Plane Grid.
2. Drawing accompanies this metes and bounds description

GOVIND DEVELOPMENT, LLC

George Rubalcaba
George Rubalcaba, RPLS, LSLS
Survey Group Manager



01/28/2015



ACCEPTANCE OF GRANTEE

Corpus Christi Liquefaction, LLC, hereby accepts the above and foregoing franchise.

EXECUTED this ____ day of _____, 2015.

Corpus Christi Liquefaction, LLC

By: _____

Printed Name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2015, by _____, _____ of Corpus Christi Liquefaction, LLC, on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 16

Approve the Third and Final Reading of a Franchise Granting EF Terminals Corpus Christi, LLC, (Formerly Known as Plains Terminals Corpus Christi, LLC) the Right to Cross the South Bulkhead Line of the Tule Lake Channel from its Property Adjacent to the Channel and Related Rights

By Mutual Conveyance dated March 29, 1948, the PCCA conveyed 12.1 acres of submerged land situated in Nueces Bay (the "Submerged Tract") to the American Smelting and Refining Company (ASARCO) in exchange for ASARCO's littoral rights to access the water. The exchange was made in order to establish the boundary between ASARCO's property and the PCCA's property and the respective property rights of ASARCO and the PCCA. The boundary between the properties is the south bulkhead line of the Corpus Christi Ship Channel, which is the line beyond which no structure may be built. See attached exhibit.

The Mutual Conveyance was made on the express condition that ASARCO, its successors and assigns, would not use or permit the use of all or any part of the submerged tract for any business seeking access to the channel through the south bulkhead line without first obtaining a permit or franchise from the PCCA to cross the bulkhead line, all upon reasonable conditions and reasonable rentals as defined in the Mutual Conveyance. Conversely, when asked to do so by the owner of the submerged tract, the PCCA is required to grant a permit or franchise to the owner to use the submerged land for any purpose (except a railway terminal), including the right of access to and use of the channel over the south bulkhead line, subject to reasonable regulations as to construction and use, reasonable conditions for the protection of the PCCA, its property, and the property of its tenants; and reasonable rentals as defined in the Mutual Conveyance.

By Special Warranty Deed dated March 7, 2014, Plains Terminals Corpus Christi, LLC, acquired 72 acres of land, including the 12.1-acre submerged tract. Plains Terminals Corpus Christi, LLC, which recently changed its name to EF Terminals Corpus Christi, LLC, has requested a franchise from the PCCA granting EF the right to construct a ship dock facility on the submerged tract, the right to access the ship channel from the ship dock, and related dredging rights. The ship dock will support EF's planned crude oil storage terminal. In exchange for the franchise, EF will pay to the PCCA a rental payment equal to 50% of the PCCA's then current tariff wharfage rates on all commodities shipped by water to or from the EF ship dock. This is the standard rental rate for private docks constructed on submerged land subject to the terms of a mutual conveyance.

Accordingly, the attached Franchise has been drafted by PCCA counsel and has been duly published as required under the laws of the State of Texas. On January 13, 2015 and

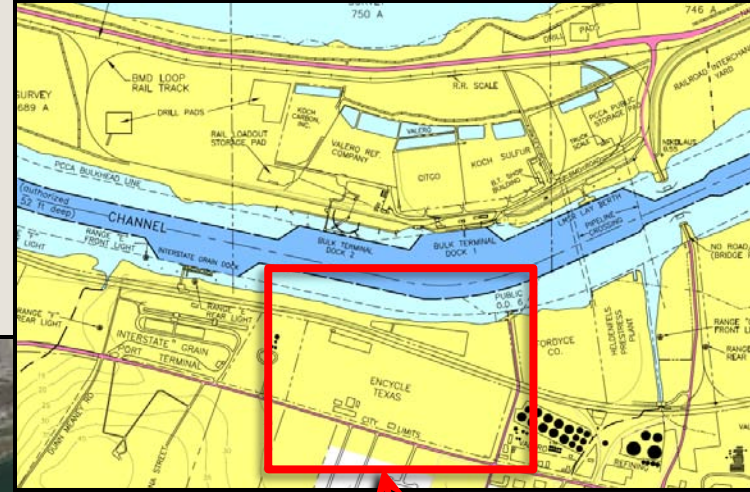
January 27, 2015, the Port Commission approved and passed the first and second readings of the franchise, respectively. Staff recommends that the Port Commission approve and pass the third and final reading of this Franchise granting EF Terminals Corpus Christi, LLC, the rights described above and in the Franchise.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



Plains Terminals Corpus Christi, LLC Franchise Agreement

AGENDA ITEM NO. 16



Franchise Boundaries

General Location

FRANCHISE

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
TO
PLAINS TERMINALS CORPUS CHRISTI LLC**

SECTION 1
GRANT OF ACCESS TO CHANNEL

Subject to the terms and conditions of this franchise (“Franchise”), Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), hereby grants to Plains Terminals Corpus Christi LLC, a Delaware limited liability company whose business address is 333 Clay Street, Suite 1600, Houston, Texas 77002, its successors and permitted assigns (“Grantee”), for the term specified in this Section 1, the right of access to the Corpus Christi Ship Channel (“Channel”) from Grantee’s Land (hereinafter defined) for all purposes necessary, proper or expedient in connection with the use and operation of the docks and wharves constructed or to be constructed on Grantee’s Land and reasonably related to shipping property or commodities by water to, from, or across these docks and wharves. The term of this Franchise shall begin when Grantee files its written acceptance of it with the Authority in accordance with Section 11 of this Franchise and shall end on February 28, 2045. “Grantee’s Land” is that certain 12.1 acres of land situated in Nueces County, Texas, which is shown on the Authority’s Boundary Map attached hereto as Exhibit A and which is more particularly described in Exhibit B attached hereto, and both exhibits are incorporated herein by reference. Grantee’s Land is the same 12.1 acres of land conveyed to American Smelting and Refining Company by the Nueces County Navigation District No. 1 by that certain Mutual Conveyance described in Section 8 of this Franchise.

SECTION 2
DREDGING AUTHORITY’S SUBMERGED LAND

The Authority has established the south bulkhead line of the Channel, which is the line beyond which no structure may be built, and this line is referred to herein as the “South Bulkhead Line.” The northerly boundary line of Grantee’s Land is the South Bulkhead Line. Grantee has the right to construct and maintain waterfront dock and wharf facilities on Grantee’s Land to the limits shown on the attached Exhibit C (“Waterfront Facilities”). The Authority owns the submerged land between the Grantee’s Land and the Channel that is shown on the Authority’s Boundary Map attached hereto as Exhibit A (“Authority’s Submerged Land”). Upon Grantee’s receipt of an appropriate dredging easement from Authority (“Grantee’s Dredging Easement”) to support Grantee’s Waterfront Facilities, Grantee may cross the South Bulkhead Line (where it is adjacent to Grantee’s Land) and conduct and perform all permitted dredging and excavation operations in, on and under the Authority’s Submerged Land as may be necessary, proper or expedient to provide slips for Grantee’s docks and wharves and a means of access from Grantee’s docks and wharves to the Channel. Grantee’s Dredging Easement shall be provided promptly on Grantee’s request on the Authority’s standard form of dredging easement in effect at the time Grantee’s Dredging Easement is granted, shall run concurrently with this Franchise, and shall be granted for no additional consideration.

SECTION 3
RENTALS

For the rights granted to it hereunder, Grantee shall pay to the Authority a rental, based upon the type and quantity of all property or commodities shipped by water to, from, or across docks and wharves on Grantee's Land, as follows:

A. Cargo Owned by Others. For all property or commodities owned by a party, or being purchased or sold by a party, other than the holder of this Franchise (or one of its affiliates) which is shipped by water to, from, or across docks or wharves on Grantee's Land, a rental equal to the product of (i) the quantity of the property or commodities so shipped, multiplied by (ii) fifty percent (50%) of the Authority's then current tariff wharfage rate on the same type of property or commodity.

B. Cargo Owned by Grantee. For all property or commodities owned by the holder of this Franchise (or one of its affiliates) or being purchased or sold by the holder of this Franchise (or one of its affiliates) which is shipped by water to, from, or across docks or wharves on Grantee's Land, a rental equal to the product of (i) the quantity of the property or commodities so shipped, multiplied by (ii) an amount (the "Rental Rate") not more than fifty percent (50%) of the Authority's then current tariff wharfage rate on the same type of property or commodity. The Rental Rate shall be fifty percent (50%) of the Authority's then current tariff wharfage rate on the same type of property or commodity, unless the Authority agrees to reduce the Rental Rate for a certain type of property or commodity for all individuals or entities holding similar Franchises granted by the Authority. The Authority shall give Grantee written notice of any such reductions.

An "affiliate" as used herein means each entity which, directly or indirectly, controls or is controlled by or is under common control or ownership with the holder of this Franchise.

Grantee, its successors and permitted assigns, shall keep and maintain a complete and accurate set of books and records showing all property and commodities shipped to, from, or across any docks or wharves constructed on the Grantee's Land in order that the Authority may ascertain therefrom what rentals are due to the Authority from Grantee hereunder, and such books and records shall be subject to the inspection of the Authority, its agents and attorneys, at any and all reasonable times.

By accepting this Franchise, Grantee agrees that the rental payable under this Section 3 is fair and reasonable. The rental payable hereunder shall be paid to the Authority at its offices in Corpus Christi, Nueces County, Texas, and shall be payable monthly or at such other reasonable time or times as the Authority may direct by general rule or regulation which shall be applicable to all persons or parties holding permits or Franchises similar to this Franchise.

SECTION 4
CONDITIONS

This Franchise is granted with reasonable conditions for the protection of the Authority and its property and the property of its tenants, to-wit:

A. Hazards. Grantee will at all times conduct its operations so as not to create any unusual fire or health hazard.

B. Railways. Grantee will not for itself or for others, except with the consent of the Authority, build or operate a railway terminal on Grantee's Land for use in connection with the exercise of the rights granted by this Franchise; provided, however, that Grantee may build or use spur railroad tracks in connection with its business and the exercise of its rights under this Franchise. Any tracks constructed by Grantee shall be used for switching or loading tracks for the convenience of Grantee for handling its cargo.

C. Plans. Before constructing any structure or commencing any work (including dredging or filling of submerged areas) on Grantee's Land or the Authority's Submerged Land for which a U. S. Department of the Army permit is required and before filing application for any such permit, Grantee will submit plans of such structure or work to the Authority for its approval. Grantee shall not begin such construction or work until it has obtained the Authority's written approval of such plans, which approval shall not be unreasonably withheld. Authority will review and approve or disapprove any such plans within sixty (60) days after its receipt of the plans; provided, however, that if the Authority neither approves nor disapproves the plans within this 60-day period, such plans shall be deemed approved. Grantee shall file with the Authority a copy of any permit or license it obtains from any governmental agency in connection with any construction or work described in this Section 4, and any documents placing conditions on or amending them in any way.

To facilitate the Authority's review of the plans, Grantee shall submit two (2) sets of formal plans that clearly define the project. The drawings must be prepared in a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. In addition, a detailed site plan (minimum 1" = 50' scale) depicting the location and physical layout of the project site and any area to be dredged, adjacent docking facilities, property lines, federal channels, bulkhead lines, existing channel depth elevations, etc., must be included with the formal plans submitted. The site plan must clearly show the bottom of cut line and top of slope line of any planned dredging. If any dredging is planned by Grantee that will, in Authority's judgment, based upon customary dredging operations, result in removal of a substantial quantity of earth or material from, or damage to, adjacent real property, Grantee must obtain the written permission of the adjacent property owner to carry out such dredging for the project and submit it to the Authority with the formal plans.

D. Compliance. Grantee shall perform all construction or work described in this Section 4 in conformity with applicable building codes and all applicable federal, state and other

governmental laws and regulations; and Grantee must comply with any applicable provisions of the code of the National Fire Protection Association.

E. Slips. Grantee's slips along the South Bulkhead Line shall be maintained by Grantee at a depth sufficient to prevent vessels berthed at the docks there from striking bottom due to lowering of the water level from passing vessels or seasonal low tides.

F. Pollution. Grantee shall take all reasonable precautions to prevent the pollution of the Channel and shall faithfully observe all regulations adopted by the Authority to prevent the discharge of pollutants into the Channel. Grantee shall also comply with all federal and state laws and regulations and municipal ordinances relating to maintaining water quality in the Channel, and will file with the Authority copies of all permits received by Grantee relating to water quality to the extent relating to its activities hereunder.

G. Rules and Regulations. This Franchise shall be subject to such reasonable rules and regulations as the Authority presently has in effect or may invoke in the future which apply to all individuals or entities holding similar Franchises granted by the Authority.

H. Subject to other Easements. The rights of Grantee hereunder shall be subject to all easements of every kind heretofore granted by the Authority and to the right of the Authority to dredge, and to grant easements to the United States and other governmental agencies to dredge, north of the South Bulkhead Line.

SECTION 5
INDEMNITY

Except for liabilities caused by the gross negligence or willful misconduct of the Authority, its commissioners, employees, contractors, agents, attorneys or representatives, Grantee shall defend, indemnify and hold harmless Authority, its commissioners, officers, directors, managers, employees, and agents (for the purposes of this Section 5, the "Indemnified Parties") from and against, and Grantee shall be responsible for, any and all liabilities (including strict liability), actions, demands, damages, penalties, fines, losses, claims, costs, expenses (including reasonable attorneys', experts' fees and expenses), suits, settlements or judgments of any nature whatsoever (including claims for personal injury, bodily injury, real and personal property damage and economic loss) (collectively, "Claims"), which may be brought or instituted or asserted against the Indemnified Parties arising out of or resulting from the sole, joint, concurrent, or comparative negligence of Grantee, its agents, employees, contractors, subcontractors or licensees (collectively, "Grantee Parties"), in connection with the exercise by Grantee of the rights and privileges granted herein (each an "Indemnified Claim") EVEN IF THE INDEMNIFIED CLAIM ARISES OUT OF OR RESULTS FROM THE JOINT, CONCURRENT, OR COMPARATIVE NEGLIGENCE OF THE INDEMNIFIED PARTIES; provided, however, that Grantee shall be relieved of its obligation of indemnity (but not its obligation to defend) with respect to the percentage of such Indemnified Claim arising out of or resulting from the joint, concurrent, or comparative negligence of the Grantee Parties. In Indemnified Claims against any Indemnified Party by or for an

employee of a Grantee Party, the Grantee's indemnification obligation under this Section 5 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

SECTION 6
CONSEQUENTIAL DAMAGES

Notwithstanding anything in this Franchise to the contrary, neither Authority nor Company shall be liable under any circumstances to the other party for special, indirect, punitive, incidental, exemplary or consequential damages resulting from or arising out of this Franchise, including, without limitation, loss of profit or business interruption, loss of or deferral of crude oil and/or the receiving or transporting of crude oil, however the same may be caused, whether by the sole, joint or concurrent negligence, fault or liability without fault of any party, their contractors or subcontractors, but shall be limited to actual damages. Notwithstanding the immediately preceding sentence, a party may recover from the other party all costs, expenses or damages (including, without limitation, indirect, special, consequential, incidental, exemplary, punitive and other damages, as well as reasonable attorney's fees) paid or owed to any third party in settlement or satisfaction of claims of the type described herein for which such party has a right to recover from the other party.

SECTION 7
DEFAULT

In the event of default of Grantee in the performance of any of the terms and conditions herein stipulated to be done by it, or required of it under any valid law, rule or regulation of the government of the United States of America or the State of Texas, and in event such default is not cured or is not in the process of being cured in a reasonably diligent manner within sixty (60) days after the Authority has sent a written notice by registered or certified mail to Grantee at its business address, advising it of the nature and extent of such default, this Franchise shall be subject to forfeiture at the instance of the Authority by suit in a State District Court located in Nueces County, Texas.

SECTION 8
NO EFFECT ON MUTUAL CONVEYANCE

The rights and privilege of Grantee and the Authority arising out of that certain mutual conveyance dated March 29, 1948, of record in Volume 394, pages 570 through 582, Deed Records of Nueces County, Texas, executed by the Nueces County Navigation District No. 1 and by American Smelting and Refining Company ("Mutual Conveyance"), are hereby expressly recognized and confirmed and in no wise abridged, lessened or diminished by the granting of this Franchise and its acceptance by Grantee or by any surrender, cancellation or forfeiture of the same.

SECTION 9
ASSIGNMENT

Grantee may, with the prior written consent of the Authority, which consent shall not be unreasonably withheld, assign Grantee's rights and obligations under this Franchise to any individual or business entity that leases or otherwise has the right to use Grantee's Land, but Grantee shall not be released thereby from its obligations and duties hereunder.

Grantee may, with the prior written consent of the Authority, which consent shall not be unreasonably withheld, assign this Franchise to any individual or business entity that purchases or otherwise acquires title to all of the Grantee's Land. Any such assignee of this Franchise, shall file written evidence of such assignment and of assignee's acceptance of the same in the office of the Authority. If Grantee assigns this Franchise in accordance with the terms and conditions of this paragraph, Grantee shall be released from any further obligations and duties hereunder only insofar as such obligations and duties arise from and after the effective date of such assignment, it being specifically understood that any such assignment shall not have the effect of releasing Grantee from any obligations or duties hereunder which may have accrued at any time prior to the effective date of such assignment.

If Grantee sells, assigns, or transfers title to only a portion of the Grantee's Land (the "Transferred Land"), this Franchise shall automatically terminate with respect to the Transferred Land, and the new owner thereof shall not have the right to access the Channel from the Transferred Land until such time as the new owner has received a new permit or Franchise from the Authority for such purpose in accordance with the terms of the Mutual Conveyance described in Section 7 of this Franchise.

Grantee shall have the right to convey this Franchise by mortgage, deed of trust or any other security instrument. If Grantee shall be in default of any of the covenants or conditions of this Franchise, the holder of the mortgage, deed of trust or other security instrument may, before forfeiture is invoked by the Authority, make any and all payments and do and perform any and all acts or things which may be necessary to prevent a forfeiture of this Franchise and the party making such payments or performing such acts or things shall thereby be subrogated to all rights of the Grantee under this Franchise. The Authority agrees that if the holder of any mortgage, deed of trust or other security instrument delivers a copy of such instrument to the Authority, together with the address to which it desires notices to be sent, the Authority will send to the holder at the address specified copies of all written notices to be served on Grantee under and pursuant to the terms of this Franchise. It is understood that the mortgagee, trustee and beneficiary of any security instrument shall in no way be liable to the Authority for any payments or for the performance of any other covenants and conditions of this Franchise until such time as it shall acquire by assignment or conveyance from Grantee or by foreclosure or other proceedings provided by law or by the terms of the security instrument all the right, title and interest of Grantee under this Franchise; provided, however, that any party who shall acquire said right, title and interest of Grantee, as above provided, shall thereby become liable for all payments and the performance of all other covenants and conditions theretofore and thereafter

required to be made by Grantee under the Franchise, as fully and to the same extent as if Grantee itself would have been if it still had retained its right, title and interest hereunder.

SECTION 10
GENERAL

All covenants, conditions and agreements of this Franchise shall apply to and be binding upon the Authority and Grantee and their respective legal representatives, successors and permitted assigns (when assignment is made in accordance with the provisions hereof). This Franchise is made under the applicable laws of the State of Texas and if any term, clause, provision, part or portion of this Franchise shall be adjudged invalid or illegal for any reason, the validity of any other part or portion hereof shall not be affected thereby, and the invalid or illegal portion thereof shall be deleted and ignored as if the same had not been written herein. If any of the rights and authorities granted hereunder are in excess of the authority of the Authority, then the rights and authorities shall be limited to such as the Authority is authorized to grant, under the applicable laws. The failure of Grantee or of the Authority to insist upon the strict performance of any of the covenants and conditions of this Franchise, or the consent, either express or implied, of either party hereto to any act or omission by the other party in breach or default hereof, shall not be deemed or construed to be a waiver of any such covenant or condition except for that particular instance only and shall not constitute or be construed as a waiver of such covenant or condition or of any further or future breach or default thereof. The expense of publishing notice of this Franchise as required by law shall be borne by the Grantee.

SECTION 11
PASSAGE AND ACCEPTANCE

A majority of the Authority's Port Commissioners voted to grant this Franchise at meetings of the Port Commission held on January 13, 2015, February __, 2015, and March __, 2014, and the final form of this Franchise was approved at the last of these meetings. Grantee must file its written acceptance of this Franchise with the Authority within thirty (30) days after the date on which this Franchise was finally approved by the Authority's Port Commissioners, and such written acceptance shall be duly acknowledged by the person or persons executing the same. This Franchise shall take effect when the Grantee files its written acceptance of it with the Authority in accordance with this Section.

SECTION 12
IMPROVEMENTS

Except as otherwise provided herein, any and all structures and other improvements which are, and may be, constructed and placed by Grantee, its successors and assigns, upon Grantee's Land (collectively "Grantee's Improvements") shall be and remain at all times the property of Grantee, its successors and permitted assigns, notwithstanding a reversion of title to Grantee's Land to the Authority pursuant to the provisions of, or as a result of the exercise of any of the rights of the Authority retained in, the Mutual Conveyance described in Section 8 of this Franchise. In the event of such reversion, Grantee may continue to maintain and operate Grantee's Improvements and make additions and replacements to them notwithstanding the

reversion or may remove Grantee's Improvements from Grantee's Land, but following such reversion Grantee shall not have the right to cross and may not cross the South Bulkhead Line from Grantee's Land or Grantee's Improvements and may not ship or allow others to ship property or commodities by water to, from or across the Grantee's Improvements or Grantee's Land.

SECTION 13
MISCELLANEOUS

- A. **ATTORNEYS' FEES** In any action or proceeding brought to enforce or interpret any provision of this Franchise, or where any provision hereof is validly asserted as a defense, the Authority and Grantee shall each bear its own attorneys' fees.
- B. **FORCE MAJEURE** Whenever this Franchise sets a time period for the Authority or Grantee to act, the party required to perform the act will not be liable to the other party, and the computation of the time period will exclude any delays due to any cause or causes beyond the control of such party, including but not limited to acts of God, fires, storms, hurricanes, floods, wars (whether or not affecting the United States of America), service interruptions involving a pipeline, rebellions, insurrections, riots, explosions, strikes, lockouts, vandalism, criminal acts, terrorism, and compliance with rules, regulations, or orders of any governmental authority ("*force majeure*"). But no such *force majeure* will excuse Grantee's obligations to timely pay the rentals described in Section 3 of this Franchise or any other sums of money due to the Authority.
- C. **NOTICES** Any notice, request or other communication under this Franchise shall be given in writing and shall be delivered by certified mail or by nationally recognized overnight carrier. Any such notice shall be deemed to have been received on the date of the receipt thereof by the receiving party. All notices delivered hereunder shall be made to respective parties at the address specified below:

**Port of Corpus Christi Authority
of Nueces County, Texas:
222 Power Street 78401
P. O. Box 1541 78403
Corpus Christi, Texas
Attention: Executive Director**

Plains Terminals Corpus Christi LLC:

**Steve Varnado
Director Terminals and Marketing
333 Clay Street, Suite 1600
Houston, Texas 77002**

Lawrence J. Dreyfuss
Senior Vice President General Counsel
333 Clay Street, Suite 1600
Houston, Texas 77002

- D. **APPLICABLE LAW** THIS FRANCHISE MUST BE CONSTRUED AND ITS PERFORMANCE ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS FRANCHISE TO THE LAW OF ANOTHER JURISDICTION. Venue of any action arising out of this Franchise will be in Nueces County, Texas.
- E. **INVALIDITY OF PROVISIONS** If any one or more of the phrases, sentences, clauses, paragraphs or sections of this Franchise shall be declared invalid by the final and unappealable order, decree or judgment of any court, this Franchise shall be construed as if it did not contain such phrases, sentences, clauses, paragraphs or sections, provided that such construction does not substantially alter the material benefits and burdens of the Authority and Grantee as set forth in this Franchise.
- F. **ENTIRE AGREEMENT; AMENDMENTS** This Franchise, including the exhibits and attachments hereto, memorializes the final terms, conditions, rights, obligations and understanding of the Authority and Grantee with respect to the subject matter of this Franchise. There are no written or oral representations or understandings with respect to the particular subject matter of this Franchise, which are not contained in Franchise document and its attachments or in the Mutual Conveyance described in Section 8 of this Franchise. No change in any term of this Franchise will be effective, and no subsequent agreement concerning the subject matter of this Franchise will be enforceable, unless the Authority and Grantee each sign and deliver to the other a written instrument evidencing the change or agreement. No waiver or discharge of any provision of this Franchise is valid unless it is in a writing that is signed by the party against whom it is sought to be enforced.
- G. **EXCLUSION OF PRIOR DRAFTS** Drafts of this Franchise and prior correspondence regarding this Franchise shall not be used by the Authority or Grantee as evidence of the intent of the parties or otherwise be admissible in evidence in interpreting this Franchise

[The Authority's signature page follows this page]

IN WITNESS WHEREOF, the Authority has caused this Franchise to be signed by the Chairman of the Port Commission and attested by the Secretary of the Port Commission this __ day of March, 2015.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
_____,
Port Commission Chairman

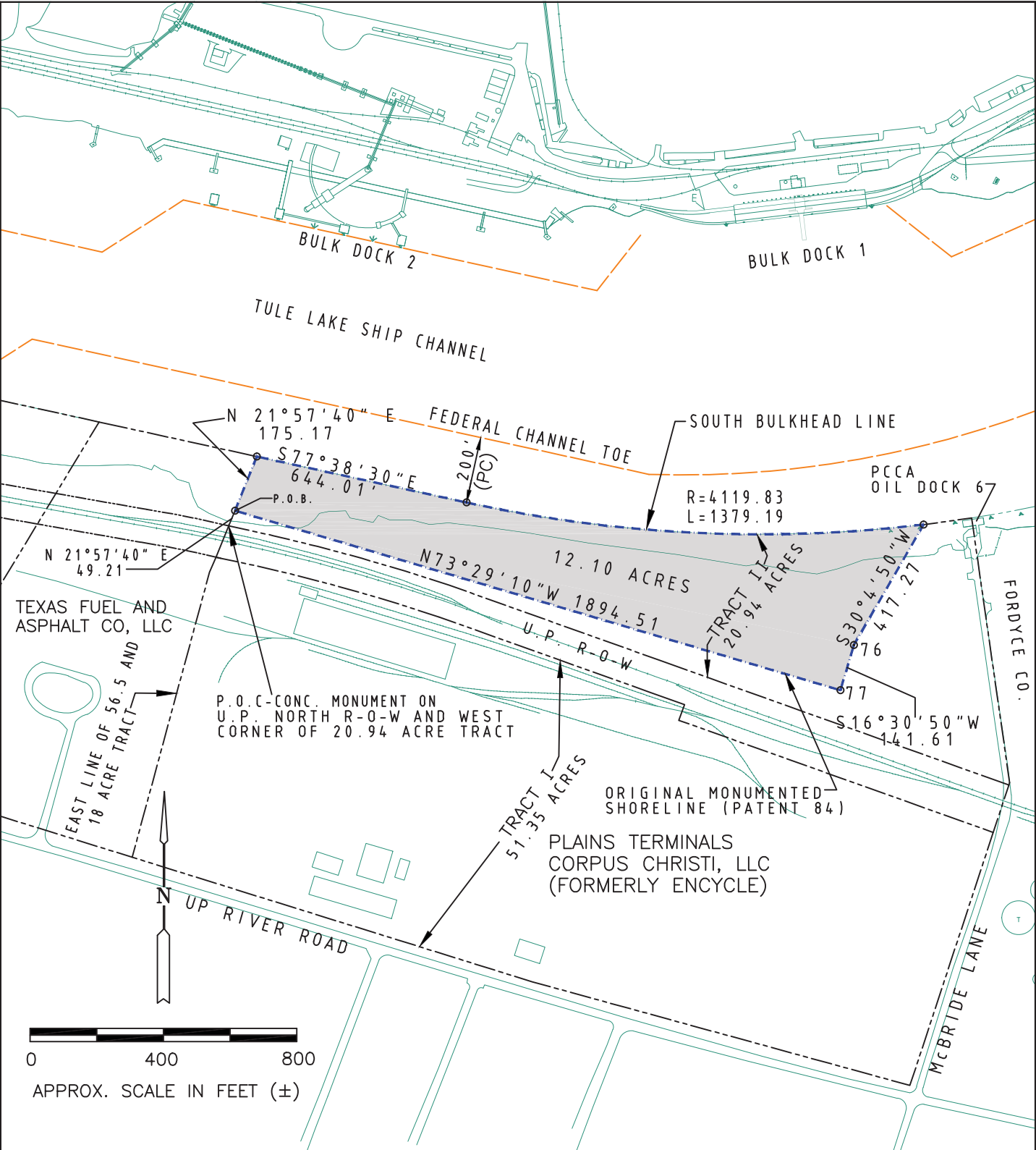
ATTEST:

_____,
Port Commission Secretary


STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the __ day of March, 2015, by _____, Chairman of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, and _____, Secretary of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Port Authority.

NOTARY PUBLIC, STATE OF TEXAS



NO.	DATE	REVISION



PORT CORPUS CHRISTI

PORT OF CORPUS CHRISTI AUTHORITY

**PLAINS TERMINALS
CORPUS CHRISTI, LLC FRANCHISE**

SCALE: AS SHOWN	EXHIBIT A	DATE: OCTOBER 2014
DWN. BY: RALPH		

**Exhibit B
Legal Description of Grantee's Land**

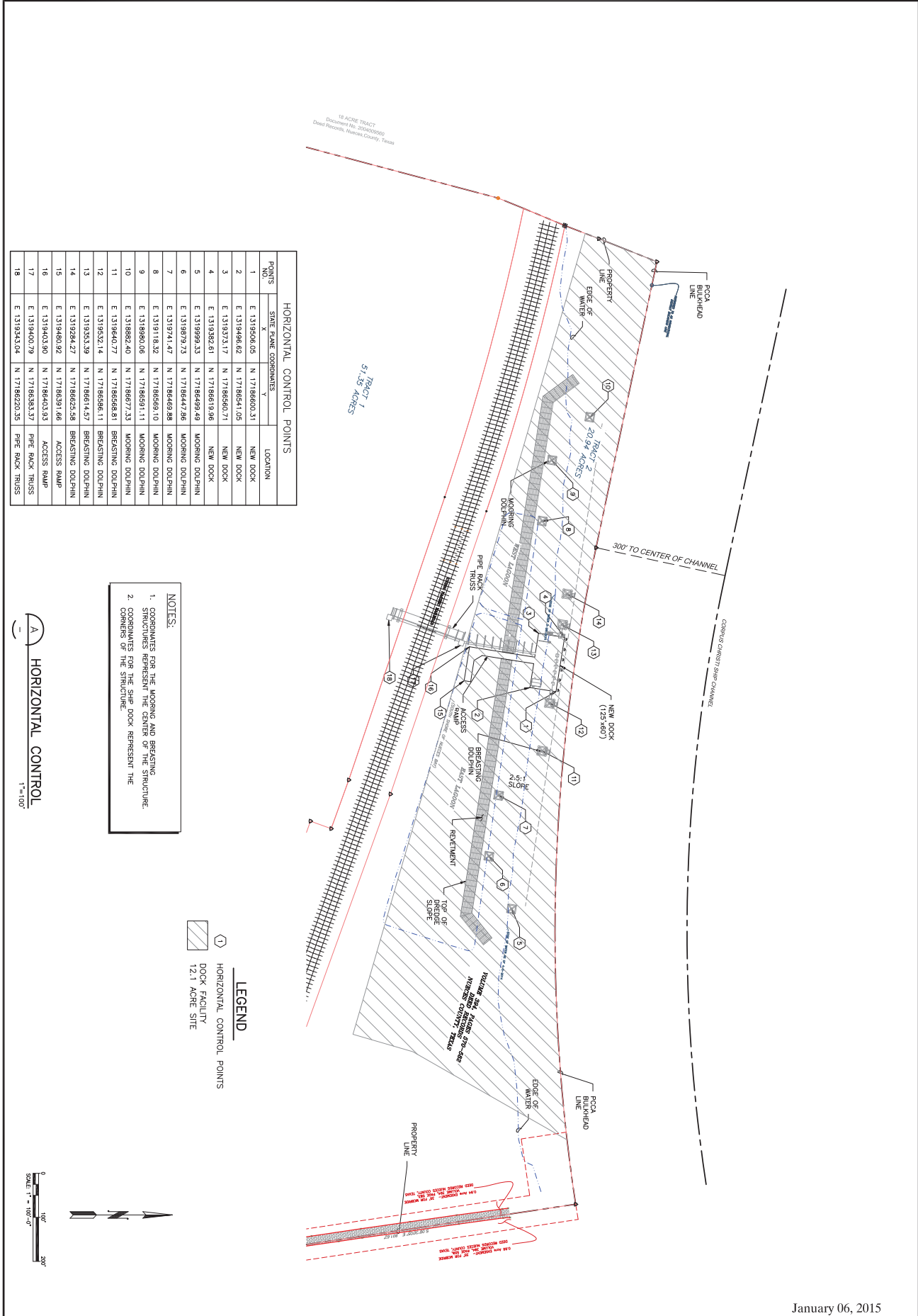
Being a 12.10 acre tract of land out of a 20.94 acre tract of land referred to as Tract II recorded in a special warranty deed (Doc. #2014008147) in Nueces County, Texas. Said 12.10 acres also being a portion of the submerged land patented to Nueces County Navigation District (now known as Port of Corpus Christi Authority) by the State of Texas on May 7, 1930 recorded in Vol. 192 page 579 and further referred to as Patent 84 (Section 939). Said 12.10 acre tract further describes as follows:

Commencing at a point (P.O.C.) on the west corner of the aforementioned 20.94 acre tract.

- Thence, N 21° 57' 40" E for a distance of 49.21' to Point of Beginning (P.O.B.).
- Thence, N 21° 57' 40" E along west boundary of said 20.94 acre tract for a distance of 175.17' to a point on the south bulkhead line and north corner of 20.94 acre tract.
- Thence, along said south bulkhead line and north boundary of 20.94 acre tract, being 200' south of and parallel to the Federal Channel toe of the Tule Lake Ship Channel for a distance of 644.01' to a point of curvature to the left.
- Thence, along said curve, south bulkhead line, and north boundary of 20.94 acres, having a radius of 4,119.83' and a length of 1379.19' to a point on the south boundary of the aforementioned Patent 84. Said point also being the east corner of this tract.
- Thence, S 30° 4' 50" W along south boundary of Patent 84 for a distance of 417.27' to a corner referred to as Original Shoreline Monument #76.
- Thence, continuing along south boundary of Patent 84, S 16° 30' 50" W for a distance of 141.61' to the south corner of this tract referred to as Original Shoreline Monument #77.
- Thence, continuing along south boundary of Patent 84, N 73° 29' 10" W for a distance of 1894.51' to the Point of Beginning (P.O.B.).

Map marked Exhibit A and entitled "Plains Terminals Corpus Christi, LLC Franchise" accompanies this description.

Note: description and map derived from office records and not from a ground survey.



POINTS NO.	STATE PLANE COORDINATES		LOCATION
	X	Y	
1	E 1319506.05	N 17186600.31	NEW DOCK
2	E 1319486.62	N 17186541.05	NEW DOCK
3	E 1319373.17	N 17186560.71	NEW DOCK
4	E 1319382.81	N 17186619.96	NEW DOCK
5	E 1319999.33	N 17186499.49	MOORING DOLPHIN
6	E 1319879.73	N 17186447.86	MOORING DOLPHIN
7	E 1319741.47	N 17186669.88	MOORING DOLPHIN
8	E 1319118.32	N 17186593.10	MOORING DOLPHIN
9	E 1318980.06	N 17186591.11	MOORING DOLPHIN
10	E 1318882.40	N 17186677.33	MOORING DOLPHIN
11	E 1319640.77	N 17186568.81	BREASTING DOLPHIN
12	E 1319532.14	N 17186596.11	BREASTING DOLPHIN
13	E 1319353.39	N 17186614.57	BREASTING DOLPHIN
14	E 1319284.27	N 17186625.98	BREASTING DOLPHIN
15	E 1319480.92	N 17186391.66	ACCESS RAMP
16	E 1319403.90	N 17186403.93	ACCESS RAMP
17	E 1319400.79	N 17186383.37	PFE RACK TRUSS
18	E 1319343.04	N 17186220.35	PFE RACK TRUSS

LEGEND

1 HORIZONTAL CONTROL POINTS
 DOCK FACILITY
 12.1 ACRE SITE

NOTES:

1. COORDINATES FOR THE MOORING AND BREASTING STRUCTURES REPRESENT THE CENTER OF THE STRUCTURE.
 2. COORDINATES FOR THE SHIP DOCK REPRESENT THE CORNERS OF THE STRUCTURE.

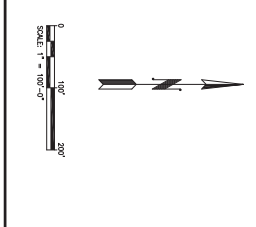


Exhibit C DRAWING NO. 10P-00051 PROJECT NO. 10P-00051	PLAINS MARINE TERMINAL AT PORT OF CORPUS CHRISTI	PREPARED BY: SCHNEIDER ENGINEERING & CONSULTING 5440 West Tyson Ave., Suite 200 Tampa, FL 33611 Certificate of Authorization Number, F-14492	PREPARED FOR: ORION CONSTRUCTION LP ORION MARINE GROUP Orion Marine Construction, LP Houston, Texas	Designed: GLS Drawn: ACJ/RMA Checked: WHC Approved: ---	P.E. GARY L. SCHNEIDER NO. 111910
	AT 22" x 34" BAR IS ONE INCH	EXHIBIT Page 114/332	January 06, 2015	---	---

ACCEPTANCE OF GRANTEE

Plains Terminals Corpus Christi LLC hereby accepts the above and foregoing Franchise covering 12.1 acres of land, which was granted to it by Port of Corpus Christi Authority of Nueces County, Texas, and further agrees that Plains Terminals Corpus Christi LLC, its successors and permitted assigns, shall in all things be bound by the terms and conditions of said Franchise.

EXECUTED this ____ day of _____, 2015.

Plains Terminals Corpus Christi LLC

By: _____

Printed Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2015, by _____, _____ of Plains Terminals Corpus Christi LLC, on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 17

**Approve a One-Year Contract Extension with
Susser Petroleum Operating Co, LLC, for the Purchase of Bulk Fuel**

On March 11, 2014, the Port Commission approved the award of a contract to Susser Petroleum Operating Co., LLC, for the purchase of bulk fuel. The contract was structured to give the PCCA the option to extend the contract an additional year with Commission approval.

The contract awarded was based on the lowest mark-up rate that is added to the variable and identifiable wholesale rate of the Corpus Christi average daily rack price. The mark-up rates awarded in 2014 were favorable and will remain in effect for 2015. The rates are listed as follows:

<u>Commodity</u>	<u>Mark-Up</u>
Ultra Low Emission Red No.2 Diesel Off-Road	\$0.0750 per Gallon
Ultra Low Emission Clear No.2 Diesel On-Road	\$0.2750 per Gallon
89 Octane E10 Unleaded Gasoline	\$0.2750 per Gallon
87 Octane Conventional Unleaded Gasoline (Marine)	\$0.2750 per Gallon

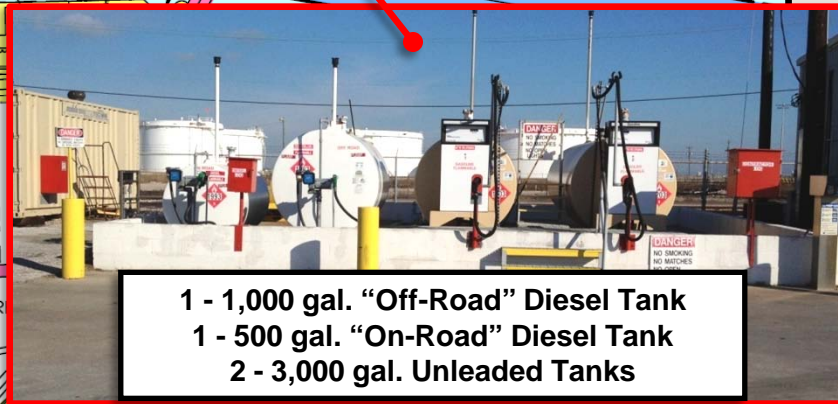
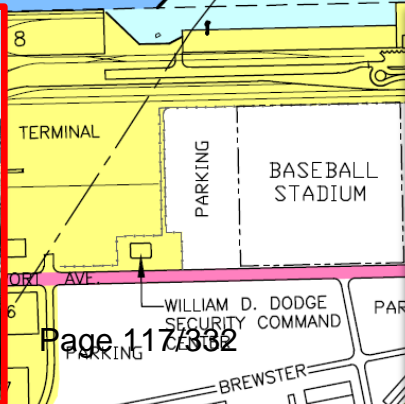
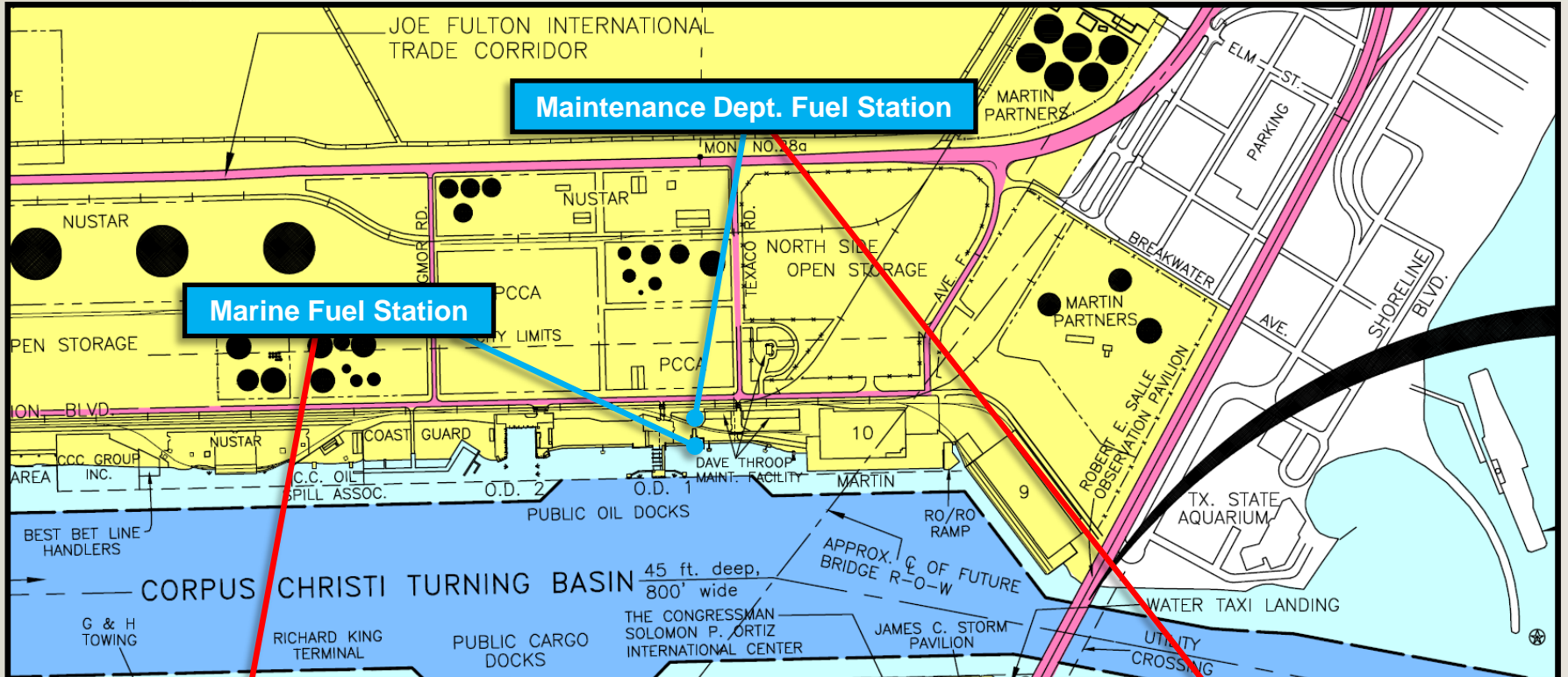
All of the above mark-up rates include state taxes, environmental fees, freight, profit, and overhead fees, with the exception of “Off-Road” Ultra Low Emission Red No. 2, which does not include a \$0.20 per gallon road-use state tax. Based upon the PCCA’s 2014 fuel consumption, staff estimates the fuel costs for the next 12 months to be \$250,000 to \$300,000. The amount estimated for 2014 was \$419,450, and the PCCA expended approximately \$235,000.

Staff recommends approval of the one-year extension of the existing contract with Susser Petroleum Operating Co., LLC, for the purchase of bulk fuel.

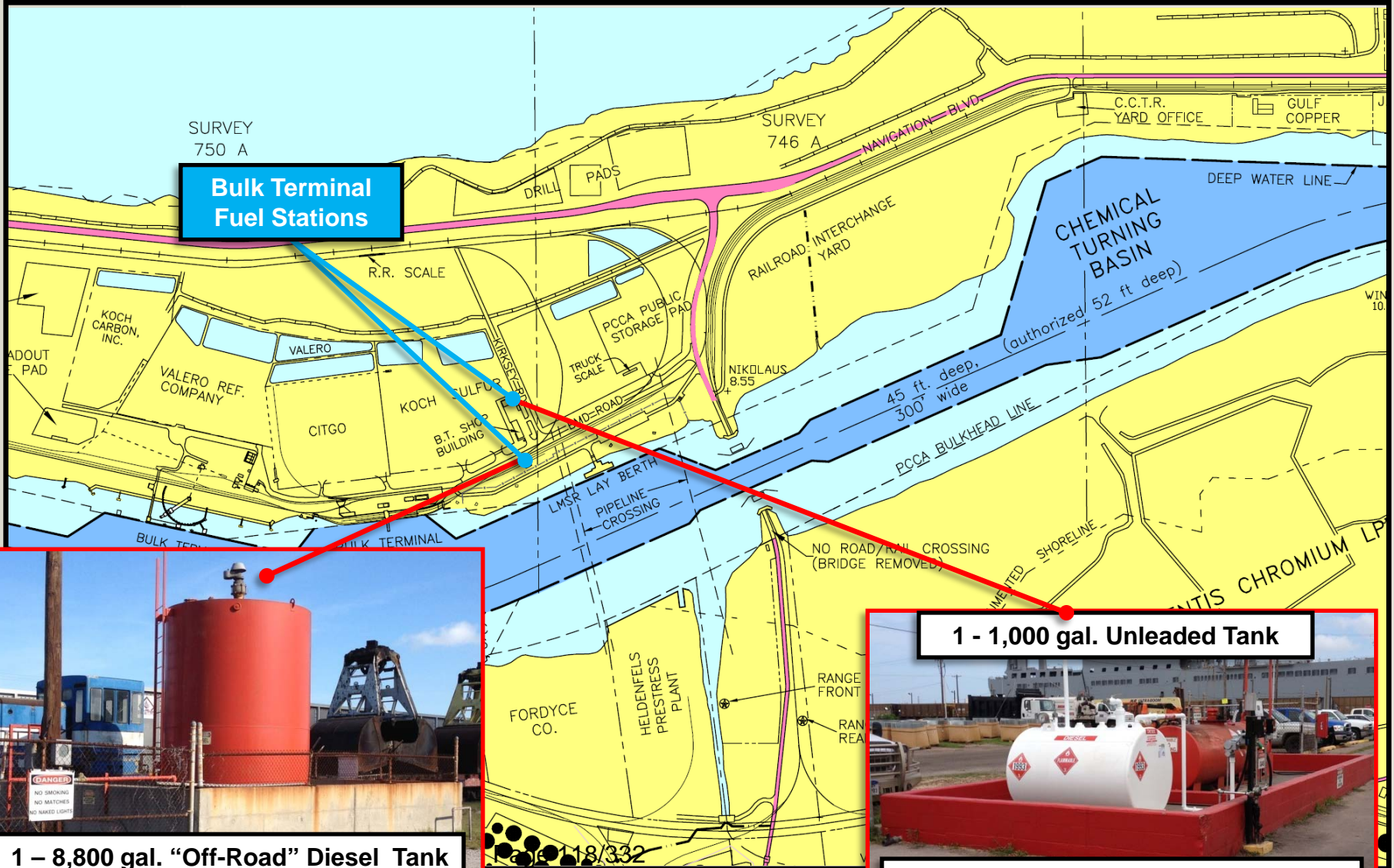
LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

Purchase of Bulk Fuel

Maintenance Dept. & Marine Fuel Stations



Purchase of Bulk Fuel Bulk Terminal Fuel Stations



Bulk Terminal Fuel Stations

1 - 1,000 gal. Unleaded Tank

1 - 8,800 gal. "Off-Road" Diesel Tank

and 1 - 500 gal "On-Road" Diesel Tank

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-A

Approve Lease Agreement with Mossi and Ghisolfi Logistics Company, for Building 26 and Building 27 on Sam Rankin Street for Storage of Construction Materials and Components in Conjunction with the Construction of M&G Resins USA's Plastics Plant

Mossi & Ghisolfi Logistics Company (M&G) will be coordinating the movement of materials and components to be used in the construction of M&G Resins USA, LLC, purified terephthalic acid (PTA) and bottle-grade polyethylene terephthalate resins (PTA) production plant on the north side of the Viola Ship Channel. Many of the materials will be manufactured or assembled in other parts of the United States or in other countries and will be shipped to the Port of Corpus Christi where they will be off-loaded and transferred to the plant site once they are needed. M&G is in the early stages of development of the plant site and its rail classification yard; however, M&G presently has no warehouse or storage areas in which to store the materials while awaiting their use. Many of the materials must be stored in FTZ-compliant storage areas in order to comply with the regulatory requirements of the U.S Customs Department.

The PCCA owns two warehouses on Sam Rankin Street, each approximately 40,000 square feet in size and commonly known as Buildings 26 and 27. These buildings meet FTZ standards and are located within the Port's existing FTZ area. The buildings are well suited to meet the needs of M&G, are currently not in use, and located within the proposed right-of-way of the new Harbor Bridge. See attached exhibit.

PCCA staff and representatives of M&G have negotiated a short-term lease, not to exceed six months, allowing M&G to utilize one or both of the buildings along with the open storage areas within the chain link security fence surrounding them. MGL will initially take possession of Building 26 and the open storage areas and pay the PCCA rent for that building as detailed on the attached lease summary. M&G expects that it will need both buildings, but it is not yet known at this time when or even if Building 27 will be needed. Accordingly, the lease agreement is drafted so that no rent will be charged for Building 27 unless or until M&G begins to utilize it.

