



**Notice of Meeting of the Port Commission of the
Port of Corpus Christi Authority of Nueces County, Texas, on
Tuesday, June 19, 2018, at 8:30 AM
At the Solomon P. Ortiz International Center
402 North Harbor Drive, Corpus Christi, Texas**

**The Agenda for this meeting of the Port Commission ("Commission") of the Port of
Corpus Christi Authority ("PCCA") is set forth below.**

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.

- 1. Call to Order**
- 2. Safety Briefing**
- 3. Pledge of Allegiance**
- 4. Invocation**
- 5. Receive Conflict of Interest Affidavits**
- 6. Governing Boards and Committees of Outside Organizations**

- 6.a. Appointment of PCCA's representative on the Robstown Improvement Development Corporation.

7. Minutes

- 7.a. Approve minutes of the May 15, 2018 Commission meeting.
[May 15, 2018 Minutes](#)

8. Public Comment (Each speaker is limited to 3 minutes.)

9. Committee Reports

- 9.a. Receive report from the Audit Committee.
- 9.b. Receive report from Capital Finance Committee.
- 9.c. Receive report from Long-Range Planning Committee.
- 9.d. Receive report from Office Building Committee.
- 9.e. Receive report from Security Committee.

10. Presentations

- 10.a. Receive project update from Gulf Coast Growth Ventures (GCGV).
- 10.b. Receive update by Cassidy & Associates.
- 10.c. Receive update on local elections from PCCA's Director of Government Affairs.
[Local Elections - Presentation](#)
- 10.d. Receive presentation on 2018 hurricane season preparedness from PCCA's Safety & Emergency Management Manager.
- 10.e. Introduction of Summer Interns.

11. Open Agenda

- 11.a. Approve 1st Quarter Financials.
[1st Quarter Financials](#)

- 11.b. Adopt a Resolution approving a Master Resolution establishing and authorizing the Port of Corpus Christi Authority of Nueces County, Texas Revenue Financing System, and a First Supplemental Resolution authorizing the issuance of \$102,000,000-Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A and a Second Supplemental Resolution authorizing the issuance of \$115,000,000 Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B; and authorizing other matters relating thereto.
[Master Resolution - Memo](#)
[Master Resolution](#)
[Financing System Resolution](#)
[First Supplemental Resolution](#)
[Second Supplemental Resolution](#)

- 11.c. Approve Amendment to Master Services Contract for FEMA Public Assistance Program Grant Management Services with Tetra Tech, Inc. in an amount of not-to-exceed \$250,000 for additional work related to Hurricane Harvey repairs.
[Tetra Tech - Memo](#)
[Tetra Tech - Amendment](#)

- 11.d. Approve Service Order No. 2 in the Amount of \$1,193,748 with HDR Engineering, Inc., under Master Services Agreement No. 18-04, for Engineering Services associated with the Final Design of New Oil Dock 22.
[HDR - Memo](#)
[HDR - Exhibit](#)
[HDR - Service Order](#)

- 11.e. Waive PCCA's standard insurance requirements in the proposed contract with The Partnership for executive coaching for PCCA's Chief Executive Officer.
[Partnership - Memo](#)

- 11.f. Approve a Net Deductive Change Order in the Amount of \$16,318.68 with W.T. Byler for the Nueces River Rail Yard – Phase II Project Related to Track A Extension.
[NRRY - Memo](#)
[NRRY - Exhibit](#)
[NRRY - Change Order](#)

- 11.g. Approve Increase to PCCA Tariff 100-A, Item 301 - Harbor Safety Fee, effective July 1, 2018.
[Harbor Safety Fee - Memo](#)
- 11.h. Amendment to Bulk Terminal Tariff 1-A Item 200 E (Wharfage Charges and Fees at Bulk Terminal Dock 3).
[Bulk Tariff - Memo](#)
[ITEM 200 E Dockman](#)
[Operator Agreement BD3 Exhibit E](#)