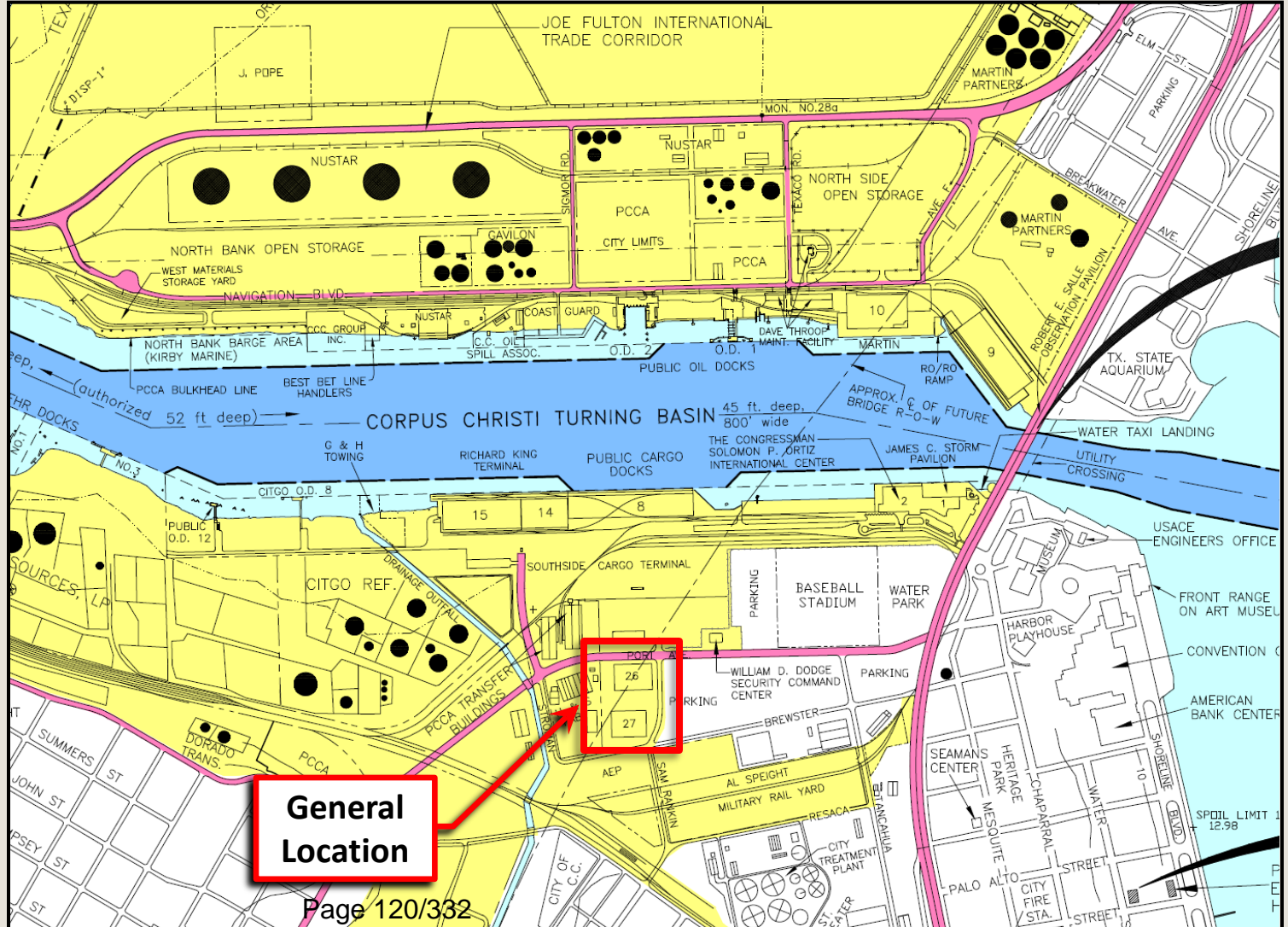
Staff recommends approval of the attached Lease Agreement with Mossi & Ghisolfi Logistics Company.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



Mossi & Ghisolfi Lease at Buildings 26 & 27

AGENDA ITEM NO. 18-A



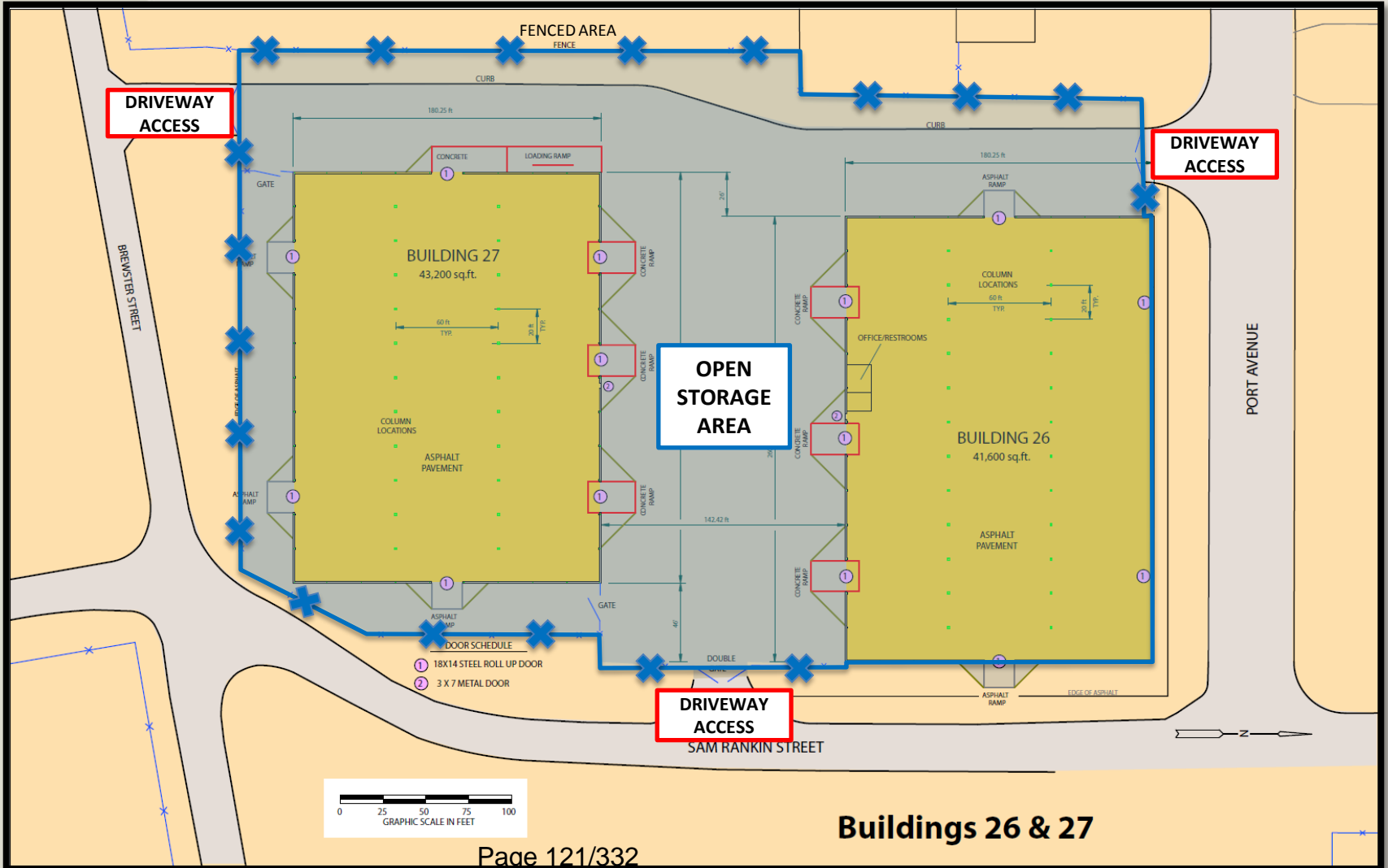
**General
Location**



Mossi & Ghisolfi

Lease at Buildings 26 & 27

AGENDA ITEM NO. 18-A



Buildings 26 & 27

**PORT OF CORPUS CHRISTI AUTHORITY
LEASE SUMMARY**

Lessee: Chemtex International Inc. a Delaware corporation

Leased Premises: Building 26 and 27 located on Sam Rankin Street at Port Avenue as depicted on the attached drawing.

Use: For the storage and transshipment of any and all materials, components, equipment, supplies etc. required for construction of the production plant of purified terephthalic acid (“PTA”) and bottle grade polyethylene terephthalate resin (“PET”) for M&G Resins USA, LLC.

Term: 6 months

Options: None

Start Date: February 17, 2015

Monthly Rent: Building 26 \$20,800
Building 27 \$21,600

Additional Rent: None

Adjustment of Rent: N/A

Remarks: Lessee does not intend to take possession of Building 27 on the Effective Date; however it is the intent of the Lessee to occupy and use a portion or all Building 27 at some point during the Primary Term of the Lease Agreement. Authority and Lessee have agreed that the rent payable in connection with Lessee’s occupation and use of Building 27 shall not begin to accrue until such time as Lessee takes possession of any part of Building 27.

LEASE AGREEMENT

This **LEASE AGREEMENT** (the "Lease Agreement") is made effective as of the 1st day of February, 2015, by and between **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called "Authority"), and **Mossi & Ghisolfi Logistics Co.**, a Delaware corporation with a permit to do business in Texas, whose principal address is 555 N. Carancahua, Suite 800, Corpus Christi, Texas 78401 (hereinafter called "Lessee"). Authority and Lessee shall be hereinafter jointly referred to as the "Parties" or individually to as the "Party".

ARTICLE I
LEASED PREMISES

A. Description and Term: Authority, in consideration of the rents to be paid and the terms, covenants, and conditions hereinafter set forth, hereby leases to Lessee that certain real property together with the improvements situated thereon in Nueces County, Texas, being commonly known as Building 26, containing 41,600 square feet of warehouse and office space and having a physical address of 1837 Sam Rankin Street, Corpus Christi, Texas 7840 and Building 27, containing 43,200 square feet of warehouse space, both buildings as depicted on the drawing labeled "**Exhibit A**" attached hereto and incorporated herein by reference (hereinafter the "Leased Premises"), **TO HAVE AND TO HOLD** the Leased Premises for a term (the "Primary Term") of six (6) months, beginning the 1st day of February, 2015 (the "Effective Date"), and terminating at midnight, Central Time on the 16th day of August, 2015, unless sooner terminated and subject to the following sentence. The Primary Term of the Agreement may be extended for a further period of time, by way of an amendment to this lease agreement, however Authority does not guarantee it will agree to such extension. Depending upon the status of the plans of Authority for such warehouses (for example the warehouses may be torn down following the expiration or termination of the Primary Term of this lease) the Parties may consider the possibility of an extension of the Primary Term of this lease on month-to-month basis up to a maximum of three (3) months ("Extended Term"), in such case the Extended Term will be fully subject to terms and conditions of this Agreement.

B. Gates and Driveways: The Leased Premises is enclosed by a chain link security fence with three (3) double gates and improved driveways providing access to the public roadways located adjacent to the Leased Premises as shown on "Exhibit A" (collectively the "Gates and Driveways"). Beginning on the Effective Date, Lessee shall be entitled to use the Gates and Driveways for ingress and egress to and from the Leased Premises. Lessee shall maintain the Gates and Driveways at Lessee's sole expense and shall promptly repair any damage to the Gates and Driveways caused by Lessee, its contractors or invitees during Lessee's Use of the Leased Premises. Upon termination of this Lease Agreement, Lessee shall return the Gates and Driveways to Authority in substantially the same condition that which existed as of the Effective Date, subject to reasonable wear and tear by Lessee of the Gates and Driveways.

C. Parking and Stabilized Yard: Lessee shall be entitled to use, at its sole discretion, some or all of the land within the chain link security fence including the graveled and asphalt stabilized areas (the "Yard"). Lessee shall maintain and repair the Yard at Lessee's sole

expense and promptly repair any damage caused by Lessee, its contractors or invitees to the Yard. Upon termination of this Lease Agreement Lessee shall return the Yard to Authority in substantially the same condition that which existed as of the Effective Date, subject to reasonable wear and tear by Lessee of the Yard.

D. Holding Over: In the event of any holding over by Lessee beyond the Primary Term or Extended Term of this Lease Agreement without the written consent of Authority, Lessee is deemed to be occupying the Leased Premises as a tenant at sufferance. During any holdover period, Lessee will pay 2.0 times the monthly rent being charged Lessee in the month prior to the commencement of Lessee's holding over, and Lessee will be subject to all other terms of this Lease Agreement insofar as the same are applicable to a tenant at sufferance.

E. Termination by Lessee: Lessee shall be entitled to terminate this Lease Agreement for any reason or no reason at all at any time during the Primary Term by giving Authority thirty (30) days written notice.

F. Termination by Authority: Authority shall be entitled to terminate this Lease Agreement at any time after June 30, 2015, for any reason or no reason at all by giving Lessee sixty (60) days written notice.

G. Assignment: Lessee may not assign this Lease Agreement in whole or in part or any interest therein nor sublet the Leased Premises or any part thereof nor grant any license, concession or other right of occupancy of any portion of the Leased Premises without the prior written consent of Authority.

ARTICLE II
RENT AND UTILITIES

A. Rent for Building 26: Beginning on the Effective Date of this Lease Agreement and on the 1st day of each month of the Primary Term, Lessee agrees to pay Authority at its offices in Corpus Christi, Texas, a monthly rental in the amount of Twenty Thousand Eight Hundred and 00/100 Dollars (\$20,800.00) for occupancy and use of Building 26, the Gates and Driveways and the Yard. Lessee shall not be entitled to a refund of any portion of the monthly rent paid for Building 26, the Gates and Driveways and the Yard should this Lease Agreement be terminated for any reason prior to the end of any calendar month, unless the termination is due to reasons solely applicable to a default by Authority.

Payment by Lessee of monthly rental shall be made by the electronic bank transfer into Authority's designated bank account. The Authority shall provide Lessee with details designating its bank account within 10 (ten) days from the Effective Date.

B. Rent for Building 27: Authority acknowledges that Lessee does not intend to take possession of Building 27 on the Effective Date; however, it is the intent of the Lessee to occupy and use a portion or all of Building 27 at some point during the Primary Term or Extended Term of this Lease Agreement. Authority and Lessee have agreed that the rent payable in connection with Lessee's occupation and use of Building 27 shall not begin to accrue until such time as Lessee takes possession of any part of Building 27. Lessee shall notify the

Authority within five (5) days of the date upon which possession of any portion of Building 27 occurs and upon the date of possession the rent payable for Building 27 will begin to accrue. Beginning on the day Lessee takes possession of all or any portion of Building 27, additional monthly rent in the amount of Twenty One Thousand Six Hundred and 00/100 Dollars (\$21,600.00) shall be payable to the Authority for the Use of Building 27. During the first calendar month in which Lessee takes possession of Building 27, Lessee shall pay pro-rated rent for the remaining number of days in such month, including the day of initial possession, in the amount of Seven Hundred Twenty and 00/100 Dollars (\$720.00) per day. The prorated rent for the remainder of the first calendar month of Lessee's Use of Building 27 shall be included with and added to the rental payment due for Building 26 and shall be paid on the 1st day of the month following Lessee's initial possession of Building 27. For example; if Lessee takes possession of Building 27 on the 20th day of February, 2015, Lessee will pay Authority for 9 days in the month of February 2015 at the rate of \$720.00 per day, or \$6,480.00. Accordingly, the total amount due on the 1st day of March, 2015 will be calculated as follows: \$6,480.00 for the remainder of February + \$21,600.00 for the full month of March = \$28,080.00. Lessee shall not be entitled to a refund of any portion of the monthly rent paid should this Lease Agreement be terminated for any reason prior to the end of any calendar month.

C. Additional Monthly Rent: As additional monthly rental, Lessee will pay Authority for its cost of insuring Building 26 and Building 27 during the Primary Term and any Extended Term of this Lease Agreement on a monthly basis beginning on the Effective Date.

This is a net Lease. Authority shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this lease unless provided for in this Lease Agreement or the financing, ownership, construction, reconstruction, maintenance, operation, or repair of the Leased Premises or the improvements thereon

D. Utilities: In addition to the rent described hereinabove, Lessee shall obtain and pay when due for the period of Primary Term or Extended Term all charges for (a) its consumption of water, gas, electricity, and other utilities if required by Lessee, (b) garbage service, (c) security or guard services provided by Lessee, or (d) railroad services (if required by Lessee) in connection with the Leased Premises.

ARTICLE III **USE OF PREMISES**

A. Use: The Leased Premises may be used for the following purposes, and for no other purpose, unless written permission for other use is obtained from Authority:

For the storage and transshipment of any and all materials, components, equipment, supplies etc. required for construction of the production plant of purified terephthalic acid ("PTA") and bottle grade polyethylene terephthalate resin ("PET") for M&G Resins USA, LLC.

In its use of the Leased Premises, Lessee will not violate any restrictive covenant or deed restriction (recorded or otherwise) affecting the Leased Premises, or any applicable law, statute,

ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters.

B. Hazardous Use: No Hazardous Materials (as defined hereunder) may be created or allowed to continue on the Leased Premises, except for those which are required for standard operation of Lessee's business, such as Class 3 Flammable liquids (Gasoline, oil, petroleum), Class 2; Gases (propane gas etc.) In any case Lessee is not authorized to store explosives and/or Poison/toxic substances.

Lessee's occupancy, operation and/or use of the Leased Premises shall not violate any applicable city, state or federal laws or regulations pertaining to the storage, disposal, use or release of environmentally hazardous substances ("Hazardous Materials") as defined by any applicable city, state or federal law or regulation, and must comply with Authority's Tariffs, Rules and Regulations and the Port of Corpus Christi Authority's Design and Construction Guidelines set forth in Authority's Real Estate Manual.

Lessee must clean up, remove, remediate and repair any soil or ground water contamination and damage caused by solely by Lessee or it's contractors due to the presence or release of any Hazardous Materials in, on, under the Leased Premises during occupancy of the Leased Premises in conformance with the requirements of applicable law. Lessee shall immediately give Authority written notice of any suspected breach of this paragraph, upon learning of the presence or any release of any Hazardous Materials, or upon receiving any notice from governmental agencies pertaining to Hazardous Materials which may affect the Leased Premises.

The obligations of Lessee hereunder shall survive the expiration or earlier termination, for any reason, of this lease for a period of two (2) months and thereafter automatically terminate and be null and void for all purposes.

Lessee shall not bring or permit to remain on the Leased Premises any asbestos, petroleum or petroleum products, explosives or toxic materials except for commercially reasonable amounts of materials used in the ordinary course of Lessee's business, nor commit or permit to remain any waste or damage to the Leased Premises

C. Exclusive Possession: Subject to paragraph D, below, Lessee shall have exclusive possession of the Leased Premises during the Primary Term and Extended Term of this Lease Agreement.

D. Use by Authority: Authority reserves the right to use any streets or roadways on the Leased Premises, however, such use cannot disturb or stop ordinary course of Lessee's business conducted on such streets or roadways on Leased Premises. Authority further reserves the right to use as much of the Leased Premises as is necessary to lay mains for gas, water or sewers on the Leased Premises, to place poles and necessary wires and attachments for electricity or for telephone and fiber optic lines over and across any part of the Leased Premises, and to lay, or grant easements or rights of way to other parties for the laying of, pipelines for oil, petroleum, petroleum products, fiber optics and any other products over, under and upon the

Leased Premises (collectively, the “Authority Uses”); provided, however, that the same shall not interfere with Lessee’s leased buildings, improvements, or Lessee’s use of the Leased Premises. Authority has the right to use third parties for the performance of the rights reserved to Authority in this Article subject to Lessee’s approval.

E. Sam Rankin Street Improvement Project: Lessee has been advised that there are currently plans being developed for the rebuilding of that portion of Sam Rankin Street fronting along the eastern side of the Leased Premises (the “Sam Rankin Project”). In the event the Sam Rankin Project is commenced during the Primary Term of this Lease Agreement or during any period of time during which Lessee is Holding Over, Lessee may be required to cease using that portion of Sam Rankin Road and the Gate and Driveway providing ingress and egress to and from the Leased Premises from Sam Rankin Street. Lessee agrees to fully cooperate with the Authority throughout the duration of the Sam Rankin Project should it commence during Lessee’s occupancy of the Leased Premises and shall not be entitled to recover any liquidated damages or reimbursement for any additional expense incurred by Lessee as a result of the Sam Rankin Project.

ARTICLE IV
CONDITION OF PREMISES AND MAINTENANCE

A. Lessee's Inspection: Lessee has inspected the Leased Premises, including all improvements, fixtures, equipment and personal property situated on the Leased Premises and has conducted any environmental assessment it desired and on the date of this Lease Agreement accepts the Leased Premises As Is, Where Is, and in the condition it existed on that date, as reasonably suited and fit for Lessee's intended uses of the Leased Premises. Lessee acknowledges that Authority has made no express warranties with regard to the premises and to the maximum extent permitted by applicable law, Authority hereby disclaims, and lessee waives the benefit of, any and all implied warranties, including implied warranties of habitability, or fitness or suitability for lessee’s purpose.

B. Authority's Inspection: Authority's agents, representatives, or employees may enter the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this Lease Agreement, for purposes of maintaining, repairing, or altering the Leased Premises, or for the purpose of showing the Leased Premises to prospective lessees. Any of such inspection may not interfere ordinary course of Lessee’s business conducted on Leased Premises.

C. Maintenance: Lessee will, throughout the Primary Term and Extended Term, at its own expense and risk, maintain the Leased Premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition. All maintenance, repairs, and replacements required by this Section must be performed promptly when required and so as not to cause material depreciation in the value of the Leased Premises (excepting real estate market fluctuations that occur from time to time) and subject to reasonable wear and tear.

If Lessee fails to perform its obligation to repair, replace, or maintain, as set forth above, within a reasonable time after notice from Authority of the need for repair, replacement, or maintenance, Authority may enter the Leased Premises and make the repairs or replacements, or perform the maintenance, or have the repairs or replacements made or maintenance performed, at its own expense. Upon Authority's notice to Lessee of the performance and cost of any maintenance, repairs, or replacements under this Section, Lessee must immediately reimburse Authority for the costs incurred by Authority pursuant to this Section, together with interest on the sum at the statutory legal rate from the date of the notice until the date paid by Lessee to Authority.

At the expiration of the Term or any renewals or extensions thereof, or earlier termination or the lease, Lessee shall return the Leased Premises to Authority in substantially the same condition than that which existed as of the Effective Date, subject to reasonable wear and tear.

D. Alterations: All alterations or improvements made, placed, or constructed on the Leased Premises by Lessee after the date of this Lease Agreement will be at the sole cost and expense of Lessee. Lessee must construct and install Lessee's improvements in a good and workmanlike manner. New or additional improvements may not be constructed nearer than 8.5 feet to the centerline of any existing or proposed railroad track on or adjacent to the Leased Premises.

Lessee must submit to Authority plans for any proposed buildings, drainage or improvements of any kind on the Leased Premises, or any alterations or additions to existing buildings or improvements (collectively, the "Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of work on the same, which approval shall not be unreasonably denied, delayed or conditioned. Notwithstanding the foregoing, Lessee shall not be required to provide plans for minor improvements on the Leased Premises. Lessee shall, however, notify Authority by email of any planned minor improvements on the Leased Premises. If Authority does not respond within three (3) business days after Authority receives the email it shall be deemed that Authority consents to such minor improvements.

Copies of all permits for work in navigable waters related to the Leased Premises issued to Grantee by the Department of Army or any other federal, state or other governmental agency shall be filed with Authority.

No approval of designs, site plans, plans, specifications or other matters may ever be construed as representing or implying that such designs, site plans, plans, specifications or other matters will, if followed, result in a properly-designed building or other improvements constructed on the Leased Premises. Such approvals shall in no event be construed as a representation or guaranty by the Authority that any improvements will be built in a workmanlike manner, nor shall such approvals relieve Lessee of its obligation to construct the building in a workmanlike manner. **Lessee will defend, indemnify, and hold harmless Authority from and against any lawsuits, actions, causes of action or claims arising out of Authority's approval of any designs, site plans, plans, specifications or other matters relating to the Leased Premises.**

At the expiration or earlier termination of this Lease Agreement, all alterations, additions or improvements upon the Leased Premises made by Lessee, shall, absent any agreement between Authority and Lessee to the contrary at the time of installation, or unless Authority otherwise elects, which election shall be made by giving a notice in writing (a) not less than fifteen (15) days prior to the expiration of this Lease Agreement, or (b) not more than fifteen (15) days following any termination of this Lease Agreement other than by expiration, become the property of Authority and shall remain upon and be surrendered with the Leased Premises as a part thereof at the end of the Primary Term or the Month to Month Term. In the event Authority notifies Lessee to remove any or all of the alterations, additions or improvements made by Lessee, Lessee shall do so and shall repair any damage caused by such removal, all within forty-five (45) days after the date of expiration or termination of this Lease Agreement.

E. Signs: Lessee shall not place any signs at or on the Leased Premises, nor paint any signs on any building on the Leased Premises unless first approved by the Director of Engineering Services of Authority in writing, which approval shall not be unreasonably denied, delayed or conditioned.

ARTICLE V **INSURANCE**

Without limiting the indemnity obligations or liabilities of Lessee, or its insurers, provided herein, Lessee agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

1. For all its employees engaged in performing work, workers' compensation, and employer's liability insurance with policy limits of at least \$500,000.00 per accident, or such similar insurance which is in accordance with state and federal law and regulations applicable to said employees; and
2. Commercial General Liability insurance coverage with policy limits, of at least \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate at this location, and endorsed to provide contractual liability coverage and coverage.
3. Business Auto Liability insurance coverage for all owned and non-owned vehicles, with a policy limit of \$1,000,000.00 (Combined Single Limit.); and
4. Umbrella liability insurance with limits of not less than \$5,000,000.00 (over and above the underlying primary CGL coverage) is required.
5. Pollution Legal Liability including cleanup and defense costs for premises, and operations, including pollution of any body of water, with limits of not less than \$5,000,000.00 per occurrence.

The minimum insurance protection amounts set forth in the Policies shall be increased from time to time upon request by Authority to an amount, which is commercially reasonable at the time.

Authority shall be furnished, to Authority Attention: Insurance Manager, prior to Lessee taking possession or occupancy of the Leased Premises, as proof of the insurance required of Lessee a certificate or certificates of insurance (and the endorsements required in this paragraph shall be attached to the certificate or certificates of the insurance) describing the Policies, which certificates forms must be approved by, and on file with, the Texas Insurance Commission; and, in addition the text of the certificates must be approved by Authority which approval shall not be unreasonably denied, delayed, or conditioned. Each of the Policies will be endorsed to (a) (except for Workers' Compensation and employer's liability insurance) name Authority, its Port Commissioners, officers, officials, employees and agents as an additional insured (b) provide that it will not be suspended, voided, canceled or reduced in coverage or limits without thirty (30) days' prior written notice to Authority, Attention: Insurance Manager, and (c) provide that notwithstanding any language in any policy of insurance held by Authority ("Authority Insurance") to the effect that the Authority Insurance is primary, the policy or policies held by Lessee are primary coverage and the Authority Insurance is non-contributory.

Lessee shall deliver to Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies and copies of new policies at least thirty (30) days prior to terminating any of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance provided to Authority if either exceeds \$50,000.00; and, in such event, Authority may decline to approve this Lease Agreement without any liability to Lessee. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least A: VI. If Lessee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Lessee's expense, and Authority is entitled to reimbursement from Lessee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Lessee receives Authority's notice of payment until reimbursement.

Lessee waives every claim which arises or may arise in its favor against Authority during the Primary Term or Extended Term of this lease or any renewal or extension thereof for any and all claims against it, or for loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Premises, covered by applicable insurance policies, to the extent that such claim, loss or damage is covered or recoverable under said insurance policies. Said waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease Agreement with respect to any loss of or damage to property of the parties hereto. Lessee agrees to immediately give to each insurance company which has issued to it policies of insurance applicable to provisions of this Lease Agreement written notice of the terms of the waiver set forth in this Article, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver; and Lessee will provide to Authority a copy of said endorsement or endorsements or evidence that such endorsement is not necessary to prevent the invalidation of the insurance coverage by reason of such waiver.

ARTICLE VI
INDEMNITY AND WAIVER

A. As used in this Article VI, each of the following terms shall have the meanings set forth in this Article VIA:

(1) “Claims” means all claims, damages (including actual,)), losses, fines, penalties, liens, causes of action, suits, judgments, settlements, and expenses [including court costs, attorney’s fees (including attorney’s fees in defending and/or settling a Claim and attorney’s fees to collect on this Indemnity), costs of investigation, and expert witnesses] of any nature, kind or description by, through, or of any person or entity.

(2) “Defend” means to oppose on behalf of another party a Claim in litigation, arbitration, mediation or other alternative dispute resolution proceeding and to pay all costs associated with the preparation or prosecution of such Defense.

(3) “Indemnify” means to protect and hold harmless a party from and against a potential Claim and/or to compensate a party for a Claim actually incurred.

(4) “Indemnified Persons” means the Authority, its Port Commissioners, directors, managers, employees and agents.

(5) “Lessee Parties” means the Lessee, its agents, contractors, employees, owners, invitees, or licensees.

(6) “Waive” means to knowingly and voluntarily relinquish a right and/or to release another party from liability.

B. Subject to the terms of this Article VI, Lessee shall Defend and Indemnify the Indemnified Persons from and against all Claims resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the following matters (these Claims being referred to herein as the “Indemnified Claims”):

(1) the conduct of Lessee’s business on the Leased Premises;

(2) Lessee’s breach of this Lease Agreement;

(3) any property loss or damage occurring in, on, or about the Leased Premises or relating to the condition, use or occupancy of the Leased Premises;

(4) any bodily or personal injury, sickness, disease, and/or death (including the bodily or personal injury and/or death of any employee of an Indemnified Person or a Lessee Party) occurring in, on, or about the Leased Premises or relating to the condition, use of occupancy of the Leased Premises; or

(5) any act, omission, willful misconduct, strict liability, breach of warranty, express or implied, or violation of any laws, ordinances, rules, regulations, or codes, now or hereafter existing, of or by any Lessee Party, including the sole, joint, concurrent, or comparative negligence of any Lessee Party in connection with or pertaining to this Lease Agreement.

C. The Indemnities, Waivers and obligation to Defend in this Article VI shall be enforced to the fullest extent permitted by applicable law for the benefit of the applicable Indemnified Persons, regardless of any extraordinary shifting of risks, and regardless of whether liability without fault or strict liability is imposed upon or alleged against such Indemnified Persons; provided, however, that an Indemnity will not be enforced to the extent that a court of competent jurisdiction holds in a final judgment that the applicable Claim against any of the Indemnified Persons was caused by the willful misconduct or sole negligence of such Indemnified Persons.

D. Notwithstanding anything to the contrary contained in this Article VI, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility or fault of the Indemnified Persons and the Lessee Parties, then the Lessee's obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Lessee Parties in contributing to such Indemnified Claim.

E. In claims against any Indemnified Persons by or for an employee of a Lessee Party, the Lessee's indemnification obligation under this Article VI shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against any Indemnified Persons liable to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Indemnified Persons or a settlement by the Indemnified Persons, Lessee expressly agrees to reimburse and hold harmless the Indemnified Persons for the damages based on such judgment or settlement as provided in this Article VI.

F. Except as otherwise expressly limited in this Article VI, it is the intent of the parties to this Lease Agreement that all indemnity obligations and liabilities contracted for in this Lease Agreement be without monetary limit and without regard to the cause or causes thereof (including as the result of an indemnification agreement with a third party), and will not be limited by any exclusive liability provision of the Texas Workers' Compensation Act. The Indemnity contained in this Article VI applies, without limitation, to any violation of any law, rules or regulations referred to in Article III in effect during the Primary Term of this Lease Agreement, and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the Primary Term of this Lease Agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any law, rules or regulations referred to in Article III at the time of its existence or occurrence.

G. If any action or proceeding is brought against any Indemnified Persons by reason of any Indemnified Claim described in this Article VI, the Indemnified Persons will be represented by their general counsel, or another attorney selected by the Indemnified Persons and approved by Lessee, which approval will not be unreasonably withheld.

H. If Lessee should fail or refuse, after written notice to Lessee that the Indemnified Persons intend to make a settlement of an Indemnified Claim, to participate in the settlement of such Indemnified Claim, then the Indemnified Persons may settle with the claimant without prejudice to the Indemnified Persons' indemnity rights set forth herein, and a settlement after such notice to Lessee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Lessee and the Indemnified Persons, which settlement may later be apportioned between Indemnified Persons and Lessee.

I. Lessee agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage.

J. To the fullest extent provided by this Article VI, Lessee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

ARTICLE VII **DEFAULT**

If for fourteen (14) calendar days (or such additional time as is reasonably required to correct any such default) after service by mail or otherwise to Lessee by Authority of written notice of a breach or default properly specifying wherein Lessee has failed to perform any such obligation under any provision of this Lease Agreement, the Lessee does not or shall neglect or fail to comply with or remedy such breach or default, or if the said breach or default complained of shall be of such a nature that the same cannot be completely remedied or cured within such fourteen (14) day period, then such breach or default shall not be an enforceable breach or default against Lessee if Lessee shall have commenced curing such breach or default within such fourteen (14) day period, and shall with reasonable diligence and in good faith, proceed to remedy the default complained of; or if any proceedings concerning Lessee or the Leased Premises be had in bankruptcy, reorganization, arrangement or receivership, or if any assignment shall be attempted to be made of this Lease Agreement for the benefit of creditors; or if Lessee abandons or vacates a substantial portion of the Leased Premises for fourteen (14) consecutive days; then in any of said cases, evidences a serious financial insecurity of Lessee, Authority shall have the rights and remedies that may be provided at law or in equity or to terminate this Lease Agreement by giving Lessee a 14- day's termination notice.

Any assent, expressed or implied, by the Authority or Lessee to any breach of any agreement, covenant or obligation herein contained shall operate as such only in the specific instance and shall not be construed as an assent or a waiver to any such agreement, covenant or

obligation generally or of any subsequent breach thereof. The remedies provided herein or at law or equity shall not be mutually exclusive.

Authority shall in no event be charged with default in the performance of any of its obligations hereunder, unless and until Authority shall have failed to perform such obligations within fourteen (14) days (or such additional time as is reasonably required to correct any such default) after written notice by Lessee to Authority, properly specifying wherein Authority has failed to perform any such obligation. In such case Lessee shall have the rights and remedies that may be provided at law or in equity or to terminate this Lease Agreement by giving Authority a 14- day's termination notice.

Notwithstanding anything in this Lease Agreement herein to the contrary, neither Authority nor Lessee shall in no event be charged with or liable for any consequential damages, including but not limited to loss of profits or lost business opportunity, suffered as a result of either Party's breach of this Lease Agreement or failure to perform any obligations under this Lease Agreement.

ARTICLE VIII
GENERAL PROVISIONS

A. No Waiver: The waiver of any breach of any term or condition of this Lease Agreement does not waive any other breach of that term or condition or of any other term or condition.

B. Notice: All payments, notices, demands, or requests from Lessee to Authority shall be given to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at such other address as Authority shall request in writing. All payments, notices, demands, or requests from Authority to Lessee shall be given to Lessee Attention: Joe Rodriguez @ Chemtex International Inc, 1979 Eastwood Road, Wilmington, NC 28403 and Davide Milanesi, 555 N. Carancahua, Suite 800, Corpus Christi, Texas 78401.

C. Binding Agreement: This agreement binds and inures to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns where assignment is permitted by this Lease Agreement.

D. Applicable Law: This Lease Agreement must be construed and its performance enforced under Texas law. Venue of any action arising out of this Lease Agreement will be in Nueces County, Texas.

E. Construction: In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

F. Amendment: This Lease Agreement, including any exhibits, constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this Lease Agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

G. Attorneys' Fees: In the event Authority or Lessee breaches any of the terms of this agreement whereby the party not in default employs attorneys to protect or enforce its rights hereunder and substantially prevails, then the defaulting party agrees to pay the other party's reasonable attorneys' fees so incurred by such other party.

H. Public Disclosure: Authority is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, chapters 551 and 552), and as such Authority is required to disclose to the public (upon request) this Lease Agreement and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Lessee agrees that the disclosure of this Lease Agreement or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Authority as required by the Texas Open Meetings Act, Texas Public Information Act or any other law will not expose Authority (or any party acting by, through or under Authority) to any claim, liability or action by Lessee.

I. Force Majeure: In the event either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts (hereinafter "*force majeure*"), such party shall be excused for the period of time equivalent to the delay caused by such *force majeure*.

Notwithstanding the foregoing, any extension of time for *force majeure* shall be conditioned upon the party seeking an extension of time delivering written notice of such *force majeure* to the other party within 10 days of the event causing the *force majeure*, and the maximum period of time which a party may delay any act or performance of work due to *force majeure* shall be 60 days.

J. Floodplain: Lessee acknowledges that Lessee has been advised by Authority that the Leased Premises is in the FEMA floodplain and that construction of improvements must conform to the laws and regulations applicable to construction of improvements in a floodplain.

K. Contractual Relationship: Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against Authority or Lessee.

L. Mediation: Authority and Lessee agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Lease

Agreement before a mediator to be agreed upon by Authority and Lessee. Authority and Lessee must agree upon a mediator within fifteen (15) days after a written request for mediation by either party, or either party may request any State District Judge sitting in Nueces County, Texas, to appoint a mediator and such appointment will be final. The mediator will schedule a mediation meeting at a time and place determined by the mediator. Authority and Lessee will each pay one-half of the costs of mediation to the mediator.

(Signatures are on the next page)

IN TESTIMONY WHEREOF, this Lease Agreement is executed in duplicate originals, either of which shall be deemed to be an original, at Corpus Christi, Texas, on the date first above-mentioned.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

"Authority"

Mossi & Ghisolfi Logistics Co.,
a Delaware corporation

By: _____
Name: _____
Title: _____

"Lessee"

(Acknowledgements are on the next page)

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of February, 2015 by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of February, 2015, by _____, _____ of Mossi & Ghisolfi Logistics Co., a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC, STATE OF _____

DATE: February 17, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-B

**Approve Lease Agreement with Mossi & Ghisolfi Logistics
Company for Approximately 8 Acres of
PCCA Property Along the Viola Channel for a Temporary Laydown Yard**

PCCA staff has worked diligently with M&G Resins USA, LLC, (M&G) on several agreements over the last few years to support the construction of M&G's PET and PTA plastic plants on the north side of the inner harbor along the Viola Channel. With construction proceeding, M&G's affiliated company that is managing the construction of the plant, Mossi & Ghisolfi Logistics Company (M&GLC), is in need of additional land in the proximity of the plant for the staging of equipment and components and for temporary construction field offices.

Representatives with M&GLC, in coordination with PCCA staff, have identified an approximately 8-acre tract of undeveloped land along the Viola Channel abutting the west extent of their plant site on the south side of the Joe Fulton International Trade Corridor. See attached exhibit. M&GLC proposes to improve the site by clearing, grading, and providing a gravel or limestone base surface.

Staff has negotiated the attached Lease Agreement with M&GLC for a primary term of one year with month-to-month extensions thereafter if necessary, not to exceed an additional six months. M&GLC has agreed to pay the PCCA \$108,000 for the primary term, and should the month-to-month extensions be necessary, they will pay an additional monthly rental of \$9,000.

Staff recommends approval of the attached Lease Agreement with Mossi & Ghisolfi Logistics Company for the lease of 8 acres for a temporary construction laydown yard.

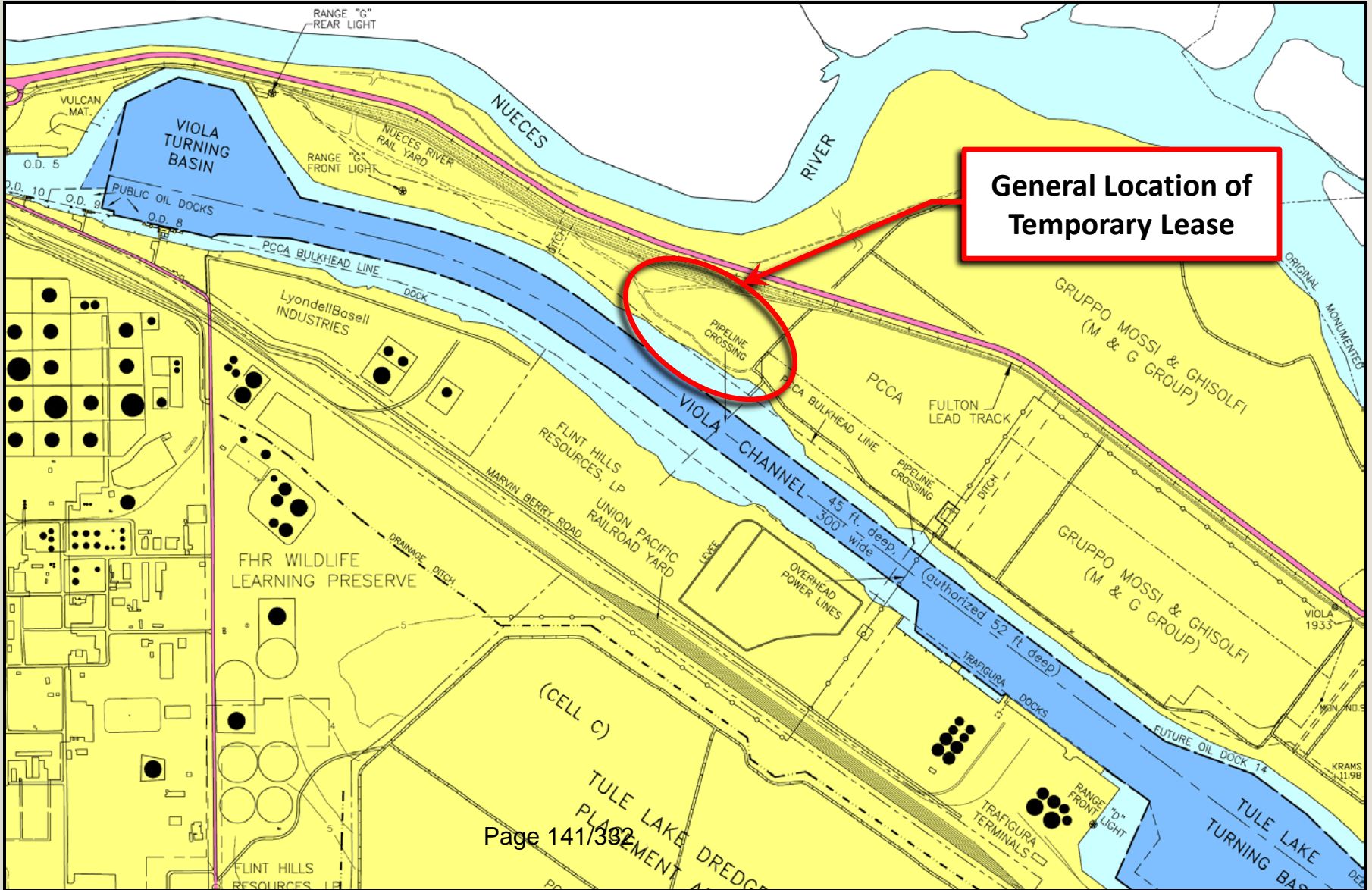
LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

18b - MG Temp Lease - Laydown Yard - AT-1 - Map.pdf



Mossi & Ghisolfi Lease Agreement for a Temporary Laydown Yard

AGENDA ITEM NO. 18-B



**PORT OF CORPUS CHRISTI AUTHORITY
LEASE SUMMARY**

Lessee: Mossi & Ghisolfi Logistics Co

Leased Premises: As depicted on the attached drawing, Exhibit A – Temporary Lease For M and G ± 8.0 Acres

Use: Temporary Construction Laydown Yard, Light Fabrication Yard, and Employee and Contractor Office(s)

Term: One (1) year primary

Options: Month to month thereafter, not to exceed eighteen (18) months

Start Date: February 17, 2015 – February 16, 2016

Annual Rent: \$108,000.00

Additional Rent: None

Adjustment of Rent: Not applicable

Remarks: Lessee will access Leased Premises from the M&G plant site and will not have access to the inner harbor or Joe Fulton International Trade Corridor. Authority reserves the right to perform surveys, environmental tests or other assessments.

LEASE AGREEMENT

This **LEASE AGREEMENT** (the "Lease Agreement") is made this 17th day of February, 2015, by and between **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called "Authority"), and **Mossi & Ghisolfi Logistics Co.**, a Delaware corporation with a permit to do business in Texas, whose principal address is 555 N. Carancahua, Suite 800, Corpus Christi, Texas 78401, (hereinafter called "Lessee"). Authority and Lessee shall be hereinafter jointly referred to as the "Parties" or individually to as the "Party".

ARTICLE I
LEASED PREMISES

A. Description and Term: Authority, in consideration of the rents to be paid and the terms, covenants, and conditions hereinafter set forth, hereby leases to Lessee that certain real property situated in Nueces County, Texas, being a 8.0 acre tract, more or less, depicted on the drawing labeled "**Exhibit A**" attached hereto and incorporated herein by reference (hereinafter the "Leased Premises"), **TO HAVE AND TO HOLD** the Leased Premises for a term (the "Primary Term") of twelve (12) months, beginning the 17th day of February, 2015 (the "Effective Date"), and terminating at midnight, Central Time on the 16th day of February, 2016, unless sooner terminated. Upon the expiration of the Primary Term this Lease Agreement shall be extended on a month to month basis (the "Month to Month Term") upon the approval of the Authority, not to exceed an additional 6 months, beginning on February 17, 2016, during which period either Party shall be entitled to terminate the lease by giving the other Party 30 days prior written notice of such termination.

B. Holding Over: In the event of any holding over by Lessee beyond the Primary Term or the Month to Month Term of this Lease Agreement without the written consent of Authority, Lessee is deemed to be occupying the Leased Premises as a tenant at sufferance. During any holdover period, Lessee will pay 2.0 times the monthly rent being charged Lessee in the month prior to the commencement of Lessee's holding over, and Lessee will be subject to all other terms of this Lease Agreement insofar as the same are applicable to a tenant at sufferance. Nothing in this Section shall be construed to give Lessee the right to holdover after the termination of this Lease.

C. Assignment: Lessee may not assign this Lease Agreement in whole or in part or any interest therein nor sublet the Leased Premises or any part thereof nor grant any license, concession or other right of occupancy of any portion of the Leased Premises without the prior written consent of Authority.

ARTICLE II
RENT AND UTILITIES

A. Rent: One Hundred Eight Thousand and 00/100 Dollars (\$108,000.00) and other good and valuable consideration including the construction by Lessee of certain site

improvements upon the Leased Premises. During any month to month extension of this Lease Agreement, Lessee shall pay to the Authority on or before the 13th day of each month, a rental of Nine Thousand and 00/100 Dollars (\$9,000.00).

This is a net Lease. Authority shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this lease unless provided for in this Lease Agreement or the financing, ownership, construction, reconstruction, maintenance, operation, or repair of the Leased Premises or the improvements thereon

B. Utilities: In addition to the rent described hereinabove, Lessee agrees to pay when due all charges it contracts for (a) water, gas, electricity, and other utilities, (b) garbage service, (c) security or guard services, or (d) railroad services in connection with the Leased Premises.

ARTICLE III **USE OF PREMISES**

A. Use: The Leased Premises may be used for the following purposes, and for no other purpose, unless written permission for other use is obtained from Authority:

For the storage of components as follows: structural steel, instrumentation, piping, and hardware materials; light fabrication; and employee and contractor temporary offices and parking.

Access – Lessee’s right of ingress and egress to the Leased Premises shall be confined to the west side of the Lessee’s plant site, and Lessee shall not have the right to access the Authority’s Inner Harbor or access the leased premises from the Joe Fulton International Trade Corridor.

In its use of the Leased Premises, Lessee will not violate any applicable and enforceable restrictive covenant or deed restriction (recorded or otherwise) affecting the Leased Premises, or any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters.

B. Hazardous Use: No hazard may be created or allowed to continue on the Leased Premises that will increase the insurance rate of Authority or of other lessees of Authority whose properties are adjacent to the Leased Premises.

Lessee's occupancy, operation and/or use of the Leased Premises shall not violate any applicable city, state or federal laws or regulations pertaining to the storage, disposal, use or release of environmentally hazardous substances (“Hazardous Materials”) as defined by any applicable city, state or federal law or regulation, and must comply with Authority’s Tariffs, Rules and Regulations and the Port of Corpus Christi Authority's Design and Construction Guidelines set forth in Authority's Real Estate Manual.

Lessee will cooperate with the Authority’s Tenant Audit Program (the “Program”). The audit will consist of a scheduled review of Lessee’s operations and activities, a review of

Lessee's environmental management programs, and a tour of the Leased Premises. Authority staff involved in the Program intend to gain an understanding of Lessee's operations and activities and what measures the Lessee is utilizing to comply with applicable local, state, and federal laws, rules and regulations, this Lease Agreement, and Authority's Tariffs, Rules, and Regulations. Through the Program they will seek to achieve cooperative conservation between Authority and Lessee that are actions relating to the use, enhancement and enjoyment of natural resources and protection of the environment. The audit will be conducted at least one time during the Primary Term of this lease and more frequently if determined by Authority staff to be necessary. A letter from Authority staff setting forth staff's observations will be provided to the Lessee following the audit. If violation of applicable laws, rules, regulations, this Lease Agreement or the tariff have been observed, then Lessee will be notified of the same in the letter, and required to immediately take action to come into compliance, and to verify it has done so to Authority staff.

Lessee must clean up, remove, remediate and repair any soil or ground water contamination and damage caused by the presence or release of any Hazardous Materials in, on, under, or about the Leased Premises during occupancy of the Leased Premises in conformance with the requirements of applicable law. Lessee shall immediately give Authority written notice of any suspected breach of this paragraph, upon learning of the presence or any release of any Hazardous Materials, or upon receiving any notice from governmental agencies pertaining to Hazardous Materials which may affect the Leased Premises.

The obligations of Lessee hereunder shall survive the expiration or earlier termination, for any reason, of this lease for a period of two (2) months and thereafter automatically terminate and be null and void for all purposes.

Lessee shall not bring or permit to remain on the Leased Premises any asbestos, petroleum or petroleum products, explosives or toxic materials except for commercially reasonable amounts of materials used in the ordinary course of Lessee's business, nor commit or permit to remain any waste or damage to the Leased Premises

C. Exclusive Possession: Subject to paragraph D, below, Lessee shall have exclusive possession of the Leased Premises during the Primary Term and any Month-to-Month of this Lease Agreement.

D. Use by Authority: Authority reserves the right to use any streets or roadways on the Leased Premises. Authority further reserves the right to use as much of the Leased Premises as is necessary to perform surveying, environmental testing and other assessments on the Leased Premises, including without limitation environmental assessments and soil borings, and to lay mains for gas, water or sewers on the Leased Premises, to place poles and necessary wires and attachments for electricity or for telephone and fiber optic lines over and across any part of the Leased Premises, and to lay, or grant easements or rights of way to other parties for the laying of, pipelines for oil, petroleum, petroleum products, fiber optics and any other products over, under and upon the Leased Premises (collectively, the "Authority Uses"); provided, however, that the same shall not unreasonably interfere with Lessee's use of the Leased Premises. Authority has the right to use third parties for the performance of the rights reserved to Authority in this Article

subject to Lessee's reasonable approval. Authority shall coordinate its use of the Leased Premises with Lessee.

ARTICLE IV
CONDITION OF PREMISES AND MAINTENANCE

A. Lessee's Inspection: Lessee has inspected the Leased Premises, including all improvements, fixtures, equipment and personal property situated on the Leased Premises and has conducted any environmental assessment it desired and on the date of this Lease Agreement accepts the Leased Premises As Is, Where Is, and in the condition it existed on that date, as reasonably suited and fit for Lessee's intended uses of the Leased Premises. Lessee acknowledges that Authority has made no express warranties with regard to the premises and to the maximum extent permitted by applicable law, Authority hereby disclaims, and lessee waives the benefit of, any and all implied warranties, including implied warranties of habitability, or fitness or suitability for lessee's purpose. Lessee shall not be responsible for any contamination or pollution of the Leased Premises which was caused by a party other than Lessee prior to the date of this Lease.

B. Authority's Inspection: Authority's agents, representatives, or employees may enter the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this Lease Agreement, for purposes of maintaining, repairing, or altering the Leased Premises, or for the purpose of showing the Leased Premises to prospective lessees.

C. Maintenance: Lessee will, throughout the Term , at its own expense and risk, maintain the Leased Premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition. All maintenance, repairs, and replacements required by this Section must be performed promptly when required and so as not to cause material depreciation in the value of the Leased Premises (excepting real estate market fluctuations that occur from time to time).

If Lessee fails to perform its obligation to repair, replace, or maintain, as set forth above, within a reasonable time after notice from Authority of the need for repair, replacement, or maintenance, Authority may enter the Leased Premises and make the repairs or replacements, or perform the maintenance, or have the repairs or replacements made or maintenance performed, at its own expense. Upon Authority's notice to Lessee of the performance and cost of any maintenance, repairs, or replacements under this Section, Lessee must immediately reimburse Authority for the costs incurred by Authority pursuant to this Section, together with interest on the sum at the highest legal rate from the date of the notice until the date paid by Lessee to Authority.

At the expiration of the Term or any renewals or extensions thereof, or earlier termination or the lease, Lessee will surrender the Leased Premises in good order and repair except for reasonable wear and tear since the last necessary repair, replacement, restoration or renewal made by Lessee pursuant to its obligations under this Lease Agreement.

D. Alterations: All alterations or improvements made, placed, or constructed on the Leased Premises by Lessee after the date of this Lease Agreement will be at the sole cost and expense of Lessee. Lessee must construct and install Lessee's improvements in a good and workmanlike manner. New or additional improvements may not be constructed nearer than 8.5 feet to the centerline of any existing or proposed railroad track on or adjacent to the Leased Premises.

The following alterations or improvements must be made or constructed by Lessee on the Leased Premises:

- (i) A drainage system to divert surface drainage away from the Leased Premises and Inner Harbor around the southern and western boundaries of the Leased Premises to flow into the existing drainage facilities along the Joe Fulton International Trade Corridor.

Lessee must submit to Authority plans for any proposed buildings, drainage or improvements of any kind on the Leased Premises, or any alterations or additions to existing buildings or improvements (collectively, the "Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of work on the same, which approval shall not be unreasonably denied, delayed or conditioned.

Copies of all permits for work in navigable waters related to the Leased Premises issued to Grantee by the Department of Army or any other federal, state or other governmental agency shall be filed with Authority.

No approval of designs, site plans, plans, specifications or other matters may ever be construed as representing or implying that such designs, site plans, plans, specifications or other matters will, if followed, result in a properly-designed building or other improvements constructed on the Leased Premises. Such approvals shall in no event be construed as a representation or guaranty by the Authority that any improvements will be built in a workmanlike manner, nor shall such approvals relieve Lessee of its obligation to construct the building in a workmanlike manner. **Lessee will defend, indemnify, and hold harmless Authority from and against any lawsuits, actions, causes of action or claims arising out of Authority's approval of any designs, site plans, plans, specifications or other matters relating to the Leased Premises.**

At the expiration or earlier termination of this Lease Agreement, all alterations, additions or improvements upon the Leased Premises made by Lessee, shall, absent any agreement between Authority and Lessee to the contrary at the time of installation, or unless Authority otherwise elects, which election shall be made by giving a notice in writing (a) not less than fifteen (15) days prior to the expiration of this Lease Agreement, or (b) not more than fifteen (15) days following any termination of this Lease Agreement other than by expiration, become the property of Authority and shall remain upon and be surrendered with the Leased Premises as a part thereof at the end of the Primary Term or the Month to Month Term. In the event Authority notifies Lessee to remove any or all of the alterations, additions or

improvements made by Lessee, Lessee shall do so and shall repair any damage caused by such removal, all within forty-five (45) days after the date of expiration or termination of this Lease Agreement.

E. Signs: Lessee shall not place any signs at or on the Leased Premises, nor paint any signs on any building on the Leased Premises unless first approved by the Director of Engineering Services of Authority in writing, which approval shall not be unreasonably denied, delayed or conditioned.

ARTICLE V
INSURANCE

Without limiting the indemnity obligations or liabilities of Lessee, or its insurers, provided herein, Lessee agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

1. Property insurance coverage on the buildings, improvements and betterments situated on the Leased Premises against Direct Physical Loss and against loss or damage by any other risk, now and from time to time insured against by "special form" (formerly "all risk") property insurance and in builder's risk completed value form during substantial construction of improvements (including malicious mischief and vandalism) in amounts sufficient to provide coverage for 100% of the Insurable Value of such buildings, improvements and betterments situated on the Lease Premises. In addition Lessee will carry flood insurance on each of the buildings, improvements and betterments situated on the Leased Premises with the maximum policy limits permitted under such flood insurance. Lessee is responsible for insuring its personal property on the Leased Premises. "Insurable Value" means replacement cost;

2. For all its employees engaged in performing work, workers' compensation, and employer's liability insurance with policy limits of at least \$500,000.00 per accident, or such similar insurance which is in accordance with state and federal law and regulations applicable to said employees; and

3. Commercial General Liability insurance coverage with policy limits, of at least \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate at this location, and endorsed to provide contractual liability coverage and Time Element Pollution coverage.

4. Business Auto Liability insurance coverage for all owned and non-owned vehicles, with a policy limit of \$1,000,000.00 (Combined Single Limit.); and

5. Umbrella liability insurance with limits of not less than \$5,000,000.00 (over and above the underlying primary CGL coverage) is required.

6. Pollution Legal Liability including cleanup and defense costs for premises, and operations, including pollution of any body of water, with limits of not less than \$5,000,000.00 per occurrence.

The minimum insurance protection amounts set forth in the Policies shall be increased from time to time upon request by Authority to an amount, which is commercially reasonable at the time.

Authority shall be furnished, to Authority Attention: Insurance Manager, prior to Lessee taking possession or occupancy of the Leased Premises, as proof of the insurance required of Lessee a certificate or certificates of insurance (and the endorsements required in this paragraph shall be attached to the certificate or certificates of the insurance) describing the Policies, which certificates must be approved by, and on file with, the Texas Insurance Commission; and, in addition the text of the certificates must be approved by Authority which approval shall not be unreasonably denied, delayed, or conditioned. Each of the Policies will be endorsed to (a) (except for Workers' Compensation and employer's liability insurance) name Authority, its Port Commissioners, officers, officials, employees and agents as an additional insured (b) provide that it will not be suspended, voided, canceled or reduced in coverage or limits without thirty (30) days' prior written notice to Authority, Attention: Insurance Manager, and (c) provide that notwithstanding any language in any policy of insurance held by Authority ("Authority Insurance") to the effect that the Authority Insurance is primary, the policy or policies held by Lessee are primary coverage and the Authority Insurance is non-contributory.

Lessee shall deliver to Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies and copies of new policies at least thirty (30) days prior to terminating any of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance provided to Authority if either exceeds \$50,000.00; and, in such event, Authority may decline to approve this Lease Agreement without any liability to Lessee. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least A: VI. If Lessee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Lessee's expense, and Authority is entitled to reimbursement from Lessee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Lessee receives Authority's notice of payment until reimbursement.

Lessee waives every claim which arises or may arise in its favor against Authority during the term of this lease or any renewal or extension thereof for any and all claims against it, or for loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Premises, covered by applicable insurance policies, to the extent that such claim, loss or damage is covered or recoverable under said insurance policies. Said waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease Agreement with respect to any loss of or damage to property of the parties hereto. Lessee agrees to immediately give to each insurance company which has issued to it policies of insurance applicable to provisions of this Lease Agreement written notice of the terms of the waiver set forth in this Article, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver; and Lessee will provide to Authority a copy of said endorsement or endorsements or evidence that such endorsement is not necessary to prevent the invalidation of the insurance coverage by reason of such waiver.

ARTICLE VI
INDEMNITY AND WAIVER

A. As used in this Article VI, each of the following terms shall have the meanings set forth in this Article VIA:

(1) “Claims” means all claims, damages (including actual, consequential, and punitive), losses, fines, penalties, liens, causes of action, suits, judgments, settlements, and expenses [including court costs, attorney’s fees (including attorney’s fees in defending and/or settling a Claim and attorney’s fees to collect on this Indemnity), costs of investigation, and expert witnesses] of any nature, kind or description by, through, or of any person or entity.

(2) “Defend” means to oppose on behalf of another party a Claim in litigation, arbitration, mediation or other alternative dispute resolution proceeding and to pay all costs associated with the preparation or prosecution of such Defense.

(3) “Indemnify” means to protect and hold harmless a party from and against a potential Claim and/or to compensate a party for a Claim actually incurred.

(4) “Indemnified Persons” means the Authority, its Port Commissioners, directors, managers, employees and agents.

(5) “Lessee Parties” means the Lessee, its agents, contractors, employees, owners, invitees, or licensees.

(6) “Waive” means to knowingly and voluntarily relinquish a right and/or to release another party from liability.

B. Subject to the terms of this Article VI, Lessee shall Defend and Indemnify the Indemnified Persons from and against all Claims resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the following matters (these Claims being referred to herein as the “Indemnified Claims”):

(1) the conduct of Lessee’s business on the Leased Premises;

(2) Lessee’s breach of this Lease Agreement;

(3) any property loss or damage occurring in, on, or about the Leased Premises or relating to the condition, use or occupancy of the Leased Premises;

(4) any bodily or personal injury, sickness, disease, and/or death (including the bodily or personal injury and/or death of any employee of an Indemnified Person or a Lessee Party) occurring in, on, or about the Leased Premises or relating to the condition, use of occupancy of the Leased Premises; or

(5) any act, omission, willful misconduct, strict liability, breach of warranty, express or implied, or violation of any laws, ordinances, rules, regulations, or codes, now or hereafter existing, of or by any Lessee Party, including the sole, joint, concurrent, or comparative negligence of any Lessee Party in connection with or pertaining to this Lease Agreement.

C. The Indemnities, Waivers and obligation to Defend in this Article VI shall be enforced to the fullest extent permitted by applicable law for the benefit of the applicable Indemnified Persons, regardless of any extraordinary shifting of risks, and even if the applicable Claim is caused by the joint, concurrent, or comparative negligence of such Indemnified Persons, and regardless of whether liability without fault or strict liability is imposed upon or alleged against such Indemnified Persons; provided, however, that an Indemnity will not be enforced to the extent that a court of competent jurisdiction holds in a final judgment that the applicable Claim against any of the Indemnified Persons was caused by the willful misconduct or sole negligence of such Indemnified Persons.

D. Notwithstanding anything to the contrary contained in this Article VI, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility or fault of the Indemnified Persons and the Lessee Parties, then the Lessee's obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Lessee Parties in contributing to such Indemnified Claim.

E. In claims against any Indemnified Persons by or for an employee of a Lessee Party, the Lessee's indemnification obligation under this Article VI shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against any Indemnified Persons liable to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Indemnified Persons or a settlement by the Indemnified Persons, Lessee expressly agrees to reimburse and hold harmless the Indemnified Persons for the damages based on such judgment or settlement as provided in this Article VI.

F. Except as otherwise expressly limited in this Article VI, it is the intent of the parties to this Lease Agreement that all indemnity obligations and liabilities contracted for in this Lease Agreement be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on Authority's Property or as the result of an indemnification agreement with a third party), and will not be limited by any exclusive liability provision of the Texas Workers' Compensation Act. The indemnity contained in this Article VI applies, without limitation, to any violation of any law, rules or regulations referred to in Article III in effect during the Term of this Lease Agreement, and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the Term of this Lease Agreement, regardless of whether the act, omission, event or

circumstance constituted a violation of any law, rules or regulations referred to in Article III at the time of its existence or occurrence.

G. If any action or proceeding is brought against any Indemnified Persons by reason of any Indemnified Claim described in this Article VI, the Indemnified Persons will be represented by their general counsel, or another attorney selected by the Indemnified Persons and approved by Lessee, which approval will not be unreasonably withheld.

H. If Lessee should fail or refuse, after written notice to Lessee that the Indemnified Persons intend to make a settlement of an Indemnified Claim, to participate in the settlement of such Indemnified Claim, then the Indemnified Persons may settle with the claimant without prejudice to the Indemnified Persons' indemnity rights set forth herein, and a settlement after such notice to Lessee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Lessee and the Indemnified Persons, which settlement may later be apportioned between Indemnified Persons and Lessee.

I. Lessee agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage.

J. To the fullest extent provided by this Article VI, Lessee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

ARTICLE VII **DEFAULT**

If for ten (10) calendar days after service by mail or otherwise to Lessee by Authority of written notice of a breach or default by Lessee under any provision of this Lease Agreement, the Lessee does not or shall neglect or fail to comply with or remedy such breach or default, or if the said breach or default complained of shall be of such a nature that the same cannot be completely remedied or cured within such ten (10) day period, then such breach or default shall not be an enforceable breach or default against Lessee if Lessee shall have commenced curing such breach or default within such ten (10) day period, and shall with reasonable diligence and in good faith, proceed to remedy the default complained of; or if any proceedings concerning Lessee or the Leased Premises be had in bankruptcy, reorganization, arrangement or receivership, or if any assignment shall be attempted to be made of this Lease Agreement for the benefit of creditors; or if Lessee abandons or vacates a substantial portion of the Leased Premises for fourteen (14) consecutive days; then in any of said cases or in any similar case which, in the sole judgment of Authority, evidences a serious financial insecurity of Lessee, Authority shall have the rights and remedies that may be provided at law or in equity and the following options:

A. Without terminating this Lease Agreement, Authority may terminate Lessee's right of possession of the Leased Premises under this Lease Agreement by giving Lessee five (5) calendar days notice of termination of Lessee's right of possession and Lessee's right of possession shall thereupon cease and come to an end and Authority may reenter and take

possession of the Leased Premises; provided, however, Authority shall not be required to give such notice prior to the filing of an action of forcible detainer or at common law upon default by Lessee in the payment of rent. Upon entering and taking possession of the Leased Premises, Authority may:

(1) Relet for the account of, or as agent for, Lessee the Leased Premises or any part thereof, to a tenant acceptable to Authority, without terminating this Lease Agreement or working a forfeiture of the rent to be paid, and after receiving the rent therefrom apply the same, first to the payment of all expense the Authority may be put to in recovering possession of the Leased Premises and in reletting same, including but not limited to the costs of renovating, altering and repairing for a new tenant and attorneys' and brokers' fees, and then to the payment of the rent and additional rent payable under this Lease Agreement and to the fulfillment of Lessee's covenants hereunder. Lessee shall be entitled to any balance remaining after subtracting such costs and debts. Authority may at any time after reletting terminate this Lease Agreement for the breach or default on account of which it reentered and relet.

(2) Accelerate the future rent and additional rent due under this Lease Agreement and seek recovery of such rent and additional rent and any other damages provided for in this Lease Agreement, at law or in equity. Authority is entitled to recover future rent and additional rent from Lessee based upon the present value of the rent and additional rent discounted to present value at the rate of 3% per annum for the remainder of the term of the lease reduced by the fair market rental value of the Leased Premises during that period.

B. Terminate this Lease Agreement.

C. Intentionally Deleted.

Any assent, expressed or implied, by the Authority or Lessee to any breach of any agreement, covenant or obligation herein contained shall operate as such only in the specific instance and shall not be construed as an assent or a waiver to any such agreement, covenant or obligation generally or of any subsequent breach thereof. The remedies provided herein or at law or equity shall not be mutually exclusive.

Authority shall in no event be charged with default in the performance of any of its obligations hereunder, unless and until Authority shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice by Lessee to Authority, properly specifying wherein Authority has failed to perform any such obligation.

Notwithstanding anything in this Lease Agreement herein to the contrary, Authority shall in no event be charged with or liable for any consequential damages, including but not limited to loss of profits or lost business opportunity, suffered by Lessee as a result of Authority's breach of this Lease Agreement or failure to perform any of its obligations under this Lease Agreement.

ARTICLE VIII
GENERAL PROVISIONS

A. No Waiver: The waiver of any breach of any term or condition of this Lease Agreement does not waive any other breach of that term or condition or of any other term or condition.

B. Notice: All payments, notices, demands, or requests from Lessee to Authority shall be given to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at such other address as Authority shall request in writing. All payments, notices, demands, or requests from Authority to Lessee shall be given to Lessee at Attention: Andre Meyer 27610 Huntington Road, Apple Grove, West Virginia 25502 or at such other address as Lessee shall request in writing.

C. Binding Agreement: This agreement binds and inures to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns where assignment is permitted by this Lease Agreement.

D. Applicable Law: This Lease Agreement must be construed and its performance enforced under Texas law. Venue of any action arising out of this Lease Agreement will be in Nueces County, Texas.

E. Construction: In case any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

F. Amendment: This Lease Agreement, including any exhibits, constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this Lease Agreement. No change, waiver or discharge is valid unless in writing that is signed by the party against whom it is sought to be enforced.

G. Attorneys' Fees: In the event Authority or Lessee breaches any of the terms of this agreement whereby the party not in default employs attorneys to protect or enforce its rights hereunder and substantially prevails, then the defaulting party agrees to pay the other party's reasonable attorneys' fees so incurred by such other party.

H. Public Disclosure: Authority is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, chapters 551 and 552), and as such Authority is required to disclose to the public (upon request) this Lease Agreement and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Lessee agrees that the disclosure of this Lease Agreement or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Authority as

required by the Texas Open Meetings Act, Texas Public Information Act or any other law will not expose Authority (or any party acting by, through or under Authority) to any claim, liability or action by Lessee.

I. Force Majeure: In the event either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts (hereinafter "*force majeure*"), such party shall be excused for the period of time equivalent to the delay caused by such *force majeure*.

Notwithstanding the foregoing, any extension of time for *force majeure* shall be conditioned upon the party seeking an extension of time delivering written notice of such *force majeure* to the other party within 10 days of the event causing the *force majeure*, and the maximum period of time which a party may delay any act or performance of work due to *force majeure* shall be 60 days.

J. Floodplain: Lessee acknowledges that Lessee has been advised by Authority that the Leased Premises is in the FEMA floodplain and that construction of improvements must conform to the laws and regulations applicable to construction of improvements in a floodplain.

K. Contractual Relationship: Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against Authority.

L. Mediation: Authority and Lessee agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Lease Agreement before a mediator to be agreed upon by Authority and Lessee. Authority and Lessee must agree upon a mediator within fifteen (15) days after a written request for mediation by either party, or either party may request any State District Judge sitting in Nueces County, Texas, to appoint a mediator and such appointment will be final. The mediator will schedule a mediation meeting at a time and place determined by the mediator. Authority and Lessee will each pay one-half of the costs of mediation to the mediator.

Next Page is the Signature Page.

IN TESTIMONY WHEREOF, this Lease Agreement is executed in duplicate originals, either of which shall be deemed to be an original, at Corpus Christi, Texas, on the date first above-mentioned.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

"Authority"

Mossi & Ghisolfi Logistics Co.,
a Delaware corporation

By: _____
Name: _____
Title: _____

"Lessee"

ATTACHMENT: Exhibit "A"

(Acknowledgements on the next page)

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of February, 2015 by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of February, 2015, by _____, _____ of Mossi & Ghisolfi Logistics Co., a Delaware corporation, on behalf of said corporation.

NOTARY PUBLIC, STATE OF _____

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-C

**Approve an Amendment of Rail Spur Easement with
M&G Resins USA, LLC, to Finalize Easement Limits to
Support M&G's Railroad Operations**

On June 20, 2013, the Port Commission approved a Purchase, Leaseback, and Construction Agreement with M&G Resins USA, LLC, (M&G) for the purchase of approximately 78.8 acres of M&G's land at the west end of the Inner Harbor. As part of that transaction, the PCCA granted M&G a Rail Spur Easement for a site approximately 700 feet long by 50 feet wide, located on a 13.6-acre parcel of land out of the 78.8 acres. The exact location of the easement boundaries were not known at the time of the transaction, so a provision was written into the Easement Agreement stating that once the boundaries had been finally determined, the parties would execute and record an amendment to the Rail Spur Easement describing the exact location of the easement area.

The final design of the rail spur is now complete, and an Amendment of Rail Spur Easement adding the easement's final size and description has been prepared by PCCA counsel and has been reviewed and approved by M&G.

Staff recommends approval of the attached Amendment of Rail Spur Easement with M&G Resins USA, LLC.

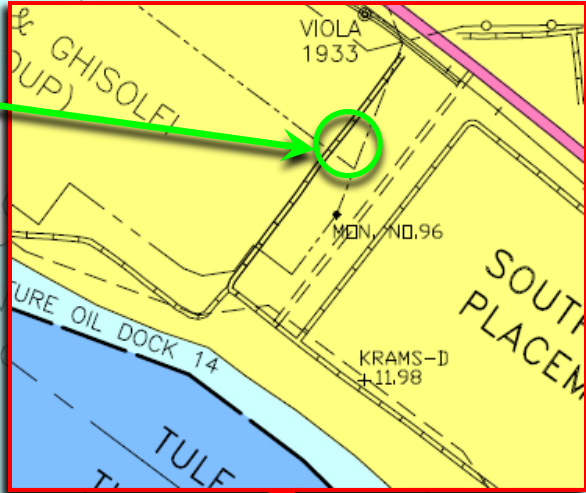
LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



M&G Resins USA, LLC Amendment to Rail Spur Easement

AGENDA ITEM NO. 18-C

General Location
of Easement



AMENDMENT OF RAIL SPUR EASEMENT

This Amendment of Rail Spur Easement (“*Amendment*”) is made effective as of the 17th day of February, 2015 (the “*Amendment Date*”), by and between the **Port of Corpus Christi Authority of Nueces County, Texas**, a navigation district operating under Article XVI, Section 59 of the Texas Constitution (hereinafter called “*PCCA*” or “*Authority*”), and **M&G Resins USA, LLC** or its assigns (hereinafter called “*M&G*”), a Delaware limited liability company (PCCA and M&G each herein called a “*Party*” and together the “*Parties*”). This Amendment includes all Exhibits hereto.

Recitals:

WHEREAS, PCCA and M&G entered into a Rail Spur Easement dated June 28, 2013 and recorded under Nueces County Clerk’s File No. 2013026819 (the “*Original Easement Agreement*”), a copy of which is attached hereto as **Attachment One**; and

WHEREAS, capitalized terms in this Amendment shall have the meanings ascribed to those terms under the provisions of the Original Easement Agreement, except as provided herein; and

WHEREAS, Section 1(a) of the Original Easement Agreement reads as follows:

Easement and Easement Area. Authority hereby grants and conveys to M&G and its successors and assigns an exclusive rail spur easement fifty feet (50’) in width and approximately seven hundred (700) feet in length (the “Easement”) along, upon, on, in, over, under, through, and across that portion of the Authority’s Property depicted as the easement area on Exhibit D attached hereto. The exact location of the Easement (the “Easement Area”) shall be determined by mutual good faith agreement between the Authority and M&G after the design of the rail spur has been completed by M&G. When the exact location of the Easement Area has been agreed upon by the Parties, M&G will cause a survey and metes and bounds description of the Easement Area to be prepared by a licensed surveyor. The Parties will then execute and record an amendment to this Agreement which will include a survey plat and metes and bounds description of the exact location of the Easement Area.

WHEREAS, in accordance with the requirements of Section 1(a) of the Original Easement Agreement, the Parties have agreed on the exact location of the Easement Area;

Agreements:

NOW THEREFORE, for and in consideration of the premises set forth above and incorporated herein by this reference, the sum of \$10.00 in hand paid, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged and confessed, and intending to be legally bound, Authority and M&G agree to the following:

1. Effective as of the Amendment Date, the following changes shall be made to the Original Easement Agreement without the need for any further action by the Parties:

A. **Exhibit D** attached to this Amendment, which is a map and metes and bounds description of the exact location of the Easement Area, shall be substituted for and replace **Exhibit D** attached to the Original Easement Agreement.

B. Section 1(a) of the Original Easement Agreement shall be amended in its entirety to read as follows:

“Easement and Easement Area. Authority hereby grants and conveys to M&G and its successors and assigns an exclusive rail spur easement (the “Easement”) along, upon, on, in, over, under, through, and across the ±1.04-acre portion of the Authority’s Property depicted as the M&G Rail Easement on Exhibit D attached hereto (the “Easement Area””).

2. This Amendment shall be binding on the successors and assigns of the Parties.

3. This Amendment may be executed in multiple counterparts, each of which will be considered to be an original. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures to this Amendment by facsimile or Adobe “.pdf” file and such facsimile or Adobe “.pdf” file signatures shall be deemed to be the same as original signatures.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized officers as of the dates provided below each signature, to be effective, however, for all purposes, as of the 17th day of February, 2015.

PCCA: **Port Of Corpus Christi Authority
Of Nueces County, Texas**

By: _____
John P. LaRue
Executive Director

Date: _____, 2015

M&G: **M&G Resins USA LLC**

By: _____
Kevin R. McCarren
Vice President, Finance

Date: _____, 2015

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the ___ day of February, 2015, by John P. LaRue, Executive Director of the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, on behalf of the Authority.

NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the ___ of February, 2015, by Kevin R. McCarren, Vice President, Finance of M&G RESINS USA, LLC, a Delaware limited liability company, on behalf of the company.

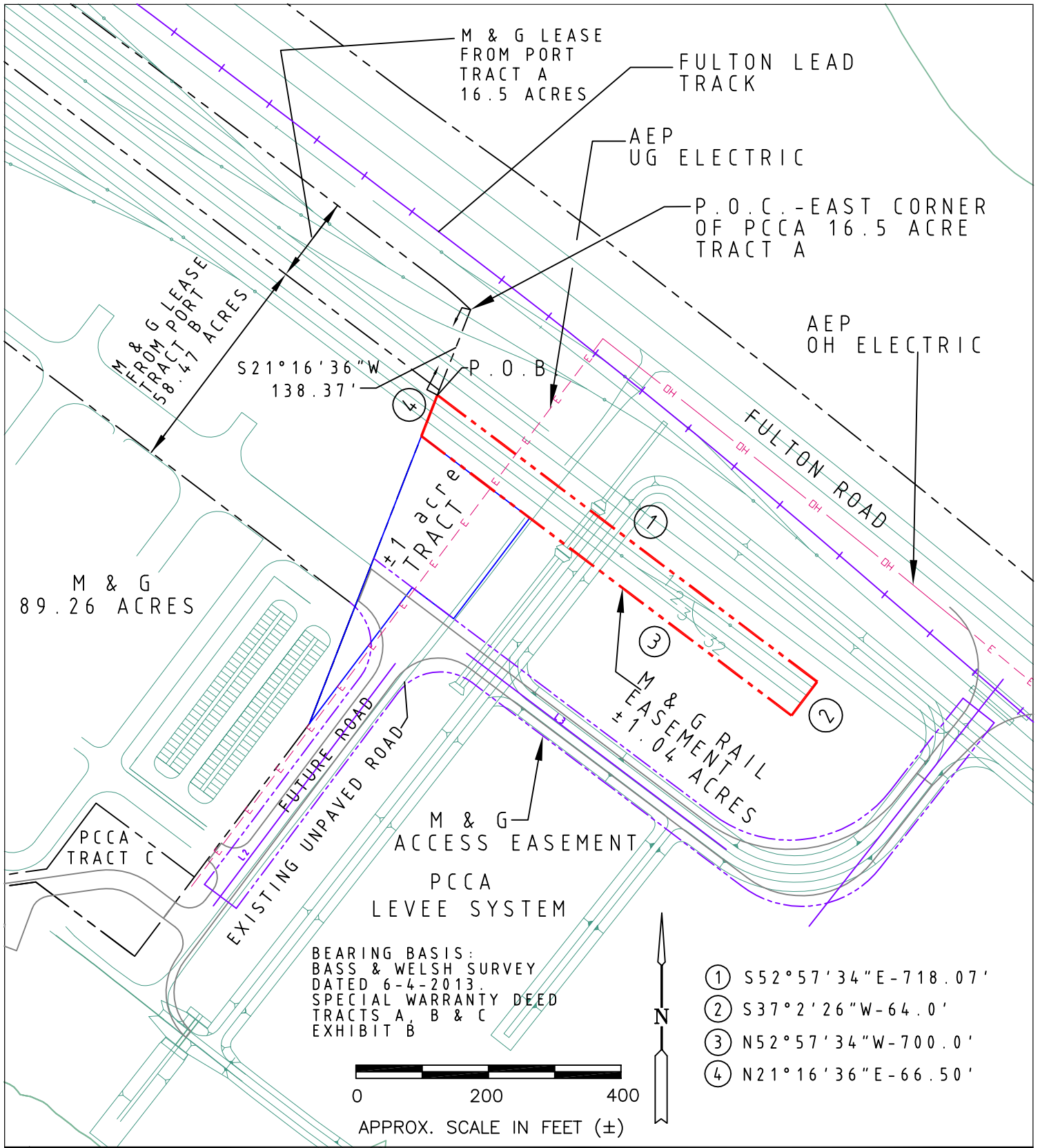
NOTARY PUBLIC, STATE OF TEXAS

ATTACHMENTS:

- Attachment One – Original Easement Agreement
- Exhibit “D” – new map and metes and bounds description of the Easement Area

AFTER RECORDING RETURN TO:

Jason Davis
Crain Caton & James, PC
1401 McKinney Street, Suite 1700
Houston, Texas 77010



NO.	DATE	REVISION



PORT OF CORPUS CHRISTI AUTHORITY		
RAIL EASEMENT FOR M & G		
SCALE: AS SHOWN	EXHIBIT D (±1.04 ACRES)	DATE: JAN. 2015
DWN. BY: RALPH		

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NOS. 18-D&E

(18-D) Approve a Lease Agreement with Cooper Outdoor Advertising Inc. for One (1) Billboard Located Along US-181 Fronting on the La Quinta Trade Gateway Property

(18-E) Approve a Lease Agreement with Cooper Outdoor Advertising Inc. for One (1) Billboard Located Along Interstate Highway 37 near the Savage Lane Railroad Track

Cooper Outdoor Advertising Inc. currently owns and operates two illuminated billboards located on PCCA-owned property under separate leases dating to August 2004. One of the billboards is located in Nueces County within the PCCA's Savage Lane railroad right-of-way on the south side of Interstate 37, adjacent to the Corpus Christi Greyhound Race Track, and the other billboard is located in San Patricio County within a former Union Pacific Railroad right-of-way fronting on U.S. Highway 181 at the PCCA's La Quinta Trade Gateway property (see attached exhibits).

Over the course of the past few months, staff has been in discussions with representatives of Cooper pertaining to the renewal of the lease agreements and adjustments in rent. According to research conducted by staff and information provided by Cooper, the current annual rent for the billboard located in Nueces County is above the industry standards, while the billboard located in San Patricio County is below.

Based on this information, the attached new lease agreements were prepared using PCCA's current lease template. The annual rent for the billboard in Nueces County will remain unchanged at \$3,300.00, and the annual rent for the billboard in San Patricio County will be increased from \$1,500.00 to \$2,700.00 (see attached lease summaries). Under the terms of the lease agreements, the PCCA reserves the right to approve all advertisers and content to ensure advertisements align with the mission and values of the PCCA. PCCA counsel has reviewed and approved the provided Agreements as to legal form.

Staff recommends approval of both lease agreements with Cooper Outdoor Advertising Inc.

LEAD CONTACT: David Krams; 361-885-6134; krams@pocca.com



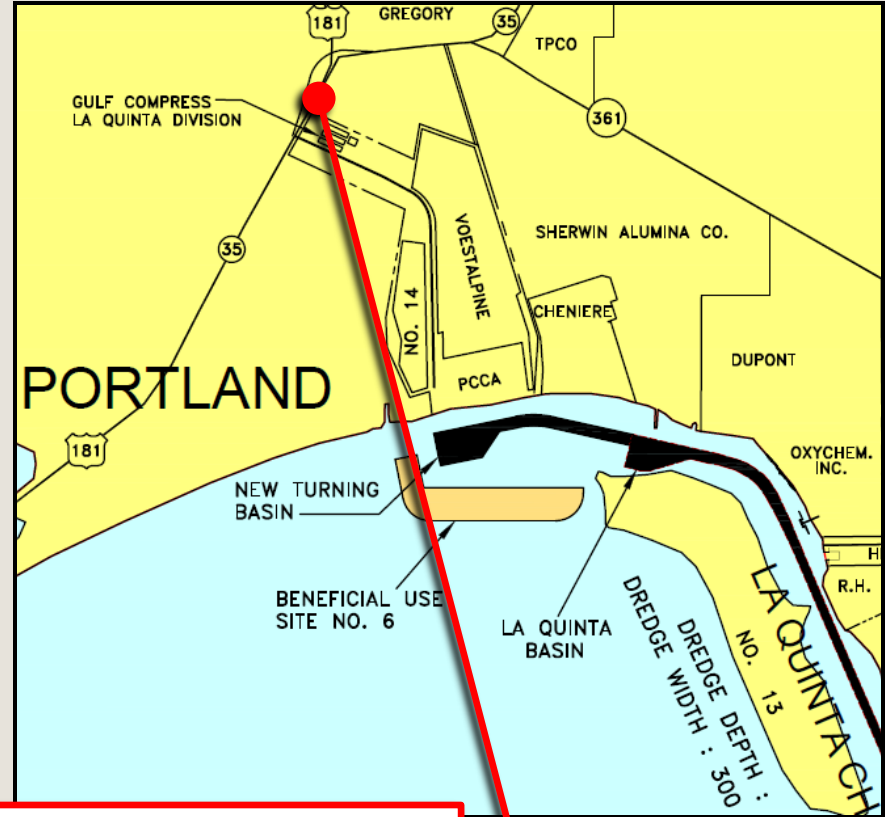
Cooper Advertising Lease Agreement for Outdoor Billboards



Gregory

U.S. Highway 181

Gulf Compress



PORTLAND

General Location of Lease (US-181 Location)

**PORT OF CORPUS CHRISTI AUTHORITY
LEASE SUMMARY**

Lessee: Cooper Outdoor Advertising, Inc.

Leased Premises: Large billboard site along the east side of the U. S. Highway 181 in San Patricio County between Portland and Gregory, Texas

Use: Maintenance and operation of one 12-foot by 40-foot illuminated advertising structure together with such devices and connections as necessary for maintenance and operation of said structure located on Authority land as depicted on Exhibit A of Lease Agreement.

Term: 5 years

Options: None

Start Date: February 17, 2015

Annual Rent: \$13,500.00 total rent, in annual payments of \$2,700.00

Previous Rent: \$4,500 in annual payments of \$1,500.00 (3 year term)

Additional Rent: None

Adjustment of Rent: Not applicable

Remarks: Renewal lease agreement for billboard located on Authority property in San Patricio County. The PCCA reserved the right to approve all advertisers and advertisements to ensure advertisements align with the mission and values of the PCCA.

LEASE AGREEMENT

Between

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
("Authority")

And

COOPER OUTDOOR ADVERTISING, INC.
("Lessee")

February 17, 2015

LEASE AGREEMENT

This **LEASE AGREEMENT** is made this 17th day of February, 2015, by and between **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called "Authority"), and **COOPER OUTDOOR ADVERTISING, INC.**, a Texas corporation, whose principal address is P.O. Box 9431, Corpus Christi, Texas 78469 (hereinafter called "Lessee"). This Lease Agreement together with all renewals, extensions, and modifications is referred to herein as the "Lease Agreement", or the "Lease".

ARTICLE 1 LEASE OF PREMISES

Section 1.01. Description of Premises and Term

Authority, in consideration of the rents to be paid and the terms, covenants, and conditions hereinafter set forth, hereby leases to Lessee and Lessee leases from Authority for the entire Term of this Lease, including any extensions, stated in this Section, real property situated in Nueces County, Texas, which is described as follows:

The surface estate of real property at the location of a single billboard, together with the exclusive advertising use for the premises (with free access to and from the same as long as such access does not interfere with operations of the Authority, or Gulf Compress, or any rail movements along Authority's tracks). Said real property is particularly described on **Exhibit A** attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the Leased Premises for a period of Five (5) years, (the "Initial Term") which begins on the 17th day of February, 2015, (the "Effective Date") and (subject to earlier termination as herein provided) ends at midnight, Central Time, the 16th day of February, 2020.

Section 1.02. Holding Over

If Lessee holds over beyond the Initial Term or any extension period of this Lease without the written consent of Authority, Lessee is deemed to be occupying the Leased Premises as a tenant at sufferance. During any holdover period, Lessee will pay two (2) times the monthly rent being charged Lessee in the month prior to the commencement of Lessee's holding over, and Lessee will be subject to all other terms of this Lease Agreement applicable to a tenant at sufferance.

**ARTICLE 2
INSPECTION OF LEASED PREMISES**

Lessee has inspected the Leased Premises, including all improvements, fixtures, equipment and personal property situated on the Leased Premises and has conducted any environmental assessment survey it desired and on the date this Lease Agreement is made accepts the Leased Premises As Is, Where Is, and in the condition it existed on that date, as reasonably suited and fit for Lessee's intended uses of the Leased Premises. Lessee acknowledges that Authority has made no express warranties with regard to the Leased Premises, unless stated in this Lease Agreement, and to the maximum extent permitted by applicable law, Authority hereby disclaims, and Lessee waives the benefit of, any and all implied warranties, including implied warranties of habitability, or fitness or suitability for Lessee's intended uses of the Leased Premises and Authority's Equipment.

**ARTICLE 3
RENT**

Section 3.01. Annual Rent

Lessee agrees to pay to Authority at its offices in Corpus Christi, Nueces County, Texas, Thirteen Thousand Five Hundred and NO/100 Dollars (\$13,500.00) total rental for the Term of this lease, payable in annual installments of Two Thousand Seven Hundred and NO/100 Dollars (\$2,700.00). The first annual payment of rent hereunder is due and payable on or before the 17th day of February, 2015 or ten days after the approval of this Lease by Authority, whichever occurs last. Rent for any fractional year or month at the beginning or end of the Term of this Lease will be prorated on a per-day basis. Each annual payment of rent is due and payable on or before the first day of each succeeding year thereafter; or each monthly installment of rent is due and payable on or before the first day of each succeeding month thereafter. If Lessee should fail to pay Authority any sum to be paid by Lessee to Authority hereunder within thirty (30) days after such payment is due, interest on the unpaid amount shall accrue at a rate of fifteen percent (15%) per annum or the maximum rate allowed by law, whichever is lesser, from the date payment was due until the date payment is made. Authority may also impose a late charge of Twenty-Five Dollars (\$25.00) or five percent (5%) of the unpaid amount, whichever is greater, to defray Authority's administrative costs incurred as a result of Lessee's failure to timely make such payment, the amount of such costs not being readily ascertainable. Any such late charge shall be in addition to all other rights and remedies available to Authority hereunder or at law or in equity and shall not be construed as liquidated damages or limiting Authority's remedies in any manner. Failure to pay such interest or late charge within thirty (30) days after written demand shall be an event of default hereunder. Following the dishonor of any check presented for payment, Authority shall have the right, at Authority's option, to require all further payments to be made by certified check, money order or wire transfer. For purposes of this Section, any adjustment payment made by Lessee to correct a prior underpayment shall be treated as due on the date such underpayment was due; provided, however, an adjustment payment made by

Lessee as the result of an independent audit conducted at Lessee's expense shall not be subject to a late charge as described herein.

Rent must be paid to Authority at its address for notice hereunder or to such other person or at such other address in Nueces County, Texas, as Authority may from time to time designate in writing. Rent must be paid in legal tender of the United States of America without notice, demand, abatement, deduction or offset.

This is a net Lease. Authority shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this Lease unless provided for in this Lease Agreement or the financing, ownership, construction, reconstruction, maintenance, operation, or repair of the Leased Premises or the improvements thereon.

Section 3.02. Utilities and Taxes

In addition to the annual rent described hereinabove, Lessee agrees to pay when due all charges it contracts for (a) water, gas, electricity, and other utilities, (b) garbage service, (c) security or guard services, or (d) railroad services in connection with the Leased Premises. If at Lessee's request or because of Lessee's failure to pay for services to the Leased Premises it contracted for, Authority provides any such services to the Leased Premises or pays the cost for any such services, Lessee will pay to Authority the cost of such services as additional rent upon receiving Authority's invoice therefore, payment to be made pursuant to the terms of said invoice.

Lessee will also pay as additional rent its pro rata share of any utility services provided by Authority.

During the Term of this Lease, Lessee must pay or cause to be paid when due all taxes, assessments, fees or charges imposed on the Leased Premises by virtue of Lessee's tenancy or upon Lessee's property on, or Lessee's interest in, the Leased Premises.

Lessee may, at its expense, contest any tax, assessment, fee or charge for which it is responsible under this Section. Except as provided in the following paragraph, Lessee need not pay the tax, assessment, fee or charge while the contest is pending. Except as provided in the following paragraph, Lessee may prevent Authority from paying any tax, assessment, fee or charge that Lessee is contesting under this Section, pending resolution of the contest, by depositing with Authority the full amount of the tax, assessment, fee or charge plus the amount of any penalty that might be imposed for failing to make timely payment and one (1) year of interest at the rate imposed by the entity levying the tax, assessment, fee or charge. When the contest is resolved, Lessee must pay the tax, penalty and interest imposed and may use the money deposited with Authority to pay any tax, assessment, fee or charge, plus any penalty or interest, due under the final resolution and keep any balance of the deposit. If the deposit is insufficient to pay these amounts, Lessee must immediately pay the balance due to the entity imposing the tax, assessment, fee or charge.

Notwithstanding the provisions of the foregoing paragraph, Authority may pay – or require Lessee to pay – any tax, assessment, fee or charge for which Lessee is responsible under this Section, pending resolution of Lessee’s contest of the tax, assessment, fee or charge, if payment is demanded by a holder of a mortgage on the premises or if failing to pay will subject all or part of the premises to forfeiture or loss.

Any of said taxes, fees or charges that are payable by Lessee for the tax year in which the Term of this Lease begins, as well as during the year in which this Lease Agreement expires or is terminated, shall be apportioned so that Lessee shall pay its proportionate share of the taxes, fees or charges for such periods of time. Lessee may pay such taxes, fees or charges in installments as and when such installments become due. Lessee must deliver to Authority evidence of payment of all taxes, fees or charges, which Lessee is obligated to pay hereunder concurrently with making such payment.

**ARTICLE 4
USE OF LEASED PREMISES**

Section 4.01. Use

The Leased Premises may be used for the following purposes, and for no other purpose, unless written permission for other use is obtained from Authority:

For the maintenance and operation of one 12 foot by 40 foot illuminated advertising structure previously constructed by the Lessee, together with such devices and connections as necessary for such maintenance and operation of said structure located on the east side of U.S. Highway 181.

Lessee will not:

A. Use, occupy or permit the use or occupancy of the Leased Premises for any purpose or in any manner, which is directly or indirectly:

Inconsistent with the requirements of **Section 4.01** hereof;

Violative of (a) judicial decisions, orders, injunctions, writs, statutes, rulings, rules, regulations, promulgations, directives, permits, certificates or ordinances of any governmental authority in any way applicable to Lessee or the Leased Premises, including zoning, environmental and utility conservation matters; (b) Authority's Tariffs or Rules and Regulations; (c) insurance requirements; or (d) other documents, instruments or agreements relating to the Leased Premises or to which the Leased Premises may be bound or encumbered;

Dangerous to life or property or a public or private nuisance; or

Disruptive to the activities of any other tenant or occupant of property adjacent to the Leased Premises;

B. Bring or permit to remain on the Leased Premises any asbestos, petroleum or petroleum products, explosives or toxic materials except for commercially reasonable amounts of materials used in the ordinary course of Lessee's business, nor commit or permit to remain any waste or damage to the Leased Premises; or

C. Commit, or permit to be committed, any action or circumstance on or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in increasing the rate of or canceling the insurance policies maintained by Lessee or Authority on the Leased Premises or improvements thereon, or those of other lessees of Authority's property adjacent to the Leased Premises.

Section 4.02. Environmental Representations, Restrictions and Environmental Indemnity

Lessee hereby represents and warrants to Authority:

That Lessee's construction, occupancy, operation or use of the Leased Premises will not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Leased Premises, including but not limited to all applicable zoning ordinances and building codes, flood disaster laws and health and environmental laws and regulations (hereinafter sometimes collectively called "Applicable Laws");

That, without limitation of **Section 4.01A** above, in its use of the Leased Premises Lessee will not violate any Applicable Laws pertaining to health or the environment (hereinafter sometimes collectively called "Applicable Environmental Laws"), including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601 et seq; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq; the Clean Air Act and Amendments of 1990, 42 U.S.C. Section 7401 et seq; the Clean Water Act of 1977, 33 U.S.C. Section 1251 et seq; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq; the Toxic Substances Control Act, 15 U.S.C. Section 2606 ; the Texas Solid Waste Disposal Act, Chapter 361, Texas Health and Safety Code; the Texas Clean Air Act, Chapter 382, Texas Health and Safety Code; the Oil Spill Prevention Act of 1991, Chapter 40, Texas Natural Resource Code, and Chapter 26, Texas Water Code; and the Texas Water Quality Act, Chapter 26, Texas Water Code; Texas Hazard Communication Act, Chapter 502, Texas Health and Safety Code; Texas Community Right-to-Know Acts, Chapters 505 – 507 Texas Health and Safety Code; and Authority's Tariffs, Rules and Regulations.

That the use which Lessee intends to make of the Leased Premises will not result in the Disposal or other Release of any Hazardous Substance or Solid Waste on or to the Leased Premises--the terms "Hazardous Substance" and "Release" have the meanings specified in CERCLA, and the terms "Solid Waste" and "Disposal" (or "Disposed") have the meanings

specified in RCRA--and, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning will apply to such terms used in this Lease Agreement subsequent to the effective date of such amendment and, further, to the extent the laws of the state of Texas establish a meaning for "Hazardous Substance," "Release," "Solid Waste," or "Disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning will apply to such terms used in this Lease Agreement, and in either of said instances Lessee must immediately cease activities prohibited by Applicable Laws or Applicable Environmental Laws upon the Leased Premises and notify Authority in writing within five (5) day of doing so.

Lessee understands and agrees that the Leased Premises are being leased in an "As Is, Where Is" condition and that improvements, grading, filling, removal of existing improvements, and relocation of utility lines shall be made and performed by Lessee at the sole cost and expense of Lessee. Lessee further understands and agrees that the "As-Is, Where Is" condition of the Leased Premises includes any contamination of the Leased Premises, including structures, soils, groundwater, and any adjacent channel or bay water and sediment, and that information received from Authority regarding such matters may not be complete or accurate and should not be accepted as such.

In the event of a Release of any environmental contaminants which exceed permitted levels as defined by any city, state or federal law or regulation, Lessee must immediately stop the Release and cease any prohibited activities which may be resulting in such Release; and immediately notify the proper environmental and safety agencies, federal, state, and local, as well as Authority, in writing, of the date, time, and nature of the Release, including, but not limited to, a description of the environmental contaminants discharge or released, and provide a MSDS for each of the said environmental contaminants.

In addition, upon receipt from any agency or department of the state of Texas or the federal government, Lessee will immediately furnish Authority written information concerning any citation, notice of violation, enforcement action or penalty regarding any safety or environmental violation sent to Lessee, or any entity consulting or working on the Lessee's behalf relative to or at the Leased Premises. This information must include:

- A. A general description of the conduct that resulted in the citation, notice of violation, enforcement action or penalty; and
- B. The document(s) sent from the agency or department to Lessee, or any entity consulting or working on the Lessee's behalf, which state the citation, violation, enforcement action or penalty.

Further, in the event of a Release, Lessee hereby acknowledges that excavation of soils from the Leased Premises could result in exportation of a regulated waste requiring appropriate characterization, handling, transport and disposal (together "Regulated Waste Removal"). Authority takes no responsibility and assumes no liability whatsoever for Regulated Waste Removal. Accordingly, **Lessee hereby waives any claim, or potential claim, it may have to**

recover costs or expenses arising out of or associated with Regulated Waste Removal and agrees to indemnify, defend and hold harmless Authority, its Port Commissioners, directors, managers, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from, out of, or in any way related to Regulated Waste Removal. If any action or proceeding is brought against Authority, its Port Commissioners, directors, managers, employees, and agents based upon any and all such claims, liabilities, losses, damages, costs and expenses, Authority will be represented by its general counsel, or another attorney selected by Authority and approved by Lessee, which approval will not be unreasonably withheld.

Also, in the event of a Release, Authority accepts no liability or responsibility for ensuring that Lessee's workers, including without limitation those conducting testing, construction and maintenance activities on the Leased Premises, are satisfactorily protected from residual contaminants described in 29 Code of Federal Regulations. Lessee shall assess all human health risks from vapor transport or direct contact with residual hazardous substances or contaminants and incorporate such engineering and institutional controls as may be required to sufficiently protect human health of onsite workers and transient visitors. **Lessee hereby waives any claim, or potential claim, it may have to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual onsite contamination, and to indemnify, defend and hold harmless Authority, from and against any and all such claims, liabilities, losses, damages, costs and expenses. If any action or proceeding is brought against Authority, its Port Commissioners, directors, managers, employees, and agents based upon any and all such claims, liabilities, losses, damages, costs and expenses, Authority, its Port Commissioners, directors, managers, employees, and agents will be represented by its general counsel, or another attorney selected by Authority and approved by Lessee, which approval will not be unreasonably withheld.**

In claims against Authority, its Port Commissioners, directors, managers, employees, and agents by or for an employee of Lessee, its agents, contractors, owners, invitees, or licensees, the Lessee's indemnification obligation under this Section 4.02 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee, its agents, contractors, owners, invitees, or licensees, under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against Authority, its agents, contractors, owners, invitees, or licensees, to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Authority, its agents, contractors, owners, invitees, or licensees, or a settlement by Authority, its agents, contractors, owners, invitees, or licensees, Lessee expressly agrees to reimburse and hold harmless Authority, its agents, contractors, owners, invitees, or licensees, for the damages based on such judgment or settlement as provided in this Section 4.02.

Lessee will cooperate with the Authority's Tenant Audit Program (the "Program"). The audit will consist of a scheduled review of Lessee's operations and activities, a review of

Lessee's environmental management programs, and a tour of the Leased Premises. Authority staff involved in the Program intend to gain an understanding of Lessee's operations and activities and what measures the Lessee is utilizing to comply with local, state, and federal laws, rules and regulations, this Lease Agreement, and Authority's Tariffs, Rules, and Regulations. Through the Program they will seek to achieve cooperative conservation between Authority and Lessee that are actions relating to the use, enhancement and enjoyment of natural resources and protection of the environment. The audit will be conducted at a minimum annually and more frequently if determined by Authority staff to be necessary. A letter from Authority staff setting forth staff's observations will be provided to the Lessee following the audit. If violation of applicable laws, rules, regulations, this Lease Agreement or the tariff have been observed, then Lessee will be notified of the same in the letter, and required to immediately take action to come into compliance, and to verify it has done so to Authority staff.

Lessee must clean up, remove, remediate and repair any soil or ground water contamination or damage caused by the presence or release of any Hazardous Substance or Solid Waste in, on, under, or about the Leased Premises during occupancy of the Leased Premises in conformance with the requirements of Applicable Laws or Applicable Environmental Laws. Lessee shall immediately give Authority written notice of any suspected breach of this paragraph, upon learning of the presence or any release of any Hazardous Substance or Solid Waste, or upon receiving any notice from governmental agencies pertaining to any Hazardous Substance or Solid Waste which may affect the Leased Premises. The obligations of Lessee hereunder shall survive the expiration or earlier termination, for any reason, of this Lease.

All of the foregoing representations and warranties made by Lessee are continuing and must be true and correct for the entire Term of this Lease, and all of such representations and warranties will survive expiration or termination of this Lease Agreement.

Section 4.03. Underground Storage Tanks

Lessee may not construct, install, maintain, use or otherwise operate on the Leased Premises any petroleum or chemical underground storage tank.

**ARTICLE 5
IMPROVEMENTS OR ALTERATIONS AND MAINTENANCE**

Section 5.01. Permanent Improvements

All improvements made, placed, or constructed on the Leased Premises by Lessee after the date of this Lease Agreement will be at the sole cost and expense of Lessee. Lessee must construct and install Lessee's improvements in a good and workmanlike manner. New or additional improvements may not be constructed nearer than 8.5 feet to the centerline of any existing or proposed railroad track on or adjacent to the Leased Premises.

While constructing improvements, maintaining, or carrying on its activities, on the Leased Premises, Lessee must comply with the *Antiquities Code of Texas (Texas Natural*

Resources Code, Chapter 191) and applicable rules promulgated thereunder by the Texas Historical Commission, or its successor. Lessee shall undertake its activities on the Leased Premises in a manner consistent with public policy relating to the location and preservation of archeological sites and other cultural resources in, on, or under public lands. Lessee shall use the highest degree of care and all reasonable safeguards to prevent the taking, alteration, damage, destruction, salvage, or excavation of cultural resources and/or landmarks on the Leased Premises. Upon discovery of an archeological site, Lessee shall immediately give written notice of such discovery to Authority and to the Texas Historical Commission, as set out in the Committee's rules. Lessee, its contractors and employees, shall have no right, title, or interest in or to any archaeological articles, objects, or artifacts, or other cultural resources located or discovered on the Leased Premises.

Section 5.02. Maintenance and Return of Leased Premises

Lessee will, throughout the Lease Term, at its own expense and risk, maintain the Leased Premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition. All maintenance, repairs, and replacements required by this Section must be performed promptly when required and so as not to cause depreciation in the value of the Leased Premises.

If Lessee fails to perform its obligation to repair, replace, or maintain, as set forth above, within a reasonable time after notice from Authority of the need for repair, replacement, or maintenance, Authority may enter the Leased Premises and make the repairs or replacements, or perform the maintenance, or have the repairs or replacements made or maintenance performed, at its own expense. Upon Authority's notice to Lessee of the performance and cost of any maintenance, repairs, or replacements under this Section, Lessee must immediately reimburse Authority for the costs incurred by Authority pursuant to this Section, together with interest on the sum at the highest legal rate from the date of the notice until the date paid by Lessee to Authority.

At the expiration or termination of the Lease Term, Lessee will surrender the premises in good order and repair except for reasonable wear and tear since the last necessary repair, replacement, restoration or renewal made by Lessee pursuant to its obligations under this Lease Agreement.

Section 5.03. Approval of Alterations and Improvements

Lessee must submit to Authority plans for any proposed buildings, drainage or improvements of any kind on the Leased Premises, or any alterations or additions to existing buildings or improvements, and they must be approved in writing by, the Director of Engineering Services of Authority prior to the commencement of work on the same. To facilitate the Authority's review, two (2) sets of formal plans that clearly define the project must be submitted to Authority for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the

project site and must be signed and sealed by a Professional Engineer registered in the State of Texas

No approval by Authority of Lessee's designs, site plans, plans, specifications or other matters may ever be construed as representing or implying that Lessee's designs, site plans, plans, specifications or other matters will, if followed, result in a properly-designed building or other improvements constructed on the Leased Premises. Such approvals shall in no event be construed as a representation or guaranty by the Authority that any improvements will be built in a workmanlike manner, nor shall such approvals relieve Lessee of its obligation to construct the building in a workmanlike manner. **Lessee will defend, indemnify, and hold harmless Authority from and against any lawsuits, actions, causes of action or claims arising out of Authority's approval of any of Lessee's designs, site plans, plans, specifications or other matters relating to the Leased Premises.**

Section 5.04. No Liens

Unless otherwise agreed, Lessee may not grant, place or suffer, or permit to be granted, placed or suffered, against all or any part of the Leased Premises or Lessee's leasehold estate created hereby, any lien, security interest, pledge, conditional sale contract, claim, charge or encumbrance (whether constitutional, contractual or otherwise) and if any of the aforesaid should occur or be asserted, Lessee will, promptly upon demand by Authority and at Lessee's expense, cause same to be released.

Section 5.05. Laborers and Materials

Lessee will pay for all labor and services performed for, materials used by, or furnished to, any contractor employed by Lessee with respect to the Leased Premises and defend, indemnify and hold Authority and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by Lessee's failure to pay for labor or materials provided to the Leased Premises. If Lessee elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with such labor, services or materials, Lessee agrees to include Authority as an additional obligee thereunder.

Section 5.06. Building Code

All improvements placed on the Leased Premises by Lessee must comply with all applicable codes unless they are modified by Port of Corpus Christi Authority Design and Construction Guidelines found in the current Port of Corpus Christi Authority Project Manual which may be obtained from Authority's Department of Engineering Services.

Section 5.07. Permits

Lessee must obtain and maintain in effect at all times during the Term of this Lease Agreement all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of Lessee's improvements and Lessee's use and occupancy of, and operations at, the Leased Premises. Lessee will provide Authority's Department of Engineering Services with copy of its permits, licenses and consents as the same are obtained.

Section 5.08. Ownership or Removal of Alterations, Modifications or Improvements by Lessee

During the Term all improvements, modifications or alterations constructed or placed on the Leased Premises by Lessee will be solely the property of Lessee.

At the expiration or termination of this Lease Agreement, all improvements, modifications or alterations situated upon the Leased Premises,, including all buildings, rail spurs and tracks, paneling, decorations, partitions, heating, ventilating and air-conditioning machinery and equipment, lighting fixtures, plumbing equipment, sprinkler system, and the like, shall, absent any agreement between Authority and Lessee to the contrary at the time of installation, or unless Authority otherwise elects, which election shall be made by giving a notice in writing (a) not less than fifteen (15) days prior to the expiration of this Lease Agreement, or (b) not more than fifteen (15) days following any termination of this Lease Agreement other than by expiration, become the property of Authority and shall remain upon and be surrendered with the Leased Premises as a part thereof at the expiration or termination of this Lease Agreement. In the event Authority notifies Lessee to remove any or all of the alterations, additions or improvements made by Lessee, Lessee must do so and must repair any damage caused by such removal, all within forty-five (45) days after the date of expiration or termination of this Lease Agreement. Trade fixtures, furnishings and equipment, except for those referred to above, which are installed by Lessee may be removed by Lessee, at its expense, provided Lessee removes the same and repairs any damage caused by such removal within thirty (30) days after the date of expiration or termination of this Lease Agreement. Authority has no obligation to protect any personal property of Lessee located on the Leased Premises after the expiration or termination of the Lease Agreement. Any trade fixtures not removed, in accordance with this **Section 5.08**, by Lessee when this Lease Agreement expires or terminates are considered abandoned by Lessee, and will automatically become Authority's property. If any trade fixture installed by Lessee is abandoned by Lessee after this Lease Agreement expires or terminates, Lessee must pay Authority any reasonable expense actually incurred by Authority to remove the fixture from the premises, less the fair market value of the fixture once removed, if Authority uses the trade fixture.

Section 5.09. Signs

As a condition of this lease, Lessee agrees to exclude in its use of the Leased Premises the following forms of advertising: Alcohol or alcohol related products, tobacco or tobacco related products, nudity, obscene or offensive language, political groups or individuals, sexual content or sexually related content, contraceptive services or any other type of advertising deemed by the Authority to be socially irresponsible. Lessee may not place any signs at or on the Leased Premises or paint any signs on any building on the Leased Premises unless first approved in writing by the Director of Engineering Services of Authority. Lessee must remove all its signs when this Lease Agreement expires or terminates and repair any damage resulting from erecting or removing the signs.

Section 5.10. Floodplain

Lessee acknowledges that Lessee has been advised by Authority that the Leased Premises is in the FEMA floodplain and that construction of improvements must conform to the laws and regulations applicable to construction of improvements in a floodplain.

Section 5.11. Side Yard Limits

No permanent improvements may be constructed within five (5) feet of the Leased Premises' boundary line.

Section 5.12. Early Termination

If at any time the highway view of the Lessee's display is obstructed or obscured, or the advertising value of the display is impaired or diminished, or the use or installation of such displays is prevented or restricted by law or by the Lessee's inability to obtain any necessary permits or licenses, or if the Lessee is unable, for any period of ninety (90) consecutive days or more, to secure and maintain a suitable advertising contract for the display, or if there occurs a diversion of traffic from, or a change in the direction of the traffic on the highway leading past the Lessee's display, the Lessee may, at its option, terminate this lease by giving the Authority fifteen (15) days written notice, and the Authority agrees to refund to the Lessee the rent previously paid for the unexpired portion of the lease.

If at any time the sign erected on the Leased Premises interferes with the operations or future operations of the Authority, the Authority may, at its discretion, by giving thirty (30) days written notice, require that Lessee's sign be removed at Lessee's sole cost and expense. In that event, the Authority will make every reasonable effort to locate an agreeable site on Authority property to which the sign may be relocated. If the sign is relocated, this lease shall continue in full force and effect for the remaining term of this lease. Should the Authority and the Lessee be unable to agree on a mutually agreeable site for the sign to be relocated, or should such a site be unavailable, this lease shall terminate and be of no further force and effect.