12. 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.*

- 12.a. Authorize Purchase of ten (10) In-Car Audio Video Recording Systems from WatchGuard Video, Allen, Texas in the amount of \$58,950 through FEMA Port Security Grant Program.
[WatchGuard Video - Memo](#)
[WatchGuard Quote](#)
- 12.b. Approve an Emergency Vehicle Access Road Easement with Maverick Terminals Corpus, LLC for a 16 Foot Wide Non-Exclusive Emergency Water Access Road from Maverick Terminals 41 acre Facility to the Chemical Turning Basin, Nueces County, Texas.
[Maverick Terminals - Memo](#)
[Maverick Terminals - Exhibit](#)
[Maverick Terminals - Agreement](#)
- 12.c. Approve a Leased Property Access Agreement by and between Best Bet Line Handlers, Inc., NuStar Logistics, L.P. and The Port of Corpus Christi Authority Granting NuStar a Non-Exclusive Easement to Best Bet Leased Premises located North of the Corpus Christi Turning Basin, Nueces County, Texas.
[Best Bet NuStar - Memo](#)
[Best Bet NuStar - Exhibit](#)
[Best Bet - NuStar - Lease](#)
- 12.d. Approve a Third Amendment of Lease Agreement with Gulf Compress, a Texas Cooperative to Change the Termination Date Pertaining to Corpus Christi Liquefaction, LLC 25.47 acre Laydown Site Located in San Patricio County, Texas.
[Gulf Compress - Memo](#)
[Gulf Compress - Exhibit](#)

[Gulf Compress - Agreement](#)

- 12.e. Approve a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to Extend the Term of the 25.47 acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.
[CC Liquefaction - Memo](#)
[CC Liquefaction - Exhibit](#)
[CC Liquefaction - Agreement](#)
- 12.f. Approve a three year renewal of Microsoft Enterprise Agreement for Office 365 email, office applications and server licensing in the total amount of \$130,749.09 with SHI Government Solutions through Texas DIR-TSO-4092.
[Microsoft Enterprise - Memo](#)
[SHI - Quote](#)
[Microsoft Enterprise - Agreement](#)
- 12.g. Approve Service Order No. 2 in the Amount of \$199,435 with CH2M HILL Engineers, Inc., under Master Services Agreement No. 18-08, for Design Phase Engineering Services Associated with Raising Levees at Good Hope Dredge Material Placement Area.
[CH2M - Memo](#)
[CH2M - Exhibit](#)
[CH2M - Service Order](#)
- 12.h. Approve a Professional Engineering Services Contract with Wood Environment & Infrastructure Solutions, Inc. for an amount of \$103,400 for Engineering and Consulting Services Related to Environmental Permitting.
[Wood - Memo](#)
[Wood - Contract](#)
[Desalination Locations](#)
- 12.i. Approve Service Order No. 9 in the Amount of \$10,660 with Platinum Environmental Solutions, LLC, Under Professional Services Master Agreement No. 10-16, for Environmental Consulting Services for Tule Lake Associated with the Ongoing Site Investigation.
[Platinum - Memo](#)
[Platinum - Service Order](#)
- 12.j. Reject bids received June 1, 2018 for Stockpile Management Project.
[Stockpile - Memo](#)
[Stockpile - Bid Sheet](#)
- 12.k. Approve an Increase in Contingency in the Amount of \$20,000 and Approve a Change Order with Haas-Anderson Construction Ltd. in the Amount of \$48,332.99 for the Rincon West Storage Area Development Project Associated with Providing 72,600 Square Yards of Prime Coat on the

Storage Yard.

[Haas Anderson - Memo](#)

[Haas Anderson - Exhibit](#)

[Haas Anderson - Change Order](#)

- 12.l. Approve Service Order No. 9 in the Amount of \$8,200 with Tricord Consulting, LLC, Under Professional Services Master Agreement No. 07-16, for Additional Environmental Consulting Services Related to the Permit By Rule Registration for Bulk Dock 3.

[Tricord - Memo](#)

[Tricord - Service Order](#)

- 12.m. Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electrical Service to Serve the Port of Corpus Christi Authority's Fire Water Pressurization Upgrades to Oil Dock 1, 2, and 15.

[AEP Fire Water - Memo](#)

[AEP Fire Water - Exhibit](#)

[AEP Fire Water - Agreement](#)

- 12.n. Authorize Interim Demolition Contracts with up to five demolition companies for the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

[Hillcrest - Memo](#)

[Hillcrest - Exhibit](#)

13. Executive Director, Chief Executive Officer and Commissioners' Comments

- 13.a. Receive Executive Director's Report and Chief Executive Officer's Report on upcoming community events, PCCA events and the activities of the following PCCA departments during the preceding month: business development, communications, community relations, engineering services, environmental management, government affairs, operations, security, and finance.

[ED & CEO Report](#)

- 13.b. Receive Commission comments on any of the agenda items for the meeting, the Port's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.

14. Recess Open Meeting and Convene Executive Session - *The Port*

Commissioners will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on PCCA's position in negotiations with a third person.

- 14.a. The Commission will go into executive session pursuant to §551.071 of the Texas Government Code to receive legal advice from its counsel in

connection with PCCA v. The Port of Corpus Christi. LP.

- 14.b. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate purchasing land in San Patricio County.

15. Adjourn

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
MAY 15, 2018**

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, May 15, 2018 at 8:00 a.m., for the regular monthly meeting of the Port Commission.

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

Present: Mr. John P. LaRue
Mr. Sean Strawbridge
Mr. Dennis DeVries
Mr. Jarl Pedersen
Mr. Kent Britton
Mr. Darrin Aldrich
Mr. Russell Cordo
Mr. Tyler Fuhrken
Ms. Sarah Garza
Mr. David Krams
Mr. Gilbert Acevedo
Ms. Lynn Angerstein
Mr. Eric Battersby
Mr. Bland Chamberlain
Ms. Audre Debler
Ms. Sherry DuBois
Mr. Sam Esquivel
Ms. Natasha Fudge
Mr. James Haley
Mr. T.J. Gonzalez
Mr. Erin Hall
Ms. Donna James-Spruce
Mr. Dan Koesema
Ms. Sonya Lopez
Ms. Leslie Ruta
Mr. Bennie Benavides
Ms. Jennifer Powell
Mr. Jesse Samu
Ms. Pamela Mota

Others Present:

Mr. Leo J. Welder, Jr.
Mr. Dane Bruun

Others Present:

Mr. Bob Paulison
Mr. Terry Arnold
Consultant
Mr. Xavier Valverde, Sr.
G&H Towing

US Coast Guard
Capt. Mike Kershaw
Consultant
Mr. William Goldston
ALEL
Ms. Darcy Schroeder
Valero
Mr. Tom Moore
Consultant
Mr. Kevin Miller
Mr. David Cave
CITGO
Mr. Richard Whiting
G&W
Mr. Joelle Francois
AECOM
Ms. Nancy Zuniga
Mr. Fred Dotts
MDR
Mr. Larry Perryman
Bay-Houston Towing
Mr. Sidney Faas
CH2M Hills
Mr. Daniel Korrs
Del Mar College
Ms. Melissa Pear
Welder Leshin
Mr. Rick Ott
San Patricio County
Mr. Ronald Berglund
Robstown Improvement District
Mr. Craig Rimsy
Wood
Mr. Carl Vander Merwe
GLR Industrial
Mr. Joelle Francois
Ms. Ashley Judith