**ARTICLE 6
USE BY AUTHORITY**

Authority reserves the right to use any streets or roadways on the Leased Premises. Authority further reserves the right to use as much of the Leased Premises as is necessary to lay mains for gas, water or sewers on the Leased Premises, to place poles and necessary wires and attachments for electricity or for telephone and fiber optic lines over and across any part of the Leased Premises, and to lay, or grant easements or rights of way to other parties for the laying of, pipelines for oil, petroleum, petroleum products, fiber optics and any other products over, under and upon the Leased Premises; provided, however, that the same shall not interfere with Lessee's improvements or Lessee's use of the Leased Premises. Authority has the right to use third parties for the performance of the rights reserved to Authority in this Article.

**ARTICLE 7
SUBLETTING OR TRANSFER**

Section 7.01. Sublease or Transfer

Lessee may not assign or sublet this Lease Agreement in whole or in part nor any interest therein nor sublet the Leased Premises nor any part thereof nor grant any license, concession or other right of occupancy of any portion of the Leased Premises, nor permit the transfer of this Lease by operation of law or otherwise without the prior written consent of Authority. Consent of Authority to one or more assignments or subletting does not operate as a waiver of Authority's rights concerning any subsequent assignments or subletting. If this Lease Agreement is assigned, or if any of the Leased Premises, or any part thereof, is sublet or occupied by anyone other than the Lessee, then Authority may, after default by the Lessee, collect rent from the assignee, subtenant or occupant and apply the net amount collected, after the deduction of any costs of collection, including, but not limited to, attorneys' fees or other costs incurred by Authority, to Lessee's rent provided for in this Lease Agreement. No assignment, subletting, occupancy or collection of rent waives the obligations of Lessee under this Lease Agreement. Authority may assign or transfer any of its interests under this Lease Agreement. Furthermore, Lessee shall not, without Authority's express written consent, cause or permit an interest, direct or indirect, in itself to be sold, assigned, transferred, exchanged, or otherwise disposed of (each a "Disposition") such that, after the Disposition, Lessee shall cease to be controlled by substantially the same individuals and/or entities who Control it as of the effective date of the Lease Agreement; provided, however, that this restriction shall not be operative if, on the date of the Disposition, the net worth of Transferee (who is defined in **Section 7.02**) is more than Two Million Dollars. As used in this paragraph "Control" means the power to elect a majority of the directors or other members of the governing body of Lessee, or in any other manner to control or determine the management of the Lessee.

Section 7.02. Conditions

The following conditions automatically apply to each sublease, assignment or transfer by Lessee or any sublessee without the necessity of same being stated in or referred to in Authority's written consent:

A. Lessee must execute, have acknowledged and deliver to Authority and cause the sublessee, assignee or other transferee ("Transferee") of any portion of Lessee's interest in this Lease Agreement, the leasehold estate created hereby or the Leased Premises to execute, have acknowledged and deliver to Authority, an instrument in form and substance acceptable to Authority in which:

The Transferee adopts this Lease Agreement and assumes and agrees to perform, jointly and severally with Lessee, all of the obligations of Lessee hereunder, as to the interest transferred to it;

The Transferee grants Authority an express first and prior contract lien and security interest in its improvements located upon and property brought into the transferred premises to secure its obligations to Authority hereunder;

Lessee subordinates to Authority's statutory lien, contract lien and security interest any liens, security interests or other rights, which Lessee may claim with respect to any property of the Transferee;

Lessee and any guarantor of this Lease Agreement agrees with Authority that, if the rent or other consideration due by the Transferee exceeds the rent for the transferred space, then Lessee shall, and any guarantor guarantees that Lessee shall, pay Authority as additional rent hereunder all such excess rent and other consideration immediately upon Lessee's receipt thereof;

The Transferee agrees to use and occupy the transferred space solely for the purposes permitted under Article 4 and otherwise in strict accordance with this Lease Agreement; and

Lessee and any guarantor acknowledge and agree in writing that, notwithstanding the transfer, Lessee and any guarantor remain directly and primarily liable for the performance of all the obligations of Lessee hereunder (including, without limitation, the obligation to pay all rent), and Authority shall be permitted to enforce this Lease Agreement against Lessee, any guarantor or the Transferee, or all of them, without prior demand upon or proceeding in any way against any other persons.

B. Lessee must deliver to Authority a counterpart of all instruments relative to the sublease, assignment or other transfer executed by all parties to such transaction (except Authority); and

C. Lessee shall pay or cause to be paid to Authority, at the time of the execution and delivery of the documents, the sum of \$500.00 to cover Authority's administrative and legal costs for each amendment, assignment, sublease, and any estoppel certificate requested from Authority by Lessee or any sublessee.

**ARTICLE 8
DEFAULT**

Section 8.01. Rights and Remedies of Authority

If for ten (10) calendar days after service by mail or otherwise to Lessee by Authority of written notice of a breach or default by Lessee under any provision of this Lease Agreement, the Lessee does not or shall neglect or fail to comply with or remedy such breach or default, or if the breach or default complained of shall such that it cannot be completely remedied or cured within the ten (10) day period, then the breach or default shall not be an enforceable breach or default against Lessee, if Lessee has commenced curing such breach or default within the ten (10) day period, and shall with reasonable diligence and in good faith, proceed to remedy the default complained of; or if any proceedings concerning Lessee or the Leased Premises be had in bankruptcy, reorganization, arrangement or receivership, or if any assignment shall be attempted to be made of this Lease Agreement for the benefit of creditors; or if Lessee abandons or vacates a substantial portion of the Leased Premises for fourteen (14) consecutive days; then in any of said instances or in any similar instance, Authority shall have the rights and remedies that may be provided at law or in equity and the following options:

A. Without terminating this Lease Agreement, Authority may terminate Lessee's right of possession of the Leased Premises under this Lease Agreement by giving Lessee three (3) calendar days notice of termination of Lessee's right of possession and Lessee's right of possession shall thereupon cease and come to an end and Authority may reenter and take possession of the Leased Premises; provided, however, Authority shall not be required to give such notice prior to the filing of an action of forcible detainer or at common law upon default by Lessee in the payment of rent. Upon entering and taking possession of the Leased Premises, Authority may:

1. Relet for the account of, or as agent for, Lessee the Leased Premises or any part thereof, to a tenant acceptable to Authority, without terminating this Lease Agreement or working a forfeiture of the rent to be paid, and after receiving the rent therefrom apply the same, first to the payment of all expense the Authority may be put to in recovering possession of the Leased Premises and in reletting same, including but not limited to the costs of renovations, alterations and repairs to the Leased Premises for a new tenant and attorneys' and brokers' fees, and then to the payment of the rent and additional rent payable under this Lease Agreement and to the fulfillment of Lessee's covenants hereunder. Lessee shall be entitled to any balance remaining after subtracting such costs and debts. Authority may at any time after reletting terminate this Lease Agreement for the breach or default on account of which it reentered and relet; or

2. Accelerate the future rent and additional rent due under this Lease Agreement and seek recovery of such rent and additional rent and any other damages provided for in this Lease Agreement, at law or in equity. Authority is entitled to recover future rent and additional rent from Lessee based upon the present value of the rent and additional rent discounted to present value at the rate of 3% per annum for the remainder of the Term of the Lease reduced by the fair market rental value of the Leased Premises during that period.

B. Terminate this Lease Agreement.

C. Lessee pledges with Authority all of its rents from the Leased Premises in addition to the other security for the performance of the Lease Agreement; and in connection with such pledging of the rents, the Lessee covenants and agrees with Authority that if Authority, upon default of Lessee, elects to file a suit to enforce this Lease Agreement and protect Authority's rights thereunder, Authority may apply to any court having jurisdiction, for the appointment of a Receiver of all and singular the Leased Premises, the improvements and buildings located thereon, and the personal property located therein, and thereupon it is expressly covenanted and agreed that the court shall without notice forthwith appoint a Receiver with the usual powers and duties of receivers in like cases, and such appointment shall be made by such court as a matter of strict right to Authority, and without reference to the adequacy or inadequacy of a remedy at law, the value of the property that is subject to Landlord's lien, or to the solvency or insolvency of Lessee; and without reference to the commission of waste.

Section 8.02. No Waiver

Any assent, expressed or implied, by the Authority or Lessee to any breach of any agreement, covenant or obligation contained in this Lease Agreement shall operate as such only in the specific instance, and shall not be construed as an assent or a waiver to any such agreement, covenant or obligation generally or of any subsequent breach thereof. The remedies provided herein or at law or equity shall not be mutually exclusive.

Section 8.03. Consequential Damages

Authority shall in no event be charged with default in the performance of any of its obligations hereunder, unless and until Authority shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice by Lessee to Authority, properly specifying Authority's failure failed to perform any such obligation.

Notwithstanding anything in this Lease Agreement to the contrary, Authority shall in no event be charged with or liable for any consequential damages suffered by Lessee as a result of Authority's breach of this Lease Agreement or failure to perform any of its obligations under this Lease Agreement.

**ARTICLE 9
LIEN AND SECURITY INTEREST**

In consideration for the mutual benefits arising under this Lease Agreement, and as security for Lessee's performance of all its obligations under this Lease Agreement, Lessee hereby grants to Authority a lien and security interest in and on all property of Lessee now or hereafter placed in or upon the Leased Premises, and such property shall be and remain subject to such lien and security interest of Authority for payment of all rent and other sums agreed to be paid by Lessee herein. The provisions of this Section shall constitute a security agreement under the Texas Uniform Commercial Code so that Authority has and may enforce a security interest on all property of Lessee now or hereafter placed in or on the Leased Premises, including but not limited to all fixtures, machinery, equipment, furnishings and other articles of personal property now or hereafter placed in or upon the Leased Premises by Lessee. An event of default under this Lease Agreement shall be default under the security agreement. Authority may at its election at any time file a copy of this Lease Agreement as a financing statement. Authority, as secured party, is entitled to all of the rights and remedies afforded to a secured party under the Texas Uniform Commercial Code, which rights and remedies shall be in addition to and cumulative to the Authority's liens and rights provided by law or by the other terms and provisions of this Lease. Promptly upon request, and without further consideration, Lessee agrees to execute as debtor such additional financing statement or statements as Authority may now or hereafter reasonably request in order that Authority's security interests may be protected pursuant to the Texas Uniform Commercial Code, which financing statement Authority may at its election file in the appropriate records.

**ARTICLE 10
SUBORDINATION**

DELETED IN ITS ENTIRETY

**ARTICLE 11
INDEMNITY/WAIVER**

Section 11.01. Indemnity and Waiver

A. As used in this Section 11.01, each of the following terms shall have the meanings set forth in this Section 11.01A:

(1) “Claims” means all claims, damages (including actual, consequential, and punitive), losses, fines, penalties, liens, causes of action, suits, judgments, settlements, and expenses [including court costs, attorney’s fees (including attorney’s fees in defending and/or settling a Claim and attorney’s fees to collect on this Indemnity), costs of investigation, and expert witnesses] of any nature, kind or description by, through, or of any person or entity.

(2) “Defend” means to oppose on behalf of another party a Claim in litigation, arbitration, mediation or other alternative dispute resolution proceeding and to pay all costs associated with the preparation or prosecution of such Defense.

(3) “Indemnify” means to protect and hold harmless a party from and against a potential Claim and/or to compensate a party for a Claim actually incurred.

(4) “Indemnified Persons” means the Authority, its Port Commissioners, directors, managers, employees and agents.

(5) “Lessee Parties” means the Lessee, its agents, contractors, employees, owners, invitees, or licensees.

(6) “Waive” means to knowingly and voluntarily relinquish a right and/or to release another party from liability.

B. Subject to the terms of this Section 11.01, Lessee shall Defend and Indemnify the Indemnified Persons from and against all Claims resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the following matters (these Claims being referred to herein as the “Indemnified Claims”):

(1) the conduct of Lessee’s business on the Leased Premises;

(2) Lessee’s breach of this Lease Agreement;

(3) any property loss or damage occurring in, on, or about the Leased Premises or relating to the condition, use or occupancy of the Leased Premises;

(4) any bodily or personal injury, sickness, disease, and/or death (including the bodily or personal injury and/or death of any employee of an Indemnified Person or a Lessee Party) occurring in, on, or about the Leased Premises or relating to the condition, use of occupancy of the Leased Premises; or

(5) any act, omission, willful misconduct, strict liability, breach of warranty, express or implied, or violation of any laws, ordinances, rules, regulations, or codes, now or hereafter existing, of or by any Lessee Party, including the sole, joint, concurrent, or comparative negligence of any Lessee Party in connection with or pertaining to this Lease Agreement.

C. The Indemnities, Waivers and obligation to Defend in this Section 11.01 shall be enforced to the fullest extent permitted by applicable law for the benefit of the applicable Indemnified Persons, regardless of any extraordinary shifting of risks, and even if the applicable Claim is caused by the joint, concurrent, or comparative negligence of such Indemnified Persons, and regardless of whether liability without fault or strict liability is imposed upon or alleged against such Indemnified Persons; provided, however,

that an Indemnity will not be enforced to the extent that a court of competent jurisdiction holds in a final judgment that the applicable Claim against any of the Indemnified Persons was caused by the willful misconduct or sole negligence of such Indemnified Persons.

D. Notwithstanding anything to the contrary contained in this Section 11.01, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility or fault of the Indemnified Persons and the Lessee Parties, then the Lessee's obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Lessee Parties in contributing to such Indemnified Claim.

E. In claims against any Indemnified Persons by or for an employee of a Lessee Party, the Lessee's indemnification obligation under this Section 11.01 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against any Indemnified Persons liable to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Indemnified Persons or a settlement by the Indemnified Persons, Lessee expressly agrees to reimburse and hold harmless the Indemnified Persons for the damages based on such judgment or settlement as provided in this Section 11.01.

F. Except as otherwise expressly limited in this Section 11.01, it is the intent of the parties to this Lease Agreement that all indemnity obligations and liabilities contracted for in this Lease Agreement be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on Authority's Property or as the result of an indemnification agreement with a third party), and will not be limited by any exclusive liability provision of the Texas Workers' Compensation Act. The indemnity contained in this Section 11.01 applies, without limitation, to any violation of any law, rules or regulations referred to in Section 4.02 in effect during the Term of this Lease Agreement, and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the Term of this Lease Agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any law, rules or regulations referred to in Section 4.02 at the time of its existence or occurrence.

G. If any action or proceeding is brought against any Indemnified Persons by reason of any Indemnified Claim described in this Section 11.01, the Indemnified Persons will be represented by their general counsel, or another attorney selected by the Indemnified Persons and approved by Lessee, which approval will not be unreasonably withheld.

H. If Lessee should fail or refuse, after written notice to Lessee that the Indemnified Persons intend to make a settlement of an Indemnified Claim, to participate in the settlement of such Indemnified Claim, then the Indemnified Persons may settle with the

claimant without prejudice to the Indemnified Persons' indemnity rights set forth herein, and a settlement after such notice to Lessee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Lessee and the Indemnified Persons, which settlement may later be apportioned between Indemnified Persons and Lessee.

I. Lessee agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage.

J. To the fullest extent provided by this Section 11.01, Lessee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

**ARTICLE 12
INSURANCE**

Section 12.01. Insurance

Without limiting the indemnity obligations or liabilities of Lessee, or its insurers, provided herein, Lessee agrees at all times this Lease Agreement is in effect to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

A. Property insurance coverage on the Lessee owned improvements and betterments owned by Lessee situated on the Leased Premises against Direct Physical Loss and against loss or damage by any other risk, now and from time to time insured against by "special form" (formerly "all risk") property insurance and in builder's risk completed value form during substantial construction of improvements (including malicious mischief and vandalism) in amounts sufficient to provide coverage for 100% of the Insurable Value of such improvements and betterments situated on the Lease Premises. In addition Lessee will carry flood insurance on each of the Lessee owned buildings, improvements and betterments situated on the Leased Premises with the maximum policy limits permitted under such flood insurance. Lessee is responsible for insuring its personal property on the Leased Premises. "Insurable Value" means replacement cost.

B. For all its employees engaged in performing work, workers' compensation insurance required by the Texas Workers' Compensation Code; and employer's liability insurance with policy limits of at least \$500,000.00 each employee accident and disease, or such similar insurance which is in accordance with state and federal law applicable to said employees.

C. Commercial General Liability (CGL) insurance coverage with policy limits of at least \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate at the Leased Premises, and endorsed to provide contractual liability coverage and Time Element Pollution coverage.

D. Business Auto Liability coverage for all owned and non-owned vehicles, with a policy limit of \$1,000,000 (Combined Single Limit.)

E. Umbrella liability coverage limits of not less than \$5,000,000.00 over and above the underlying primary coverage limits stated in subparagraph B, C and D in this Section.

The minimum insurance protection amounts set forth in the Policies shall be increased from time to time upon request by Authority to an amount that is commercially reasonable at the time.

Authority shall be furnished, to Authority Attention: Risk Program Manager, prior to Lessee taking possession or occupancy of the Leased Premises, as proof of the insurance required of Lessee a certificate or certificates of insurance (and the endorsements required in this paragraph shall be attached to the certificate or certificates of the insurance) describing the Policies, which certificates must be approved by, and on file with, the Texas Insurance Commission; and, in addition the text of the certificates must be approved by Authority. Each of the Policies will be endorsed to (a) (except for Workers' Compensation and employer's liability insurance) name Authority, its Port Commissioners, officers, officials, employees and agents as an additional insured (b) provide that it will not be suspended, voided, canceled or reduced in coverage or limits without thirty (30) days' prior written notice to Authority, Attention: Insurance Manager, and (c) provide that notwithstanding any language in any policy of insurance held by Authority ("Authority Insurance") to the effect that the Authority Insurance is primary, the policy or policies held by Lessee are primary coverage and the Authority Insurance is non-contributory.

Lessee shall deliver to Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies and copies of new policies at least thirty (30) days prior to terminating any of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance provided to Authority if either exceeds \$50,000.00; and, in such event, Authority may decline to approve this Lease Agreement without any liability to Lessee. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least A: VI. If Lessee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Lessee's expense, and Authority is entitled to reimbursement from Lessee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Lessee receives Authority's notice of payment until reimbursement.

Section 12.02. Waiver of Subrogation

Grantee waives every claim which arises or may arise in its favor against Authority during the term of this Lease or any renewal or extension thereof for any and all claims against it, or for loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Premises, covered by applicable insurance policies, to the extent that such claim, loss or damage is covered or recoverable under said insurance policies. Said waiver shall be in addition to, and not in limitation or derogation of, any

other waiver or release contained in this Lease Agreement with respect to any loss of or damage to property of the parties hereto. Lessee agrees to immediately give to each insurance company which has issued to it policies of insurance applicable to provisions of this Lease Agreement written notice of the terms of the waiver set forth in this Section, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver; and Lessee will provide to Authority a copy of said endorsement or endorsements or evidence that such endorsement is not necessary to prevent the invalidation of the insurance coverage by reason of such waiver.

**ARTICLE 13
PROPERTY LOSS**

Section 13.01. Obligation to Restore

If all or any part of the improvements located on (or constituting a part of) the Leased Premises are destroyed or damaged by any casualty during any Term of this Lease Agreement, Lessee will promptly commence and thereafter prosecute diligently to completion the restoration of the same to the condition in which the destroyed or damaged portion existed prior to the casualty. Lessee will perform such restoration with at least as good workmanship and quality as the improvements being restored and in compliance with the provisions of Article 5 hereof. Notwithstanding the foregoing provisions of this paragraph to the contrary, if all of such improvements are wholly destroyed by any casualty or are so damaged or destroyed that, in Lessee's good faith judgment reasonably exercised, it would be uneconomic to cause the same to be restored (and Lessee shall give written notice of such determination to Authority within ninety (90) days after the date the casualty occurred), then Lessee shall not be obligated to restore such improvements and this Lease Agreement shall terminate as of the date of the casualty, and Authority shall be entitled to receive and retain the insurance proceeds for the loss.

If a property loss affecting the Leased Premises occurs, all insurance proceeds arising from policies maintained by Lessee for the damages arising from such casualty shall be distributed and paid directly to Authority, and Authority shall distribute such insurance proceeds to Lessee to the extent necessary to reimburse Lessee for costs incurred by Lessee in restoring the damaged Leased Premises in satisfaction of this Section 13.01, and any balance of such proceeds remaining after such restoration is complete shall be paid to Lessee within sixty (60) days after the restoration is complete and approved by Authority.

Section 13.02. Damage Near End of Term

If the Leased Premises are damaged to the extent of fifty per cent (50%) or more, or destroyed in whole or in part during the last twenty-four (24) months of the Term, Lessee shall have the right to terminate this Lease Agreement and not rebuild the improvements on the Leased Premises, in which event Authority shall be entitled to receive and retain the insurance proceeds from the loss or Lessee will rebuild as provided herein.

If the Port of Corpus Christi or its ship channel are damaged or destroyed in whole or in part to the extent that it is not economically or physically feasible to re-open the same, in Authority's sole judgment, then Authority shall have the option to terminate this Lease Agreement.

The party electing to terminate this Lease Agreement shall give notice to the other party of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice, and rent shall be adjusted as of the date of such notice of termination.

Section 13.03. Notice of Damage

Lessee shall immediately notify Authority of any destruction of or damage to the Leased Premises.

**ARTICLE 14
CONDEMNATION**

Section 14.01. Total Taking

If a total taking of the Leased Premises by condemnation occurs, then this Lease Agreement shall terminate as of the date the condemning authority takes lawful possession of the Leased Premises.

Section 14.02. Partial Taking

If a partial taking of the Leased Premises by condemnation occurs, (a) this Lease Agreement will continue in effect as to the portion of the Leased Premises not taken, and (b) Lessee must promptly commence and thereafter prosecute diligently to completion the restoration of the remainder of Lessee's improvements located on (or constituting a part of) the Leased Premises to an economically viable unit with at least as good workmanship and quality as existed prior to the taking. In addition, upon a partial taking, the annual rent payable during the remainder of the Term of this Lease Agreement (after the condemning authority takes lawful possession of the portion taken) shall be reduced proportionally, giving due regard to the relative value of the portion of the Leased Premises taken as compared to the remainder thereof.

Section 14.03. Voluntary Conveyance

Nothing in this article prohibits Authority from voluntarily conveying all or part of the premises to a public utility, agency, or authority under threat of a taking under the power of eminent domain. Any such voluntary conveyance will be treated as a taking within the meaning of this Article.

Section 14.04. Condemnation Award

In case of any taking or condemnation, whether or not this Lease shall terminate, the entire award shall be the property of Authority, and Lessee hereby assigns to Authority all its right, title and interest in and to any such award. Lessee, however, shall be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for fixtures and other equipment installed by it, but only if such awards shall be made by the court in addition to (and shall in no manner whatsoever reduce) the award made by it to Authority for the land and improvements or part thereof so taken.

Section 14.05. Notice of Proposed Taking

Lessee and Authority shall immediately notify the other of any proposed taking by condemnation of the Leased Premises.

**ARTICLE 15
QUIET ENJOYMENT**

Lessee, on paying the rent and all other sums called for herein and performing all of Lessee's other obligations contained herein, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises during the Term of this Lease Agreement, subject to the provisions of this Lease Agreement. Authority agrees to warrant and forever defend Lessee's right to occupancy of the Leased Premises against the claims of any and all persons whomsoever lawfully claiming the same or any part thereof, by, through or under Authority (but not otherwise) subject to (a) the provisions of this Lease Agreement, (b) the lawful use of the Leased Premises by any mineral owner, other than Authority, of part or all of the Leased Premises or a lessee in an oil, gas or mineral lease granted by any mineral owner, other than Authority, of all or part of the Leased Premises, (c) all matters of record in Nueces County, Texas, including, but not limited to, restrictive covenants, permits, licenses, easements and right-of-ways, and (d) any unrecorded restrictive covenants, permits, licenses, easements and right-of-ways in writing and executed by Authority to the extent the foregoing are validly existing and applicable to the Leased Premises, and are made known in writing to Lessee before this Lease Agreement is executed.

Lessee shall have no right to voluntarily permit any portion of the Leased Premises to be used for the purpose of drilling an oil or gas well without Authority's prior written consent.

**ARTICLE 16
MEDIATION**

Section 16.01. Mediation

Authority and Lessee agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Lease Agreement before a

mediator to be agreed upon by Authority and Lessee. Authority and Lessee must agree upon a mediator within fifteen (15) days after a written request for mediation by either party, or either party may request any State District Judge sitting in Nueces County, Texas, to appoint a mediator and such appointment will be final. The mediator will schedule a mediation meeting at a time and place determined by the mediator. Authority and Lessee will each pay one-half of the costs of mediation to the mediator.

**ARTICLE 17
GENERAL PROVISIONS**

Section 17.01. Compliance

Lessee must comply with all federal, state and local laws, rules or regulations, including Authority's Tariff 100-A and Bulk Terminal Tariff 1-A, applicable to Lessee's tenancy or operations on the Leased Premises. Lessee must comply with the requirements of Item 669 of Authority's Tariff 100-A to the extent the same apply to Lessee, its agents, servants and employees.

Section 17.02. Inspection

Lessee will permit Authority and Authority's agents, representatives or employees to enter on the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this Lease Agreement, for purposes of maintaining, repairing or altering the premises, or for the purposes of showing the Leased Premises to prospective lessees, purchasers, mortgagees or beneficiaries under deeds of trust.

In an emergency, Authority, its agents, servants and employees, may use any means to open any gate or door into or on the Leased Premises without any liability for doing so. Entry into the Leased Premises by Authority for any purpose permitted herein shall not constitute a trespass nor an eviction (constructive or otherwise), nor entitle Lessee to any abatement or reduction of rent, nor constitute grounds for any claim by Lessee (and Lessee hereby waives any such claim) for damages for any injury to or interference with Lessee's business, for loss of occupancy or quiet enjoyment or for consequential damages.

Section 17.03. No Partnership

The relationship between Authority and Lessee at all times shall remain solely that of landlord and tenant and not be deemed a partnership or joint venture. This Lease Agreement is for the sole benefit of Authority and Lessee and no other person, entity or third party unless the benefit to a person, entity or third party is expressly stated in this Lease Agreement.

Section 17.04. Payments and Notices

All payments, notices, demands or requests from Lessee to Authority shall be given to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at

such other address as Authority shall request in writing. All payments, notices, demands or requests from Authority to Lessee shall be given to Lessee, Cooper Outdoor Advertising, Inc., at P.O. Box 9431, Corpus Christi, Texas, 78469, or at such other address as Lessee shall request in writing. Any notice required or permitted under this Lease Agreement must be in writing. Any notice required by this Lease Agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage paid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Lease 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.

Section 17.05. Estoppel Certificate

On request, Lessee will execute an estoppel certificate that states the commencement date and termination date of the Lease, describes any rights to extend the Term of the Lease, lists defaults by Authority and provides any other information reasonably requested.

Section 17.06. Abatement

Lessee's covenant to pay rent and additional rent and Authority's covenants are independent. Except as otherwise provided, Lessee is not entitled to abatement of rent or additional rent for any reason.

Section 17.07. Abandoned Property

Authority may retain, destroy or dispose of any property left on the Leased Premises at the expiration or termination of this Lease.

**ARTICLE 18
MISCELLANEOUS**

Section 18.01. Parties Bound

This agreement binds and inures to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns where assignment is permitted by this Lease Agreement.

Section 18.02. Applicable Law

This agreement must be construed and its performance enforced under Texas law. Venue of any action arising out of this Lease Agreement will be in Nueces County, Texas.

Section 18.03. Severability

If any part of this Lease Agreement is for any reason found to be unenforceable, all other portions nevertheless remain enforceable.

Section 18.04. Time of Essence

Time is of the essence with respect to each date or time specified in this Lease Agreement by which an event is to occur.

Section 18.05. Rights and Remedies Cumulative

The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. All the rights and remedies may be exercised and enforced concurrently or whenever occasion for the exercise arises.

Section 18.06. Attorneys' Fees

In the event Authority or Lessee breach or default upon any of the terms of this Lease Agreement and the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the reasonable attorneys' fees incurred by the prevailing party.

Section 18.07. Captions

All captions in this Lease Agreement are for reference and convenience only and shall not modify or affect the provisions of this Lease Agreement in any manner.

Section 18.08. Public Disclosure

Authority is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, chapters 551 and 552), and as such Authority is required to disclose to the public (upon request) this Lease Agreement and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Lessee agrees that the disclosure of this Lease Agreement or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Authority as required by the Texas Open Meetings Act, Texas Public Information Act or any other law will not expose Authority (or any party acting by, through or under Authority) to any claim, liability or action by Lessee.

Section 18.09. Brokers

Lessee hereby warrants and represents unto Authority that it has not incurred or authorized any brokerage commission, finder's fees or similar payments in connection with this Lease Agreement, and agrees to defend, indemnify and hold harmless Authority from and against any claim for brokerage commission, finder's fees or similar payment arising

by virtue of authorization by, through or under Lessee in connection with this Lease Agreement.

Section 18.10. Authority

The person executing this Lease Agreement on behalf of the Lessee personally warrants and represents unto Authority that (a) (if applicable) Lessee is a duly organized and existing legal entity, in good standing in the state of Texas, (b) Lessee has full right and authority to execute, deliver and perform this Lease Agreement, (c) the person executing this Lease Agreement on behalf of Lessee was authorized to do so, and (d) upon request of Authority, such person will deliver to Authority satisfactory evidence of his or her authority to execute this Lease Agreement on behalf of Lessee.

Section 18.11. Recording

This Lease Agreement (including any exhibit hereto) may not be recorded without the prior written consent of Authority. Any memorandum of this Lease Agreement to be recorded may be recorded only using a form of memorandum prepared by Authority. In addition, at the time the parties execute the memorandum, Lessee will also execute a Memorandum of Expiration or Termination of Lease only using a form prepared by Authority which will be held in escrow by Authority until such time as this Lease Agreement expires or is terminated; and upon expiration or termination of this Lease Agreement, Authority has the right to record the Memorandum of Expiration or Termination. If this Lease Agreement is modified Lessee will execute a Memorandum of Lease Modification only using a form of memorandum prepared by Authority which may be recorded by Authority or Lessee who will pay the cost of recording.

Section 18.12. Interpretation

Both Authority and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this Lease Agreement. Accordingly, no presumption will apply in favor of either Authority or Lessee in the interpretation of this Lease Agreement or in the resolution of the ambiguity of any provision hereof.

Section 18.13. Force Majeure

Both Authority and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this Lease Agreement. Accordingly, no presumption will apply in favor of either Authority or Lessee in the interpretation of this Lease Agreement or in the resolution of the ambiguity of any provision hereof.

In the event either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts (hereinafter "*force*

majeure"), such party shall be excused for the period of time equivalent to the delay caused by such *force majeure*.

Notwithstanding the foregoing, any extension of time for *force majeure* shall be conditioned upon the party seeking an extension of time and delivering written notice of such *force majeure* to the other party within five (5) calendar days of the event causing the *force majeure*, and the maximum period of time which a party may delay any act or performance of work due to *force majeure* shall be sixty (60) days.

Section 18.14. Contractual Relationship

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against Authority or Lessee.

Section 18.15. Entire Agreement

This Lease Agreement, including any exhibits, constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this Lease Agreement. No change, waiver or discharge is valid unless in a writing that is signed by the party against whom it is sought to be enforced.

(Signatures are on the next page)

IN TESTIMONY WHEREOF, this Lease Agreement is executed in duplicate originals, either of which shall be deemed to be an original, at Corpus Christi, Texas, on the date first above mentioned.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

"Authority"

COOPER OUTDOOR ADVERTISING, INC.

By: _____
Printed Name: _____
Title: _____

"Lessee"

(Acknowledgements are on the next page)

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 20____, by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 20____, by _____, _____ of Cooper Outdoor Advertising, Inc., a Texas Corporation, on behalf of said Corporation.

NOTARY PUBLIC, STATE OF TEXAS



COOPER
SINGLE TALL POLE
12' x 40'

J. GARRAGHTY
A-139

GREGORY
CEMETARY

4116+82.5

EXISTING TRACKS

REMAINDER TRACT
1557.298 AC.
VOL. 591, PG. 178
D.R.S.P.C.T.

U.S. HWY. 181
13.85 AC.

153.93 AC.
DOC. NO. 1998005467
O.P.R.N.C.T.

REMAINDER TRACT
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VOL. 591, PG. 178
D.R.S.P.C.T.

T.T. WILLIAMSON
A-287

T.T. WILLIAMSON
A-285

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VOL. 591, PG. 178
D.R.S.P.C.T.

BAY RIDGE SUBDIVISION UNIT 2
INSTRUMENT NO. 490390
M.R.S.P.C.T.

BAY RIDGE SUBDIVISION UNIT 1
INSTRUMENT NO. 467185
M.R.S.P.C.T.

U.P. RAILROAD

N 30° 01' 05" E 5,900.27'
S 30° 01' 05" W 5,900.27'

BILLBOARD LOCATIONS

NO.	DATE	REVISION



PORT OF CORPUS CHRISTI AUTHORITY

COOPER OUTDOOR ADVERTISING

SCALE: 1"=800'

DWN. BY: RALPH

EXHIBIT A

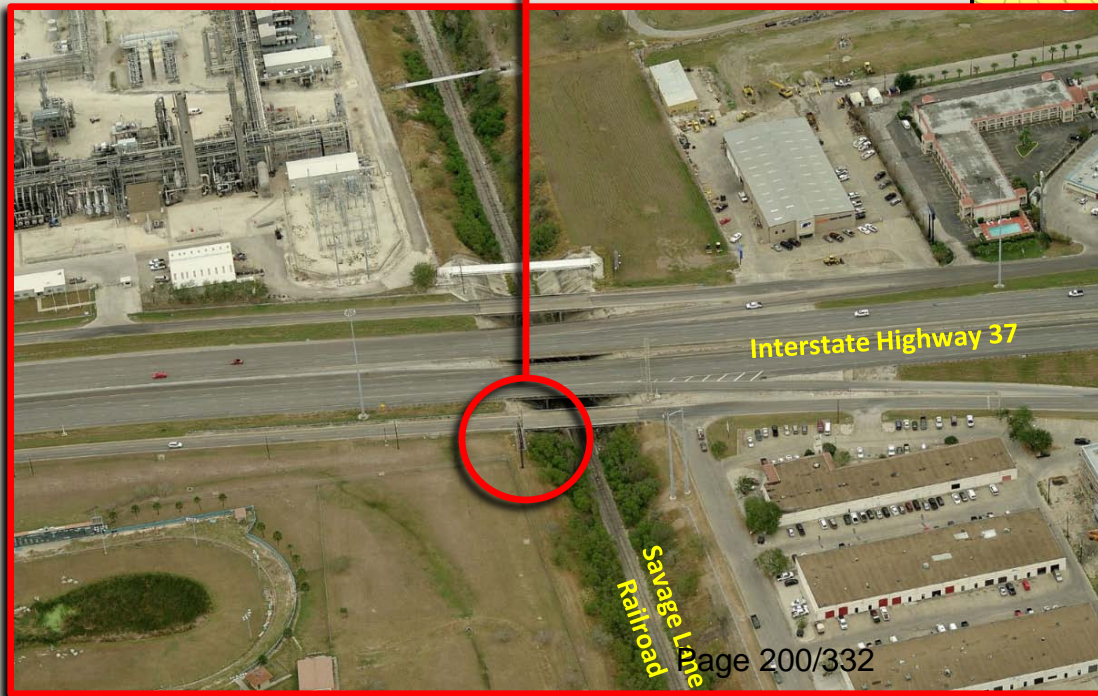
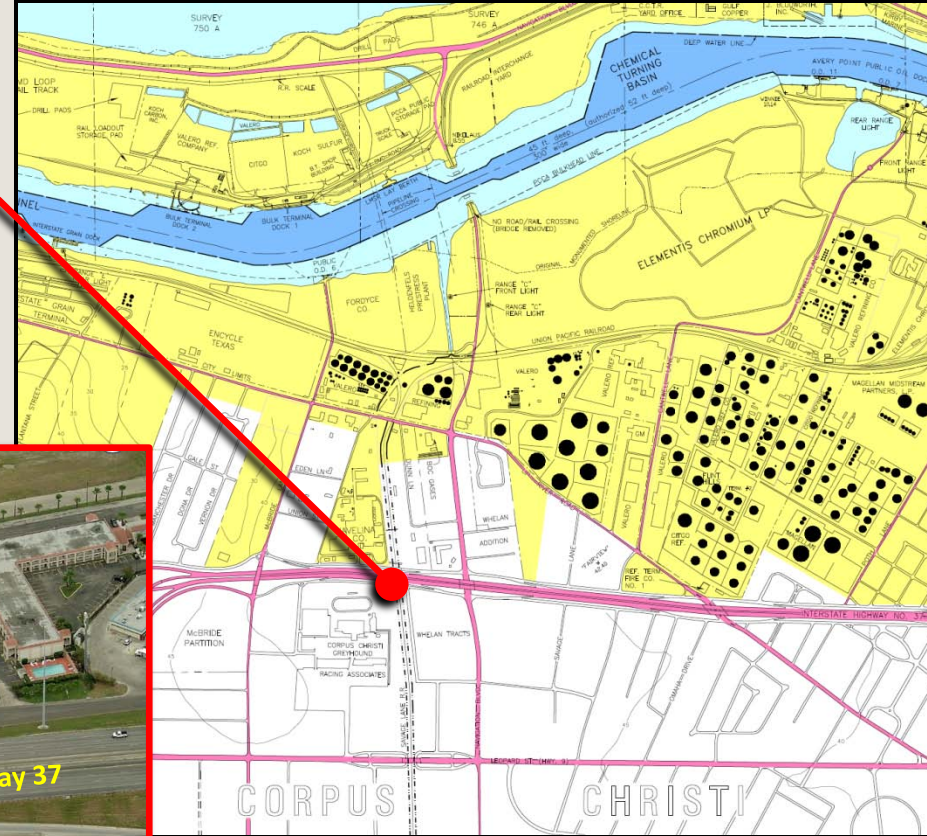
DATE:

JAN. 2015



Cooper Advertising Lease Agreement for Outdoor Billboards

**General Location of Lease
(IH-37 Location)**



**PORT OF CORPUS CHRISTI AUTHORITY
LEASE SUMMARY**

Lessee: Cooper Outdoor Advertising, Inc.

Leased Premises: Large billboard site along Interstate Highway 37 in Nueces County located at the Savage Lane Railroad Track and Interstate Highway 37 junction.

Use: Maintenance and operation of one 12-foot by 40-foot illuminated advertising structure together with such devices and connections as necessary for maintenance and operation of said structure located on Authority land as depicted on Exhibit A of Lease Agreement.

Term: 5 years

Options: None

Start Date: February 17, 2015

Annual Rent: \$16,500 total rent, in annual payments of \$3,300.00

Previous Rent: \$16,500 total rent, in monthly payments of \$275.00

Additional Rent: None

Adjustment of Rent: Not applicable

Remarks: Renewal lease agreement for billboard located on Authority property in Nueces County. The PCCA reserves the right to approve all advertisers and advertisements to ensure advertisements align with the mission and values of the PCCA.

LEASE AGREEMENT

Between

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
("Authority")

And

COOPER OUTDOOR ADVERTISING, INC.
("Lessee")

February 17, 2015

LEASE AGREEMENT

This **LEASE AGREEMENT** is made this 17th day of February, 2015, by and between **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called "Authority"), and **COOPER OUTDOOR ADVERTISING, INC.**, a Texas corporation, whose principal address is P.O. Box 9431, Corpus Christi, Texas 78469 (hereinafter called "Lessee"). This Lease Agreement together with all renewals, extensions, and modifications is referred to herein as the "Lease Agreement", or the "Lease".

ARTICLE 1 LEASE OF PREMISES

Section 1.01. Description of Premises and Term

Authority, in consideration of the rents to be paid and the terms, covenants, and conditions hereinafter set forth, hereby leases to Lessee and Lessee leases from Authority for the entire Term of this Lease, including any extensions, stated in this Section, real property situated in Nueces County, Texas, which is described as follows:

The surface estate of real property at the location of a single billboard, together with the exclusive advertising use for the premises (with free access to and from the same as long as such access does not interfere with operations of the Authority, or any rail movements along Authority's Savage Lane tracks). Said real property is particularly described on **Exhibit A** attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the Leased Premises for a period of Five (5) years, (the "Initial Term") which begins on the 17th day of February, 2015, (the "Effective Date") and (subject to earlier termination as herein provided) ends at midnight, Central Time, the 16th day of February, 2020.

Section 1.02. Holding Over

If Lessee holds over beyond the Initial Term or any extension period of this Lease without the written consent of Authority, Lessee is deemed to be occupying the Leased Premises as a tenant at sufferance. During any holdover period, Lessee will pay two (2) times the monthly rent being charged Lessee in the month prior to the commencement of Lessee's holding over, and Lessee will be subject to all other terms of this Lease Agreement applicable to a tenant at sufferance.

**ARTICLE 2
INSPECTION OF LEASED PREMISES**

Lessee has inspected the Leased Premises, including all improvements, fixtures, equipment and personal property situated on the Leased Premises and has conducted any environmental assessment survey it desired and on the date this Lease Agreement is made accepts the Leased Premises As Is, Where Is, and in the condition it existed on that date, as reasonably suited and fit for Lessee's intended uses of the Leased Premises. Lessee acknowledges that Authority has made no express warranties with regard to the Leased Premises, unless stated in this Lease Agreement, and to the maximum extent permitted by applicable law, Authority hereby disclaims, and Lessee waives the benefit of, any and all implied warranties, including implied warranties of habitability, or fitness or suitability for Lessee's intended uses of the Leased Premises and Authority's Equipment.

**ARTICLE 3
RENT**

Section 3.01. Annual Rent

Lessee agrees to pay to Authority at its offices in Corpus Christi, Nueces County, Texas, Sixteen Thousand Five Hundred and NO/100 Dollars (\$16,500.00) total rental for the Term of this lease, payable in annual installments of Three Thousand Three Hundred and NO/100 Dollars (\$3,300.00). The first annual payment of rent hereunder is due and payable on or before the 17th day of February, 2015 or ten days after the approval of this Lease by Authority, whichever occurs last. Rent for any fractional year or month at the beginning or end of the Term of this Lease will be prorated on a per-day basis. Each annual payment of rent is due and payable on or before the first day of each succeeding year thereafter; or each monthly installment of rent is due and payable on or before the first day of each succeeding month thereafter. If Lessee should fail to pay Authority any sum to be paid by Lessee to Authority hereunder within thirty (30) days after such payment is due, interest on the unpaid amount shall accrue at a rate of fifteen percent (15%) per annum or the maximum rate allowed by law, whichever is lesser, from the date payment was due until the date payment is made. Authority may also impose a late charge of Twenty-Five Dollars (\$25.00) or five percent (5%) of the unpaid amount, whichever is greater, to defray Authority's administrative costs incurred as a result of Lessee's failure to timely make such payment, the amount of such costs not being readily ascertainable. Any such late charge shall be in addition to all other rights and remedies available to Authority hereunder or at law or in equity and shall not be construed as liquidated damages or limiting Authority's remedies in any manner. Failure to pay such interest or late charge within thirty (30) days after written demand shall be an event of default hereunder. Following the dishonor of any check presented for payment, Authority shall have the right, at Authority's option, to require all further payments to be made by certified check, money order or wire transfer. For purposes of this Section, any adjustment payment made by Lessee to correct a prior underpayment shall be treated as due on the date such underpayment was due; provided, however, an adjustment payment made by

Lessee as the result of an independent audit conducted at Lessee's expense shall not be subject to a late charge as described herein.

Rent must be paid to Authority at its address for notice hereunder or to such other person or at such other address in Nueces County, Texas, as Authority may from time to time designate in writing. Rent must be paid in legal tender of the United States of America without notice, demand, abatement, deduction or offset.

This is a net Lease. Authority shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this Lease unless provided for in this Lease Agreement or the financing, ownership, construction, reconstruction, maintenance, operation, or repair of the Leased Premises or the improvements thereon.

Section 3.02. Utilities and Taxes

In addition to the annual rent described hereinabove, Lessee agrees to pay when due all charges it contracts for (a) water, gas, electricity, and other utilities, (b) garbage service, (c) security or guard services, or (d) railroad services in connection with the Leased Premises. If at Lessee's request or because of Lessee's failure to pay for services to the Leased Premises it contracted for, Authority provides any such services to the Leased Premises or pays the cost for any such services, Lessee will pay to Authority the cost of such services as additional rent upon receiving Authority's invoice therefore, payment to be made pursuant to the terms of said invoice.

Lessee will also pay as additional rent its pro rata share of any utility services provided by Authority.

During the Term of this Lease, Lessee must pay or cause to be paid when due all taxes, assessments, fees or charges imposed on the Leased Premises by virtue of Lessee's tenancy or upon Lessee's property on, or Lessee's interest in, the Leased Premises.

Lessee may, at its expense, contest any tax, assessment, fee or charge for which it is responsible under this Section. Except as provided in the following paragraph, Lessee need not pay the tax, assessment, fee or charge while the contest is pending. Except as provided in the following paragraph, Lessee may prevent Authority from paying any tax, assessment, fee or charge that Lessee is contesting under this Section, pending resolution of the contest, by depositing with Authority the full amount of the tax, assessment, fee or charge plus the amount of any penalty that might be imposed for failing to make timely payment and one (1) year of interest at the rate imposed by the entity levying the tax, assessment, fee or charge. When the contest is resolved, Lessee must pay the tax, penalty and interest imposed and may use the money deposited with Authority to pay any tax, assessment, fee or charge, plus any penalty or interest, due under the final resolution and keep any balance of the deposit. If the deposit is insufficient to pay these amounts, Lessee must immediately pay the balance due to the entity imposing the tax, assessment, fee or charge.

Notwithstanding the provisions of the foregoing paragraph, Authority may pay – or require Lessee to pay – any tax, assessment, fee or charge for which Lessee is responsible under this Section, pending resolution of Lessee’s contest of the tax, assessment, fee or charge, if payment is demanded by a holder of a mortgage on the premises or if failing to pay will subject all or part of the premises to forfeiture or loss.

Any of said taxes, fees or charges that are payable by Lessee for the tax year in which the Term of this Lease begins, as well as during the year in which this Lease Agreement expires or is terminated, shall be apportioned so that Lessee shall pay its proportionate share of the taxes, fees or charges for such periods of time. Lessee may pay such taxes, fees or charges in installments as and when such installments become due. Lessee must deliver to Authority evidence of payment of all taxes, fees or charges, which Lessee is obligated to pay hereunder concurrently with making such payment.

**ARTICLE 4
USE OF LEASED PREMISES**

Section 4.01. Use

The Leased Premises may be used for the following purposes, and for no other purpose, unless written permission for other use is obtained from Authority:

For the maintenance and operation of one 12 foot by 40 foot illuminated advertising structure previously constructed by the Lessee, together with such devices and connections as necessary for such maintenance and operation of said structure located on the south side of Interstate 37 within the right-of-way of Authority’s Savage Lane Line railroad tracks.

Lessee will not:

A. Use, occupy or permit the use or occupancy of the Leased Premises for any purpose or in any manner, which is directly or indirectly:

Inconsistent with the requirements of **Section 4.01** hereof;

Violative of (a) judicial decisions, orders, injunctions, writs, statutes, rulings, rules, regulations, promulgations, directives, permits, certificates or ordinances of any governmental authority in any way applicable to Lessee or the Leased Premises, including zoning, environmental and utility conservation matters; (b) Authority's Tariffs or Rules and Regulations; (c) insurance requirements; or (d) other documents, instruments or agreements relating to the Leased Premises or to which the Leased Premises may be bound or encumbered;

Dangerous to life or property or a public or private nuisance; or

Disruptive to the activities of any other tenant or occupant of property adjacent to the Leased Premises;

B. Bring or permit to remain on the Leased Premises any asbestos, petroleum or petroleum products, explosives or toxic materials except for commercially reasonable amounts of materials used in the ordinary course of Lessee's business, nor commit or permit to remain any waste or damage to the Leased Premises; or

C. Commit, or permit to be committed, any action or circumstance on or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in increasing the rate of or canceling the insurance policies maintained by Lessee or Authority on the Leased Premises or improvements thereon, or those of other lessees of Authority's property adjacent to the Leased Premises.

Section 4.02. Environmental Representations, Restrictions and Environmental Indemnity

Lessee hereby represents and warrants to Authority:

That Lessee's construction, occupancy, operation or use of the Leased Premises will not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Leased Premises, including but not limited to all applicable zoning ordinances and building codes, flood disaster laws and health and environmental laws and regulations (hereinafter sometimes collectively called "Applicable Laws");

That, without limitation of **Section 4.01A** above, in its use of the Leased Premises Lessee will not violate any Applicable Laws pertaining to health or the environment (hereinafter sometimes collectively called "Applicable Environmental Laws"), including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601 et seq; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq; the Clean Air Act and Amendments of 1990, 42 U.S.C. Section 7401 et seq; the Clean Water Act of 1977, 33 U.S.C. Section 1251 et seq; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq; the Toxic Substances Control Act, 15 U.S.C. Section 2606 ; the Texas Solid Waste Disposal Act, Chapter 361, Texas Health and Safety Code; the Texas Clean Air Act, Chapter 382, Texas Health and Safety Code; the Oil Spill Prevention Act of 1991, Chapter 40, Texas Natural Resource Code, and Chapter 26, Texas Water Code; and the Texas Water Quality Act, Chapter 26, Texas Water Code; Texas Hazard Communication Act, Chapter 502, Texas Health and Safety Code; Texas Community Right-to-Know Acts, Chapters 505 – 507 Texas Health and Safety Code; and Authority's Tariffs, Rules and Regulations.

That the use which Lessee intends to make of the Leased Premises will not result in the Disposal or other Release of any Hazardous Substance or Solid Waste on or to the Leased

Premises--the terms "Hazardous Substance" and "Release" have the meanings specified in CERCLA, and the terms "Solid Waste" and "Disposal" (or "Disposed") have the meanings specified in RCRA--and, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning will apply to such terms used in this Lease Agreement subsequent to the effective date of such amendment and, further, to the extent the laws of the state of Texas establish a meaning for "Hazardous Substance," "Release," "Solid Waste," or "Disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning will apply to such terms used in this Lease Agreement, and in either of said instances Lessee must immediately cease activities prohibited by Applicable Laws or Applicable Environmental Laws upon the Leased Premises and notify Authority in writing within five (5) day of doing so.

Lessee understands and agrees that the Leased Premises are being leased in an "As Is, Where Is" condition and that improvements, grading, filling, removal of existing improvements, and relocation of utility lines shall be made and performed by Lessee at the sole cost and expense of Lessee. Lessee further understands and agrees that the "As-Is, Where Is" condition of the Leased Premises includes any contamination of the Leased Premises, including structures, soils, groundwater, and any adjacent channel or bay water and sediment, and that information received from Authority regarding such matters may not be complete or accurate and should not be accepted as such.

In the event of a Release of any environmental contaminants which exceed permitted levels as defined by any city, state or federal law or regulation, Lessee must immediately stop the Release and cease any prohibited activities which may be resulting in such Release; and immediately notify the proper environmental and safety agencies, federal, state, and local, as well as Authority, in writing, of the date, time, and nature of the Release, including, but not limited to, a description of the environmental contaminants discharge or released, and provide a MSDS for each of the said environmental contaminants.

In addition, upon receipt from any agency or department of the state of Texas or the federal government, Lessee will immediately furnish Authority written information concerning any citation, notice of violation, enforcement action or penalty regarding any safety or environmental violation sent to Lessee, or any entity consulting or working on the Lessee's behalf relative to or at the Leased Premises. This information must include:

- A. A general description of the conduct that resulted in the citation, notice of violation, enforcement action or penalty; and
- B. The document(s) sent from the agency or department to Lessee, or any entity consulting or working on the Lessee's behalf, which state the citation, violation, enforcement action or penalty.

Further, in the event of a Release, Lessee hereby acknowledges that excavation of soils from the Leased Premises could result in exportation of a regulated waste requiring appropriate characterization, handling, transport and disposal (together "Regulated Waste Removal").

Authority takes no responsibility and assumes no liability whatsoever for Regulated Waste Removal. Accordingly, **Lessee hereby waives any claim, or potential claim, it may have to recover costs or expenses arising out of or associated with Regulated Waste Removal and agrees to indemnify, defend and hold harmless Authority, its Port Commissioners, directors, managers, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from, out of, or in any way related to Regulated Waste Removal. If any action or proceeding is brought against Authority, its Port Commissioners, directors, managers, employees, and agents based upon any and all such claims, liabilities, losses, damages, costs and expenses, Authority will be represented by its general counsel, or another attorney selected by Authority and approved by Lessee, which approval will not be unreasonably withheld.**

Also, in the event of a Release, Authority accepts no liability or responsibility for ensuring that Lessee's workers, including without limitation those conducting testing, construction and maintenance activities on the Leased Premises, are satisfactorily protected from residual contaminants described in 29 Code of Federal Regulations. Lessee shall assess all human health risks from vapor transport or direct contact with residual hazardous substances or contaminants and incorporate such engineering and institutional controls as may be required to sufficiently protect human health of onsite workers and transient visitors. **Lessee hereby waives any claim, or potential claim, it may have to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual onsite contamination, and to indemnify, defend and hold harmless Authority, from and against any and all such claims, liabilities, losses, damages, costs and expenses. If any action or proceeding is brought against Authority, its Port Commissioners, directors, managers, employees, and agents based upon any and all such claims, liabilities, losses, damages, costs and expenses, Authority, its Port Commissioners, directors, managers, employees, and agents will be represented by its general counsel, or another attorney selected by Authority and approved by Lessee, which approval will not be unreasonably withheld.**

In claims against Authority, its Port Commissioners, directors, managers, employees, and agents by or for an employee of Lessee, its agents, contractors, owners, invitees, or licensees, the Lessee's indemnification obligation under this Section 4.02 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee, its agents, contractors, owners, invitees, or licensees, under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against Authority, its agents, contractors, owners, invitees, or licensees, to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Authority, its agents, contractors, owners, invitees, or licensees, or a settlement by Authority, its agents, contractors, owners, invitees, or licensees, Lessee expressly agrees to reimburse and hold harmless Authority, its agents, contractors, owners, invitees, or licensees, for the damages based on such judgment or settlement as provided in this Section 4.02.