Mr. Rod McCrary
Mr. Vijay Agranel
AECOM
Mr. Brock Wilson
Pe Ben USA
Mr. Foster Edwards
San Patricio EDC
Mr. Earl Ingram
GCCM
Mr. Lee Hunter
South Texas Cement
Mr. Dowel Nash
Mr. Mike Carrell
Frost Bank
Mr. Dan Goodman
Ms. Hillary Franke
Mr. Kenneth Statham
Orion Marine Group
Mr. John Frazier
McCarthy
Mr. Kyle McElroy
Mott MacDonald
Mr. Louis Klusmeyer
Berger ABAM
Ms. Chelsea Cook
ZJZ Hospitality
Mr. Scott Harris
LAN
Capt. Jay Rivera
Aransas-Corpus Christi Pilots
Mr. Jeff Pollack
MPO
Ms. Brigit Cook
Ms. Lashae Knuckendalle
Ms. Ana Fields
Collier Johnson & Wood
Mr. Kevin Gibson
Ms. Gayle Snyder
Signet Maritime
Mr. Curtis Rock
Rock Engineering
Mr. Howard Gillespie
San Patricio County
Mr. Tom Barker
Terracon

1. **Meeting called to order.**
2. **Safety briefing presented.**
3. **Pledge of Allegiance recited.**
4. **Invocation given.**
5. **Conflict of Interest Affidavits:** Ms. Canales submitted an affidavit for Item13a.
6. **Minutes.**
 - 6a. **Action:** On motion made by Mr. Squires and seconded by Mr. Bowers, the Commission approved the minutes of the April 17, 2018 Commission meeting in the form presented to the meeting.
7. **Public Comments:** No public comments were received.
8. **Committee Reports:**
 - 8a. **Audit Committee Report:** The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.
 - 8b. **Capital Finance Committee:** The Chairman of the committee reported that on the committee's activities since the last regular Commission meeting.
 - 8c. **Long-Range Planning Committee:** The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.
 - 8d. **Office Building Committee:** The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.
 - 8e. **Security Committee:** The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.
9. **Presentations:**
 - 9a. The Commission received an update from the Corpus Christi Regional Economic Development Corporation.
 - 9b. The Commission received a presentation from the Air Quality Committee.
 - 9c. The Commission received an update from the South Texas Military Facilities Task Force.

10. **Open Session Agenda:**

10a. Master Services Agreement and Service Order No. 1 with HDR Engineers, Inc. Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with HDR Engineers, Inc. (HDR) for professional engineering services on a service order basis and approval of Service Order No. 1 in an amount not to exceed \$92,000 for engineering services associated with Phase 1 of new Oil Dock 22.

Action: On motion made by Mr. Valls and seconded by Mr. Engel, the Commission approved Staff's recommendation.

10b. Master Services Agreement No. 18-06 and Service Order No. 1 with Wood Environment & Infrastructure Solutions: Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement No. 18-06 with Wood Environment & Infrastructure Solutions, Inc. for professional engineering services on a service order basis and Service Order No. 1 in an amount not to exceed \$283,000 to provide engineering and planning services associated with future development of a crude oil export terminal for loading very large crude carriers (VLCCs) on Harbor Island.

Action: On motion made by Mr. Squires and seconded by Mr. Valls, the Commission approved Staff's recommendation.

10c. Master Services Agreement and Service Order No. 1 with Terracon Consultants, Inc.: Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with Terracon Consultants, Inc. for professional engineering services on a service order basis and Service Order No. 1 in an amount not to exceed \$724,000 to provide geotechnical investigation services for the Corpus Christi Ship Channel associated with the Corpus Christi Ship Channel – Channel Improvement Project.

Action: On motion made by Mr. Valls and seconded by Mr. Squires, the Commission approved Staff's recommendation.

10d. Master Services Agreement and Service Order No. 1 with Rock Engineering and Testing Laboratory, Inc.: Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with Rock Engineering and Testing Laboratory, Inc. for professional engineering services on a service order basis and Service Order No. 1 in an amount not to exceed \$1,488,515 for geotechnical investigation services for the beneficial use and dredge material placement area sites associated with the Corpus Christi Ship Channel – Channel Improvement Project.