Lessee will cooperate with the Authority's Tenant Audit Program (the "Program"). The audit will consist of a scheduled review of Lessee's operations and activities, a review of Lessee's environmental management programs, and a tour of the Leased Premises. Authority staff involved in the Program intend to gain an understanding of Lessee's operations and activities and what measures the Lessee is utilizing to comply with local, state, and federal laws, rules and regulations, this Lease Agreement, and Authority's Tariffs, Rules, and Regulations. Through the Program they will seek to achieve cooperative conservation between Authority and Lessee that are actions relating to the use, enhancement and enjoyment of natural resources and protection of the environment. The audit will be conducted at a minimum annually and more frequently if determined by Authority staff to be necessary. A letter from Authority staff setting forth staff's observations will be provided to the Lessee following the audit. If violation of applicable laws, rules, regulations, this Lease Agreement or the tariff have been observed, then Lessee will be notified of the same in the letter, and required to immediately take action to come into compliance, and to verify it has done so to Authority staff.

Lessee must clean up, remove, remediate and repair any soil or ground water contamination or damage caused by the presence or release of any Hazardous Substance or Solid Waste in, on, under, or about the Leased Premises during occupancy of the Leased Premises in conformance with the requirements of Applicable Laws or Applicable Environmental Laws. Lessee shall immediately give Authority written notice of any suspected breach of this paragraph, upon learning of the presence or any release of any Hazardous Substance or Solid Waste, or upon receiving any notice from governmental agencies pertaining to any Hazardous Substance or Solid Waste which may affect the Leased Premises. The obligations of Lessee hereunder shall survive the expiration or earlier termination, for any reason, of this Lease.

All of the foregoing representations and warranties made by Lessee are continuing and must be true and correct for the entire Term of this Lease, and all of such representations and warranties will survive expiration or termination of this Lease Agreement.

Section 4.03. Underground Storage Tanks

Lessee may not construct, install, maintain, use or otherwise operate on the Leased Premises any petroleum or chemical underground storage tank.

**ARTICLE 5
IMPROVEMENTS OR ALTERATIONS AND MAINTENANCE**

Section 5.01. Permanent Improvements

All improvements made, placed, or constructed on the Leased Premises by Lessee after the date of this Lease Agreement will be at the sole cost and expense of Lessee. Lessee must construct and install Lessee's improvements in a good and workmanlike manner. New or additional improvements may not be constructed nearer than 8.5 feet to the centerline of any existing or proposed railroad track on or adjacent to the Leased Premises.

While constructing improvements, maintaining, or carrying on its activities, on the Leased Premises, Lessee must comply with the *Antiquities Code of Texas (Texas Natural Resources Code, Chapter 191)* and applicable rules promulgated thereunder by the Texas Historical Commission, or its successor. Lessee shall undertake its activities on the Leased Premises in a manner consistent with public policy relating to the location and preservation of archeological sites and other cultural resources in, on, or under public lands. Lessee shall use the highest degree of care and all reasonable safeguards to prevent the taking, alteration, damage, destruction, salvage, or excavation of cultural resources and/or landmarks on the Leased Premises. Upon discovery of an archeological site, Lessee shall immediately give written notice of such discovery to Authority and to the Texas Historical Commission, as set out in the Committee's rules. Lessee, its contractors and employees, shall have no right, title, or interest in or to any archaeological articles, objects, or artifacts, or other cultural resources located or discovered on the Leased Premises.

Section 5.02. Maintenance and Return of Leased Premises

Lessee will, throughout the Lease Term, at its own expense and risk, maintain the Leased Premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition. All maintenance, repairs, and replacements required by this Section must be performed promptly when required and so as not to cause depreciation in the value of the Leased Premises.

If Lessee fails to perform its obligation to repair, replace, or maintain, as set forth above, within a reasonable time after notice from Authority of the need for repair, replacement, or maintenance, Authority may enter the Leased Premises and make the repairs or replacements, or perform the maintenance, or have the repairs or replacements made or maintenance performed, at its own expense. Upon Authority's notice to Lessee of the performance and cost of any maintenance, repairs, or replacements under this Section, Lessee must immediately reimburse Authority for the costs incurred by Authority pursuant to this Section, together with interest on the sum at the highest legal rate from the date of the notice until the date paid by Lessee to Authority.

At the expiration or termination of the Lease Term, Lessee will surrender the premises in good order and repair except for reasonable wear and tear since the last necessary repair, replacement, restoration or renewal made by Lessee pursuant to its obligations under this Lease Agreement.

Section 5.03. Approval of Alterations and Improvements

Lessee must submit to Authority plans for any proposed buildings, drainage or improvements of any kind on the Leased Premises, or any alterations or additions to existing buildings or improvements, and they must be approved in writing by, the Director of Engineering Services of Authority prior to the commencement of work on the same. To facilitate the Authority's review, two (2) sets of formal plans that clearly define the project must be submitted

to Authority for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas

No approval by Authority of Lessee's designs, site plans, plans, specifications or other matters may ever be construed as representing or implying that Lessee's designs, site plans, plans, specifications or other matters will, if followed, result in a properly-designed building or other improvements constructed on the Leased Premises. Such approvals shall in no event be construed as a representation or guaranty by the Authority that any improvements will be built in a workmanlike manner, nor shall such approvals relieve Lessee of its obligation to construct the building in a workmanlike manner. **Lessee will defend, indemnify, and hold harmless Authority from and against any lawsuits, actions, causes of action or claims arising out of Authority's approval of any of Lessee's designs, site plans, plans, specifications or other matters relating to the Leased Premises.**

Section 5.04. No Liens

Unless otherwise agreed, Lessee may not grant, place or suffer, or permit to be granted, placed or suffered, against all or any part of the Leased Premises or Lessee's leasehold estate created hereby, any lien, security interest, pledge, conditional sale contract, claim, charge or encumbrance (whether constitutional, contractual or otherwise) and if any of the aforesaid should occur or be asserted, Lessee will, promptly upon demand by Authority and at Lessee's expense, cause same to be released.

Section 5.05. Laborers and Materials

Lessee will pay for all labor and services performed for, materials used by, or furnished to, any contractor employed by Lessee with respect to the Leased Premises and defend, indemnify and hold Authority and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by Lessee's failure to pay for labor or materials provided to the Leased Premises. If Lessee elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with such labor, services or materials, Lessee agrees to include Authority as an additional obligee thereunder.

Section 5.06. Building Code

All improvements placed on the Leased Premises by Lessee must comply with all applicable codes unless they are modified by Port of Corpus Christi Authority Design and Construction Guidelines found in the current Port of Corpus Christi Authority Project Manual which may be obtained from Authority's Department of Engineering Services.

Section 5.07. Permits

Lessee must obtain and maintain in effect at all times during the Term of this Lease Agreement all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of Lessee's improvements and Lessee's use and occupancy of, and operations at, the Leased Premises. Lessee will provide Authority's Department of Engineering Services with copy of its permits, licenses and consents as the same are obtained.

Section 5.08. Ownership or Removal of Alterations, Modifications or Improvements by Lessee

During the Term all improvements, modifications or alterations constructed or placed on the Leased Premises by Lessee will be solely the property of Lessee.

At the expiration or termination of this Lease Agreement, all improvements, modifications or alterations situated upon the Leased Premises,, including all buildings, rail spurs and tracks, paneling, decorations, partitions, heating, ventilating and air-conditioning machinery and equipment, lighting fixtures, plumbing equipment, sprinkler system, and the like, shall, absent any agreement between Authority and Lessee to the contrary at the time of installation, or unless Authority otherwise elects, which election shall be made by giving a notice in writing (a) not less than fifteen (15) days prior to the expiration of this Lease Agreement, or (b) not more than fifteen (15) days following any termination of this Lease Agreement other than by expiration, become the property of Authority and shall remain upon and be surrendered with the Leased Premises as a part thereof at the expiration or termination of this Lease Agreement. In the event Authority notifies Lessee to remove any or all of the alterations, additions or improvements made by Lessee, Lessee must do so and must repair any damage caused by such removal, all within forty-five (45) days after the date of expiration or termination of this Lease Agreement. Trade fixtures, furnishings and equipment, except for those referred to above, which are installed by Lessee may be removed by Lessee, at its expense, provided Lessee removes the same and repairs any damage caused by such removal within thirty (30) days after the date of expiration or termination of this Lease Agreement. Authority has no obligation to protect any personal property of Lessee located on the Leased Premises after the expiration or termination of the Lease Agreement. Any trade fixtures not removed, in accordance with this **Section 5.08**, by Lessee when this Lease Agreement expires or terminates are considered abandoned by Lessee, and will automatically become Authority's property. If any trade fixture installed by Lessee is abandoned by Lessee after this Lease Agreement expires or terminates, Lessee must pay Authority any reasonable expense actually incurred by Authority to remove the fixture from the premises, less the fair market value of the fixture once removed, if Authority uses the trade fixture.

Section 5.09. Signs

As a condition of this lease, Lessee agrees to exclude in its use of the Leased Premises the following forms of advertising: Alcohol or alcohol related products, tobacco or tobacco related products, nudity, obscene or offensive language, political groups or individuals, sexual content or sexually related content, contraceptive services or any other type of advertising deemed by the Authority to be socially irresponsible. Lessee may not place any signs at or on the Leased Premises or paint any signs on any building on the Leased Premises unless first approved in writing by the Director of Engineering Services of Authority. Lessee must remove all its signs when this Lease Agreement expires or terminates and repair any damage resulting from erecting or removing the signs.

Section 5.10. Floodplain

Lessee acknowledges that Lessee has been advised by Authority that the Leased Premises is in the FEMA floodplain and that construction of improvements must conform to the laws and regulations applicable to construction of improvements in a floodplain.

Section 5.11. Side Yard Limits

No permanent improvements may be constructed within five (5) feet of the Leased Premises' boundary line.

Section 5.12. Early Termination

If at any time the highway view of the Lessee's display is obstructed or obscured, or the advertising value of the display is impaired or diminished, or the use or installation of such displays is prevented or restricted by law or by the Lessee's inability to obtain any necessary permits or licenses, or if the Lessee is unable, for any period of ninety (90) consecutive days or more, to secure and maintain a suitable advertising contract for the display, or if there occurs a diversion of traffic from, or a change in the direction of the traffic on the highway leading past the Lessee's display, the Lessee may, at its option, terminate this lease by giving the Authority fifteen (15) days written notice, and the Authority agrees to refund to the Lessee the rent previously paid for the unexpired portion of the lease.

If at any time the sign erected on the Leased Premises interferes with the operations or future operations of the Authority, the Authority may, at its discretion, by giving thirty (30) days written notice, require that Lessee's sign be removed at Lessee's sole cost and expense. In that event, the Authority will make every reasonable effort to locate an agreeable site on Authority property to which the sign may be relocated. If the sign is relocated, this lease shall continue in full force and effect for the remaining term of this lease. Should the Authority and the Lessee be unable to agree on a mutually agreeable site for the sign to be relocated, or should such a site be unavailable, this lease shall terminate and be of no further force and effect.

**ARTICLE 6
USE BY AUTHORITY**

Authority reserves the right to use any streets or roadways on the Leased Premises. Authority further reserves the right to use as much of the Leased Premises as is necessary to lay mains for gas, water or sewers on the Leased Premises, to place poles and necessary wires and attachments for electricity or for telephone and fiber optic lines over and across any part of the Leased Premises, and to lay, or grant easements or rights of way to other parties for the laying of, pipelines for oil, petroleum, petroleum products, fiber optics and any other products over, under and upon the Leased Premises; provided, however, that the same shall not interfere with Lessee's improvements or Lessee's use of the Leased Premises. Authority has the right to use third parties for the performance of the rights reserved to Authority in this Article.

**ARTICLE 7
SUBLETTING OR TRANSFER**

Section 7.01. Sublease or Transfer

Lessee may not assign or sublet this Lease Agreement in whole or in part nor any interest therein nor sublet the Leased Premises nor any part thereof nor grant any license, concession or other right of occupancy of any portion of the Leased Premises, nor permit the transfer of this Lease by operation of law or otherwise without the prior written consent of Authority. Consent of Authority to one or more assignments or subletting does not operate as a waiver of Authority's rights concerning any subsequent assignments or subletting. If this Lease Agreement is assigned, or if any of the Leased Premises, or any part thereof, is sublet or occupied by anyone other than the Lessee, then Authority may, after default by the Lessee, collect rent from the assignee, subtenant or occupant and apply the net amount collected, after the deduction of any costs of collection, including, but not limited to, attorneys' fees or other costs incurred by Authority, to Lessee's rent provided for in this Lease Agreement. No assignment, subletting, occupancy or collection of rent waives the obligations of Lessee under this Lease Agreement. Authority may assign or transfer any of its interests under this Lease Agreement. Furthermore, Lessee shall not, without Authority's express written consent, cause or permit an interest, direct or indirect, in itself to be sold, assigned, transferred, exchanged, or otherwise disposed of (each a "Disposition") such that, after the Disposition, Lessee shall cease to be controlled by substantially the same individuals and/or entities who Control it as of the effective date of the Lease Agreement; provided, however, that this restriction shall not be operative if, on the date of the Disposition, the net worth of Transferee (who is defined in **Section 7.02**) is more than Two Million Dollars. As used in this paragraph "Control" means the power to elect a majority of the directors or other members of the governing body of Lessee, or in any other manner to control or determine the management of the Lessee.

Section 7.02. Conditions

The following conditions automatically apply to each sublease, assignment or transfer by Lessee or any sublessee without the necessity of same being stated in or referred to in Authority's written consent:

A. Lessee must execute, have acknowledged and deliver to Authority and cause the sublessee, assignee or other transferee ("Transferee") of any portion of Lessee's interest in this Lease Agreement, the leasehold estate created hereby or the Leased Premises to execute, have acknowledged and deliver to Authority, an instrument in form and substance acceptable to Authority in which:

The Transferee adopts this Lease Agreement and assumes and agrees to perform, jointly and severally with Lessee, all of the obligations of Lessee hereunder, as to the interest transferred to it;

The Transferee grants Authority an express first and prior contract lien and security interest in its improvements located upon and property brought into the transferred premises to secure its obligations to Authority hereunder;

Lessee subordinates to Authority's statutory lien, contract lien and security interest any liens, security interests or other rights, which Lessee may claim with respect to any property of the Transferee;

Lessee and any guarantor of this Lease Agreement agrees with Authority that, if the rent or other consideration due by the Transferee exceeds the rent for the transferred space, then Lessee shall, and any guarantor guarantees that Lessee shall, pay Authority as additional rent hereunder all such excess rent and other consideration immediately upon Lessee's receipt thereof;

The Transferee agrees to use and occupy the transferred space solely for the purposes permitted under Article 4 and otherwise in strict accordance with this Lease Agreement; and

Lessee and any guarantor acknowledge and agree in writing that, notwithstanding the transfer, Lessee and any guarantor remain directly and primarily liable for the performance of all the obligations of Lessee hereunder (including, without limitation, the obligation to pay all rent), and Authority shall be permitted to enforce this Lease Agreement against Lessee, any guarantor or the Transferee, or all of them, without prior demand upon or proceeding in any way against any other persons.

B. Lessee must deliver to Authority a counterpart of all instruments relative to the sublease, assignment or other transfer executed by all parties to such transaction (except Authority); and

C. Lessee shall pay or cause to be paid to Authority, at the time of the execution and delivery of the documents, the sum of \$500.00 to cover Authority's administrative and legal costs for each amendment, assignment, sublease, and any estoppel certificate requested from Authority by Lessee or any sublessee.

**ARTICLE 8
DEFAULT**

Section 8.01. Rights and Remedies of Authority

If for ten (10) calendar days after service by mail or otherwise to Lessee by Authority of written notice of a breach or default by Lessee under any provision of this Lease Agreement, the Lessee does not or shall neglect or fail to comply with or remedy such breach or default, or if the breach or default complained of shall such that it cannot be completely remedied or cured within the ten (10) day period, then the breach or default shall not be an enforceable breach or default against Lessee, if Lessee has commenced curing such breach or default within the ten (10) day period, and shall with reasonable diligence and in good faith, proceed to remedy the default complained of; or if any proceedings concerning Lessee or the Leased Premises be had in bankruptcy, reorganization, arrangement or receivership, or if any assignment shall be attempted to be made of this Lease Agreement for the benefit of creditors; or if Lessee abandons or vacates a substantial portion of the Leased Premises for fourteen (14) consecutive days; then in any of said instances or in any similar instance, Authority shall have the rights and remedies that may be provided at law or in equity and the following options:

A. Without terminating this Lease Agreement, Authority may terminate Lessee's right of possession of the Leased Premises under this Lease Agreement by giving Lessee three (3) calendar days notice of termination of Lessee's right of possession and Lessee's right of possession shall thereupon cease and come to an end and Authority may reenter and take possession of the Leased Premises; provided, however, Authority shall not be required to give such notice prior to the filing of an action of forcible detainer or at common law upon default by Lessee in the payment of rent. Upon entering and taking possession of the Leased Premises, Authority may:

1. Relet for the account of, or as agent for, Lessee the Leased Premises or any part thereof, to a tenant acceptable to Authority, without terminating this Lease Agreement or working a forfeiture of the rent to be paid, and after receiving the rent therefrom apply the same, first to the payment of all expense the Authority may be put to in recovering possession of the Leased Premises and in reletting same, including but not limited to the costs of renovations, alterations and repairs to the Leased Premises for a new tenant and attorneys' and brokers' fees, and then to the payment of the rent and additional rent payable under this Lease Agreement and to the fulfillment of Lessee's covenants hereunder. Lessee shall be entitled to any balance remaining after subtracting such costs and debts. Authority may at any time after reletting terminate this Lease Agreement for the breach or default on account of which it reentered and relet; or

2. Accelerate the future rent and additional rent due under this Lease Agreement and seek recovery of such rent and additional rent and any other damages provided for in this Lease Agreement, at law or in equity. Authority is entitled to recover future rent and additional rent from Lessee based upon the present value of the rent and additional rent discounted to present value at the rate of 3% per annum for the remainder of the Term of the Lease reduced by the fair market rental value of the Leased Premises during that period.

B. Terminate this Lease Agreement.

C. Lessee pledges with Authority all of its rents from the Leased Premises in addition to the other security for the performance of the Lease Agreement; and in connection with such pledging of the rents, the Lessee covenants and agrees with Authority that if Authority, upon default of Lessee, elects to file a suit to enforce this Lease Agreement and protect Authority's rights thereunder, Authority may apply to any court having jurisdiction, for the appointment of a Receiver of all and singular the Leased Premises, the improvements and buildings located thereon, and the personal property located therein, and thereupon it is expressly covenanted and agreed that the court shall without notice forthwith appoint a Receiver with the usual powers and duties of receivers in like cases, and such appointment shall be made by such court as a matter of strict right to Authority, and without reference to the adequacy or inadequacy of a remedy at law, the value of the property that is subject to Landlord's lien, or to the solvency or insolvency of Lessee; and without reference to the commission of waste.

Section 8.02. No Waiver

Any assent, expressed or implied, by the Authority or Lessee to any breach of any agreement, covenant or obligation contained in this Lease Agreement shall operate as such only in the specific instance, and shall not be construed as an assent or a waiver to any such agreement, covenant or obligation generally or of any subsequent breach thereof. The remedies provided herein or at law or equity shall not be mutually exclusive.

Section 8.03. Consequential Damages

Authority shall in no event be charged with default in the performance of any of its obligations hereunder, unless and until Authority shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice by Lessee to Authority, properly specifying Authority's failure failed to perform any such obligation.

Notwithstanding anything in this Lease Agreement to the contrary, Authority shall in no event be charged with or liable for any consequential damages suffered by Lessee as a result of Authority's breach of this Lease Agreement or failure to perform any of its obligations under this Lease Agreement.

**ARTICLE 9
LIEN AND SECURITY INTEREST**

In consideration for the mutual benefits arising under this Lease Agreement, and as security for Lessee's performance of all its obligations under this Lease Agreement, Lessee hereby grants to Authority a lien and security interest in and on all property of Lessee now or hereafter placed in or upon the Leased Premises, and such property shall be and remain subject to such lien and security interest of Authority for payment of all rent and other sums agreed to be paid by Lessee herein. The provisions of this Section shall constitute a security agreement under the Texas Uniform Commercial Code so that Authority has and may enforce a security interest on all property of Lessee now or hereafter placed in or on the Leased Premises, including but not limited to all fixtures, machinery, equipment, furnishings and other articles of personal property now or hereafter placed in or upon the Leased Premises by Lessee. An event of default under this Lease Agreement shall be default under the security agreement. Authority may at its election at any time file a copy of this Lease Agreement as a financing statement. Authority, as secured party, is entitled to all of the rights and remedies afforded to a secured party under the Texas Uniform Commercial Code, which rights and remedies shall be in addition to and cumulative to the Authority's liens and rights provided by law or by the other terms and provisions of this Lease. Promptly upon request, and without further consideration, Lessee agrees to execute as debtor such additional financing statement or statements as Authority may now or hereafter reasonably request in order that Authority's security interests may be protected pursuant to the Texas Uniform Commercial Code, which financing statement Authority may at its election file in the appropriate records.

**ARTICLE 10
SUBORDINATION**

DELETED IN ITS ENTIRETY

**ARTICLE 11
INDEMNITY/WAIVER**

Section 11.01. Indemnity and Waiver

A. As used in this Section 11.01, each of the following terms shall have the meanings set forth in this Section 11.01A:

(1) “Claims” means all claims, damages (including actual, consequential, and punitive), losses, fines, penalties, liens, causes of action, suits, judgments, settlements, and expenses [including court costs, attorney’s fees (including attorney’s fees in defending and/or settling a Claim and attorney’s fees to collect on this Indemnity), costs of investigation, and expert witnesses] of any nature, kind or description by, through, or of any person or entity.

(2) “Defend” means to oppose on behalf of another party a Claim in litigation, arbitration, mediation or other alternative dispute resolution proceeding and to pay all costs associated with the preparation or prosecution of such Defense.

(3) “Indemnify” means to protect and hold harmless a party from and against a potential Claim and/or to compensate a party for a Claim actually incurred.

(4) “Indemnified Persons” means the Authority, its Port Commissioners, directors, managers, employees and agents.

(5) “Lessee Parties” means the Lessee, its agents, contractors, employees, owners, invitees, or licensees.

(6) “Waive” means to knowingly and voluntarily relinquish a right and/or to release another party from liability.

B. Subject to the terms of this Section 11.01, Lessee shall Defend and Indemnify the Indemnified Persons from and against all Claims resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the following matters (these Claims being referred to herein as the “Indemnified Claims”):

(1) the conduct of Lessee’s business on the Leased Premises;

(2) Lessee’s breach of this Lease Agreement;

(3) any property loss or damage occurring in, on, or about the Leased Premises or relating to the condition, use or occupancy of the Leased Premises;

(4) any bodily or personal injury, sickness, disease, and/or death (including the bodily or personal injury and/or death of any employee of an Indemnified Person or a Lessee Party) occurring in, on, or about the Leased Premises or relating to the condition, use of occupancy of the Leased Premises; or

(5) any act, omission, willful misconduct, strict liability, breach of warranty, express or implied, or violation of any laws, ordinances, rules, regulations, or codes, now or hereafter existing, of or by any Lessee Party, including the sole, joint, concurrent, or comparative negligence of any Lessee Party in connection with or pertaining to this Lease Agreement.

C. The Indemnities, Waivers and obligation to Defend in this Section 11.01 shall be enforced to the fullest extent permitted by applicable law for the benefit of the applicable Indemnified Persons, regardless of any extraordinary shifting of risks, and even if the applicable Claim is caused by the joint, concurrent, or comparative negligence of such Indemnified Persons, and regardless of whether liability without fault or strict liability is imposed upon or alleged against such Indemnified Persons; provided, however,

that an Indemnity will not be enforced to the extent that a court of competent jurisdiction holds in a final judgment that the applicable Claim against any of the Indemnified Persons was caused by the willful misconduct or sole negligence of such Indemnified Persons.

D. Notwithstanding anything to the contrary contained in this Section 11.01, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility or fault of the Indemnified Persons and the Lessee Parties, then the Lessee's obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Lessee Parties in contributing to such Indemnified Claim.

E. In claims against any Indemnified Persons by or for an employee of a Lessee Party, the Lessee's indemnification obligation under this Section 11.01 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against any Indemnified Persons liable to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Indemnified Persons or a settlement by the Indemnified Persons, Lessee expressly agrees to reimburse and hold harmless the Indemnified Persons for the damages based on such judgment or settlement as provided in this Section 11.01.

F. Except as otherwise expressly limited in this Section 11.01, it is the intent of the parties to this Lease Agreement that all indemnity obligations and liabilities contracted for in this Lease Agreement be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on Authority's Property or as the result of an indemnification agreement with a third party), and will not be limited by any exclusive liability provision of the Texas Workers' Compensation Act. The indemnity contained in this Section 11.01 applies, without limitation, to any violation of any law, rules or regulations referred to in Section 4.02 in effect during the Term of this Lease Agreement, and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the Term of this Lease Agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any law, rules or regulations referred to in Section 4.02 at the time of its existence or occurrence.

G. If any action or proceeding is brought against any Indemnified Persons by reason of any Indemnified Claim described in this Section 11.01, the Indemnified Persons will be represented by their general counsel, or another attorney selected by the Indemnified Persons and approved by Lessee, which approval will not be unreasonably withheld.

H. If Lessee should fail or refuse, after written notice to Lessee that the Indemnified Persons intend to make a settlement of an Indemnified Claim, to participate in the settlement of such Indemnified Claim, then the Indemnified Persons may settle with the

claimant without prejudice to the Indemnified Persons' indemnity rights set forth herein, and a settlement after such notice to Lessee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Lessee and the Indemnified Persons, which settlement may later be apportioned between Indemnified Persons and Lessee.

I. Lessee agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage.

J. To the fullest extent provided by this Section 11.01, Lessee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

**ARTICLE 12
INSURANCE**

Section 12.01. Insurance

Without limiting the indemnity obligations or liabilities of Lessee, or its insurers, provided herein, Lessee agrees at all times this Lease Agreement is in effect to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

A. Property insurance coverage on the Lessee owned improvements and betterments owned by Lessee situated on the Leased Premises against Direct Physical Loss and against loss or damage by any other risk, now and from time to time insured against by "special form" (formerly "all risk") property insurance and in builder's risk completed value form during substantial construction of improvements (including malicious mischief and vandalism) in amounts sufficient to provide coverage for 100% of the Insurable Value of such improvements and betterments situated on the Lease Premises. In addition Lessee will carry flood insurance on each of the Lessee owned buildings, improvements and betterments situated on the Leased Premises with the maximum policy limits permitted under such flood insurance. Lessee is responsible for insuring its personal property on the Leased Premises. "Insurable Value" means replacement cost.

B. For all its employees engaged in performing work, workers' compensation insurance required by the Texas Workers' Compensation Code; and employer's liability insurance with policy limits of at least \$500,000.00 each employee accident and disease, or such similar insurance which is in accordance with state and federal law applicable to said employees.

C. Commercial General Liability (CGL) insurance coverage with policy limits of at least \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate at the Leased Premises, and endorsed to provide contractual liability coverage and Time Element Pollution coverage.

D. Business Auto Liability coverage for all owned and non-owned vehicles, with a policy limit of \$1,000,000 (Combined Single Limit.)

E. Umbrella liability coverage limits of not less than \$5,000,000.00 over and above the underlying primary coverage limits stated in subparagraph B, C and D in this Section.

The minimum insurance protection amounts set forth in the Policies shall be increased from time to time upon request by Authority to an amount that is commercially reasonable at the time.

Authority shall be furnished, to Authority Attention: Risk Program Manager, prior to Lessee taking possession or occupancy of the Leased Premises, as proof of the insurance required of Lessee a certificate or certificates of insurance (and the endorsements required in this paragraph shall be attached to the certificate or certificates of the insurance) describing the Policies, which certificates must be approved by, and on file with, the Texas Insurance Commission; and, in addition the text of the certificates must be approved by Authority. Each of the Policies will be endorsed to (a) (except for Workers' Compensation and employer's liability insurance) name Authority, its Port Commissioners, officers, officials, employees and agents as an additional insured (b) provide that it will not be suspended, voided, canceled or reduced in coverage or limits without thirty (30) days' prior written notice to Authority, Attention: Insurance Manager, and (c) provide that notwithstanding any language in any policy of insurance held by Authority ("Authority Insurance") to the effect that the Authority Insurance is primary, the policy or policies held by Lessee are primary coverage and the Authority Insurance is non-contributory.

Lessee shall deliver to Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies and copies of new policies at least thirty (30) days prior to terminating any of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance provided to Authority if either exceeds \$50,000.00; and, in such event, Authority may decline to approve this Lease Agreement without any liability to Lessee. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least A: VI. If Lessee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Lessee's expense, and Authority is entitled to reimbursement from Lessee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Lessee receives Authority's notice of payment until reimbursement.

Section 12.02. Waiver of Subrogation

Grantee waives every claim which arises or may arise in its favor against Authority during the term of this Lease or any renewal or extension thereof for any and all claims against it, or for loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Premises, covered by applicable insurance policies, to the extent that such claim, loss or damage is covered or recoverable under said insurance policies. Said waiver shall be in addition to, and not in limitation or derogation of, any

other waiver or release contained in this Lease Agreement with respect to any loss of or damage to property of the parties hereto. Lessee agrees to immediately give to each insurance company which has issued to it policies of insurance applicable to provisions of this Lease Agreement written notice of the terms of the waiver set forth in this Section, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver; and Lessee will provide to Authority a copy of said endorsement or endorsements or evidence that such endorsement is not necessary to prevent the invalidation of the insurance coverage by reason of such waiver.

**ARTICLE 13
PROPERTY LOSS**

Section 13.01. Obligation to Restore

If all or any part of the improvements located on (or constituting a part of) the Leased Premises are destroyed or damaged by any casualty during any Term of this Lease Agreement, Lessee will promptly commence and thereafter prosecute diligently to completion the restoration of the same to the condition in which the destroyed or damaged portion existed prior to the casualty. Lessee will perform such restoration with at least as good workmanship and quality as the improvements being restored and in compliance with the provisions of Article 5 hereof. Notwithstanding the foregoing provisions of this paragraph to the contrary, if all of such improvements are wholly destroyed by any casualty or are so damaged or destroyed that, in Lessee's good faith judgment reasonably exercised, it would be uneconomic to cause the same to be restored (and Lessee shall give written notice of such determination to Authority within ninety (90) days after the date the casualty occurred), then Lessee shall not be obligated to restore such improvements and this Lease Agreement shall terminate as of the date of the casualty, and Authority shall be entitled to receive and retain the insurance proceeds for the loss.

If a property loss affecting the Leased Premises occurs, all insurance proceeds arising from policies maintained by Lessee for the damages arising from such casualty shall be distributed and paid directly to Authority, and Authority shall distribute such insurance proceeds to Lessee to the extent necessary to reimburse Lessee for costs incurred by Lessee in restoring the damaged Leased Premises in satisfaction of this **Section 13.01**, and any balance of such proceeds remaining after such restoration is complete shall be paid to Lessee within sixty (60) days after the restoration is complete and approved by Authority.

Section 13.02. Damage Near End of Term

If the Leased Premises are damaged to the extent of fifty per cent (50%) or more, or destroyed in whole or in part during the last twenty-four (24) months of the Term, Lessee shall have the right to terminate this Lease Agreement and not rebuild the improvements on the Leased Premises, in which event Authority shall be entitled to receive and retain the insurance proceeds from the loss or Lessee will rebuild as provided herein.

If the Port of Corpus Christi or its ship channel are damaged or destroyed in whole or in part to the extent that it is not economically or physically feasible to re-open the same, in Authority's sole judgment, then Authority shall have the option to terminate this Lease Agreement.

The party electing to terminate this Lease Agreement shall give notice to the other party of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice, and rent shall be adjusted as of the date of such notice of termination.

Section 13.03. Notice of Damage

Lessee shall immediately notify Authority of any destruction of or damage to the Leased Premises.

**ARTICLE 14
CONDEMNATION**

Section 14.01. Total Taking

If a total taking of the Leased Premises by condemnation occurs, then this Lease Agreement shall terminate as of the date the condemning authority takes lawful possession of the Leased Premises.

Section 14.02. Partial Taking

If a partial taking of the Leased Premises by condemnation occurs, (a) this Lease Agreement will continue in effect as to the portion of the Leased Premises not taken, and (b) Lessee must promptly commence and thereafter prosecute diligently to completion the restoration of the remainder of Lessee's improvements located on (or constituting a part of) the Leased Premises to an economically viable unit with at least as good workmanship and quality as existed prior to the taking. In addition, upon a partial taking, the annual rent payable during the remainder of the Term of this Lease Agreement (after the condemning authority takes lawful possession of the portion taken) shall be reduced proportionally, giving due regard to the relative value of the portion of the Leased Premises taken as compared to the remainder thereof.

Section 14.03. Voluntary Conveyance

Nothing in this article prohibits Authority from voluntarily conveying all or part of the premises to a public utility, agency, or authority under threat of a taking under the power of eminent domain. Any such voluntary conveyance will be treated as a taking within the meaning of this Article.

Section 14.04. Condemnation Award

In case of any taking or condemnation, whether or not this Lease shall terminate, the entire award shall be the property of Authority, and Lessee hereby assigns to Authority all its right, title and interest in and to any such award. Lessee, however, shall be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for fixtures and other equipment installed by it, but only if such awards shall be made by the court in addition to (and shall in no manner whatsoever reduce) the award made by it to Authority for the land and improvements or part thereof so taken.

Section 14.05. Notice of Proposed Taking

Lessee and Authority shall immediately notify the other of any proposed taking by condemnation of the Leased Premises.

**ARTICLE 15
QUIET ENJOYMENT**

Lessee, on paying the rent and all other sums called for herein and performing all of Lessee's other obligations contained herein, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises during the Term of this Lease Agreement, subject to the provisions of this Lease Agreement. Authority agrees to warrant and forever defend Lessee's right to occupancy of the Leased Premises against the claims of any and all persons whomsoever lawfully claiming the same or any part thereof, by, through or under Authority (but not otherwise) subject to (a) the provisions of this Lease Agreement, (b) the lawful use of the Leased Premises by any mineral owner, other than Authority, of part or all of the Leased Premises or a lessee in an oil, gas or mineral lease granted by any mineral owner, other than Authority, of all or part of the Leased Premises, (c) all matters of record in Nueces County, Texas, including, but not limited to, restrictive covenants, permits, licenses, easements and right-of-ways, and (d) any unrecorded restrictive covenants, permits, licenses, easements and right-of-ways in writing and executed by Authority to the extent the foregoing are validly existing and applicable to the Leased Premises, and are made known in writing to Lessee before this Lease Agreement is executed.

Lessee shall have no right to voluntarily permit any portion of the Leased Premises to be used for the purpose of drilling an oil or gas well without Authority's prior written consent.

**ARTICLE 16
MEDIATION**

Section 16.01. Mediation

Authority and Lessee agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Lease Agreement before a

mediator to be agreed upon by Authority and Lessee. Authority and Lessee must agree upon a mediator within fifteen (15) days after a written request for mediation by either party, or either party may request any State District Judge sitting in Nueces County, Texas, to appoint a mediator and such appointment will be final. The mediator will schedule a mediation meeting at a time and place determined by the mediator. Authority and Lessee will each pay one-half of the costs of mediation to the mediator.

**ARTICLE 17
GENERAL PROVISIONS**

Section 17.01. Compliance

Lessee must comply with all federal, state and local laws, rules or regulations, including Authority's Tariff 100-A and Bulk Terminal Tariff 1-A, applicable to Lessee's tenancy or operations on the Leased Premises. Lessee must comply with the requirements of Item 669 of Authority's Tariff 100-A to the extent the same apply to Lessee, its agents, servants and employees.

Section 17.02. Inspection

Lessee will permit Authority and Authority's agents, representatives or employees to enter on the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this Lease Agreement, for purposes of maintaining, repairing or altering the premises, or for the purposes of showing the Leased Premises to prospective lessees, purchasers, mortgagees or beneficiaries under deeds of trust.

In an emergency, Authority, its agents, servants and employees, may use any means to open any gate or door into or on the Leased Premises without any liability for doing so. Entry into the Leased Premises by Authority for any purpose permitted herein shall not constitute a trespass nor an eviction (constructive or otherwise), nor entitle Lessee to any abatement or reduction of rent, nor constitute grounds for any claim by Lessee (and Lessee hereby waives any such claim) for damages for any injury to or interference with Lessee's business, for loss of occupancy or quiet enjoyment or for consequential damages.

Section 17.03. No Partnership

The relationship between Authority and Lessee at all times shall remain solely that of landlord and tenant and not be deemed a partnership or joint venture. This Lease Agreement is for the sole benefit of Authority and Lessee and no other person, entity or third party unless the benefit to a person, entity or third party is expressly stated in this Lease Agreement.

Section 17.04. Payments and Notices

All payments, notices, demands or requests from Lessee to Authority shall be given to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at

such other address as Authority shall request in writing. All payments, notices, demands or requests from Authority to Lessee shall be given to Lessee, Cooper Outdoor Advertising, Inc., at P.O. Box 9431, Corpus Christi, Texas, 78469, or at such other address as Lessee shall request in writing. Any notice required or permitted under this Lease Agreement must be in writing. Any notice required by this Lease Agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage paid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Lease 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.

Section 17.05. Estoppel Certificate

On request, Lessee will execute an estoppel certificate that states the commencement date and termination date of the Lease, describes any rights to extend the Term of the Lease, lists defaults by Authority and provides any other information reasonably requested.

Section 17.06. Abatement

Lessee's covenant to pay rent and additional rent and Authority's covenants are independent. Except as otherwise provided, Lessee is not entitled to abatement of rent or additional rent for any reason.

Section 17.07. Abandoned Property

Authority may retain, destroy or dispose of any property left on the Leased Premises at the expiration or termination of this Lease.

**ARTICLE 18
MISCELLANEOUS**

Section 18.01. Parties Bound

This agreement binds and inures to the benefit of the parties and their respective legal representatives, heirs, distributees, successors and assigns where assignment is permitted by this Lease Agreement.

Section 18.02. Applicable Law

This agreement must be construed and its performance enforced under Texas law. Venue of any action arising out of this Lease Agreement will be in Nueces County, Texas.

Section 18.03. Severability

If any part of this Lease Agreement is for any reason found to be unenforceable, all other portions nevertheless remain enforceable.

Section 18.04. Time of Essence

Time is of the essence with respect to each date or time specified in this Lease Agreement by which an event is to occur.

Section 18.05. Rights and Remedies Cumulative

The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. All the rights and remedies may be exercised and enforced concurrently or whenever occasion for the exercise arises.

Section 18.06. Attorneys' Fees

In the event Authority or Lessee breach or default upon any of the terms of this Lease Agreement and the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the reasonable attorneys' fees incurred by the prevailing party.

Section 18.07. Captions

All captions in this Lease Agreement are for reference and convenience only and shall not modify or affect the provisions of this Lease Agreement in any manner.

Section 18.08. Public Disclosure

Authority is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, chapters 551 and 552), and as such Authority is required to disclose to the public (upon request) this Lease Agreement and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Lessee agrees that the disclosure of this Lease Agreement or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Authority as required by the Texas Open Meetings Act, Texas Public Information Act or any other law will not expose Authority (or any party acting by, through or under Authority) to any claim, liability or action by Lessee.

Section 18.09. Brokers

Lessee hereby warrants and represents unto Authority that it has not incurred or authorized any brokerage commission, finder's fees or similar payments in connection with this Lease Agreement, and agrees to defend, indemnify and hold harmless Authority from and against any claim for brokerage commission, finder's fees or similar payment arising

by virtue of authorization by, through or under Lessee in connection with this Lease Agreement.

Section 18.10. Authority

The person executing this Lease Agreement on behalf of the Lessee personally warrants and represents unto Authority that (a) (if applicable) Lessee is a duly organized and existing legal entity, in good standing in the state of Texas, (b) Lessee has full right and authority to execute, deliver and perform this Lease Agreement, (c) the person executing this Lease Agreement on behalf of Lessee was authorized to do so, and (d) upon request of Authority, such person will deliver to Authority satisfactory evidence of his or her authority to execute this Lease Agreement on behalf of Lessee.

Section 18.11. Recording

This Lease Agreement (including any exhibit hereto) may not be recorded without the prior written consent of Authority. Any memorandum of this Lease Agreement to be recorded may be recorded only using a form of memorandum prepared by Authority. In addition, at the time the parties execute the memorandum, Lessee will also execute a Memorandum of Expiration or Termination of Lease only using a form prepared by Authority which will be held in escrow by Authority until such time as this Lease Agreement expires or is terminated; and upon expiration or termination of this Lease Agreement, Authority has the right to record the Memorandum of Expiration or Termination. If this Lease Agreement is modified Lessee will execute a Memorandum of Lease Modification only using a form of memorandum prepared by Authority which may be recorded by Authority or Lessee who will pay the cost of recording.

Section 18.12. Interpretation

Both Authority and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this Lease Agreement. Accordingly, no presumption will apply in favor of either Authority or Lessee in the interpretation of this Lease Agreement or in the resolution of the ambiguity of any provision hereof.

Section 18.13. Force Majeure

Both Authority and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this Lease Agreement. Accordingly, no presumption will apply in favor of either Authority or Lessee in the interpretation of this Lease Agreement or in the resolution of the ambiguity of any provision hereof.

In the event either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts (hereinafter "*force*

majeure"), such party shall be excused for the period of time equivalent to the delay caused by such *force majeure*.

Notwithstanding the foregoing, any extension of time for *force majeure* shall be conditioned upon the party seeking an extension of time and delivering written notice of such *force majeure* to the other party within five (5) calendar days of the event causing the *force majeure*, and the maximum period of time which a party may delay any act or performance of work due to *force majeure* shall be sixty (60) days.

Section 18.14. Contractual Relationship

Nothing contained in this agreement shall create a contractual relationship with or a cause of action in favor of a third party against Authority or Lessee.

Section 18.15. Entire Agreement

This Lease Agreement, including any exhibits, constitutes the parties' final and mutual agreement. There are no written or oral representations or understandings that are not fully expressed in this Lease Agreement. No change, waiver or discharge is valid unless in a writing that is signed by the party against whom it is sought to be enforced.

(Signatures are on the next page)

IN TESTIMONY WHEREOF, this Lease Agreement is executed in duplicate originals, either of which shall be deemed to be an original, at Corpus Christi, Texas, on the date first above mentioned.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

"Authority"

COOPER OUTDOOR ADVERTISING, INC.

By: _____
Printed Name: _____
Title: _____

"Lessee"

(Acknowledgements are on the next page)

STATE OF TEXAS §
§
COUNTY OF NUECES §

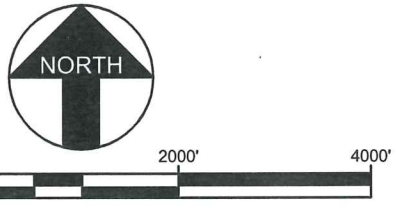
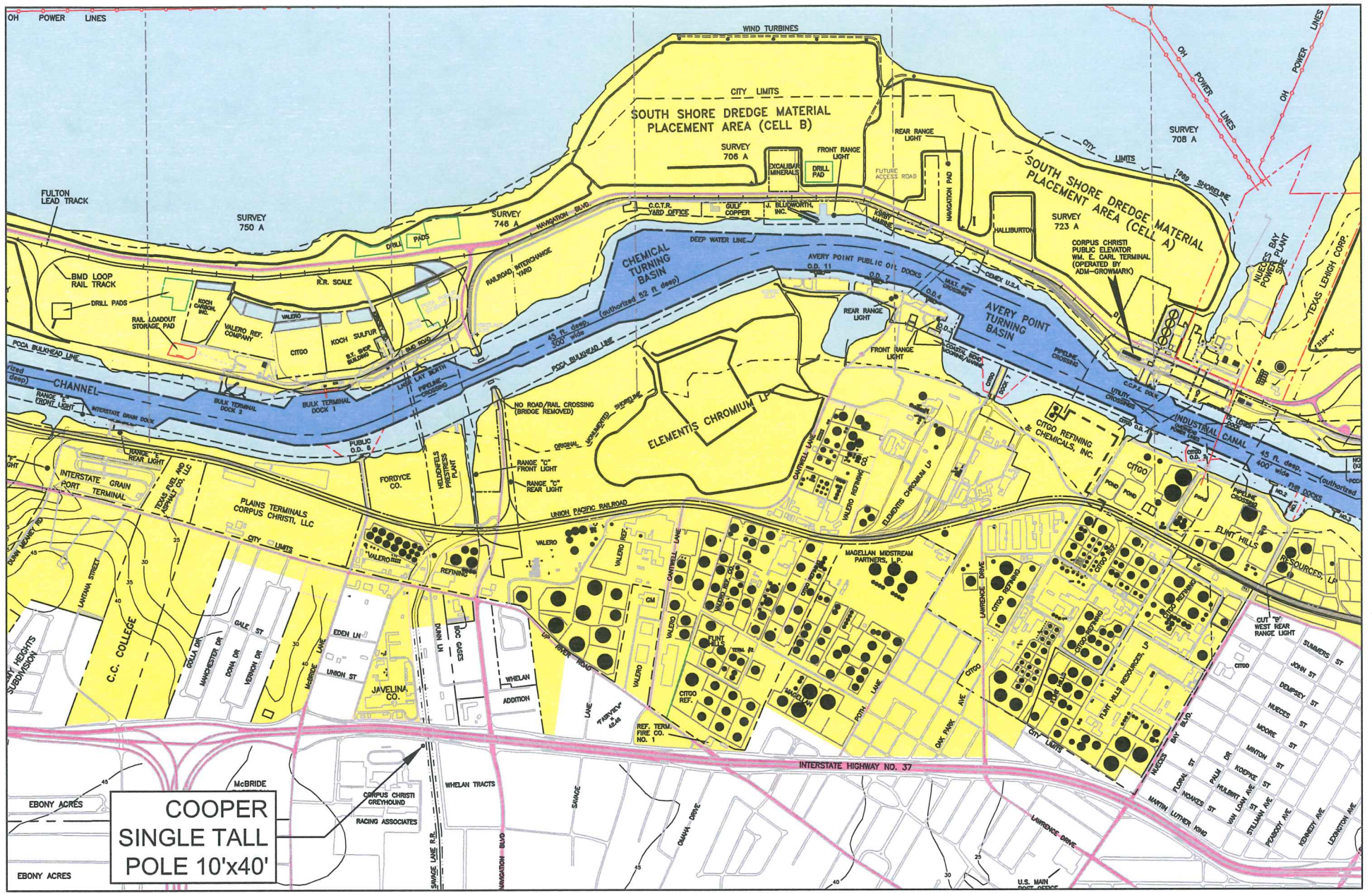
This instrument was acknowledged before me on the ____ day of _____, 20____, by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

NOTARY PUBLIC, STATE OF TEXAS


STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 20____, by _____, _____ of Cooper Outdoor Advertising, Inc., a Texas Corporation, on behalf of said Corporation.

NOTARY PUBLIC, STATE OF TEXAS



h:\ben vasquez\drawings & exhibits\lease files\cooper outdoor advertising\cooper outdoor ad vertising savage lane.dwg

 PORT CORPUS CHRISTI	PORT OF CORPUS CHRISTI AUTHORITY COOPER OUTDOOR ADVERTISING SAVAGE LANE	
	SCALE: 1:2000 DWN. BY: BEN V	EXHIBIT "A"

18g - Koch Carbon-Sulfur Lse Amendments - CM.docx

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NOS. 18-F&G

(18-F) Approve Second Amendment of Lease Agreement with Koch Carbon, LLC, to Extend the Term and Agree to Make Improvements to Support Operations at the Approximately 10-Acre Site at the Bulk Terminal

(18-G) Approve First Amendment of Lease Agreement with Koch Sulfur Products Company, LLC, to Clarify a Lease Provision Enabling Koch Carbon, LLC, a Lessee Under a Separate Lease with the PCCA, to Co-locate on Koch Sulfur's Approximately 16.23-Acre Site at the Bulk Terminal

As part of the PCCA's commitment to environmental stewardship, the PCCA implemented an Environmental Management System (EMS) in 2004. Among the PCCA's EMS initiatives is a tenant audit program consisting of an annual review of the operations of each lessee or customer of port facilities. The intent is to work cooperatively with the lessees operating on PCCA-owned property to confirm that they have training and procedures in place to prevent a violation of environmental regulations. One of the EMS initiatives at the Bulk Terminal is to address containment of dust emissions and tenants' and their operators' vehicles tracking stored product beyond the lease premises.

In accordance with this initiative, the PCCA has requested that Koch Carbon design and construct facilities within their lease premises to better mitigate or eliminate the spread of residual petroleum coke and other commodities from their 10-acre pad site. In addition to recent upgrades to their dust mitigating sprinkler systems, Koch Carbon will install a wheel washing facility, construct a paved roadway from the wash facility to the southern boundary of their leased premises, and place concrete barriers to outline the traffic areas and direct traffic flow through the wheel wash facility when trucks and equipment are entering and exiting the leased premises (see attached exhibit).

In exchange for making the improvements within Koch Carbon's lease premises, Koch Carbon requested a two-year extension to the final option period of their lease, which would extend the lease until December 31, 2018. They also requested that the PCCA waive its current right to terminate the lease without cause through December 31, 2016. In response to Koch Carbon's proposed improvements, the PCCA will provide a paved driveway connecting Koch Carbon's improvements to the existing concrete roadway south of the leased premises. The combined improvements will provide paved access to and from the leased premises and the public roadways connected to the Bulk Terminal. To accomplish these objectives, PCCA staff and legal counsel prepared the attached Second Amendment of Lease Agreement, which has been reviewed and approved by Koch Carbon.

In addition, Koch Sulfur Products Company, LLC, (Koch Sulfur) currently leases a ±16.23-acre pad site at the Bulk Terminal that is not contiguous to the Koch Carbon site. Under the provisions of that lease agreement, the PCCA can request that Koch Carbon relocate its pet coke operations from the Koch Carbon site to the Koch Sulfur site. As the lease is currently written, should the PCCA exercise that right, Koch Carbon would have up to 24 months to relocate the pet coke operations from the Koch Carbon site to the Koch Sulfur site. In the Koch Carbon lease, there is a six-month termination clause allowing either the PCCA or Koch Carbon to terminate the lease. In order to avoid confusion as to whether or not the 24-month relocation period is applicable in the event the PCCA notifies Koch Carbon of its intent to terminate the Koch Carbon lease agreement, the PCCA has requested that Koch Sulfur and Koch Carbon execute an amendment to the Koch Sulfur lease agreement to remove the 24-month relocation period. Towards this end, PCCA legal counsel prepared the attached First Amendment of Lease, which has been reviewed and approved by Koch Sulfur and Koch Carbon.

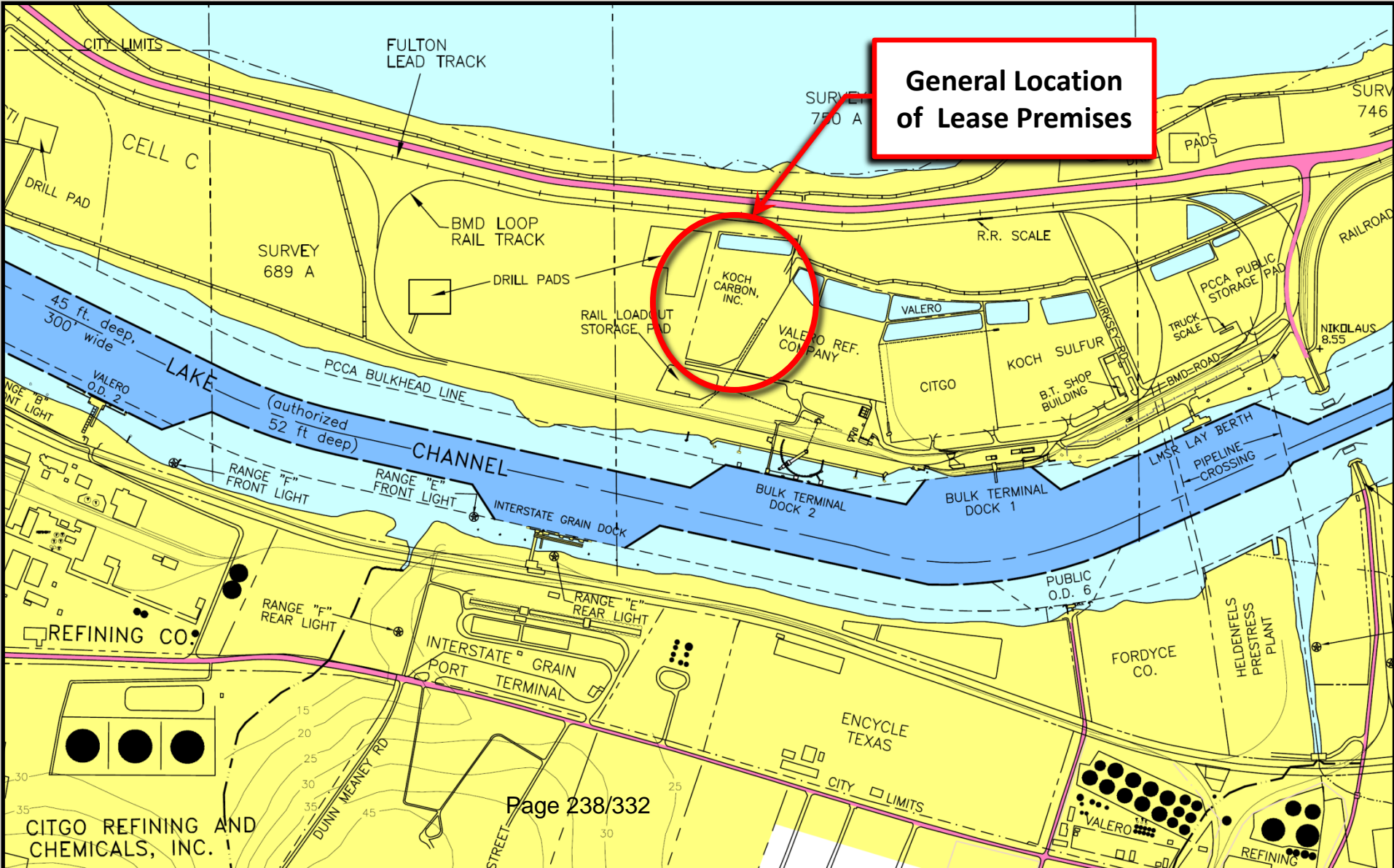
Staff recommends approval of the Second Amendment of Lease Agreement with Koch Carbon, LLC, and the First Amendment of Lease Agreement with Koch Sulfur Products Company, LLC.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



Koch Carbon, LLC

Amendment to Lease Agreement at Bulk Terminal

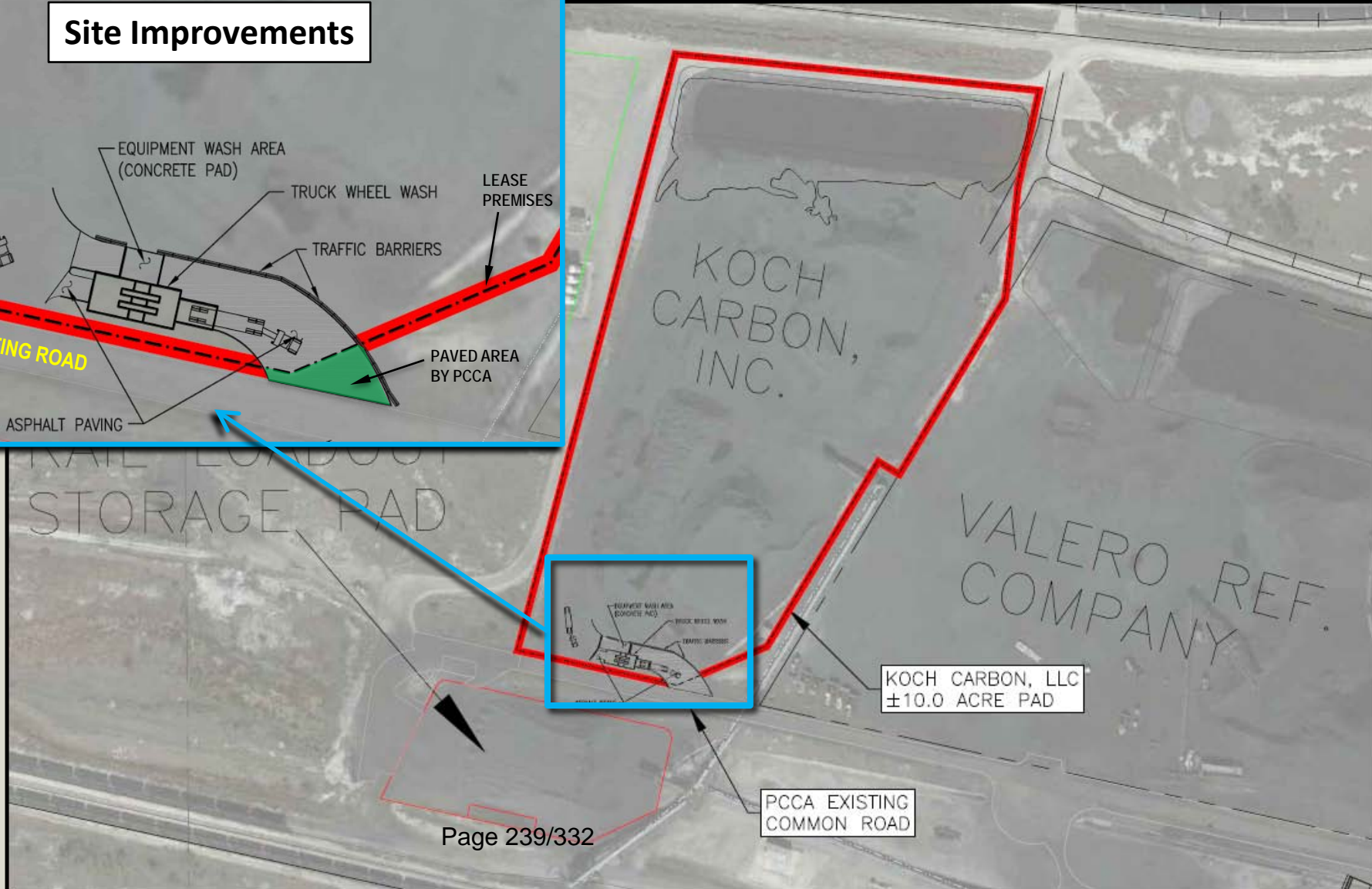
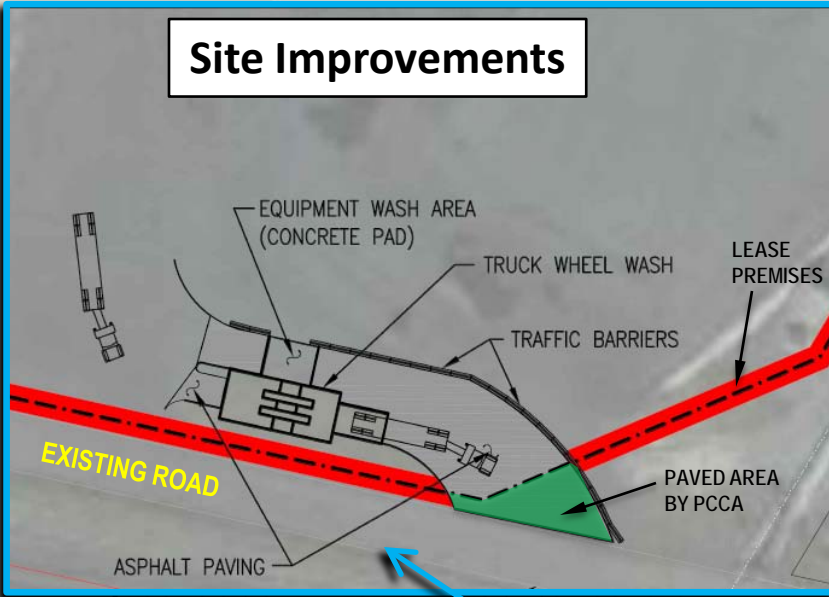


**General Location
of Lease Premises**



Koch Carbon, LLC

Site Improvements to Lease Agreement



SECOND AMENDMENT OF LEASE

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This Second Amendment of Lease (“Amendment”) is made and entered into as of the 17th day of February, 2015 (“Second Amendment Date”), between **Port of Corpus Christi Authority** of Nueces County, Texas, a navigation district operating under Article XVI, Section 59 of the Texas Constitution (“Authority”), and **Koch Carbon, LLC**, a Delaware limited liability company (“Lessee”). The Authority and Lessee are sometimes collectively referred to herein as (“Parties”).

Recitals

WHEREAS, Authority and Lessee entered into a Lease Agreement dated February 11, 1997 (“Original Lease”), under which the Authority leased to the Lessee approximately 10.0 acres of land, more or less, located in Nueces County, Texas (“Leased Premises”) for the purpose of storing petroleum coke, coal, or other carbonaceous products in conjunction with the Lessee’s use of the adjacent bulk material loading and unloading facility of the Authority, and

WHEREAS, the primary term of the Original Lease was for a period of five (5) years beginning on the 1st day of January, 1999 (the “Effective Date”), subject to earlier termination as provided therein, ending at midnight, Central Time, the 31st day of December, 2003 with the Original Lessee having the option to extend the term of the Original Lease for two additional option periods of five (5) years each to be exercised by Lessee providing Authority notice in writing of such exercise at least sixty (60) days prior to the expiration of the primary term or any option term; and

WHEREAS, by Amendment of Lease dated February 12, 2002 (the “First Amendment”), the Original Lease was amended to extend the primary term to eight (8) years beginning on the 1st day of January, 1999 and ending on the 31st day of December, 2006, with Lessee having the option to renew the term of the lease for two additional option periods of five (5) years each to be exercised by Lessee providing Authority notice in writing of such exercise at least sixty (60) days prior to the expiration of the primary term or any option term; and

WHEREAS, the Original Lease as amended by the First Amendment is referred to herein as the Lease; and

WHEREAS, capitalized terms in this Amendment shall have the meanings ascribed to those terms under the provisions of the Lease; and

WHEREAS, the Lease provides that during the option terms, either party shall have the right to terminate the Lease by giving the other party one hundred and eighty (180) calendar days notification in writing; and

WHEREAS, Lessee has exercised its final option to extend the term of the Lease for the period beginning on the 1st day of January, 2012 and ending on the 31st day of December 2016; and

WHEREAS, the Authority has requested that the Lessee install the following facilities on the Leased Premises:

- (i) a portable wheel wash
- (ii) a paved roadway to connect the wheel wash to an existing common area roadway located to the south of the southern boundary line of the Leased Premises
- (iii) and concrete barriers to outline the traffic areas and to direct the traffic flow into and out of the storage areas within the Leased Premises; and

WHEREAS, the Authority has agreed to construct a paved driveway from the existing paved public roadway south of the Leased Premises to Authority's requested improvements on the Leased Premises providing paved access to and from the Leased Premises and the public roadways connected to the Bulk Terminal; and

WHEREAS, the Lessee has requested that in exchange for making the improvements requested by the Authority that the Authority agree to: (i) extend the final option period of the Lease for an additional period of twenty four (24) months beginning on the 1st day of January 2017 and ending on the 31st day of December 2018 and (ii) that the Authority waive its right to terminate the Lease without cause prior to December 31, 2016; and

WHEREAS, the Authority has agreed to grant the requests made by Lessee, subject to either party's having the right to terminate the Lease after December 31, 2016, by giving the other party one hundred eighty (180) calendar days notification in writing; and

WHEREAS, the Parties have agreed to amend the Lease on the terms and conditions set forth in this Amendment;

NOW THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is acknowledged by both Parties, and in further consideration of the mutual covenants and obligations contained herein, the Parties hereby agree as follows:

1. **Term.** Under the terms of the Lease, the Lease will expire on December 31, 2016, which is the last day of the second five-year option term under the Lease. Notwithstanding anything to the contrary contained in Section 1.01 of the Lease, the term of the Lease is hereby extended to December 31, 2018, and the period from January 1, 2016, through December 31, 2018, is referred in this Amendment as the "**Extended Term**". Either party shall have the right to terminate the Lease during the Extended Term by giving the other party one hundred and eighty (180) calendar days'

advance notification in writing. Neither party shall have the right to deliver advance notice to terminate the Lease prior to January 1, 2017, without cause.

2. **Annual Rent during Extended Term.** Notwithstanding anything to the contrary contained in Sections 3.01 and 3.02 of the Lease, the annual rent payable under the Lease during the Extended Term shall be the same as the annual rent payable during the second option term. The annual rent during the Extended Term shall be paid in quarterly installments beginning on August 1, 2016.

3. **Required Additional Lessee Improvements and Upgrades.** Lessee specifically agrees to design, construct and install on the Leased Premises, at its sole cost and expense: (i) a portable wheel wash for the washing of trucks and equipment entering and exiting the Leased Premises, (ii) a paved roadway connecting the wheel wash to the Authority's existing common area roadway located to the south of the southern boundary of the Leased Premises and (iii) concrete barriers to outline the traffic areas and to direct traffic flow through the wheel wash when trucks and equipment are entering and exiting the Leased Premises ("Truck Washing Facility") as depicted on **Exhibit A** attached hereto. Lessee agrees to submit design drawings for approval of the Truck Washing Facility to the Authority within thirty (30) days following execution of this Amendment, and to complete the construction of the Truck Washing Facility within one hundred twenty (120) days following receipt of final approval and any required permits from the Authority or governmental authority to construct the Truck Washing Facility.

4. **Binding Effect.** This Amendment shall be binding on the successors and assigns of the Parties.

5. **Continuation of Lease.** Except as specifically amended hereby, all terms and conditions of the Lease shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control.

6. **Counterparts.** This Amendment may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures and acknowledgments to this Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures and acknowledgments shall be deemed to be the same as original signatures and acknowledgments.

[The next page is the signature page]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized officers as of the dates provided below each signature, to be effective, however, for all purposes, as of the Second Amendment Date.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

Date: February __, 2015

KOCH CARBON, LLC

By: _____
Title: Senior Vice President

Date: February 5, 2015

[The next page is the acknowledgement page]

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of February, 2015 by JOHN P. LARUE, as Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF KANSAS §
 §
COUNTY OF Sedgwick §

This instrument was acknowledged before me on the 5th day of February, 2015, by Joseph Hand, as Senior Vice President of Koch Carbon, LLC, a Delaware limited liability company, on behalf of said company.

Wendy King

NOTARY PUBLIC, STATE OF KANSAS

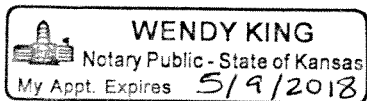
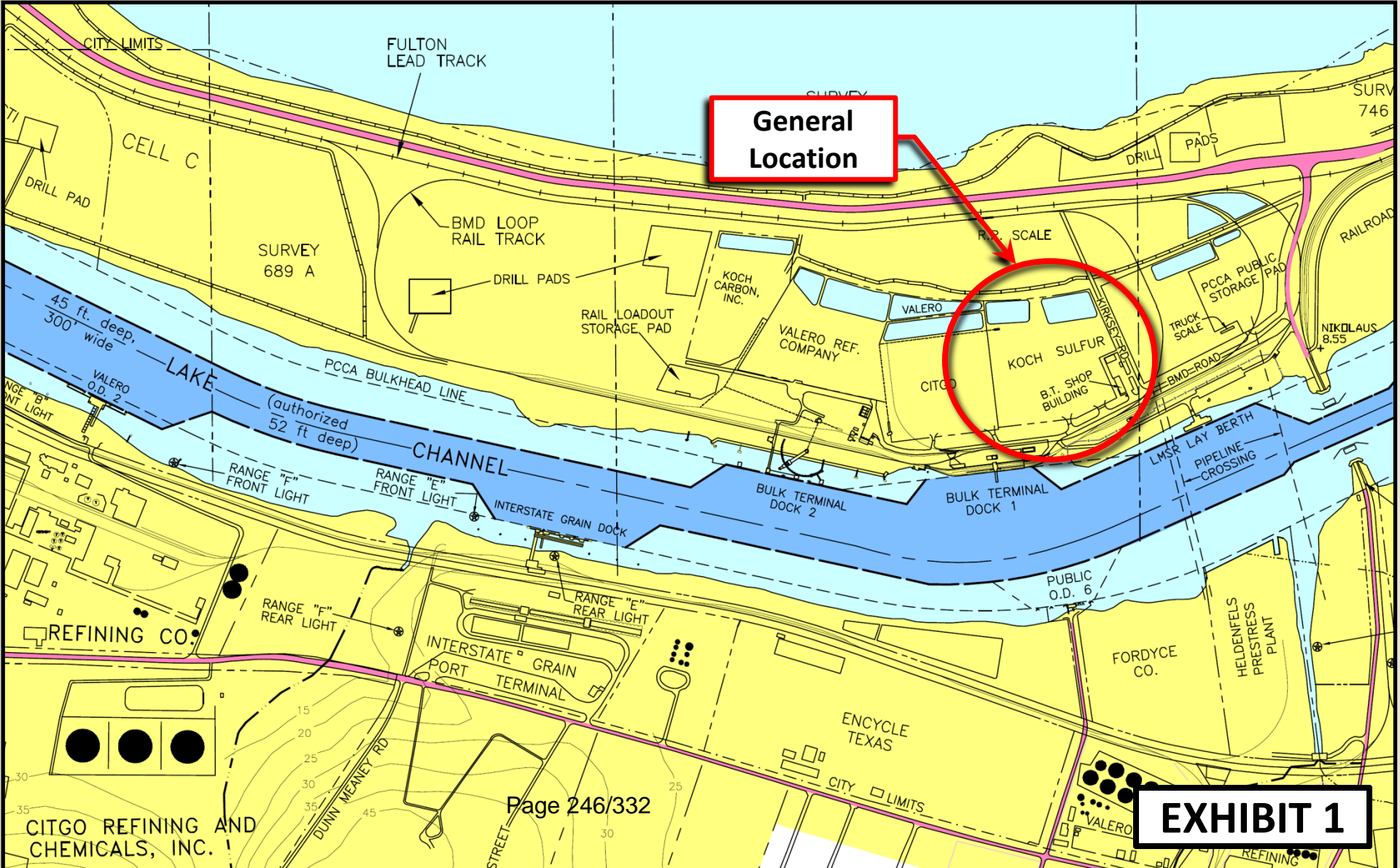


Exhibit A

To come. Will be submitted at a later time.



Koch Sulfur Products Company, LLC Amendment to Lease Agreement at Bulk Terminal



General Location

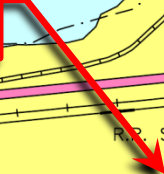
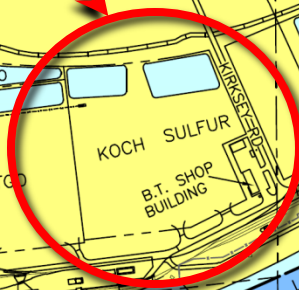


EXHIBIT 1

FIRST AMENDMENT OF LEASE

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This First Amendment of Lease (“Amendment”) is made and entered into effective as of the 17th day of February, 2015 (“Amendment Date”), between the **Port of Corpus Christi Authority of Nueces County, Texas**, a navigation district operating under Article XVI, Section 59 of the Texas Constitution (“Authority”), and **Koch Sulfur Products Company, LLC**, a Delaware limited liability company (“Lessee”). **Koch Carbon, LLC**, a Delaware limited liability company (“Koch Carbon”), is also executing this Amendment for the purposes stated herein. The Authority and Lessee are sometimes collectively referred to herein as the “Parties”.

Recitals

WHEREAS, the Parties entered into a Lease Agreement dated March 26, 2009 (“the “Lease”), under which the Authority leased to Lessee approximately 16.23 acres of land, more or less, located in Nueces County, Texas; for (1) the construction of a bulk storage and handling facility, and (2) the storage and handling of sulfur, petroleum coke and coal to be handled at the Authority’s Bulk Terminal or other public dock facilities, and

WHEREAS, the initial term of the Lease was for a period of five (5) years, beginning March 26, 2009, and ending March 25, 2014, with Lessee having the option to renew the term of the Lease for up to three (3) additional periods of five (5) years each; and

WHEREAS, by letter dated October 1, 2013, Lessee notified the Authority that it was exercising its option to renew the term of the Lease for the first of the three (3) additional five (5) year option periods beginning on March 26, 2014 and ending on March 25, 2019; and

WHEREAS, Koch Carbon has certain contingent rights and obligations under the Lease which are described in the last paragraphs of Sections 1.01 and 4.05 of the Lease; and

WHEREAS, Authority has asked Lessee and Koch Carbon to amend the Lease to remove certain provisions pertaining to co-locating on the Leased Premises the operations of Koch Carbon presently being conducted on a non-contiguous 10-acre tract of land held under a separate lease agreement by and between the Authority and Koch Carbon, and

WHEREAS, the Lessee and Koch Carbon are willing to amend the Lease as requested by Authority on the terms and conditions set forth in this Amendment;

NOW THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is acknowledged by both Parties and Koch Carbon, and in further consideration of the mutual covenants and obligations contained herein, the Parties and Koch Carbon hereby agree as follows:

1. **Deletion of Last Paragraph of Section 1.01 and 4.05.** Effective as of the Amendment Date, the last paragraph of Sections 1.01 and 4.05 are hereby deleted.

2. **Binding Effect.** This Amendment shall be binding on the successors and assigns of the Parties.

3. **Continuation of Lease.** Except as specifically amended hereby, all terms and conditions of the Lease shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control.

4. **Execution by Koch Carbon.** Koch Carbon is executing this Amendment to evidence its consent to the removal and deletion of its rights and obligations under the Lease. From and after the Amendment Date, Koch Carbon will have no further rights or obligations under the Lease. For the avoidance of doubt, nothing in this Amendment shall be deemed to modify in any way the right of Lessee to store and handle sulfur, petroleum coke and coal at the Authority's Bulk Terminal or other public dock facilities as provided in the Lease.

5. **Counterparts.** This Amendment may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties and Koch Carbon may provide signatures and acknowledgments to this Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures and acknowledgments shall be deemed to be the same as original signatures and acknowledgments.

[The next page is the signature page]

IN WITNESS WHEREOF, the Parties and Koch Carbon have caused this Amendment to be executed by their duly authorized officers as of the dates provided below each signature, to be effective, however, for all purposes, as of the Second Amendment Date.

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____
John P. LaRue
Executive Director

Date: February __, 2015

KOCH SULFUR PRODUCTS COMPANY, LLC

By: _____
Title: PRESIDENT

Date: February 2, 2015

KOCH CARBON, LLC

By: _____
Title: Senior Vice President

Date: February 2, 2015

(Acknowledgements are on the next page)

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 20____ by JOHN P. LARUE, as Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF KANSAS §
§
COUNTY OF Sedgwick §

This instrument was acknowledged before me on the 2nd day of February, 2015, by Joseph Hand, as President of Koch Sulfur Products Company, LLC, a Delaware limited liability company, on behalf of said company.

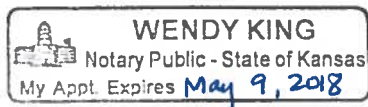


WJS King

NOTARY PUBLIC, STATE OF KANSAS

STATE OF KANSAS §
§
COUNTY OF Sedgwick §

This instrument was acknowledged before me on the 2nd day of February, 2015, by Joseph Hand, as Senior Vice President of Koch Carbon, LLC, a Delaware limited liability company, on behalf of said company.



WJS King

NOTARY PUBLIC, STATE OF KANSAS

18h - CC Liquefaction Esmt - CM.docx

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-H

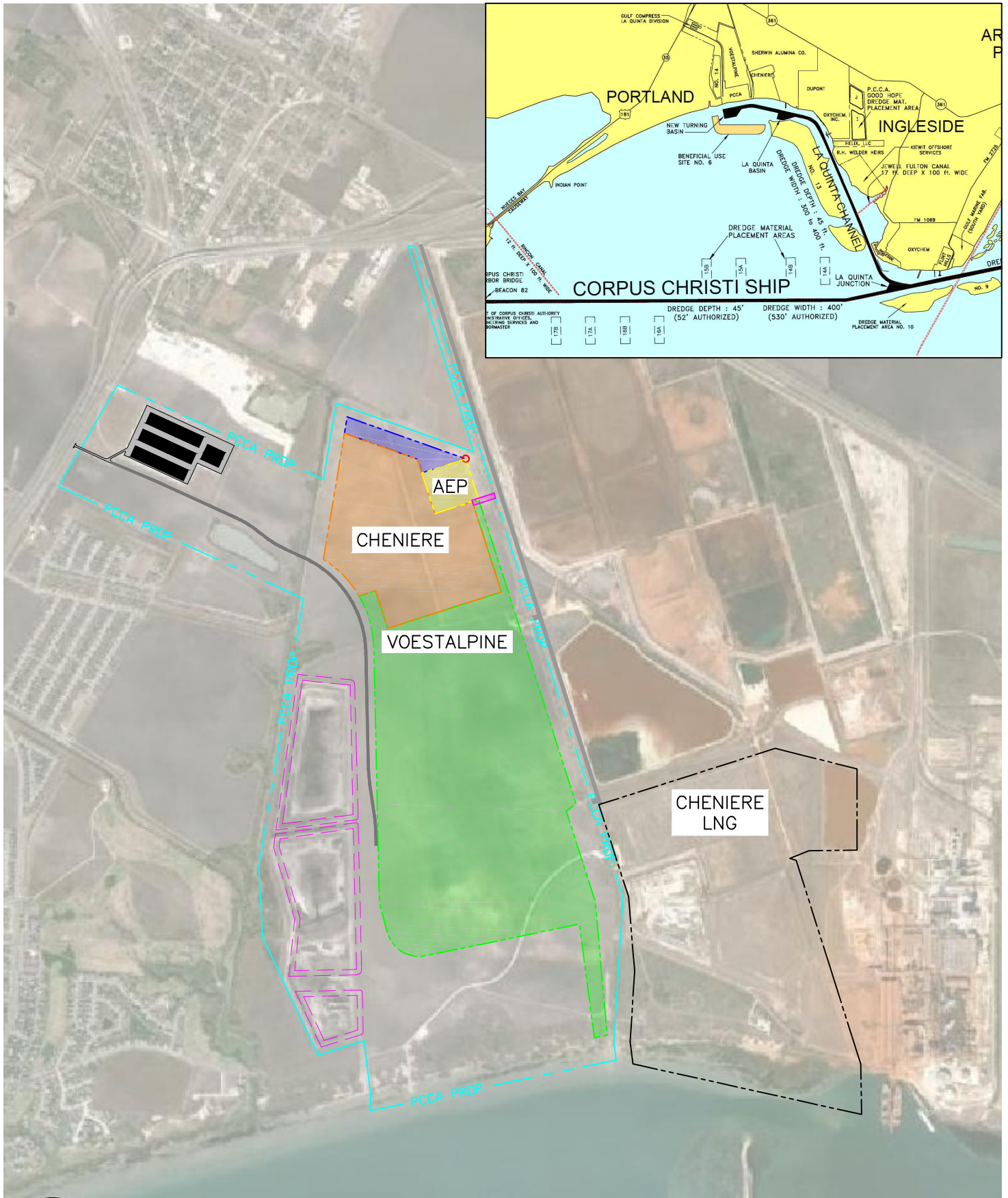
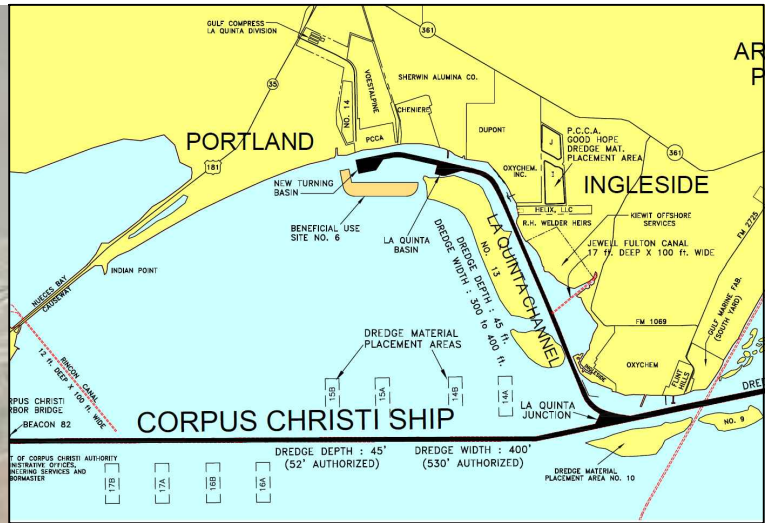
Approve a Utility Easement Agreement with Corpus Christi Liquefaction, LLC from AEP's Hecker substation located on the PCCA's La Quinta Trade Gateway Property to Serve Company's Proposed LNG Facility Located Along the La Quinta Ship Channel

In December 2013, the Port Commission approved an easement agreement with AEP Texas Central Company for 10.445 acres on the PCCA's La Quinta property for construction of an electric substation known as the Hecker Substation. The substation has been designed by AEP to serve the short- and long-term high voltage electrical needs of the major commercial and industrial facilities that plan to locate in and near the PCCA's La Quinta property, including the voestalpine HBI plant, the Corpus Christi Liquefaction (CCL) LNG export facility, and the PCCA's planned multipurpose general cargo terminal. CCL was one of several companies that coordinated with AEP on the desired location and size of the substation with the expectation of being able to receive electric service from the substation.

CCL is nearing final approval to commence construction of its LNG export facility on land owned by CCL that is located along the La Quinta Ship Channel just east of the PCCA's La Quinta property. CCL has requested a utility easement across PCCA property from the substation to their facilities on CCL property (see attached exhibit). Staff and PCCA legal counsel, in coordination with CCL and their legal counsel, have prepared the attached Utility Easement Agreement granting CCL the nonexclusive right to install electrical service transmission lines and an associated power pole or tower within an 80-foot wide easement tract, as described in the Agreement.

Staff recommends approval of the attached Utility Easement Agreement with Corpus Christi Liquefaction, LLC.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



PORT OF CORPUS CHRISTI AUTHORITY
 CORPUS CHRISTI LIQUEFACTION PROJECT
 CHENIERE 138 KV TRANSMISSION LINE 80' ROW

SCALE: 1:2000
 DWN. BY: BEN V

EXHIBIT "A"

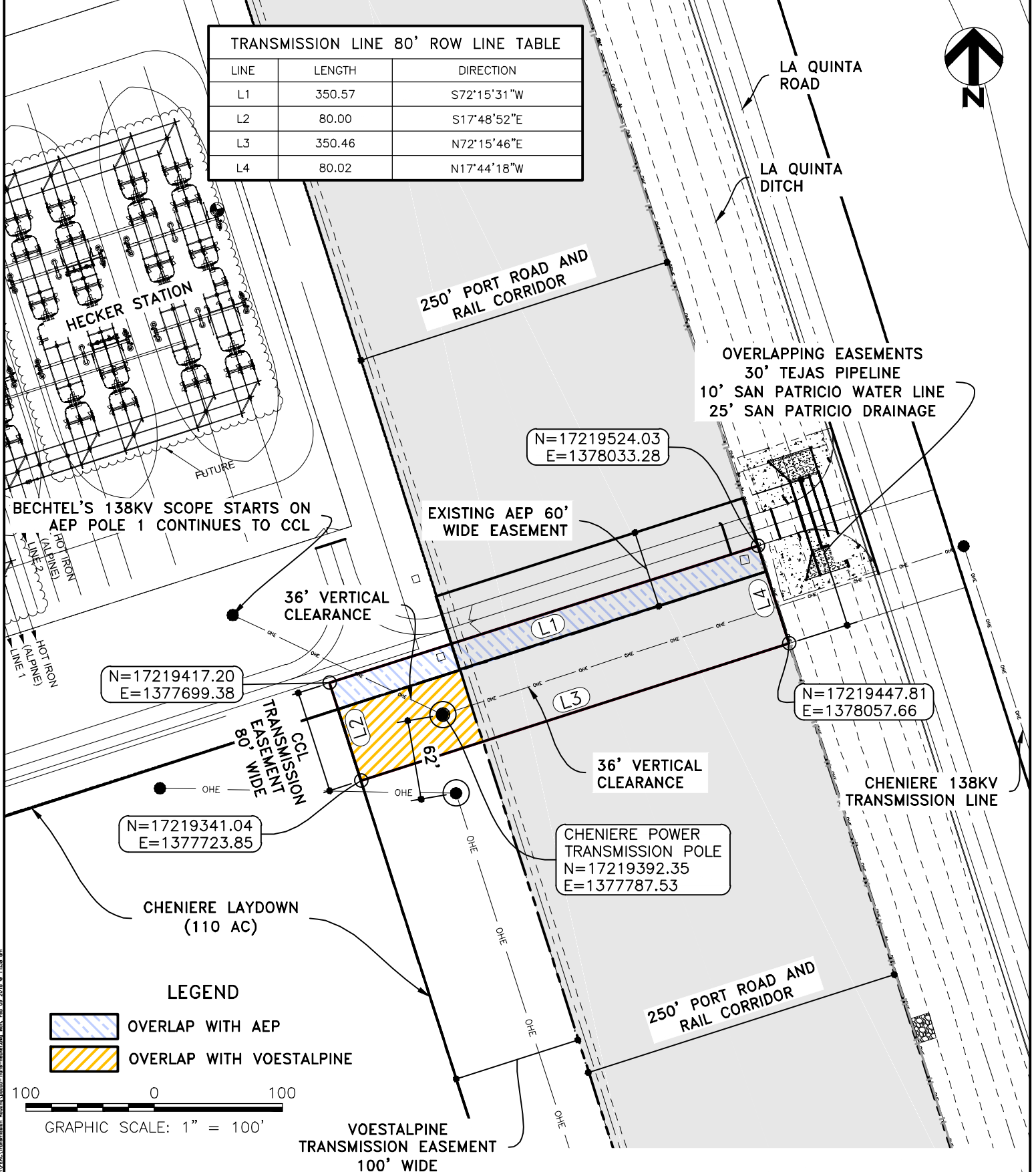
DATE: 2015/02/05
 TIME: 16:22:28



PORT OF CORPUS CHRISTI AUTHORITY	
CORPUS CHRISTI LIQUEFACTION PROJECT	
CHENIERE 138 KV TRANSMISSION LINE 80' ROW	
SCALE: 1:500	DATE: 2015/02/05
DWN. BY: BEN V	TIME: 14:22:06
EXHIBIT "A"	



TRANSMISSION LINE 80' ROW LINE TABLE		
LINE	LENGTH	DIRECTION
L1	350.57	S72°15'31"W
L2	80.00	S17°48'52"E
L3	350.46	N72°15'46"E
L4	80.02	N17°44'18"W



N=17219417.20
E=1377699.38

N=17219524.03
E=1378033.28

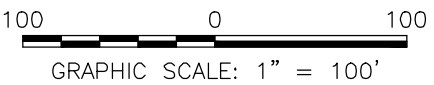
N=17219447.81
E=1378057.66

N=17219341.04
E=1377723.85

CHENIERE POWER
TRANSMISSION POLE
N=17219392.35
E=1377787.53

LEGEND

- OVERLAP WITH AEP
- OVERLAP WITH VOESTALPINE



NOTE:
COORDINATES ARE IN NAD83 TEXAS STATE PLANES, SOUTH ZONE, US FOOT

<p>EXHIBIT C</p> <p>DRAWN BY JLM DATE 2/2/15 CHECKED BY JLM REV 1 SCALE: AS NOTED</p>	<p>CORPUS CHRISTI LIQUEFACTION PROJECT CHENIERE 138KV TRANSMISSION LINE 80' ROW</p> <p>Page 255/332</p>	
<p>SAN PATRICIO</p>	<p>TEXAS</p>	

UTILITY EASEMENT AGREEMENT

This Utility Easement Agreement (“*Agreement*”) is made this ___ day of February, 2015, by and between the **Port Of Corpus Christi Authority Of Nueces County, Texas**, a navigation district and political subdivision of the State of Texas (hereinafter called “*Grantor*”), and **Corpus Christi Liquefaction, LLC**, a Delaware limited liability company (hereinafter called “*Grantee*”). The Grantor and Grantee may be referred to herein individually as a “Party” or jointly as the “Parties”. All Exhibits to this Agreement are incorporated herein by reference for all purposes.

WHEREAS, Grantee has requested an easement across a portion of Grantor’s property in San Patricio County, Texas, for the purpose of bringing electrical power to Grantor’s liquefied natural gas plant (“*Grantee’s LNG Plant*”) to be constructed on Grantee’s adjacent property described on Exhibit D attached hereto (“*Grantee’s Property*”); and

WHEREAS, Grantor is willing to grant the requested easement to Grantee upon and subject to the terms and conditions contained in this Agreement;

NOW, THEREFORE, for an adequate consideration, including the covenants and conditions herein made and provided to be kept and performed by Grantee, Grantor does hereby GRANT, SELL, and CONVEY unto Grantee (1) a nonexclusive aerial easement and right of way over and above Grantor’s property described in Exhibit A and depicted in Exhibit B attached hereto (the “*Easement Tract*”) for the purpose of constructing, operating, reconstructing, enlarging, replacing, upgrading, repairing, maintaining, and removing one or more 138-kV electrical transmission lines (the “*Transmission Lines*” whether one or more) which will bring electrical power to Grantee’s LNG Plant from AEP’s Hecker Station in San Patricio County (the “*Hecker Station*”), and (2) an easement to construct, maintain, replace and

remove one pole or tower on the Easement Tract (“*Utility Pole*”) from which the Transmission Lines will be suspended (the foregoing easements being collectively referred to herein as the “*Utility Easement*”), together with the right of ingress and egress, over, across and upon the Easement Tract for the purpose of placing, constructing, reconstructing, operating, using, repairing, altering, maintaining and replacing within the Easement Tract the Transmission Lines and Utility Pole and to bring and operate such equipment thereupon as may be necessary or appropriate in furtherance of, or in connection with, such purposes. The Utility Easement shall be for the benefit of and appurtenant to Grantee’s Property.

TO HAVE AND TO HOLD unto Grantee and Grantee’s successors and permitted assigns, by, through and under Grantor, but not otherwise, the Utility Easement and the rights and privileges hereby conveyed, subject to the exceptions and reservations herein set forth and upon the following covenants and conditions which are a part of the consideration for this grant and which are and shall be construed as covenants running with the land:

(1) Type and Clearance of Transmission Lines. The Transmission Lines shall be 138-kV electric transmission lines, together with static wires, communication circuits and other appurtenances as deemed appropriate by Grantee (the foregoing appurtenances being collectively referred to herein as the “*Overhead Appurtenances*”). The minimum vertical above-ground clearance of the Transmission Lines and Overhead Appurtenances shall meet or exceed applicable vertical clearance requirements of the National Electrical Safety Code and other applicable laws, rules and regulations. All Transmission Lines and Overhead Appurtenances shall be installed and operated with a minimum vertical above-ground clearance of thirty-six feet (36’).

(2) Utility Pole Location. Grantee shall cause the Utility Pole to be constructed in the general location designated on Exhibit C. In no event may the Utility Pole, its guy wires or other appurtenances be constructed within the 250-foot wide future road and rail corridor which will cross the Easement Tract at the general location designated as the shaded area on Exhibit C.

(3) Access. By an Access Road Easement and Right of Way Agreement dated November 10, 2013 (the “*AEP Access Agreement*”), by and between Grantor and AEP Texas Central Company (“*AEP*”), Grantor granted to AEP an access easement over Grantor’s land to the Hecker Station from La Quinta Road and the right to construct an all-weather road in the Access Easement (the “*Hecker Access Road*”), all as more particularly described in the AEP Access Agreement. Grantee may access the Easement Tract from the Hecker Access Road designated on Exhibit C. Except as provided in the preceding sentence, Grantee shall not have the right to cross Grantor’s adjacent land, store materials or equipment thereon, or conduct any of its operations thereon without the prior written consent of Grantor. Grantee shall be permitted to use the Hecker Access Road to the extent such use does not interfere with the use thereof by AEP; provided, however, Grantee shall reimburse AEP for any costs and expenses incurred by AEP to repair any damage to the Hecker Access Road caused by Grantee’s use of the road. Grantee further agrees to abide by all reasonable safety and security requirements imposed by AEP with respect to Grantee’s use of the Hecker Access Road, including, but not limited to, speed and load weight restrictions. Grantee shall notify AEP in writing at least thirty (30) days in advance of any proposed construction by or on behalf of Grantee over, under, or across the Hecker Access Road, and Grantee shall abide by any reasonable requests or instructions of AEP

regarding such construction to safeguard AEP's safe operation of the Hecker Access Road and to avoid interference therewith.

(4) Construction, Maintenance and Use. Grantee shall construct and maintain the Transmission Lines, Overhead Appurtenances, and Utility Pole in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same. Grantee shall be responsible for coordination of its construction, maintenance and use of the Transmission Lines with Voestalpine Texas Holdings, LLC ("*Voestalpine*") and AEP. Upon completion of the installation of the Transmission Lines or any modification thereto Grantee shall furnish Grantor with an as-built survey thereof. Grantee agrees that its use of the Transmission Lines shall at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local governments. Grantee shall promptly restore any portion of the Easement Tract or the AEP Access Easement damaged by Grantee. Grantee shall not use, deposit or permit the use or deposit of any hazardous material or toxic waste or other harmful substances on the Easement Tract or on any other real property of Grantor adjacent to the Easement Tract. Grantee shall not materially interfere with the use by and operation and activities of Grantor on its property adjacent to the Easement Tract. Furthermore, Grantee shall not materially interfere with the use by and operation and activities of AEP in the AEP Access Easement.

(5) Reservations and Exceptions. Grantor reserves the right to use and/or grant easements upon, over, under and across the Easement Tract provided such uses and easements are subject to this Agreement and shall not unreasonably interfere with Grantee's use of the Easement Tract. Grantor shall not construct (or permit any third party to construct) any above-ground structures or other obstructions, or excavate or change the grade within the

Easement Tract, without Grantee's consent, which consent will not unreasonably be withheld; and Grantee shall have the right to remove any structures or obstructions constructed within the Easement Tract in violation of this provision. The foregoing restrictions would not, however, prevent the construction of roads, railroad tracks, parking lots or below-ground pipelines in the Easement Tract. The Utility Easement is subject to all liens, encumbrances, covenants, conditions, restrictions, reservations, contracts, leases and licenses, easements, and rights of way pertaining to the Easement Tract to the extent such matters are in effect and valid and enforceable against the Easement Tract as of the date hereof whether or not of record. The use of the word "grant" shall not imply any warranty on the part of the Grantor with respect to the Utility Easement or the Easement Tract.

(6) Assignment. Except as hereinafter expressly provided, no assignment of this Agreement shall be effective without the written consent of Grantor, which consent shall not be unreasonably withheld. If the Grantor elects to withhold its consent to a requested assignment, it must do so by providing Grantee with written notice thereof within thirty (30) days after the date it receives Grantee's request to consent to the assignment. If Grantor does not notify Grantee of its decision to withhold its consent to a proposed assignment of this Agreement within the thirty-day period described in the preceding sentence, the assignment shall be deemed to have been approved by Grantor. Grantee may, however, assign this Agreement to any entity that is an affiliate of Grantee or to any buyer of the Grantee's LNG Plant without Grantor's consent. An "*affiliate*" means, with respect to the Grantee, any other business entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Grantee. For purposes of this definition, "*control*" means the beneficial ownership of fifty percent (50%) or more of the outstanding voting ownership interests of

another business entity, or the ability to direct or cause the direction of management and policies of another business entity, whether through the ownership of securities or other ownership interests, by contract or otherwise.

(7) Termination. The Utility Easement herein granted shall terminate if Grantee shall at any time abandon the use of the Transmission Lines for the purposes herein granted for a continuous period of four (4) years after completion of construction of the Transmission Lines or shall fail to complete construction of the Transmission Lines within four (4) years from the date of this Agreement. The Utility Easement shall terminate, at the option of Grantor, upon breach by Grantee of any of the covenants or conditions of this Agreement and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor so to do. However, if such breach cannot be reasonably remedied within ninety (90) days, the Utility Easement shall not terminate if Grantee furnishes Grantor a plan, reasonably acceptable to Grantor, for remedying such breach as expeditiously as reasonably possible and thereafter diligently and continuously prosecutes reasonable and prudent corrective measures to completion in accordance with such plan. Grantee agrees it will within six (6) months after the termination of the Utility Easement remove all of the Transmission Lines and the Utility Pole on the Easement Tract and shall restore Grantor's lands in the Easement Tract to the condition in which same existed prior to the existence of this Agreement. In the event Grantee fails to so remove the Transmission Lines and Utility Pole, the Grantor may either declare the termination of Grantee's interest in the Transmission Lines and Utility Pole and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Transmission Lines and the Utility Pole, or any part thereof at the Grantor's election, to be removed from the Easement Tract and the lands of the Grantor restored at the cost of Grantee.

(8) Grantee's Agreement to Indemnify. Grantee shall defend, indemnify and hold harmless the Grantor and its Commissioners, agents, officers, employees and independent contractors ("*Grantor Parties*"), from and against, and Grantee shall be responsible for, any and all liabilities (including strict liability), actions, demands, damages, penalties, fines, losses, claims, costs, expenses (including reasonable attorneys' and experts' fees and expenses), suits, settlements or judgments of any nature whatsoever (including claims for personal injury, bodily injury, real and personal property damage and economic loss) (all of which are hereinafter collectively called "*Claims*"), which may be brought or instituted or asserted against the Grantor Parties based on or arising out of or relating to (i) any injury to or death of or claim of injury to or death of any employee or independent contractor of the Grantee or its Affiliates or their respective contractors and subcontractors (the Grantee and its Affiliates and their respective contractors and subcontractors being collectively referred to herein as the "*Grantee Parties*") occurring in connection with the construction, alteration, repair or maintenance of the Transmission Lines or Utility Pole, or (ii) any damage to or loss of or claim of damage to or loss of any property of the Grantee Parties, their employees, or their independent contractors occurring in connection with the construction, alteration, repair or maintenance of the Transmission Lines or Utility Pole. IT IS THE EXPRESS INTENTION OF GRANTOR AND GRANTEE THAT THE INDEMNITIES SET FORTH IN THIS PARAGRAPH (8) APPLY TO ALL MATTERS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF SAME THAT ARE CAUSED IN PART BY THE NEGLIGENCE OF THE GRANTOR PARTIES. In Claims against any Grantor Party by or for an employee of a Grantee Party, the Grantee's indemnification obligation under this Paragraph (8) shall not be

limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. The obligations of the Grantee under this Paragraph (8) shall survive the expiration or any earlier termination of the term of this Agreement.

(9) Severability; Reformation. If any provision of this Agreement is or becomes invalid, illegal or incapable of being enforced or performed in the manner contemplated herein by a court of competent jurisdiction or by any applicable law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either Party. Upon such determination that any provision is invalid, illegal or incapable of being enforced or performed in the manner contemplated herein, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement are continued as originally contemplated to the greatest extent possible.

(10) Voestalpine's Approval. The Utility Easement is on property which Grantor leased to Voestalpine pursuant to a lease agreement made effective as of May 1, 2013 (the "*Lease Agreement*"). Under section 2.09(a) of the Lease Agreement, the location of any utility easements on the real property leased to Voestalpine under the Lease Agreement is subject to Voestalpine's approval, and Voestalpine is executing this Agreement to evidence its approval of the location of the Utility Easement and its consent to Grantee's construction, maintenance and use of the Transmission Lines over and Utility Pole on the Easement Tract in accordance with the terms of this Agreement.

(11) Grantee's Right to Encumber. Grantor acknowledges that Grantee may grant one or more liens and security interests in this Agreement to certain financial institutions (collectively, "Lenders") in connection with a loan, or loans or other financing arrangements made from time to time by the Lenders to Grantee for Grantee's LNG Plant that will include the Transmission Line and Utility Pole to be constructed on the Easement Tract in order to secure certain obligations of Grantee. Grantor agrees that, if requested in writing by one or more Lenders, prior to enforcing any remedies in connection with a Grantee default hereunder, Grantor shall deliver written notice of such default together with the requested cure to both the Grantee and to the requesting Lenders (at addresses to be provided by Grantee or the Lenders in the future). Grantor further acknowledges and agrees that any requesting Lender shall have the right (but not the obligation), to cure such default within ninety (90) days after receipt of notice of such default.

The easements, rights, privileges, agreements, covenants, restrictions, obligations, and benefits and all other terms, conditions, and provisions of this Agreement shall run with the title to the Easement Tract and shall be binding upon and inure to the benefit of the owner(s) of the benefited and burdened estates and their respective successors and assigns.

Grantor does hereby bind itself, its successors, assigns and legal representatives, to warrant and forever defend all and singular the above described rights, easement and right of way unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through and under Grantor but not otherwise.

[End of page; signature page follows]

EXECUTED this _____ day of _____, 2015.

PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS

By: _____
John P. LaRue
Executive Director

Corpus Christi Liquefaction, LLC

By: _____

Name: _____

Title: _____

Voestalpine Texas Holdings, LLC, hereby consents to this easement agreement this _____
day of _____, 2015.

VOESTALPINE TEXAS HOLDINGS, LLC

By: _____

By: _____

[End of page; acknowledgment page follows]

EXHIBIT A



9359 IH-37, Suite A Corpus Christi, TX 78409

www.govinddevelopment.com
Office: (361) 241-2777 Fax: (361) 241-2200

January 26, 2015

14CHO0231

**METES AND BOUNDS DESCRIPTION
OF
0.0644 ACRE ELECTRICAL EASEMENT**

Being a 0.644 acre electrical easement out of a 930.28 acre tract recorded in Document No. 1998005467, Official Public Records of Nueces County, Texas, and being out of T.T. Williamson Survey, A-289, San Patricio County, Texas, and this electrical easement being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this easement, said corner having State Plane Grid Coordinates of N 17,219,417.20', E 1,377,699.39', NAD'83, Texas South Zone in U.S. feet and bearing N 17-44-33 W, 21.55 feet from a set 5/8-inch iron rod at the eastmost northeast corner of a 110.00 acre tract lying within said 930.28 acre tract;

Thence N 72-15-27 E with the north boundary of this easement, 350.57 feet, to the northeast corner of this easement, said corner being on the east boundary of said 930.28 acre tract, the same being the west boundary of a 44.72 acre tract recorded in Document No. 2006043532, O.P.R.N.C.T., said corner bearing S 17-44-17 E, 3961.24 feet, from a found 5/8-inch iron rod at the northwest corner of said 44.72 acre tract;

Thence S 17-44-17 E with the east boundary of this easement, the same being the common boundaries of said 930.28 acre tract and said 44.72 acre tract, 80.00 feet, to the southeast corner of this easement;

Thence S 72-15-27 W with the south boundary of this easement and entering said 930.28 acre tract, 350.56 feet, to the southwest corner of this easement, said corner being on the east boundary of said 110.00 acre tract;

Thence N 17-44-33 W with the west boundary of this easement, the same being the east boundary of said 110.00 acre tract, at 58.45 feet pass the eastmost northeast corner of said 110.00

acre tract, in all 80.00 feet to the point of beginning and containing 0.644 acres of land, more or less.

Notes:

1. Bearings are State Plane Grid.
2. Drawing accompanies this metes and bounds description.

GOVIND DEVELOPMENT, LLC



George Rubalcaba, RPLS, LSLS

Survey Group Manager 1/26/2015



EXHIBIT B

Plat of Easement Tract



44.172
ACRE TRACT
DOC.# 2006043532
O.P.R.N.C.T.

P.O.C.C.A.
930.28 ACRE TRACT
DOC.# 1998005467
O.P.R.N.C.T.

P.O.B.
0.644 ACRE EASEMENT
N: 17,219,417.20'
E: 1,377,699.39'

0.644 ACRE
EASEMENT

21.55°

5/8" I.R.

110.00
ACRE TRACT

J. GERRAGHTY A-139
T.T. WILLIAMSON A-289

NOTES:

1. DESCRIPTION IS BASED ON CHENIERE PROVIDED INFORMATION
2. BEARINGS ARE STATE PLANE GRID
3. METES AND BOUNDS EXHIBIT ACCOMPANIES THIS DRAWING

LINE TABLE		
LINE	LENGTH	BEARING
L1	350.57	N72°15'27"E
L2	80.00	S17°44'17"E
L3	350.56	S72°15'27"W
L4	80.00	N17°44'33"W

01/26/15



George Rubalcaba

EXHIBIT B

**CORPUS CHRISTI LIQUEFACTION PROJECT
ELECTRICAL EASEMENT
0.644 ACRES**



DRAWN BY BLJ	DATE 1/26/15
CHECKED BY GR	REV
SCALE: AS NOTED	

SAN PATRICIO

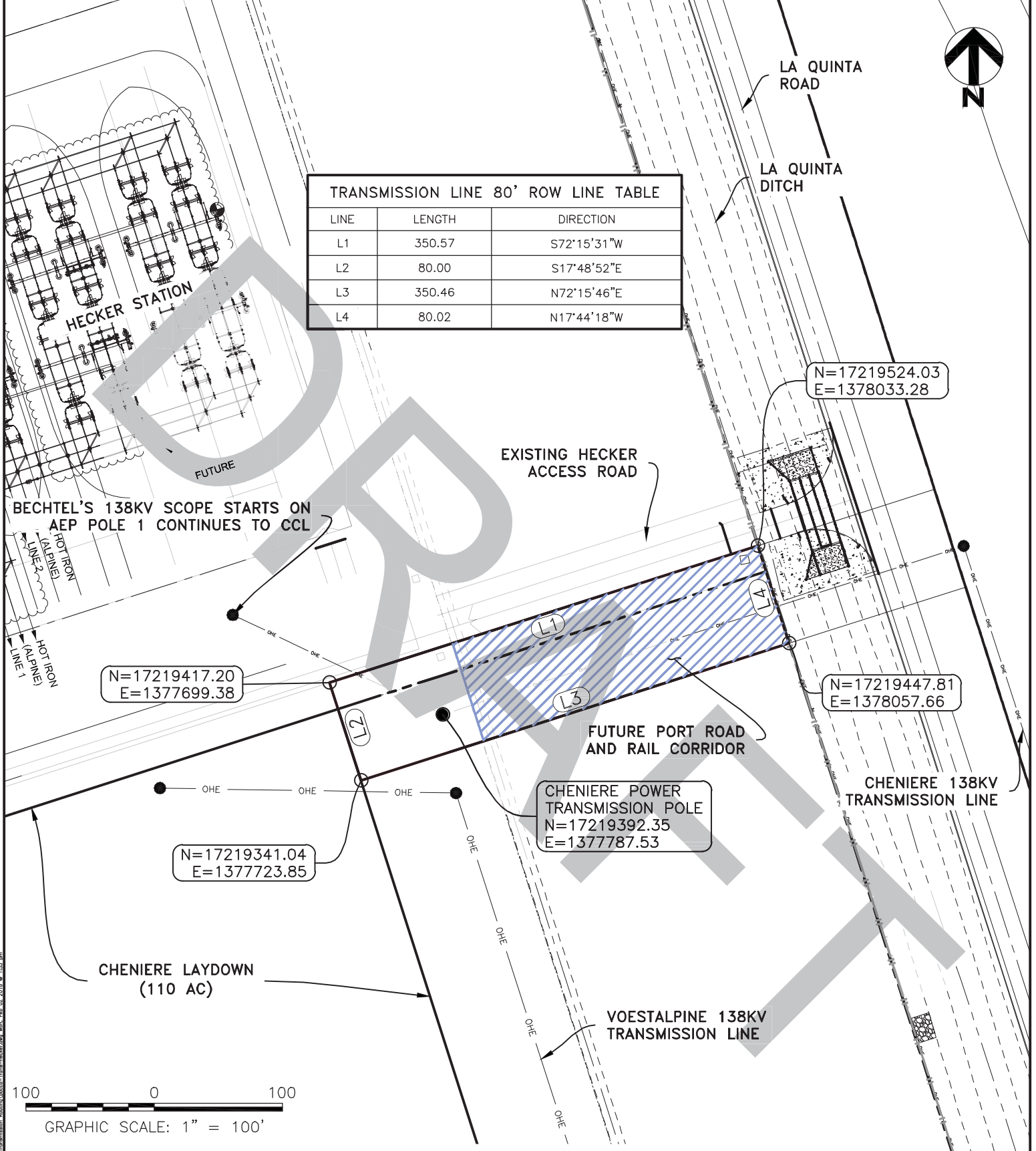
TEXAS

EXHIBIT C

Depiction of Utility Pole Placement and Rail Way Corridor and Hecker Access Road



TRANSMISSION LINE 80' ROW LINE TABLE		
LINE	LENGTH	DIRECTION
L1	350.57	S72°15'31"W
L2	80.00	S17°48'52"E
L3	350.46	N72°15'46"E
L4	80.02	N17°44'18"W



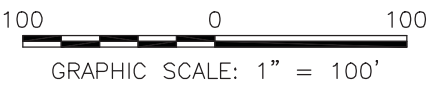
N=17219417.20
E=1377699.38

N=17219524.03
E=1378033.28

N=17219447.81
E=1378057.66

N=17219341.04
E=1377723.85

CHENIERE POWER
TRANSMISSION POLE
N=17219392.35
E=1377787.53



NOTE:
COORDINATES ARE IN NAD83 TEXAS STATE PLANES, SOUTH ZONE, US FOOT

EXHIBIT C	
DRAWN BY JLM	DATE 2/2/15
CHECKED BY JLM	REV 1
SCALE: AS NOTED	

CORPUS CHRISTI LIQUEFACTION PROJECT
CHENIERE 138KV TRANSMISSION LINE 80' ROW
 Page 272/332
SAN PATRICIO TEXAS



EXHIBIT D

Grantee's Property



9510 Leopard St. Corpus Christi, TX 78409

www.govinddevelopment.com

Office: (361) 241-2777 Fax: (361) 241-2200

January 28, 2015

14CHO0231

**EXHIBIT D
METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT**

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, San Patricio County, Texas and out of Corpus Christi Bay Submerged State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Documents No. 2004020956 and 2014038283, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and also recorded in Document No. 2014038283, O.P.R.N.C.T. and this 337.4 acre tract being more particularly described by metes and bonds as follows:

Commencing at a found concrete monument in the south right-of-way line of Texas State Highway No. 35 for the most northerly northeast corner of the aforementioned 328.9 acre tract, the same being the northwest corner of a 832.0 acre "Reynolds/Alcoa Retained Tract 1" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas;

Thence leaving said south right-of-way line and with the west line of said 832.0 acre tract, S 17 41-05 E, at 8736.90 feet pass a found 5/8-inch iron rod for the southwest corner of said 832.0 acre tract, in all 8936.90 feet to a found 5/8-inch iron rod;

Thence S 72-17-20 W, 59.39 feet, to a found 5/8-inch iron rod for the **POINT OF BEGINNING** and the northwest corner of this tract and said 212.2 acre tract, said corner having a NAD'83 State Plane Grid Coordinate of N 17214778.88', E 1379635.56', Texas South Zone, in U.S. feet;

Thence N 72-17-20 E with the north boundary of this tract and said 212.2 acre tract, at 2644.75 feet pass the common east line of the aforementioned 328.9 acre tract and a west line of the aforementioned 1610.0 acre tract, in all 2818.29 feet to a found 5/8-inch iron rod for the northmost northeast corner of this tract and said 212.2 acre tract;

Thence with the east boundaries of this tract and said 212.2 acre tract as follows:

S 75-57-21 E, 308.21 feet, to a found 5/8-inch iron rod;

S 17-42-40 E, 838.29 feet, to a found 5/8-inch iron rod;

S72-17-20 W, 246.92 feet, to a found 5/8-inch iron rod;

S 17-42-40 E, 640.06 feet, to a found 5/8-inch iron rod for a corner of this tract;

Thence S 67-58-34 W, at 188.26 feet pass the aforementioned common line between the 328.9 acre tract and the 1610.0 acre tract, in all 314.67 feet to a found 5/8-inch iron rod for an interior corner of this tract and the northmost northeast corner of said 125.2 acre tract;

Thence with the common east boundary of this tract and said 125.2 acre tract as follows:

S 73-59-30 E, 102.15 feet, to a found 5/8-inch iron rod;

S 17-32-43 E, at 2960.50 feet pass a found 5/8-inch iron rod being the southeast corner of said 125.2 acre tract, at 3129.38 feet pass the common south line of the aforementioned 328.9 acre tract and the north line of the aforementioned 58.07 acre tract, at 3192.41 feet pass a found 5/8-inch reference iron rod, at 3242.47 feet pass the common east line of said 58.07 acre tract and the west line of the aforementioned 31.82 acre tract, in all 3257.37 feet to a corner;

Thence S 01-10-31 E, 767.00 feet, to the southeast corner of this tract and said 212.20 acre tract, said corner being on the south line of said 31.82 acre tract and the Port of Corpus Christi Authority North Bulkhead Line;

Thence N 77-30-59 W with said bulkhead line and the south boundary of this tract and said 212.2 acre tract, at 190.69 feet pass the southwest corner of said 31.82 acre tract and the southeast corner of the aforementioned 58.07 acre tract, in all 3569.03 feet to the southwest corner of this tract and said 212.20 acre tract, the same being the southeast corner of a 44.72 acre tract recorded in Document No. 2006043532, Official Public Records of Nueces County, Texas;

Thence leaving said bulkhead line N 07-00-28 W, 340.43 feet, to a corner being on the common north line of said 58.07 acre tract and the south line of the aforementioned 328.9 acre tract;

Thence N 03-34-16 E, at 149.58 feet pass a found 5/8-inch reference iron rod, in all 1080.30 feet, to a found 5/8-inch iron rod for a corner;

Thence N 04-42-55 W, 1132.92 feet, to a found 5/8-inch iron rod for a corner;


Thence N 17-47-50 W, 1473.53 feet, to the point of beginning and containing 337.4 acres of land, more or less.

Notes:

1. Bearings are State Plane Grid.

2. Drawing accompanies this metes and bounds description and is attached to the Utility Access Agreement as Exhibit C.

GOVIND DEVELOPMENT, LLC


George Rubalcaba, RPLS, LSLS
Survey Group Manager



01/28/2015

18i - USCG Lease - CM.docx

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-I

Approve Lease Agreement with the United States of America, through the U.S. Coast Guard, to Locate Two (2) Ship Channel Range Markers and Equipment on the PCCA's Harbor Island Property

The United States of America, acting by and through the United States Coast Guard (USCG), maintains and operates two range markers at Harbor Island, which aid in the navigation of the entrance and jetty channels of the Corpus Christi Ship Channel (see attached exhibit). The range markers have been in place for many years, and the lease agreements have been renewed or extended on an annual basis running concurrent with the U.S. Government's fiscal year. The previous one-year extension expired on September 30, 2014.

A representative of the USCG recently provided staff a new lease agreement prepared using the standard U.S. Government Lease for Real Property form. Staff has reviewed the lease agreement and found it to be consistent with the previous agreements between the U.S. Government and the PCCA, and PCCA counsel has reviewed and approved it as to legal form. Because these range markers serve as navigational aids for the benefit of the general public, no rental is assessed.

Staff recommends approval of the attached Lease Agreement with the United States of America, as requested by the United States Coast Guard.

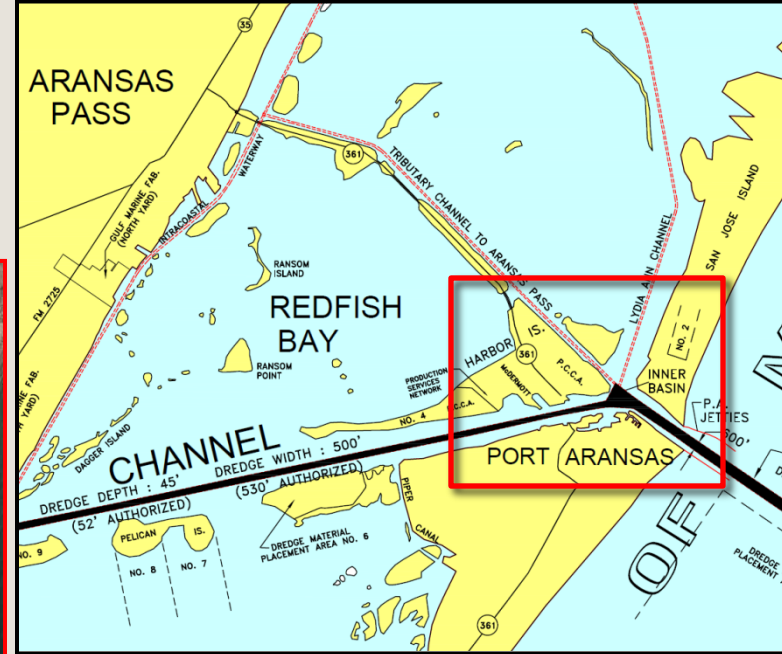
LEAD CONTACT: David Krams: (361) 885-6134, krams@pocca.com

Exhibit A Front Light: located at 27-50.82" N 097 -03-.72" W and Rear Light: 27-51'08.431" N 097-04'.24.046"W





United States Coast Guard Lease Agreement for Maritime Navigation Aids at Harbor Island



General Location of Range Markers

Harbor Island

LEASE SUMMARY

Lessee: UNITED STATES OF AMERICA, acting by and through a duly authorized official of the Department of Homeland Security and the United States Coast Guard

Premises: Ground space located at the following coordinates:

Front Light: 27-50.82” N 097-03-.72” W approximately four hundred (400) square feet of ground space.

Rear Light: 27-51’08.431” N 097-04’.24.046” W approximately four hundred (400) square feet of ground space

Use: Maritime navigational aids

Term: One (1) year

Options: Nineteen (19), annual renewal

Start Date: January 13, 2015

Annual Rent: \$0

Previous Annual Rent: \$0

Tenant Business: Federal Government - ensure the common good and general welfare of the public

Tenant Contact: Paul R. Hewitt
Realty Specialist
U.S. Coast Guard
Civil Engineering Unit Miami
15608 S.W. 117 AVE
Miami, FL. 33177-1630
FAX: 305-278-6704
Paul.R.Hewitt@uscg.mil

Remarks: The consideration for this lease shall be the operation and maintenance of this property for use of navigational aids for the benefit of the general public.

<p>STANDARD FORM 2 FEBRUARY 1965 EDITION GENERAL SERVICES ADMINISTRATION FPR (41 CFR) 1-16.601</p>	<p>U.S. GOVERNMENT LEASE FOR REAL PROPERTY</p>
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<p>DATE OF LEASE February 17, 2015</p>	<p>LEASE No. HSCG82-15-1-0012 Site name: Aransas Pass RR/FR LTS, Harbor Island</p>
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THIS LEASE is made and entered into by and between the Port of Corpus Christi Authority of Nueces County, Texas (hereinafter called the “Lessor”), whose address is P.O. Box 1541, Corpus Christi, TX 78403, and whose interest in the property hereinafter described is that of a leasehold, and by the authority of 14 U.S.C. § 672, the UNITED STATES OF AMERICA, acting by and through a duly authorized official of the Department of Homeland Security, United States Coast Guard (hereinafter called the “Government”):

WITNESSETH: The parties, hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises, hereinafter referred to as the “Premises”.

Ground space to locate Aids to Navigation (AToN) located at the following coordinates:

Front Light: located at 27-50.82” N 097 -03-.72” W approximately 400 square feet of ground space.
 Rear Light: 27-51’08.431” N 097-04’.24.046”W approximately 400 square feet of ground space.

The Premises currently being utilized for the operation of Government equipment depicted on the attached as Exhibit A, incorporated by reference herein (the “Equipment”).

2. **TO HAVE AND TO HOLD TERM:** the said premises with their appurtenances for the term beginning on 10/1/2014 (the “Effective Date”) through 09/30/2015, subject to termination and renewal rights as may be hereinafter set forth. Subject to the availability of funds, this Lease may, at the option of the Government, be renewed annually through 30 September 2034. The Government’s option shall deemed exercised and the lease renewed each year for one (1) year to a maximum time of nineteen (19) years provided notice be given in writing to the Lessor at least thirty (30) days before the end of the original lease term; all other terms and conditions of this lease shall remain the same during the renewal term unless otherwise agreed to by the parties in a written and signed Supplemental Agreement to this lease agreement.

3. **CONSIDERATION:** The consideration for this lease shall be the operation and maintenance of this property to be used by Aids to Navigation equipment for the benefit of the general public in accordance with the terms and conditions hereinafter set forth. The Federal Fiscal Year (FY) of the Government runs 01 October to 30 September annually.

4. **NOTICE.** The Government shall have the option to terminate this Lease, without cause, at any time by giving at least thirty (30) -days prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be executed by the Government’s Contracting Officer and sent by certified mail or other comparable service. Said notice shall be computed commencing with the day after the date of mailing. The Lessor may terminate this lease, for cause, by giving at least thirty (30) days prior notice in writing to the Government.

5. This lease will continue with the same terms and conditions, unless and until the Government shall give notice of termination in accordance with paragraph 4, provided that adequate appropriations are available from year to year for payment of rentals, and provided further that this lease shall in no event extend beyond 30 September 2034. A written and signed Supplemental Agreement will be utilized to make changes/adjustments to this lease agreement.

6. **TAX IDENTIFICATION.** All leases must include either a nine-digit Federal Tax Identification number or a Social Security Number. Please indicate below:

Name of Lessor: Port of Corpus Christi Authority of Nueces County, Texas Tax Identification number 74-6000609

7. **ELECTRONIC FUNDS TRANSFER.** The Government will make payments under this lease agreement by electronic funds transfer (EFT). After award, but no later than 30 days before the first payment, the Lessor shall designate a financial institution for receipt of EFT payments, and shall submit this designation via internet by completing the EFT form at https://www.fincen.uscg.mil/secure/enrollment_form.htm in accordance with paragraph 4.

a. In the event the Lessor, during the performance of this lease agreement, elects to designate a different financial institution

for the receipt of any payment made using EFT procedures, notification of such change and the required information specified in 4, above must be received by the appropriate Government official no later than 30 days prior to the date such change is to become effective.

b. The documents furnishing the information required in this clause must be dated and contain the signature, title, and telephone number of the Lessor or an authorized representative designated by the Lessor, as well as the Lessor's name and lease number.

c. Lessor's failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

d. Lessor is responsible for keeping their Systems for Awards Management (SAM) current. In the event that the Lessor's SAM expires, the Government will cease making payments under this Lease until the Lessor renews the SAM registration. This will apply to all payments that the Government is required to make under this lease agreement, and no interest shall accrue as the result of such non-payment. Lessor may access SAM registration electronically at www.sam.gov.

8. **PROMPT PAYMENT (SEP 1999).** The Government will make payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. All days referred to in this clause are calendar days, unless otherwise specified.

9. **INTEREST PENALTY.** An interest penalty shall be paid automatically by the Government, without request from the Lessor, if payment is not made by the due date and Lessor has an electronic funds transfer (EFT) on file. The interest penalty shall be at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (41 U.S.C. § 611) that is in effect on the day after the due date. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the Federal Register semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date. Interest penalties will not continue to accrue after the filing of a claim for such penalties under the Disputes clause, or for more than 1 year. Interest penalties of less than \$1.00 need not be paid. Interest penalties are not required on payment delays due to disagreement between the Government and Lessor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the lease agreement. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with Disputes clause 52.223-1. (see para 34)

10. **COMPLIANCE WITH APPLICABLE LAW.** The Lessor shall comply with all Federal, state and local laws applicable to the Lessor as owner or lessor, or both, of the Premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. The Government will comply with all Federal, state and local laws applicable to and enforceable against it as a tenant under this lease agreement; provided that nothing in this lease shall be construed as a waiver of any sovereign immunity of the Government. This lease shall be governed by Federal law.

11. **MAILING.** Mailing refers to Certified Mail with a return receipt and the date of acceptance being the start date.

12. **CHANGE OF OWNERSHIP NOTIFICATION.** Lessor will notify Government within thirty (30) days of any transfer of ownership of the described property; or change in payment mailing address.

13. **SUCCESSORS BOUND.** The lease agreement shall bind, and inure to the benefit of, the parties to the lease agreement, and their respective heirs, executors, administrators, and successors.

14. **INDEMNIFICATION.** The Government, in the manner and to the extent provided by the Federal Tort Claims Act (28 U.S.C. § 2671-2680), as amended, shall be liable for, and shall defend and hold the Lessor harmless from claims for damage or loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, employees and agents in the use of the Premises.

15. **INGRESS/EGRESS.** Lessor hereby grants to the Government, its contractors and other duly assigned personnel, the right of ingress and egress (both vehicular and pedestrian) necessary or convenient for the installation, use, maintenance, repair, operation, and replacement of Government-owned equipment across Lessor's property.

16. **GOVERNMENT INSPECTION.** The Government reserves the right, at any time after the lease agreement is signed and during the term of the lease, to inspect the Premises and all other areas of the Premises to which access is necessary to ensure a safe and healthy work environment for the Government tenants and the Lessor's performance under this lease agreement.

17. **PERFORMANCE FAILURE.** If Lessor fails to cure or remedy any failure to perform any service, to provide any item, or meet any requirement of the lease within thirty (30) days of Government's written notice to Lessor, Government may deduct any cost incurred for the service or item, including administrative costs, from rental payments or Government may perform the service, provide the item, or meet the requirement, either directly or through a contract.

18. **DESTRUCTION OF SPACE.** If all or any part of the improvements located on (or constituting a part of) the Leased Premises are destroyed or damaged by any casualty during any Term of this Lease Agreement, Lessee will promptly commence and thereafter prosecute diligently to completion the restoration of the same to the condition in which the destroyed or damaged

portion existed prior to the casualty. Lessee will perform such restoration with at least as good workmanship and quality as the improvements being restored. Notwithstanding the foregoing provisions of this paragraph to the contrary, if all of such improvements are wholly destroyed by any casualty or are so damaged or destroyed that, in Lessee's good faith judgment reasonably exercised, it would be uneconomic to cause the same to be restored (and Lessee shall give written notice of such determination to Authority within ninety (90) days after the date the casualty occurred), then Lessee shall not be obligated to restore such improvements and this Lease Agreement shall terminate as of the date of the casualty, and Authority shall be entitled to receive and retain the insurance proceeds for the loss.

19. ANTI-DEFICIENCY ACT (31 U.S.C. § 1341, as amended). Nothing in this lease agreement shall constitute an obligation of funds of the United States in advance of an appropriation thereof.

20. INSURANCE. The Government is a self-insured entity.

21. TAXES AND ASSESSMENTS. The Government is not responsible or liable for any real property or personal property taxes, personal taxes, nor assessments levied or assessed upon or against the leased premises.

22. CONDITIONS OF USE. The Government is responsible for meeting all applicable Federal, State and local safety and other codes, and for obtaining all applicable Federal, State, and local permits, licenses, or other authorization required for operation of its equipment. .

23. EQUIPMENT INSTALLATIONS, MAINTENANCE, INTERFERENCE, AND REMOVAL. The Government is solely responsible for all costs connected with the installation and maintenance of all Government-owned equipment located on the Leased premises. Installation and operation of Government equipment shall be done according to applicable government codes and accepted industry standards.

24. WARRANTY. Lessor makes no warranty, express or implied, as to the suitability of the Premises for the Government's intended use or purpose and expressly disclaims any such warranty.

25. SUBLETTING/ASSIGNMENT. Government may not sublet or assign the leased premises.

26. SEVERABILITY. If any term or provision of this lease is held invalid or unenforceable, the remainder of this lease agreement shall not be affected thereby and each term and/or provision hereof shall be valid and enforced to the fullest extent permitted by law.

27. DISPUTES (DEC 1998). This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. § 601-613). Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

a. "Claim", as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Contractor seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph (b)(2) of this clause. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

b. (1) A claim by the Contractor shall be made in writing and, unless otherwise stated in this contract, submitted within 6 years after accrual of the claim to the Contracting Officer for a written decision. A claim by the Government against the Contractor shall be subject to a written decision by the Contracting Officer.

Contracting Officer.

(2) (i) The Contractor shall provide the certification specified in paragraph (d)(2)(iii) of this clause when submitting any claim exceeding \$100,000.

(ii) The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

(iii) The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable; and that I am duly authorized to certify the claim on behalf of the Contractor."

(3) The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim.

c. For Contractor claims of \$100,000 or less, the Contracting Officer must, if requested in writing by the Contractor, render a decision within 60 days of the request. For Contractor-certified claims over \$100,000, the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

d. The Contracting Officer's decision shall be final unless the Contractor appeals or files a suit as provided in the Act.

e. If the claim by the Contractor is submitted to the Contracting Officer or a claim by the Government is presented to the Contractor, the parties, by mutual consent, may agree to use alternative disputes resolution (ADR). If the Contractor refuses an offer for ADR, the Contractor shall inform the Contracting Officer, in writing, of the Contractor's specific reasons for rejecting the offer.

f. The Government shall pay interest on the amount found due and unpaid from (1) the date that the Contracting Officer

receives the claim (certified, if required), or (2) the date that payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in FAR 33.21, interest shall be paid from the date that the Contracting officer initially receives the claim. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided for in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.

28. LEASE ADMINISTRATION AND POINTS OF CONTACT. Administration of subject lease will be accomplished by: Commander, U. S. Coast Guard, Civil Engineering Unit Miami, Attn: Real Property, Attn: Mr. Paul Hewitt 15608 SW 117th Avenue, Miami, FL 33177 Phone (305) 278-6717

29. ASSIGNMENT OF CLAIMS (JAN 1986).

a. The Lessor, under the Assignment of Claims Act, as amended, 31 U.S.C. § 3727, 41 U.S.C. § 15 (hereafter referred to as "the Act"), may assign its right to be paid amounts due or to become due as a result of the performance by contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

THIS SPACE INTENTIONALLY LEFT BLANK

b. Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

c. The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such in writing.

(i) When the date for commencement of rent falls on the 15th day of the month or earlier, the initial monthly rental payment under this contract shall become due on the first workday of the month following the month in which the commencement of the rent is effective.

(ii) When the date for commencement of rent falls after the 15th day of the month, the initial monthly rental payment under this contract shall become due on the first workday of the second month following the month in which the commencement of the rent is effective.

30. This lease incorporates by reference the applicable clauses in GSA Form 3517B ("General Clauses"), with the same force and affect as if they were given in full text. Upon request, the Government will make the full text available or the full text may be found at <http://www.gsa.gov/leasingform>.

31. This lease succeeds lease number DTG82-05-L-8N3002.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Port of Corpus Christi

BY _____
(Signature) Owner

IN PRESENCE OF:

(Signature) (Address)

UNITED STATES OF AMERICA DEPARTMENT OF HOMELAND SECURITY UNITED STATES COAST GUARD

BY _____ Paul Hewitt, Real Property Contracting Officer
(Signature) (Official title)

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-J

Approve a Service Order with Rosengarten, Smith & Associates Inc., under Its Professional Services Master Agreement, for Sediment Testing Associated with the Maintenance Dredging of PCCA-owned Docks to be Included in the U.S. Army Corps of Engineers Galveston District's FY15 Maintenance Dredging of the Inner Harbor

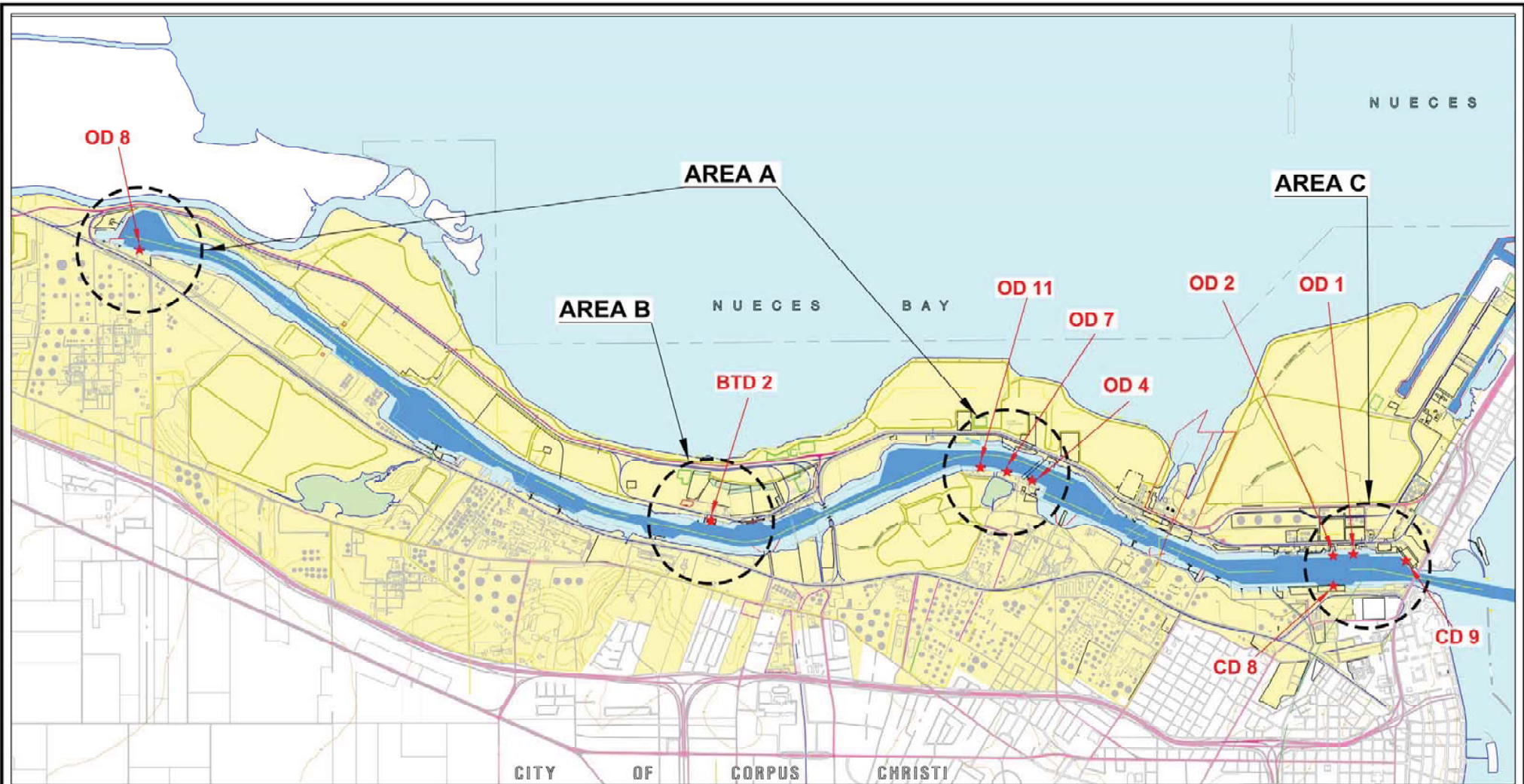
Later this year, the U.S. Army Corps of Engineers (USACE) will bid the maintenance dredging of the Inner Harbor reach of the Corpus Christi Ship Channel. The PCCA has requested that maintenance dredging of Oil Docks 1, 2, 4, 7, 8, 11; Cargo Docks 8 and 9; and Bulk Terminal Dock 2 be included in the USACE maintenance dredging contract. Plans and specifications are near completion, and a Memorandum of Agreement enabling the USACE to perform this maintenance dredging work for the PCCA is currently under negotiation.

The USACE recently implemented a new sediment testing policy for placement of non-federal dredged material that requires any dredged material proposed for placement into a federally-maintained dredge material placement area be characterized physically and chemically. Based on the need to secure USACE approval for placement of dredge material for the maintenance dredging of PCCA-owned docks, staff engaged Rosengarten, Smith & Associates, Inc. (RSA) to prepare a Sampling Analysis Plan (SAP) for USACE approval. The SAP, which summarized the planned sediment collection activities, analytical methods, target detection levels, and screening benchmarks has been submitted to the USACE and is expected to be approved. The proposed SAP includes 11 sampling locations in four areas as shown in the attached exhibit. RSA completed the SAP under a Service Order to their Professional Services Master Agreement in the amount of \$9,400.

To move forward with sediment testing, staff negotiated an additional Service Order in an amount not to exceed \$113,739 to provide the sampling and analytical services. The scope of work included in the Service Order will include collection and analysis of sediment, water, and elutriate samples as detailed in the SAP.

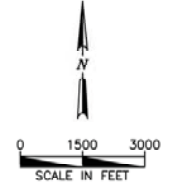
Staff recommends approval of a Service Order with Rosengarten, Smith & Associates Inc. under its existing Professional Services Master Agreement, to provide the sampling and analytical services, at a cost not to exceed \$113,739. Staff further recommends that the Director of Engineering Services be granted a 10% contingency should it be required for weather delays impacting drilling, additional requested drilling, or additional testing.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



- INNER HARBOR PORT RELATED DISTRICT
- SHALLOW WATERS
- DREDGED CHANNELS AND BASINS
- MAIN HIGHWAYS INTO PORT AREA

- LEGEND**
- **BTD 2** BULK TERMINAL DOCK
 - **CD 8** CARGO DOCK
 - **OD 1** OIL DOCK



RSA Rosengarten, Smith & Associates, Inc.

FIGURE 1
PROJECT LOCATION MAP
PORT OF CORPUS CHRISTI AUTHORITY
MULTI DOCK SITES IN INNER HARBOR
CORPUS CHRISTI, NUECES COUNTY, TEXAS

DRAWN BY:	KAM	PROJECT NO.	2912
CHECKED BY:	CAT	DATE:	11/26/14

BASE MAP SOURCE: PORT OF CORPUS CHRISTI AUTHORITY, NOVEMBER 14, 2014

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-K

**Approve the Purchase of Four (4) Vehicles from Caldwell Country Chevrolet,
One (1) Vehicle from Grapevine Dodge Chrysler Jeep, and
Seven (7) Vehicles from Sames Ford, the Lowest and Best Bidders
Based on Bid Received on January 30, 2015**

Each year, the PCCA budgets for the replacement of aging and worn vehicles in order to maintain a dependable and operational vehicle fleet. Staff reviews maintenance and repair records of the vehicle fleet to identify these replacement units. For 2015, staff identified ten vehicles that need replacement. In addition to these, staff identified the need for two additional new vehicles to meet the demands of the growing workforce. The 2015 Budget allocated \$380,000 towards this project to purchase 12 vehicles.

Vehicles identified for replacement are:

<u>Unit</u>	<u>Make</u>	<u>Model</u>	<u>Year</u>	<u>Mileage</u>	<u>Assigned To</u>
270	Ford	F-150	1999	77,950	BT/Maint.
280	Ford	F-150	1998	77,702	BT/Maint.
430	Ford	F-150	2003	55,791	BT/Maint.
382	Ford	Expedition	2009	177,452	P.D.
385	Ford	Expedition	2009	129,605	P.D.
387	Ford	Expedition	2009	150,975	P.D.
324	Ford	Expedition	2004	145,166	Operations
383	Ford	Expedition	2009	124,657	Exec. Dir.
384	Ford	Expedition	2009	142,994	Bus. Dev. Dir.
352	Ford	Expedition	2007	140,334	Eng.

On January 30, 2015, we received four responsive bids to our Notice to Bidders (see attached bid tabulation sheet). Of the 12 vehicles described in the bid specifications, four trucks were bid with the option of an alternate bid for a CNG or Biofuel vehicle. In keeping with the PCCA's efforts to reduce air emissions from our operations and as a stakeholder in the region's air quality, staff is recommending the purchase of the four CNG vehicles which will be used by the PCCA Maintenance Department. This would increase the PCCA's CNG fleet to five vehicles. The following table summarizes staff's recommendation for each of the 12 vehicles, totaling \$391,273.89.

Bid Item	Apparent Low Bidder	New Unit	Amount \$	Less For Trade In \$	Trade In Unit	Total Bid Amount \$
1	Caldwell Country	Pick Up	35,575.00	200.00	280	35,375.00
2	Caldwell Country	Pick Up	35,575.00	200.00	430	35,375.00
3	Caldwell Country	Pick Up	38,720.00	200.00	270	38,520.00
4	Caldwell Country	Pick Up	38,720.00	N/A	N/A	38,720.00
5	Sames Ford	Police SSU	30,222.85	5,000.00	382	26,974.85 ¹
6	Sames Ford	Police SSU	30,222.85	5,000.00	385	26,974.85 ¹
7	Sames Ford	Police SSU	30,222.85	5,000.00	387	26,974.85 ¹
8	Grapevine Dodge	SUV	30,327.00	2,800.00	324	27,527.00
9	Sames Ford	SUV	37,612.35	4,500.00	352	33,112.35
10	Sames Ford	SUV	37,612.35	N/A	N/A	37,612.35
11	Sames Ford	SUV	37,740.35	7,000.00	384	30,740.35
12	Sames Ford	SUV	47,090.60	16,000.00	438	33,367.29 ²

¹ includes \$1,752.00 for extended warranty
²with \$2,276.69 for Tax, Title, License, and Fees

Caldwell Country Chevrolet, Grapevine Dodge Chrysler Jeep, and Sames Ford dealerships are all located in the Corpus Christi area and have furnished vehicles to the PCCA in the past.

Staff recommends that a contract be awarded to Caldwell Country Chevrolet in the amount of \$147,990.00 for four CNG trucks, Grapevine Dodge Chrysler Jeep in the amount of \$27,527.00 for the purchase of one SUV, and Sames Ford in the amount of \$215,756.89 for the purchase of three police SSV units with extended warranty and four SUVs.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



BID TABULATION FOR PURCHASE OF VEHICLES
PROJECT NO.15-009A
Bid Opening: January 30, 2015 at 2:00 p.m.

Bid Items	Company Name			
	Grapevine Dodge Chrysler Jeep	Caldwell Country Chevrolet	Sames Ford	Access Ford
Bid Item 1^A				
Manufacturer	Ram	Chevrolet	Ford	No Bid
Model	DS1241	Silverado 1500 Double Ext Cab SWB CC15753	F150 S/Cab 4x2	
Bid Amount	\$22,675.00	\$22,545.00	\$26,890.63	
Less Trade-In	(900.00)	(200.00)	(1,000.00)	
Total for Bid Item 1	\$21,775.00	\$22,345.00	\$25,890.63	
Time of Delivery	65-80	90	80	
Alternate Bid Item 1^B				
Manufacturer	No Bid	Chevrolet	No Bid	No Bid
Model		Silverado 2500HD Double Ext Cab OEM CNG SWB CC25753		
Bid Amount		\$35,575.00		
Less Trade-In		(\$200.00)		
Total for Alternate Bid 1		\$35,375.00		
Time of Delivery		150		
Addendum No. 1, 2, & 3	Yes	Yes	Yes	
Bid Item 2^C				
Manufacturer	Ram	Chevrolet	Ford	No Bid
Model	DS1L41	Silverado 1500 Double Ext Cab SWB CC15753	F150 S/Cab 4x2	
Bid Amount	\$22,675.00	\$22,545.00	\$26,890.63	
Less Trade-In	(\$1,700.00)	(\$200.00)	(\$2,000.00)	
Total for Bid Item 2	\$20,975.00	\$22,345.00	\$24,890.63	
Time of Delivery*	65-80	90	80	
Alternate Bid Item 2^D				
Manufacturer	No Bid	Chevrolet	No Bid	No Bid
Model		Silverado 2500HD Double Ext Cab OEM CNG SWB CC25753		
Bid Amount		\$35,575.00		
Less Trade-In		(\$200.00)		
Total for Alternate Bid Item 2		\$35,375.00		
Time of Delivery		150		
Addendum No. 1, 2, & 3	Yes	Yes	Yes	
Bid Item 3^E				
Manufacturer	Ram	Chevrolet	Ford	No Bid
Model	DS6L91	Silverado 1500 Crewcab 4x4 CK15743	F150 4x4 Crewcab	
Bid Amount	\$28,375.00	\$28,445.00	\$32,758.63	
Less Trade-In	(\$1,500.00)	(\$200.00)	(\$1,000.00)	
	\$27,875.00			
Total for Bid Item 3	Corrected: \$26,875.00	\$28,245.00	\$31,758.63	
Time of Delivery*	65-80	120	80	
Alternate Bid Item 3^F				
Manufacturer	No Bid	Chevrolet	No Bid	No Bid
Model		Silverado 2500HD 4x4 Crewcab OEM CNG CK25743		
Bid Amount		\$38,720.00		
Less Trade-In		(\$200.00)		
Total for Alternate Bid Item 3		\$38,520.00		
Time of Delivery		150		
Addendum No. 1, 2, & 3	Yes	Yes	Yes	
Bid Item 4^G				
Manufacturer	Ram	Chevrolet	Ford	No Bid
Model	DS6L91	Silverado 1500 Crewcab 4x4 CK15743	F150 4x4 Crewcab	
Total for Bid Item 4	\$28,375.00	\$28,445.00	\$32,758.63	
Time of Delivery*	65-80	120	80	
Alternate Bid Item 4^H				
Manufacturer	No Bid	Chevrolet	No Bid	No Bid
Model		Silverado 2500HD 4x4 Crewcab OEM CNG CK25743		
Total for Alternate Bid Item 4		\$38,720.00		
Time of Delivery		150		
Addendum No. 1, 2, & 3	Yes	Yes	Yes	
Bid Item 5^I				
Manufacturer	No Bid	Chevrolet	Ford	No Bid
Model		Tahoe 4x4 SSV CK15706	Expedition 4x4 SSV	
Bid Amount		\$33,575.00	\$30,222.85	
Less Trade-In		(\$3,000.00)	(\$5,000.00)	
Total for Bid Item 5		\$30,575.00	\$25,222.85	
Time of Delivery		120	75	
Additive Bid Item 5A^J		\$1,445.00	\$1,752.00	
Addendum No. 1, 2, & 3		Yes	Yes	
Bid Item 6^K				
Manufacturer	No Bid	Chevrolet	Ford	No Bid
Model		Tahoe 4x4 SSV CK15706	Expedition 4x4 SSV	
Bid Amount		\$33,575.00	\$30,222.85	
Less Trade-In		(\$3,000.00)	(\$5,000.00)	
Total for Bid Item 6		\$30,575.00	\$25,222.85	
Time of Delivery*		120	75	
Additive Bid Item 6A^L		\$1,445.00	\$1,752.00	
Addendum No. 1, 2, & 3		Yes	Yes	

Bid Items	Company Name			
	Grapevine Dodge Chrysler Jeep	Caldwell Country Chevrolet	Sames Ford	Access Ford
Bid Item 7^M				
Manufacturer	No Bid	Chevrolet	Ford	No Bid
Model		Tahoe 4x4 SSV CK15706	Expedition 4x4 SSV	
Bid Amount		\$33,575.00	\$30,222.85	
Less Trade-In		(\$3,000.00)	(\$5,000.00)	
Total for Bid Item 7		\$30,575.00	\$25,222.85	
Time of Delivery*		120	75	
Additive Bid Item 7A^N		\$1,445.00	\$1,752.00	No Bid
Addendum No. 1, 2, & 3		Yes	Yes	
Revised Bid Item 8^O				
Manufacturer	Dodge	No Bid	Ford	2015 Ford
Model	Durango SXT Rear Wheel Drive		Expedition 4x2 XLT	Expedition 4/2 XLT
Bid Amount	\$30,327.00		\$34,956.35	\$34,362.00
Less Trade-In	(\$2,800.00)		(\$2,500.00)	(\$3,500.00)
Total for Bid Item 9	\$27,527.00		\$32,456.35	\$30,862.00
Time of Delivery*	75-100		75	87
Addendum No. 1, 2, & 3	Yes		No Acknowledgment	No Acknowledgment
Bid Item 9^P				
Manufacturer	No Bid	No Bid	Ford	No Bid
Model			Expedition 4x4 XLT	
Bid Amount			\$37,612.35	
Less Trade-In			(\$4,500.00)	
Total for Bid Item 9			\$33,112.35	
Time of Delivery*			75	
Addendum No. 1, 2, & 3			Yes	
Bid Item 10^Q				
Manufacturer	No Bid	No Bid	Ford	No Bid
Model			Expedition 4x4 XLT	
Total for Bid Item 10			\$37,612.35	
Time of Delivery*			75	
Addendum No. 1, 2, & 3			Yes	
Bid Item 11^R				
Manufacturer		Chevrolet	Ford	No Bid
Model		Suburban 4x2 CC15906	Expedition XLT EL 4x2	
Bid Amount		\$36,335.00	\$37,740.35	
Less Trade-In		(\$4,000.00)	(\$7,000.00)	
Total for Bid Item 11		\$32,335.00	\$30,740.35	
Time of Delivery*		120	75	
Addendum No. 1, 2, & 3		Yes	No Acknowledgment	
Bid Item 12^S				
Manufacturer		Chevrolet	Ford	
Model		Suburban 1500 LTZ 4x2 CC15906	Expedition Limited EL 4x2	
Bid Amount		\$49,995.00	\$47,090.60	
Less Trade-In		(\$13,500.00)	(\$16,000.00)	
Tax, Title, License, and Fees		\$2,580.00	\$2,276.69	
Total for Bid Item 12		\$39,075.00	\$33,367.29	
Time of Delivery*		90	75	
Addendum No. 1, 2, & 3		Yes	Yes	

* In calendar days

^ABID ITEM 1: Lump sum price for the purchase of two-wheel drive half-ton extended cab truck less trade-in 1998 Ford F-150 Truck (Unit #280).

^BALTERNATE BID ITEM 1: Lump sum price for the OEM CNG Or Bi-Fuel Two-Wheel Drive Extended Cab Truck less trade-in 1998 Ford F-150 Truck (Unit #280).

^CBID ITEM 2: Lump sum price for the purchase of two wheel drive half-ton extended cab truck less trade-in 2003 Ford Half-Ton Truck (Unit #430).

^DALTERNATE BID ITEM 2: Lump Sum price for the OEM CNG or Bi-Fuel Two-Wheel Extended Cab Truck less trade-in 2003 Ford Half-Ton Truck (Unit #430).

^EBID ITEM 3: Lump sum price for the purchase of four wheel drive half-ton crew cab truck less trade-in 1999 Ford F-150 Truck 4x4 (Unit #270).

^FALTERNATE BID ITEM 3: Lump Sum price for the OEM CNG or Bi-Fuel Two-Wheel Extended Cab Truck less trade-in 1999 Ford F-150 Truck 4x4 (Unit #270).

^GBID ITEM 4: Lump sum price for the purchase of four wheel drive half-ton crew cab truck.

^HALTERNATE BID ITEM 4: Lump Sum price for the OEM CNG or Bi-Fuel (CNG/Gasoline) Two-Wheel Extended Cab Truck.

^IBID ITEM 5: Lump sum price for the purchase of high occupancy four wheel drive police special service vehicle less trade-in 2009 Ford Expedition 4x4 (Unit #382).

^JADDITIVE BID ITEM 5A: Lump Sum price for the 4 year/100,000 mile (\$0 Deductible) Bumper to Bumper Extended Warranty.

^KBID ITEM 6: Lump Sum price for the purchase of high occupancy four wheel drive police special service vehicle less trade-in 2009 Ford Expedition 4x4 (Unit #385).

^LADDITIVE BID ITEM 6A: Lump Sum price for the 4 year/100,000 mile (\$0 Deductible) Bumper to Bumper Extended Warranty.

^MBID ITEM 7: Lump Sum price for the purchase of high occupancy four wheel drive police special service vehicle less trade-in 2009 Ford Expedition 4x4 (Unit #387).

^NADDITIVE BID ITEM 7A: Lump Sum price for the 4 year/100,000 mile (\$0 Deductible) Bumper to Bumper Extended Warranty.

^OBID ITEM 8: Lump Sum price for the purchase of high occupancy sports utility vehicle less trade-in 2004 Ford Expedition 4x4 (Unit #324).

^PBID ITEM 9: Lump Sum price for the purchase of high occupancy four wheel drive sports utility vehicle less trade-in 2007 Ford Expedition (Unit #352).

^QBID ITEM 10: Lump Sum price for the purchase of high occupancy four wheel drive sports utility vehicle.

^RBID ITEM 11: Lump Sum price for the purchase of high occupancy sports utility vehicle less trade-in 2009 Ford Expedition (Unit #384).

^SBID ITEM 12: Lump Sum price for the purchase of high occupancy sports utility vehicle less trade-in 2012 Ford Expedition (Unit #438).

Tabulated By: David L. Krams, P.E.

Checked By: Eileen Mink, EIT

Checked & Prepared By: Melinda Maldonado

Date: January 30, 2015

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-L

**Award Contract to Robstown Hardware, the Lowest and Best Bidder
Based on Bids Received on January 30, 2015, for the
Purchase of Three (3) Utility Vehicles**

The Bulk Terminal currently utilizes a 1998 Kawasaki 4-wheeler and a 1989 Honda 4-wheeler and the Maintenance Department utilizes two 1991 and 1992 Kawasaki mules for their operations. These open air utility vehicles are old and require frequent maintenance. Staff included \$37,000 in the 2015 budget to purchase three replacement vehicles. The new utility vehicles will have cab enclosures to protect drivers from outdoor elements as well as a cargo bed to haul tools and materials. In addition, the Maintenance Department intends to outfit the new 6-wheeled utility vehicle with a large herbicide tank and pump to support and more efficiently carry out the PCCA's herbicide program.

On January 30, 2015, we received four responsive bids to our Notice to Bidders (see attached bid tabulation sheet). Robstown Hardware was the apparent low bidder for all three utility vehicles. Bid Item 1 is for a John Deere Gator TH 6x4 utility vehicle for the Maintenance Department in the amount of \$12,220.00, which includes an \$800 trade-in value for the existing 1991 Kawasaki mule and \$800 trade-in value for the existing 1992 Kawasaki mule. Bid Items 2 and 3 are for John Deere HPX 4x4 utility vehicles for the Bulk Terminal, each in the amount of \$10,180.00, which includes a \$500 trade-in value for the existing 1989 Honda 4-wheeler and a \$500 trade-in value for existing 1998 Kawasaki 4-wheeler. The Robstown Hardware dealership is located in the Corpus Christi area and has furnished utility vehicles and tractor mowers to the PCCA in the recent past.

Staff recommends that a contract be awarded to Robstown Hardware in the amount of \$32,580.00 for the purchase of one John Deere Gator TH 6x4 utility vehicle and two John Deere HPX 4x4 utility vehicles.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



**PURCHASE OF UTILITY VEHICLES
PROJECT NO.15-008A
Bid Opening: January 30, 2015 at 3:00 p.m.**

Bid Items	COMPANY			
	Valley Equipment Sales	Gulf Tractor	Briggs Equipment	Robstown Hardware
Bid Item 1^A				
Manufacturer	No Bid	John Deere	No Bid	John Deere
Model		Gator TH76x4 Gas		TH6x4 Diesel
Bid Amount for Bid Item 1		\$14,762.00		\$13,820.00
Less Trade-In (Unit #213)		(\$500.00)		(\$800.00)
Less Trade-In (Unit #214)		(\$500.00)		(\$800.00)
Total for Bid Item 1		\$13,762.00		\$12,220.00
Time of Delivery		30		60
Addendum No 1		X		No Acknowledgment
Bid Item 2^B				
Manufacturer	Bobcat	Kubota	Cushman	John Deere
Model	3400	RTV X900 G-H Diesel	4x4 1600XD	HPX 4x4
Bid Amount for Bid Item 2	\$14,093.88	\$14,840.00	\$16,800.00	\$10,680.00
Less Trade-In (Unit #187)	\$0.00	(\$500.00)	(\$75.00)	(\$500.00)
Total for Bid Item 2	\$14,093.88	\$14,340.00	\$16,725.00	\$10,180.00
Time of Delivery*	90	30	4/12/2015	90
Addendum No 1	X	X	X	X
Bid Item 3^C				
Manufacturer	Bobcat	Kubota	Cushman	John Deere
Model	3400	RTV X900 G-H Diesel	4x4 1600XD	HPX 4x4
Bid Amount for Bid Item 3	\$14,093.88	\$14,840.00	\$16,800.00	\$10,680.00
Less Trade-In (Unit #266)	\$0.00	(\$500.00)	(\$75.00)	(\$500.00)
Total for Bid Item 3	\$14,093.88	\$14,340.00	\$16,725.00	\$10,180.00
Time of Delivery*	90	30	4/12/2015	90
Addendum No 1	X	X	X	X

* In calendar days

^ABID ITEM 1: Lump sum price for the purchase of 6-wheel utility vehicle less trade-in 1991 Kawasaki Mule KAF450 Unit #213 and 1992 Kawasaki Mule KAF450 Unit #214.

^BBID ITEM 2: Lump Sum price for the purchase of utility vehicle less trade-in 1989 Honda TRX 300 Unit #187.

^CBID ITEM 3: Lump sum price for the purchase of utility vehicle less trade-in 1998 Kawasaki KLF 220-A11 Unit #266.

Tabulated By: David L. Krams, P.E.

Checked By: Jacob Morales, P.E.

Checked & Prepared By: Melinda Maldonado

Date: January 30, 2015



Port of Corpus Christi Authority Purchase of Utility Vehicles

Proposed 6-Wheeled Unit



Trade-in Units





Port of Corpus Christi Authority Purchase of Utility Vehicles

Proposed 4-Wheeled Unit



Trade-in Units



DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-M

Ratification of Six Applications to the Texas Commission on Environmental Quality Rebate Grant Program for the Replacement of PCCA Heavy-Duty Diesel Equipment

The Texas Commission on Environmental Quality's (TCEQ Texas Emission Reduction Plan (TERP) program provides financial incentives to eligible individuals, businesses, or local governments to improve air quality through the replacement or repowering of vehicles and equipment. On February 9, 2015, the TCEQ is expected to announce the availability of funds under a Rebate Grants Program for the purchase of diesel non-road equipment replacements. This is a simplified reimbursement grant that is a first-come, first-served opportunity. The reimbursement is for the incremental cost for replacement minus the scrap value of the equipment being replaced and can be up to 80% of the replacement costs.

The PCCA is a participant in the Regional Air Quality Committee, is a stakeholder in Ozone Advance, and cooperates in voluntary activities to reduce the contribution of ozone from port operations and activities. The Port Commission recently approved the funding of an Emission Inventory of port operations and construction equipment in the region. Since the EPA has announced that the ozone standard will be lowered, staff feels that this grant is an opportunity that will help achieve the PCCA's environmental obligations. Staff has also been working with port customers through the PCCA Environmental Management System program to address leaking equipment used for cargo handling operations in the port area. Much of the leaking and some air quality issues originate from aged equipment that needs to be replaced. Therefore, staff is developing a Clean Equipment Program for implementation in the port area, which will work towards replacement of the old and leaking equipment. The PCCA fleet has some older equipment that does not meet current engine emission standards.

In order to take advantage of this grant opportunity, staff is recommending replacement of this older equipment in the PCCA's fleet ahead of the implementation of the Clean Equipment Program. Therefore, staff has submitted six applications under the TERP Emissions Reduction Incentive Grant program for reimbursement for the purchase of new equipment to replace the older equipment still remaining in the PCCA's fleet, most of which was not budgeted this year for replacement. In expectation of the grant announcement, staff is soliciting bids for replacement of six forklifts—three in use at the Bulk Terminal and three in use at the Maintenance Facility. The equipment is currently scheduled to be presented for award at either the March or April 2015 commission meetings. At that time, the PCCA will know the amounts of any grants awarded to the PCCA, can decide whether to accept the grant award(s), and determine which equipment should be replaced.

Given the opportunity presented by this grant program and staff's current practice for seeking Commission approval before submitting grant applications, staff recommends Commission ratification for the six reimbursement grant applications to the TCEQ TERP program. Should the Commission elect not to ratify staff's action, the applications can easily be withdrawn.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 18-N

**Approval to Apply for Texas Commission on Environmental Quality
Purchase of Compressed Natural Gas Reimbursement Grants**

As a stakeholder in the region's air quality, the PCCA is working to reduce air emissions from our operations. One such way is through the use of alternatively fueled vehicles and equipment. Historically, the PCCA fleet included propane-powered equipment that could be used on Ozone Action Days when the use of gasoline-powered equipment was discouraged. However, replacements for the propane-powered equipment and vehicles have recently been hard to find since compressed natural gas (CNG) is now the more prevalent and preferred alternative fuel source. Staff evaluates and pursues potential grant opportunities that will enable us to efficiently and cost-effectively add alternative fueled equipment and vehicles to our fleet. The PCCA currently has in its fleet one pickup truck powered by CNG, and included on this Commission Agenda is staff's request for the purchase of four additional pickup trucks powered by CNG.

The Texas Commission on Environmental Quality's (TCEQ) Texas Emission Reduction Plan (TERP) program provides financial incentives to eligible individuals, businesses, or local governments to improve air quality through the replacement of or repowering vehicles and equipment. One of the current financial incentives offered through the TERP program is the Light-Duty Motor Vehicle Purchase or Lease Incentive (LDPLI) Program which is a first-come, first-served opportunity offering up to \$2,500 per vehicle for the purchase of CNG powered vehicles. The TCEQ continues to provide financial incentives of this type for the purchase of vehicles powered by CNG.

Staff recommends approval for staff to submit applications to the TCEQ through the TERP program for the purchase of CNG vehicles as they become available and as CNG vehicles are approved for purchase.

LEAD CONTACT: David Krams; 885-6134; krams@pocca.com



AGENDA MEMORANDUM
for the Port Commission Meeting of
February 17, 2015

DATE: February 17, 2015

FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 19

EXECUTIVE DIRECTOR'S REPORT

INDUSTRY DESALINATION

The Port Industry effort to develop a viable seawater desalination plant continues to make good progress. In early January, the desal technical committee finished the interview process and recommended the firm Freese and Nichols for the role of Owners Representative. This recommendation was reviewed and approved by the Port Industry Stakeholders on January 16th. City staff has begun the process of negotiating a scope of work with Freese and Nichols.

On February 5th, the Port Industry stakeholder committee met at the port office and received an overview of the contracting and completion process and schedule (regarding the Freese and Nichols contract) from Mark Van Vleck with the city. The stakeholder committee also reviewed the specific issues that Freese and Nichols needed to perform. The stakeholder committee decided to meet monthly (first Thursday) to receive a regular progress update. The technical committee will meet as often as needed to facilitate the process with Freese and Nichols and keep the stakeholders committee informed. Finally, the stakeholder committee decided on the group's rules and procedures including leadership, quorum requirements, proxies and the overall decision-making process.

The next meeting for the Port Industry stakeholder committee will be held on March 5th.

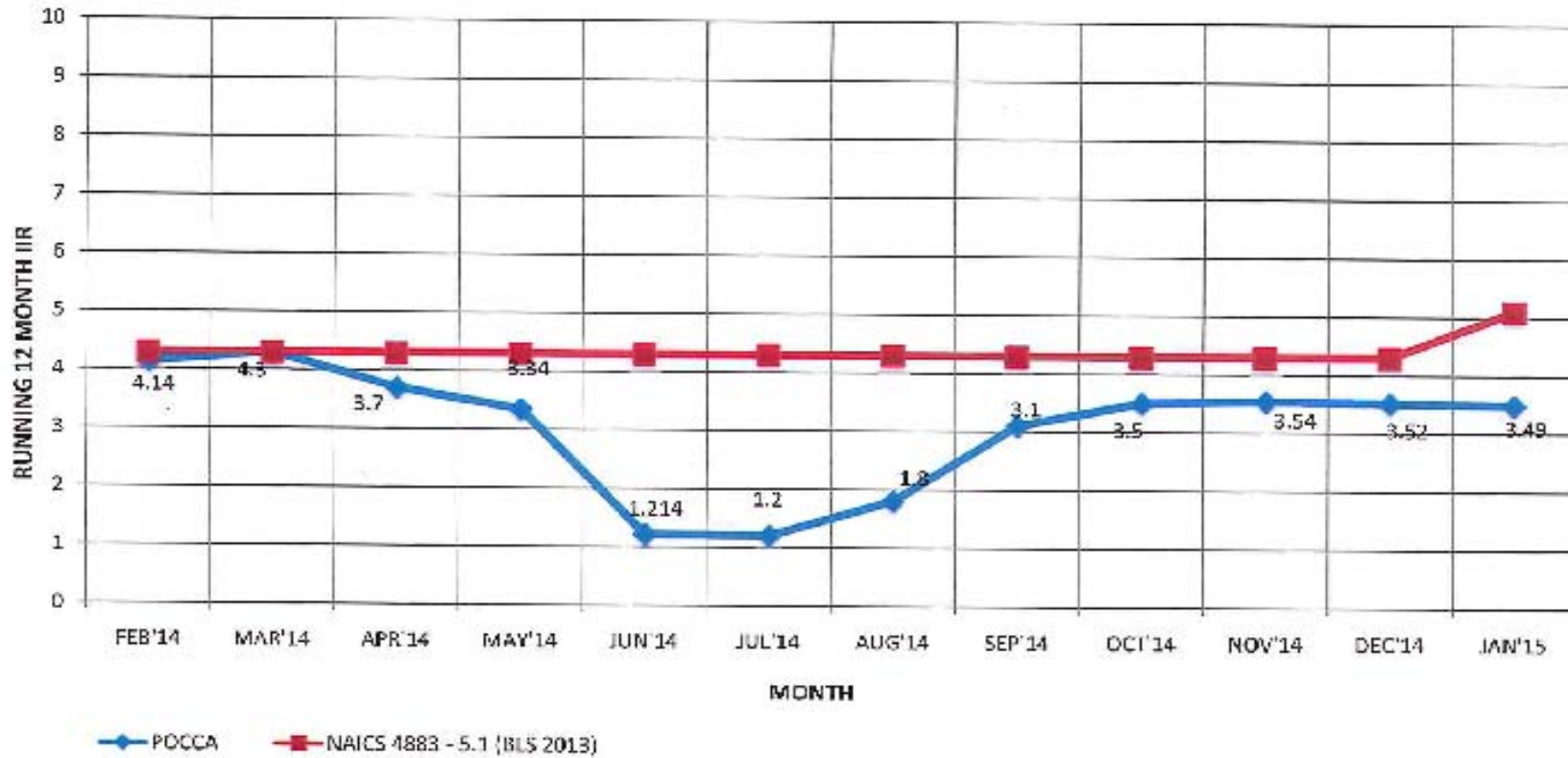


Port of Corpus Christi Authority

Monthly Safety Data Report
December 2014

Safety	POCCA Employees Total		BMD Operations		Maintenance Operations		PD Operations		Administration Operations	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Number of Employees	184		23		40		48		73	
Hours Worked	25,487	341,024	3,788	49,629	4,872	64,171	7,083	82,240	9,743	116,153
First Aid Cases	1	11	0	2	0	5	1	1	0	0
Recordable Injuries	0	6	0	1	0	2	0	0	0	0
Recordable Illnesses	0	0	0	0	0	0	0	0	0	0
Lost Workday Cases	0	1	0	0	0	0	0	0	0	0
Number of Days Lost	0	18	0	0	0	0	0	0	0	0
Restricted Cases	0	0	0	0	0	0	0	0	0	0
Number of Days Restricted	0	0	0	0	0	0	0	0	0	0
TOTAL RECORDABLES	0	6	0	1	0	2	0	0	0	0
INCIDENT RATE (As of 1-1-14)		3.52		4.03		6.23		0.00		0.00
Types of Injuries										
Slips/Trips/Falls	0	5	0	1	0	2	0	1	0	1
Struck By	0	1	0	1	0	0	0	0	0	0
Strains/Sprains	0	2	0	0	0	1	0	1	0	0
Cuts/Lacerations/Punctures	0	4	0	0	0	2	0	1	0	1
Back Injuries	0	0	0	0	0	0	0	0	0	0
Heat Stress	0	1	0	0	0	1	0	0	0	0
Insect Bites	0	0	0	1	0	1	0	0	0	0
Other	1	4	0	1	0	1	1	1	0	0
TOTAL	1	17	0	4	0	8	1	4	0	2
Days Since Last Lost Time Case	Hours Since Last Lost Time Case		Days Since Last Recordable Injury/Illness			Hours Since Last Recordable Injury/Illness				
102	816		59			472				
Date of Last Lost Time Case	Date of Last Recordable		12 Month Rolling Average							
Friday, September 25, 2014	Saturday, November 08, 2014		January 2014 - December 2014:				341,021 Hours Worked			
			Occupational Injury/Illness Rate:				3.52			

12 MONTH AVG OSHA Injury/Illness RATE February 2014 - January 2015



COMMUNICATIONS

January Events with Employee Participation:

- Visit Martin Mid Stream
- Support visit reporter from Japan TV Station
- Planning meeting for GPAA in CC
- Planning meetings for Nueces River Yard Grand Opening
- START Meeting in Laredo
- Frank's Retirement
- Wellness meeting & monthly luncheon
- Various Positive Engagement Campaign meetings
- Port Organization Study meeting
- Mastermind Committee Mtg.
- Port Commission Mtg. and special Port Commission meeting
- CVB monthly meeting
- American Diabetes Board Meeting
- Boys & Girls Club Board Meeting
- VCS Board Meeting
- Bridge Walk
- Wellness Committee Board Meeting
- Hector P. Garcia (The Next 100 Years) Luncheon
- Fire Extinguisher Training

Upcoming Events with Employee Participation:

- Rise & Shine Walk/Run
- Bridge Walk
- RomeWay Walk/Run
- Goodwill Spring Walk/Run
- Rail Ribbon Cutting
- MS Walk
- March of Dimes
- Conquer the Coast
- Casa Walk/Run

Multimedia Coverage For January:

- New Marketing Media Management
 - PortOfCorpusChristi.com
 - Our Broadcasts/SEACASTS news feed stories are original content; written to inspire organic growth with search engines.
 - [*Visionary Leader Announces Retirement*](#)
 - [*voestalpine Texas construction at La Quinta Trade Gateway progresses quickly*](#)
 - [*Efficient Logistics for Energy Diversification*](#)
 - [*Sailing towards record cargo numbers as oil prices decline*](#)
 - [*Refrigerated warehouse purchased by Colombian Sister Port*](#)

- Website Analytics (January 1-31, 2015) Starting 2015 out strong. Website views and new users are way up.

- 11,971 Sessions
- 28,686 Page Views
- 7,210 Unique Users

- User Profiles

1. United States	11,088	92.62%
2. India	129	1.08%
3. China	94	0.79%
4. United Kingdom	75	0.63%
5. Canada	58	0.48%
6. Mexico	47	0.39%
7. Colombia	41	0.34%
8. Germany	34	0.28%
9. Russia	29	0.24%
10. Philippines	27	0.23%

- Top Traffic Sources

<u>Source</u>	<u>Sessions</u>	<u>%New Sessions</u>
▪ Direct	5,598	46.07%
▪ Organic Search	5,210	70.12%
▪ Referral	1,090	46.15%
▪ Social	73	84.93%

- Social Media – Consistent organic growth continues
 - Facebook (January 1 – 31, 2015)
 - 318 Likes
 - 3,663 Total Reach (Organic)
 - Twitter
 - 702 Followers
 - 12 Retweets
 - 10 Favorites
 - 21 Replies
 - 6,000 Impressions (Organic)
- Photo/Video/Documentary
 - 2015 Directory portraits
 - People Move Our Port (PMOP)
 - New Employee photos
 - Heavy Lift cargo for voestalpine at Inner Harbor and La Quinta
 - Japanese NHK network television
 - Commission meeting
 - Inner Harbor Ops
 - Frank Brogan retirement gatherings
- Media, Marketing & Community Relations
 - Coordinating images and manuscript with Paul Scott Abbott for 2015 Directory
 - Coordinate with Japanese NHK broadcasting
 - Coordinate media for several January communications pieces

- Media Advisories/Press Releases
 - Port Santa Marta - Cold Storage 01-15
 - New Commissioner Squires 2015
 - JFC Temporary Road Closure 1-24-2015
 - 2015 Port Commission Executive Officers
 - Canales YWCA Award 01-15
 - New Commissioner 2015
 - Frank Brogan Retirement 1-2015
 - Safety Manager CSP - ASP certifications 1-2015
- Media Mentions/Web Stories
 - 37 (See attached PortCCNews1_2015)

January Marketing – MDR:

In January, the Communications Department continued refining the recently launched PeopleMoveOurPort.com site and scheduling additional interviews with community members such as Jonas Chupe with voestalpine. We are in the midst of planning a Grand Opening celebration for the Nueces River Rail Yard Phase I completion. Like many staff members, the Strategic Plan Action Teams are forming to begin developing tactics to implement the Strategic Plan objectives.

January 2015 Media/ Editorial Focus /Ad Content:

- AAPA Member Directory/ The Port of the Lone Star State
- *Dry Cargo International* /Breakbulk/US Gulf Powerful Partners for Progress
- *Expansion Solutions Magazine* Logistics /Top 5 Ports/ Ready for the Big Haul and the Long Haul
- *Heavy Lift* / Oil & Gas / Need a lift?
- *Journal of Commerce*/ Annual Review & Outlook /The Port of the Lone Star State
- NASCO/ Annual Review & Outlook/ The Port of the Lone Star State
- *Todo Logistica*/ Foreign Trade & Logistics Guide/ Mejoramos su Cadena Logística
- aapa-ports.org/ Homepage Banner /The Port of the Lone Star State.TM
- drycargomag.com /Right Rail Banner /The Port of the Lone Star State.TM
- expansionsolutionsmagazine.com /Homepage Banner /South Texas is Going Strong...Come Grow With Us

February 2015 Media/ Editorial Focus /Ad Content:

- *American Journal of Transportation* /Foreign Trade Zones /Powerful Partners for Progress
- *International Transport Journal* Breakbulk/Heavy Lift/Rail/Wind Take a load off.
- *Logistics Management* /US Ports Update /The Port of the Lone Star State.
- aapa-ports.org/ Homepage Banner /The Port of the Lone Star State.
- americaneconomia.com /eNewsletter Sponsor /Su Puerto en Texas.
- ajot.com /Run of Site Banner /Ready for the big haul.
- expansionsolutionsmagazine.com /Homepage Banner /Come Grow With Us.
- latintrade.com /Daily eNewsletter Sponsor /Mejoramos su cadena logística.

Current Marketing Developments:

- START Initiative
- 2015 Media
- Various Media and Community Ads
- Account Advising
- People Move Our Port Campaign
- Nueces River Rail Yard Grand Opening
- Strategic Plan Action Team
- Kids Video





Audience Overview

Dec 1, 2014 - Dec 31, 2014

All Sessions
 100.00%

 + Add Segment

Overview



Sessions 10,871	Users 6,292	Pageviews 23,357
Pages / Session 2.15	Avg. Session Duration 00:02:15	Bounce Rate 56.20%
% New Sessions 49.26%		



Country	Sessions	% Sessions
1. United States	9,629	88.58%
2. Mexico	106	0.98%
3. India	98	0.90%
4. Brazil	81	0.75%
5. United Kingdom	69	0.63%
6. Canada	63	0.58%
7. Italy	50	0.46%
8. China	48	0.44%
9. Spain	48	0.44%
10. Peru	43	0.40%

GOVERNMENT AFFAIRS

During January 2015, Government Affairs promoted and protected port and regional interests at the local, state and federal levels of government.

LOCAL

- Attended Corpus Christi Chamber of Commerce Government Affairs committee meeting to prepare for upcoming legislative session/Coastal Bend Day in Austin.
- Planning port briefings for new elected officials.
- Met with TXDOT District Engineer and port staff to discuss the Port's overweight permit authority/legislation.

STATE

- Attended 84th Texas Legislative Session opening day and met with state delegation.
- Held meetings with consultants to discuss legislative priorities.
- Lt. Governor Patrick announced Senate committee assignments in January. Senator Juan Hinojosa was selected to serve as Vice Chair of the Finance Committee. Other committee assignments include Ag, Water and Rural Affairs Committee, Criminal Justice Committee, Natural Resources and Economic Development Committee and Legislative Budget Board.

FEDERAL

- Held port briefing to discuss COE issues with Congressman Filemon Vela and staff. A boat tour was provided by Port Police Department.
- Worked with congressional offices and consultants regarding approval of the widening and deepening component of the Corpus Christi Ship Channel project.
- Participated in numerous AAPA conference calls regarding next steps/strategy to obtain full funding of the Harbor Maintenance Trust Fund and how funds should be distributed by state once appropriated.
- Working with congressional offices and consultants to monitor FY 2016 Budget, Surface Transportation Reauthorization, National Freight Policy provisions, Harbor Maintenance Trust Fund reform, Port Security Grant Program funding, etc.
- A new Congress returned to Washington in January to begin the 114th Session.



MEMORANDUM

To: Nelda Olivo
From: Hugo Berlanga
Re: January Activity Report
Date: February 2, 2015

Below, please find an update on issues of interest to the Port. Also, please find a brief summary of those activities conducted by Berlanga Business Consultants on behalf of the Port:

Lt. Governor Dan Patrick said the mandate from the voters for the legislative session was to lower taxes, reform education, fund transportation, protect life and to secure the border. Patrick also said it will be the senators who will drive the session's agenda. Comptroller Glenn Hegar announced the revenue estimate for the 2016-2017 biennium at \$113 billion.

Speaker Joe Straus (R-San Antonio) was re-elected Speaker of the House with a vote of 127 to 9. The House recorded a roll call vote after Straus was challenged by Rep. Scott Turner (R-Frisco), a roll call vote had not occurred in 40 years. In another historic vote, the Texas Senate did away with the two-thirds rule in favor for a three-fifths rule as the threshold to debate bills.

Sen. Robert Nichols (R-Jacksonville), chairman of the Senate committee on Transportation, intends to file a joint resolution to dedicate the sales tax on automobiles to transportation funding. Nichols also indicated support to ending the diversion of funds out of the state gas tax and using the Texas Emissions Reduction Plan fund to fund projects to relieve congestion, such as metered lights on various freeway ramps. Nichols also said he would not support vehicle sales tax revenue to fund toll projects. Both the House and Senate presented their budget proposals. The House version increased spending by only .2% more than the current budget and increases general revenue spending by 4%. The House version does not draw any funding from the Economic Stabilization Fund (Rainy Day Fund). Under this plan the \$98.8 billion will be funded by the general revenue fund and the total budget proposal will spend \$202 billion in both state and federal dollars.

The Senate's plan appropriates \$205 billion over the biennium, roughly \$101.4 billion in general revenue. The plan is a 6.6% increase over the current biennium. In addition, the Senate's budget proposal calls for \$4 billion in tax cuts, \$3 billion in property taxes and \$1 billion in franchise taxes. The plan invests more funds in roads, border security, and funding enrollment growth for public education. Under the Senate's plan appropriates \$205 billion over the biennium.

Lt. Governor Patrick announced committee assignments for the Senate:

Committee on Transportation

- Chair: Robert Nichols (R-Jacksonville)
- Vice Chair: Don Huffines (R-Dallas)
- Rodney Ellis (D-Houston)
- Troy Fraser (R-Horseshoe Bay)
- Sylvia Garcia (D-San Antonio)
- Bob Hall (R-Edgewood)
- Kelly Hancock (R-Tarrant)
- Lois Kolkhorst (R-Brenham)
- Van Taylor (R-Plano)

Committee on Veteran Affairs

- Chair: Donna Campbell (R-New Braunfels)
 - Vice Chair: Konni Burton (R-Tarrant)
 - Brian Birdwell (R-Hood)
 - Sylvia Garcia (D-San Antonio)
 - Bob Hall (R-Edgewood)
 - Eddie Lucio Jr. (D-Cameron)
 - Jose Rodriguez (D-El Paso)
-
- Attended the Legislative Ladies Club Dinner/Dance for all State Representatives in Austin on January 12, 2015;
 - Attended meeting with the Railroad Commission in Austin on January 27, 2012;
 - BBC will continue to work with Port staff to coordinate all legislative lobbying efforts;
 - BBC will continue communication with the members and staff of Senate IGR, Senate Natural Resources, Senate State Affairs, the Lt. Governor's office and House Transportation & Speaker's Office;
 - BBC will continue to send notices regarding meetings and articles of interest to the Port via fax and/or e-mail.

**Memorandum for Nelda Olivo
Director of Government Affairs, Port of Corpus Christi Authority**

From: **Brian Yarbrough and Janiece Crenwelge**
Date: February 6, 2015
Re: Activities on behalf of Port Corpus Christi during January 2015

January 2: Conversation with Don Forse, Chief of Staff to outgoing Senator Bob Deuell, about the Senate Committee on Economic Development interim report. Committee will recommend that the Legislature set a regular schedule for the State Auditor's Office to audit major economic development programs, including the Texas Enterprise Fund and Major Events Trust Fund.

January 6: Forward notice of Harbor Bridge Final EIS

[Texas Department of Transportation](#)

[Notice of Availability: Final Environmental Impact Statement \(Final EIS\) Harbor Bridge, Nueces County, Texas](#)

Note: The public comment period on the environmental impact statement has been extended to January 20, 2015. The original notice of availability, published in the Texas Register on Dec. 5, stated that the comment period ended January 4, 2015. In the following issue of the Texas Register on Dec. 12, the department corrected the January 4th date to January 5, 2015. Now, they've extended the comment period to January 20, 2015.

January 12: Research legislative history of SB 18 by Estes, 82R-2009, to determine the effect on the San Patricio Rural Rail Transportation District for failure to submit a letter claiming eminent domain authority prior to December 31, 2012. Research whether the rail district's eminent domain powers are special powers or granted by general law.

January 13: Legislative meeting and issues briefing with Nelda Olivo in Austin regarding oversize/overweight permits, eminent domain restrictions emanating from SB 18, 82R, and the Texas Ports Association. Capitol visits to members of the Port's delegation: Sen. Judith Zaffirini, Sen. Chuy Hinojosa, Rep. Abel Herrero, Rep. Todd Hunter, Rep. J.M. Lozano. Discussions with Matt Lamon, chief of staff for Rep. Lozano, and Lynn Spencer and Becky McMillon with the San Patricio EDC regarding eminent domain authority of the San Patricio Rural Rail Transportation District.

January 14: Brief meeting with Rep. J.M. Lozano regarding eminent domain issue for the rural rail district. Legal research on Transportation Code, Section 172.157, relating to Rural Rail Transportation Districts.

January 15: Meeting with Noe Barrios, chief of staff for Sen. Craig Estes, re: SB 18 by Estes, 82R-2009.

January 16: Forward report and recommendations of the Joint Interim Committee to Study a Coastal Barrier System to John and Nelda.

January 21: Prepare memorandum to Texas Legislative Council requesting analysis of conflict of laws on eminent domain created by SB 18, 82R-2009. Teleconference with Matt Lamon, office of Rep. J.M. Lozano, regarding same.

January 22: Teleconference with John LaRue, Frank Brogan, Brett Flint (new engineer at Port), and TXDOT District Engineer Lonnie Gregorcyk regarding issuance of oversize/overweight vehicle permits on Port-owned and maintained roads and on state highways in the Port to facilitate cargo movement between Nueces and San Patricio Counties.

January 23: Phone call with Nelda Olivo regarding draft legislation to allow for issuance of oversize/overweight permits on a state highway in Nueces County and to and from Joe Fulton International Trade Corridor.

January 26-30: Schedule meetings for Commissioners Barbara Canales and Richard Valls, John LaRue, Nelda Olivo, and Hugo Berlanga with Port delegation for Monday, February 2.

January 29: Circulate response from Legislative Council: the San Patricio Rural Rail Transportation District does not have eminent domain authority because it failed to submit a letter stating its authority prior to December 31, 2012.

January 1-31: Daily review of, and legal research on, proposed legislation affecting Port of Corpus Christi. Weekly transmission of current bill tracking list to John LaRue and Nelda Olivo on filed legislation.

BORSKI ASSOCIATES, LLC

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Suite 1101
Washington, DC 20005
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MEMO

To: Port of Corpus Christi
From: Borski Associates
Date: February 3, 2015
Re: Monthly Report

Channel Improvement Project

We participated in meetings with House and Senate staff regarding the Army Corps of Engineers approach to the deepening and widening of the Port of Corpus Christi Ship Channel. Staffers from the House and Senate Appropriations Committees expressed frustration with the Army Corps arbitrary decisions regarding how to treat “separable” project elements. They advised us to continue to argue the project’s merits with the Army Corps and to encourage the Corps to discuss the project with OMB to get a better understanding of OMB’s review.

Additionally, we provided talking points to John LaRue in advance of his meeting with Congressman Vela’s Chief of Staff. We also provided comments on a letter to Vice President Biden’s Assistant Director of Policy.

Surface Transportation

Several ideas are being floated to address the rapidly shrinking Highway Trust Fund, which will become insolvent sometime in the late Spring or early Summer. However, nearly every idea involves some sort of tax increase, which is an anathema to House Republicans. Additionally, most neutral observers believe that not only with the Highway Trust Fund need additional revenues for solvency, but that it will also require supplementary funds to keep up with our national infrastructure maintenance needs. The next few months will be critical to determining how this Congress decides to prioritize transportation and, most importantly, how to pay for it.

President’s Budget

The President will release his budget on February 2nd. We will review and provide updates on issues of importance to the Port of Corpus Christi.

BUSINESS DEVELOPMENT

- In 2014 PCC had one of the best years handling import and export wind cargo components. For 2015, we anticipate to increase wind energy volumes by 15%. Solely in January, we had three vessels arriving with blades and towers. In addition, we received one unit train with wind blades for export to South America.
- We were invited to participate within a panel in the “Crude by Water Summit” which took place in Houston. In attendance, vessel and tug companies as well as oil drilling and distribution entities. PCC’s strategic location, the increase in outbound flows of “sweet crude” and what we are doing to cope with barge-ship congestions were a key questions presented to us.
- We hosted two days of meetings with Colombian, Mexican executives and local Freight Forwarders-Shipping Agents. We met to define responsibilities on the start-up logistics for the Liner Service project. In attendance: two from Barranquilla Port / Palermo-Terminal, one from Compas Group / Cartagena-Tolu Ports, three from DeepBlue / Ship Agents-Commercial within all Colombian ports and one from Mex-Gal Group as the entity who will be investing in providing the multipurpose vessels for the intended Liner Service. Thus, Mexico’s investors compromised to have the Shipping Line registered, with the respective maritime authority, in the USA, Mexico and Colombia within the next 90 days.
- As to plant-project and general cargo scenarios, our docks were busy as well. We handled six vessels with construction and heavy machinery components for future manufacturing plants in the vicinity of PCC. Some of the components were offloaded from vessel onto barge as they were too large and heavy for road-truck delivery.
- The pipe shipments from the Far East continue to arrive with over six thousand tons delivered in January. However, frac sand shipments, via barge and rail were not as active as in past months, other than at the Lehigh facility.
- On the Port Tariff 100-A & Bulk Terminal Tariff 1-A proceeded to publish the changes made to Items 285 and 300 depicting “qualified towing barges” charges. And continue supporting billing for accurate wind component dimension wharfage fees.
- Met with an important oil-pipe manufacturer in Houston to work on the logistics for the expected arrival of over 40 thousand tons to PCC within this year.
- In San Antonio we met with the VP- Ocean Services from one of the top Global Freight Forwarders. Presently, they already have operations in Colombia. The VP is interested in increasing import / export container movements once we have the Liner Service in place. He foresees cost and logistics advantages for handling containers to/from San Antonio via this Port.

- Within the second week of January we received the visit from Santa Marta's Port Executive Director as well as their CFO and Legal Council. They attended the bidding ceremony for the refrigerated warehouse. They presented the highest/best bid and won. As such, the refrigerated building will be completely disassembled, transported via vessel to Santa Marta Port, Colombia and re-assembled within such location. They anticipate having the warehouse down and crated for shipment within the next three months. Then, it will take another three months to assemble and operational by September. The facility will be used to handle export bananas for USA East Coast and European destinations. The Santa Marta's Port "new" reefer facility will be named "Port Corpus Christi".
- Participated within PCC's Strategic Plan – Action Plans meetings and preparing the key components to develop for a successful implementation.
- Received the visit from one of our Class I rail executives to work on the transport logistics for cargoes expected within this year. We are anticipating large volumes of drilling pipe towards northern Mexico destinations and rail will be a key component.
- There are a few entities seeking to transport, in bulk, large quantities of aggregates (gravel / lime stone) from Mexico. Two companies met with us to find out if they can import, via ocean barge or vessel, from 20 to 30-thousand tons of aggregates per month.
- Have a couple of entities interested in leasing property within Rincon to receive wet sand, via barge. Their plan is to invest in drying machinery-infrastructure and truck the sand to final destinations. We are evaluating the best and most profitable return before committing any property.

HUMAN RESOURCES

General:

- New Hires
 - Michael Stineman, Vessel Traffic Controller
 - Natasha Fudge, Project Engineer/Planner
 - Michael Lenortavage, Police Officer
- Drug/Alcohol Tests
 - (4) Pre-Placement Examinations
 - (4) Pre-Placement Drug/Alcohol
 - (11) Random
 - (1) Post Accident Drug/Alcoholnt drug/alcohol tests conducted.
- Meetings Held/Attended
 - Oil Industry Job Fair at American Bank Center.
 - 150 applicants inquired about Port
 - Nationwide Retirement Solutions Employee Meetings
 - Nationwide offers voluntary 457 retirement programs to local government employees
 - Human Relations
 - Recruitment
 - Staffing
 - Employee Development
 - Payroll Administration/Compensation

Contract Participation:

At the end of January 2015 (523) vendors were registered on the established E-Bid System web site for businesses doing and those wanting to do business with PCCA. Of the vendors registered (203) are Target Group Vendors. The Target Group Vendors are: Disadvantaged Business Enterprise (DBE), Historically Underutilized Business (HUB), Minority Business Enterprise (MBE), Woman Owned Business (WOB) and Small Business Enterprise (SBE).

**Port of Corpus Christi Authority
Organizational Chart
January 31, 2015**

DEPARTMENTS	Exempt	Non-Exempt	Temporary	Total
Executive Director	3	1	0	4
Human Resources	2	3	0	5
Managing Director	2	0	0	2
Engineering Services	18	4	0	22
Finance & Admin.	1	1	0	2
Accounting	3	6	0	9
Information Tech	8	0	0	8
Business Development	4	0	0	4
Communications	4	0	0	4
Operations	6	0	0	6
Maintenance	2	38	0	40
Harbormaster's Office	1	8	0	9
Bulk Handling Facility	3	20	0	23
Security/Police Dept.	4	46	0	50
TOTAL	61	127	0	188

E - EXEMPT

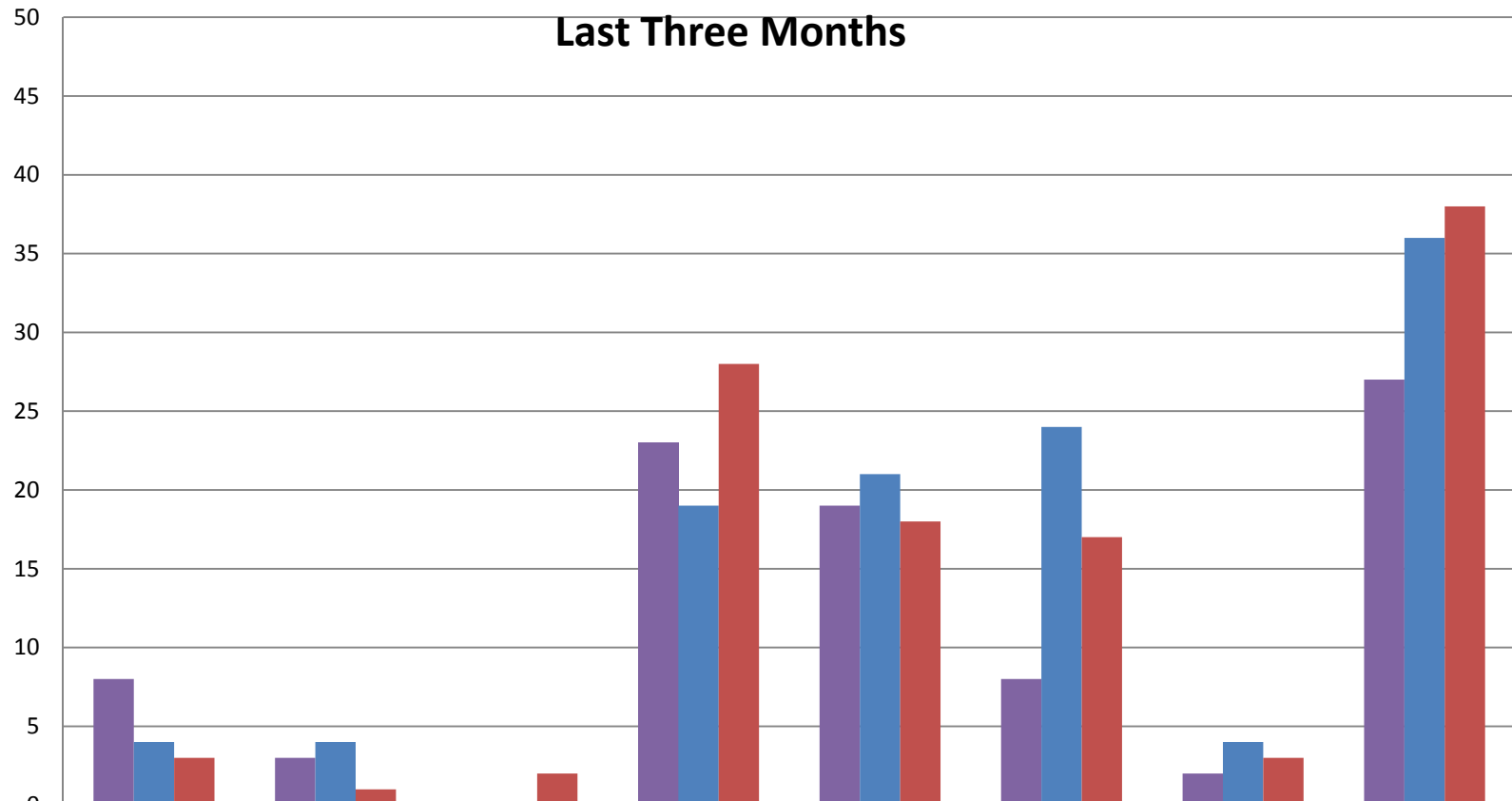
NE - NON-EXEMPT

H - HOURLY

T - TEMPORARIES

SECURITY

**2015 Port Police Calls - PICC
Last Three Months**



	Total Arrests	Subjects Taking Pictures (PC)	Security Breach (SB)	Suspicious Vehicle (UV)	Suspicious Persons (SU)	Suspicious Activity (SA)	Disturbance (DS)	Investigation / Other (OT)
■ 14-Nov	8	3	0	23	19	8	2	27
■ 14-Dec	4	4	0	19	21	24	4	36
■ 15-Jan	3	1	2	28	18	17	3	38

In accordance with Texas Code of Criminal Procedure (CCP) mandate, the following law enforcement agency racial profiling report is submitted. This report meets CCP and Texas Commission on Law Enforcement (TCOLE) requirements for our agency. It has been submitted and accepted by TCOLE in accordance with the report submission requirements.

**PORT OF CORPUS CHRISTI POLICE DEPT
Motor Vehicle Racial Profiling Information**

Number of motor vehicle stops:

1. 65 citation only
2. 1 arrest only
3. 0 both
4. 66 Total (4, 11, 14 and 17 must be equal)

Race or Ethnicity:

5. 3 African
6. 0 Asian
7. 26 Caucasian
8. 37 Hispanic
9. 0 Middle Eastern
10. 0 Native American
11. 66 Total (lines 4, 11, 14 and 17 must be equal)

Race or Ethnicity known prior to stop?

12. 0 Yes
13. 66 No
14. 66 Total (lines 4, 11, 14 and 17 must be equal)

Search conducted?

15. 1 Yes
16. 65 No
17. 66 Total (lines 4, 11, 14 and 17 must be equal)

Was search consented?

18. 0 Yes
19. 1 No
20. 1 Total (must equal line 15)

OPERATIONS

HARBORMASTER

<u>Ship Arrivals</u>					
<u>Tankers</u>	<u>January 2015</u> <u>Freighters</u>	<u>YTD Ships</u>	<u>Tankers</u>	<u>2014</u> <u>Freighters</u>	<u>YTD</u>
113	34	147	86	27	113

<u>Barge Arrivals</u>					
<u>Tank barges</u>	<u>January 2015</u> <u>Freight barges</u>	<u>YTD Barges</u>	<u>Tank barges</u>	<u>2014</u> <u>Freight barges</u>	<u>YTD</u>
431	58	557	511	32	534

<u>Shifting</u>					
<u>Tankers</u>	<u>January 2015</u> <u>Freighters</u>		<u>Tankers</u>	<u>2014</u> <u>Freighters</u>	
19	1		22	5	
<u>Tank barges</u>	<u>Freight Barges</u>		<u>Tank barges</u>	<u>Freight Barges</u>	
879	11		1061	37	

<u>Average Daily Vessel Arrivals</u>			
	<u>2015</u>	<u>2014</u>	
Ships:	4.74	3.65	
Barges:	17.97	17.52	

Channel Disruptions

2015

There were 76.17 hours of disruption. 76.17 hours due to fog. There were 19 inbound and 16 outbound delayed due to this weather disruption.

2014

There were 196.83 hours of channel disruption. 176.58 hours due to fog, 13.75 hours due to high winds, 4.75 hours due to a petroleum coke spill and 1.75 hours due to dredge break down at beacon 82. A total of 38 inbound and 41 outbound were delayed by these disruptions.

BULK TERMINAL

- Projects BT currently working on:
 - Replacing three-quarter belt covers with full belt covers
 - Dust control for all pads and roads
 - Preparing for pad resurfacing and paving projects
 - Replacing pans under the ship loader belt and CB# 5
 - Installing cable tray along CB# 2

- Current Activity
 - Railcars:
 - Load rail cars: 153 railcars loaded for a total of 16,572.60 Short Ton pet coke
 - Unload rail cars: 0 railcars unloaded for a total of 0 Short Ton pet coke
 - Bulk Dock #1:
 - 27,220.72 Shorts Tons Barite
 - 5456.44 Short Tons Alumina Slag
 - Bulk Dock #2:
 - 181,638.01 Short Tons Pet Coke
 - Pads:
 - 133,956.57 Short Tons Pet Coke
 - 19,411.00 Short Tons Sulfur

OPERATIONS COORDINATOR

- Insurance:
 - Work continues with PCCA legal counsel and Consultant regarding an indemnification matter. Resolution of this issue is ongoing.
 - Provided updated Statement of Values to the Port's insurance consultant for the Property renewal process.
- Port Damage Claims:
 - Total recovered to date (2010 – 2014) is \$71,008

MAINTENANCE

- Performed preventative maintenance (PM) on vehicles, safe boat and equipment at the Maintenance Department.
- Performed routine inspection and PM on lights, water outlets.
- Performed grounds keeping port wide.
- Performed monthly a/c service port wide.
- Over saw janitorial service on all port facilities.
- Repaired lights at the Nueces room at Ortiz Center.
- Replaced exhaust fan belts on AHU #1,5 and 6 at Ortiz Center.
- Cleaned up oil spill at Stroman entrance driveway 2 instances at guard house. Also 4 instances at Ave F guard house driveway.
- Repaired a/c evaporator leak at Admin Building.
- Repaired air grill damper at the Annex second floor.
- Removed and installed new cable for police boat lift.

- Repaired and replaced signs at JFITC road. They also repaired road at Rincon.
- Installed signs and barricades on North side of lift bridge on Navigation.
- Completed painting of fire piping in forward void room at fire boat.
- Completed Maintenance Department Admin office. Will be moving to our office on Tuesday morning.
- Installed Federal Trade Zone signs at building 26 and 27.

FOREIGN TRADE ZONE

- A meeting with zone operators and local Customs and Border Protection (CBP) officers was held on Thursday, January 15. CBP provided updates on some FTZ changes in procedure, compliance reviews, and updates on pending initiatives. Operators were reminded of pending deadlines for end-of-the year reports and required approval forms. The next meeting with Operators and Customs is scheduled for Thursday, March 19.
- Port has received approval for activation of Port warehouses for M&G use and FTZ Manager continues working with voestalpine and M&G on their FTZ site application packages.

ORTIZ CENTER

- The month of January is going to be another exceptional month for us here at the Ortiz Center. We entered the year in a great position with over \$778k in contracted bookings and almost \$500k in tentative and prospective client opportunities.
- Ovations' was very happy to report that the Ortiz Center generated sales for the month of December in excess of \$312k making this the highest top lines sales month in Ortiz Center history. We were also excited to report that we over doubled the Client Profit budget and hit our Top Line Sales Budget for 2014 as well.
- The change in sales strategy implemented last year has allowed us to increase building sales by 6.5% over budget and almost 3% over 2013. With the increase in Top Line Sales, we were able to derive operating efficient while increasing our ability to sponsor tables and offer significant discounts to non-profit social service groups, governmental and religious organizations throughout the year while still exceeding our financial goals for the year.
- We are also excited to report that we have increased our Client Satisfaction Scores to 93% based upon after event online surveys completed by our clients.

Below are 2014 totals and numbers to-date for 2015 activity

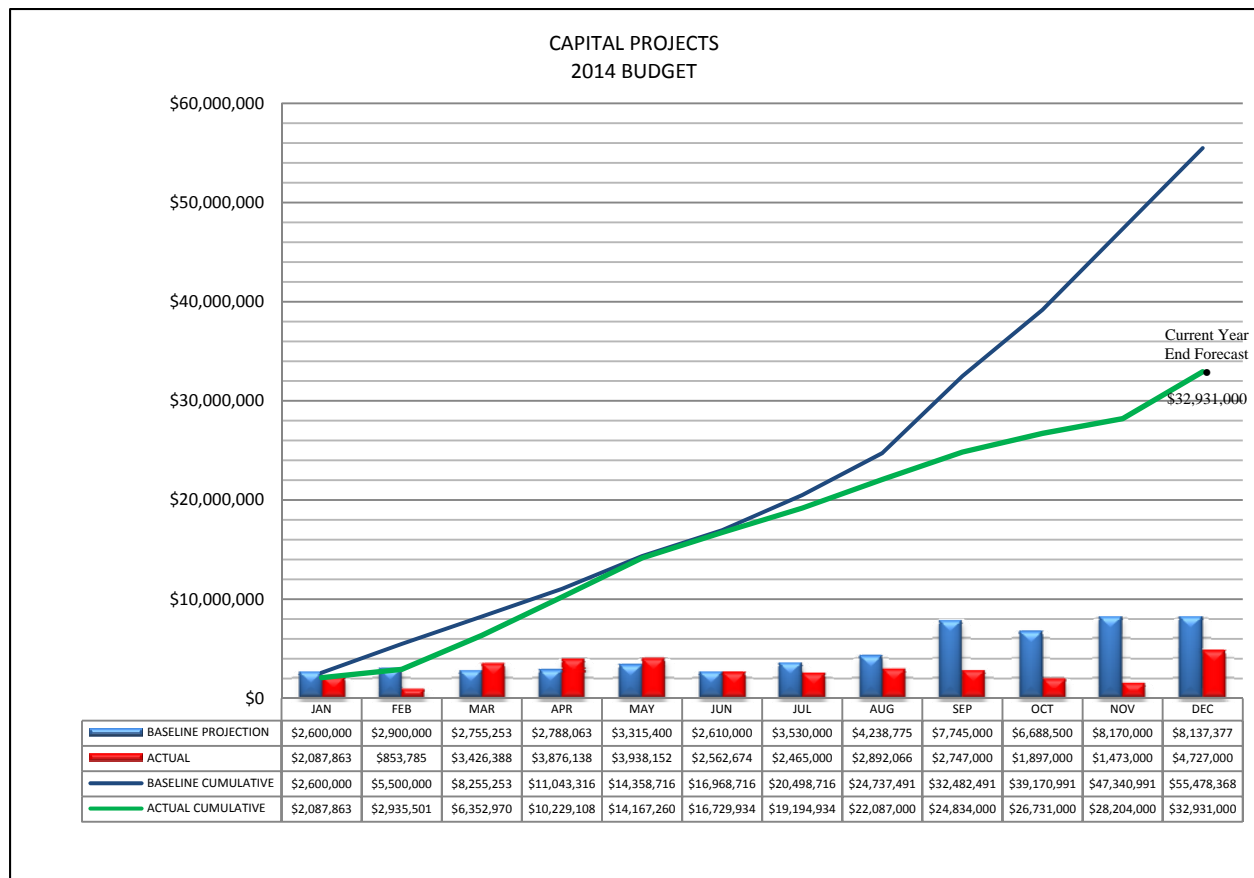
2014	Guest Attendance	Number of Events	Revenue	2015	Guest Attendance	Number of Events	Revenue
January	3,955	36	\$142,352	January	N/A	N/A	N/A
February	4,911	33	\$114,327	February			
March	4,086	38	\$127,300	March			
1st Quarter	12,952	107	\$383,979	1st Quarter			
April	6,953	53	\$216,269	April			
May	4,980	42	\$163,023	May			
June	2,878	39	\$128,631	June			
2nd Quarter	14,811	134	\$507,923	2nd Quarter			
July	3,290	44	\$132,152	July			
August	2,147	27	\$82,718	August			
September	3,766	29	\$144,026	September			
3rd Quarter	9,203	100	\$358,896	3rd Quarter			
October	5,838	50	\$190,869	October			
November	4,121	31	\$233,592	November			
December	3,897	44	\$312,556	December			
4th Quarter	13,856	125	\$737,017	4th Quarter			
Totals	50,822	466	\$1,987,815	Totals			

ENGINEERING SERVICES

This is the year-end report for the 2014 calendar year. In 2014, the Engineering Services Department completed 30 capital, 31 maintenance, and 11 professional service projects totaling \$15,587,000; 46 capital, 39 maintenance and 18 professional service projects of which \$22,663,000 has been expended remain active and will continue into 2015. Below is a table listing the total number of projects and sub-projects tracked or worked, total dollars budgeted and total spent in 2014. Also included is the 2015 Capital, Maintenance and Professional Services Budget for comparison.

Engineering Services 2014 Year-End Report				
Project Type	No. of Projects	2014 Budget Amount	Year End Expenditures	2015 Budget
Capital	107	\$55,478,368	\$32,931,000	\$86,431,786
Maintenance	48	\$3,685,000	\$4,001,000	\$7,155,000
Professional Services	52	\$2,010,000	\$2,597,000	\$2,004,500
Total	207	\$61,173,368	\$38,529,000	\$95,591,286

Below is a graph representing the 2015 Capital Project Budget and a forecast of monthly project expenditure of the capital projects throughout the year. An actual monthly project expenditure tracking line is included to follow the progress as the year develops.



The status of the following listed projects currently in progress is provided for your information:

CAPITAL PROJECTS

Security Grant Improvements Projects

Grant Thirteen: Funds have been released for the 2013 FEMA Security Grant projects to install an emergency generator on the Southside Cargo Terminal and to provide surveillance cameras to the La Quinta Ship Channel and Gulf Coast Intracoastal Waterway. The Notice of Award has been issued for the generator project. Port is finalizing plans and specifications for the construction of the La Quinta/GIWW project and bids are anticipated to be due February 26, 2015.

Nueces River Rail Yard – Phase I (09-037A)

The track A unit train siding has been placed into service to relieve rail congestion in the Port. The contractor is working on the punchlist items for Tracks B, C, D & E. The service road, fencing, topsoil and seeding remain to be complete on the Interchange Yard. Work has begun on the bike path along the south shore of Nueces Bay. The project is scheduled to be 100% complete in April. Mitigation construction was completed in 2013. Mitigation monitoring will continue for 5 years after closure of construction phase.

Nueces River Rail Yard – Phase II (13-043A)

CH2M Hill has begun work on the final design of the rail yard expansion plans. TxDOT has approved the design drawings. The contract documents and engineer's estimate have been delivered to TxDOT for their review. Environmental coordination with TxDOT is complete. Project is scheduled to begin bidding in March.

Permian Yard Drainage Improvements (09-041A)

Contractor has installed culvert under Navigation Blvd. and railroad. Contractor is working on area south of railroad. Project is 80% complete. Contractor has been stopped due to a Martin Midstream pipeline leak found in the work area.

Permian Yard Drainage Improvements – Phase II (09-041B)

Notice of Proceed was issued to BONCO, LLC. Contractor is currently mobilizing and ordering materials.

Tule Lake Public Barge Dock – Oil Dock 14 (13-032A)

The site has been cleared and the test piles have been installed.

West Barge Mooring Area (13-051A)

Contractor is presently commissioning dredger with USCG and dredging to begin early February. Shoreline revetment mats are on order.

Resurface Public Storage Pads (14-030A)

Freese & Nichols was selected as the consultant for the design phase. Design completion is scheduled for mid-late February 2015.

Construct 8" Water Line at La Quinta (14-045B)

Design is 50% complete to complete the water line loop to serve the PCCA's La Quinta property. Completion of final design is pending while easement is being coordinated and obtained by city of Portland.

New Fire Barge Dock (12-034A)

Design is being finalized for a dedicated berth for the Port's Fire Barge. This will be located at the west end of Cargo Dock 2 (Ortiz Center). COE permit has been approved. RVE is currently working on final design plan.

Replace Generator for VTIS at Harbor Island (14-048A)

The Notice to Proceed has been issued. Generator was delivered in January. Installation will take one week.

Northside Storage Yard Expansion (12-028A)

Project located just north of Cargo Dock 9. Contractor is 99% complete. Contractor is scheduling additional underground conduit for AEP. Original scope of work is complete, contractor working on change order to seed storm water ditch for the project.

Port Area Signage & Landscaping Improvement (14-039A)

Naismith Engineering has completed the preliminary study. Final design and construction is scheduled for 2015.

Gregory Relief Rail Bypass (14-040A)

Consultant negotiations are ongoing.

Replacement of Dock House on Oil Dock 10 (14-041A)

Design drawings and contract documents have been finalized. However, Oil Dock 10 customer (Flint Hills Resources) has requested that project be delayed until their substantial turnaround schedule has been executed, which will occur at the end of May 2015. Staff will be incorporating other dock improvements/repairs into this project contract.

New Port Office Facility (14-036A)

WKMC Architects is under contract to develop a program of requirements and preliminary site layouts. A second round of meetings has been completed with PCCA departments and input is being used to develop preliminary space documentation and comparative site layouts.

Construction of Multi-purpose Ship and Barge Dock & 15 Acre Storage Yard at La Quinta Gateway Terminal (14-037A)

Design began in mid September 2014. Anticipate design to be completed in mid-summer, 2015.

Oil Dock 3 Upgrades (14-058A)

Staff is preparing USACE permit application paperwork. Staff is currently receiving input from Customers to formulate final scope of work.

Remove Tule Lake Lift Bridge Foundations (07-046C)

An extension of time has been requested for the permit with the USACE and staff is preparing response to comments on EOT. A pre-solicitation meeting has been scheduled for mid-February.

Maintenance Building Relocation (14-061A)

WKMC Architects is under contract to evaluate current and anticipated space requirement. WKMC met with Operations/Maintenance to discuss space and operational needs and has presented preliminary site layouts. Site layouts are being refined based on PCCA comments.

Surplus Sale of Cold Storage Warehouse (14-062A)

Notice of Acceptance was sent to Texas Descon along with requesting the plan for dismantling and removing the building and Contractor's safety plan.

Inner Harbor Rail Upgrades and Improvements (14-016A)

Contractor has completed most of the track work with the exception of track #634 for which work is currently underway. Hot mix placement for area north of BMD-1 is planned for the beginning of February.

Design of New Public Oil Docks at Viola (14-044A)

HDR has submitted the conceptual design report. Staff is reviewing the report.

La Quinta Terminal Aquatic Mitigation (12-031A)

CHE has begun work on the design and preparing bid documents. Staff is anticipating advertising in February/March 2015.

MAINTENANCE PROJECTS

Maintenance Painting at Bulk Terminal (13-049A)

Maintenance painting is being performed at Bulk Terminal on an as needed basis.

Purchase of Dock Fenders and Panels (14-014A)

All bid items have been awarded and Notice to Proceed has been issued. Currently PCCA has received five of the eight fenders packages (bid items). All remaining items planned for delivery by end of February, 2015.

Roadways & Parking Lot Repairs (2014) (14-018A)

Project is complete. No further report will be made.

Inner and Outer Harbor Land Management (14-019A)

Project was awarded to Ram-Bro Contracting. Contractor has mobilized equipment.

ENVIRONMENTAL/PROFESSIONAL PROJECTS

Environmental Management System (14-025A)

Our EMS Program is ISO 14001 certified for the sixth year. Current initiatives under the EMS Program include measures to reduce spills and impacts to storm water runoff from our operations. During 2014, staff will be working with Port Customers to establish partnerships that promote the EMS Program. Port staff has initiated a partnership with Dix Fairway on training & awareness on the EMS program and environmental stewardship when loading and unloading cargos at the Public Docks and will initiate the same partnership with two other stevedores – Gulf Stream and Port Corpus Terminal. Other initiatives resulting from the EMS program include the Gulf Port’s Environmental Summit and the Growing Greener Initiative.

E2 Manage Tech was contracted to evaluate our compliance program. This project is complete and only a couple of items were noted, which staff has implemented. Trinity Consultants was contracted to oversee and facilitate the Internal Audit Program and serve as our lead auditor. An initial site visit was conducted and the internal audit occurred on May 28-30 and a Find & Fix audit occurred on September 17, 2014. The external audit occurred on July 29 and 30, 2014. Two observations and two minor non-conformances were issued and our certificate has been renewed for another year. Staff is correcting issues identified during all audits.

Request for Statement of Interest & Qualifications for 2015 Major and Minor Engineering/Architectural Projects (15-001A)

Staff is in the process of preparing the request of interest and qualifications for the consultant selection for the 2015 projects.

Widen CCSC and Additional Barge Shelves (14-043A)

Consultant has developed options and potential approvals to permit or authorize and fund. Draft planning matrix reviewed in July 2014. Path forward pending PPA to construct CCSC-CIP 52' project. PCCA pursuing amending La Quinta PPA and accelerating funds to widen upper bay of CCSC and construct barge shelves. USACE is completing an economic update to the LRR.

Underwater Inspections of Various Waterfront Facilities (14-035A)

RVE has completed underwater inspection field work for Oil Docks 2, 3, 10; Cargo Docks 1, 2, 8, 9; and Bulk Material Docks 1 and 2. RVE has provided PCCA with draft report for review. RVE has performed further inspections on OD-10 after some findings.

DREDGING

Channel Improvement Project (98-012A, 04-027A, 09-048B/C)

In November 2007, Congress passed WRDA of 2007 authorizing the Port’s Channel Improvement Project.

The project include in following improvements:

1. Widening the CCSC to 530' from Port Aransas to the Harbor Bridge.

2. Adding 200'-wide barge shelves on both sides of the ship channel across Corpus Christi Bay.
3. Extending La Quinta Channel by 7400' at a depth of -39' MLT.
4. Deepening all reaches of CCSC (excluding La Quinta) from -45' MLT to -52' MLT.
5. Constructing Ecosystem Restoration projects near Port Aransas and Ingleside on the Bay.

Project received congressional appropriation in FY2009 for the construction phase of the project, officially ending the Pre-Construction Engineering and Design phase. A Project Partnership Agreement (PPA) was executed in October 2009 for the La Quinta Channel Extension & Ecosystem Restoration. Construction of Contract No. 1 was completed in 2010 to construct DMPA 14. Fifty-eight million in federal funds were appropriated in May 2011 enabling the COE to solicit additional construction contracts. COE awarded two (2) contracts in September 2011; one to extend the La Quinta Ship Channel and the other to construct the Ecosystem Restoration project adjacent to Ingleside-on-the-Bay, Texas. The dredging associated with La Quinta Ship Channel Extension and the Ecosystem Restoration project is 100% complete.

Deepening and widening of the CCSC and the addition of barge shelves underwent re-evaluation and the studies were complete in early 2013. The re-evaluation confirmed these two project components are still in the Federal interest. The COE Director of Civil Works approved the re-evaluation report (all components) and recommended the project to Congress to increase the authorized project cost to \$344,610,000. The channel improvement project was re-authorized in May 2014 by the Water Resources Reform and Development Act of 2014. Based on guidance from OMB and the ASA, USACE is completing an economic update to the LRR. The target date for completion is December 2015.

ENGINEERING
MASTER AGREEMENTS & SERVICE ORDERS

Listed below are the Master Agreements implemented including values of Service Orders issued per year:

	2014	2015
HDR, Inc. (13-01)	\$793,500	
Freese and Nichols, Inc. (13-02)	\$407,191	
Govind Development, LLC (13-03)	\$249,450	
Naismith Engineering, Inc. (13-04)	\$45,000	
CH2M Hill (13-05)	\$2,613,470	
RVE, Inc. (13-06)	\$472,329	
LNV, Inc. (13-07)	\$105,500	
Lockwood, Andrews and Newnam, Inc. (14-01)	\$62,694	
Maverick Engineering (14-02)	\$58,000	
Coast & Harbor Engineering (14-03)	\$193,645	
WKMC Architects (14-04)	\$140,000	

**ENVIRONMENTAL
MASTER AGREEMENTS & SERVICE ORDERS**

Listed below are the Environmental Master Agreements implemented including Service Order Values:

	<u>2014</u>	<u>2015</u>
Golder & Associates (01-14)	\$45,300	
RPS, Inc. (02-14)	\$101,300	
Trinity Consultants (03-14)	\$44,000	
E2 Manage Tech (05-14)	\$82,043	
Apex Tritan, Inc. (06-14)	\$86,040	
RSA, Inc. (09-14)	\$178,958	

UPCOMING BID OPENINGS

Purchase of 6,000 lb. Heavy Duty Forklift (15-008B)
Security Grant 13 – La Quinta / GIWW Surveillance (13-054C)

February 9, 2015
February 26, 2015

AGENDA ITEM NO. 20

No Attachment

AGENDA ITEM NO. 21

No Attachment

AGENDA ITEM NO. 22

No Attachment