Action: On motion made by Mr. Valls and seconded by Mr. Squires, the Commission approved Staff's recommendation.

10e. Award a Design-Build Contract to Orion Construction LP for Design and Construction of Cargo Dock 16: Staff recommended that the Commission:

- Award a Design-Build contract to Orion Construction LP for the Base Bid and Additive Bid Item 2 for a total amount of \$17,862,592 for the design and construction of the new North Bank Cargo Dock (Cargo Dock 16), contingent on receipt of the letter of credit from GCCM Holdings, LLC described in GCCM's lease of the dock;
- Approve a deductive Change Order in the credit amount of \$300,000 to remove the environmental mitigation components of the work from the contract;
- Approve a \$200,000 allowance and approval to execute a Change Order, should it be needed, to compensate the contractor should the PCCA receive the required USACE approvals after October 1, 2018; and
- Approve contingency in the amount of \$535,877.76 (standard contingency of 3% for marine projects) should it be needed for the project.

Action: On motion made by Mr. Bowers and seconded by Ms. Canales, the Commission approved Staff's recommendation. Mr. Engel was not present in the room at the time of voting for this item.

10f. 2017 Comprehensive Annual Financial Report: The PCCA Comprehensive Annual Financial Report for the years ended December 31, 2017 and 2016 ("CAFR") was presented to the Commission for approval. The following reports to the Commission were included in the CAFR in connection with Collier, Johnson & Woods' audit of the financial statements in the CAFR:

- Independent Auditor's Report dated April 30, 2018, which said, "In our opinion, the financial statements [in the CAFR] present fairly, in all material respects, the financial position of the Port of Corpus Christi Authority as of December 31, 2017 and 2016, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America."
- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards* dated April 30, 2018, which said, (i) during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses, and (ii) the results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Accounting Standards*.
- Independent Auditor's Report on Compliance for each Major State Program and on Internal Control over Compliance in accordance with the State of Texas Single Audit Circular, which said, in our opinion, "The Port of Corpus Christi Authority complied, in all material respects, with the types of compliance requirements ... that could have a direct and material effect on each of its major state programs for the year ended December 31, 2017."

The Audit Committee recommended approval of PCCA's 2017 Comprehensive Annual Financial Report and acceptance of the auditor's reports.

Action: On motion made by Mr. Valls and seconded by Mr. Squires, the Commission approved the 2017 CAFR and accepted the auditor's reports. Mr. Engel was not present in the room at the time of voting for this item.

10g. 1st Quarter Investment Report: Staff recommended approval of PCCA's 1st Quarter Investment Report for 2018, in the form presented to the meeting.

Action: On motion made by Ms. Canales and seconded by Mr. Bowers, the Commission approved Staff's recommendation. Mr. Engel was not present in the room at the time of voting for this item.

10h. Approve Members of the Underwriting Syndicate: The Commission received a report from Estrada Hinojosa & Company (EHC) on the respondents to PCCA's Request for Proposals to provide Underwriting Services for the sale of revenue bonds under PCCA's 2018 Plan of Finance. EHC recommended that PCCA engage the following underwriters for this financing:

- Senior Manager: Wells Fargo
- Co-Managers
 - Citigroup
 - JPMorgan
 - Raymond James
 - Seibert Cisneros Shank
 - Frost Bank
 - ME Allison

Action: On motion made by Mr. Hoskins and seconded by Mr. Valls, the Commission approved EHC's recommendation. Mr. Engel was not present in the room at the time of voting for this item.

10i. Engagement letter with The Rangel Law Firm, P.C.: Staff recommended approval of an engagement letter with The Rangel Law Firm, P.C. to represent PCCA in the matter of *PCCA v. The Port of Corpus Christi, LP*.

Action: On motion made by Ms. Canales and seconded by Mr. Squires, the Commission approved Staff's recommendation. Mr. Engel was not present in the room at the time of voting for this item.

11. Consent Agenda: Mr. Hoskins moved the approval of the Consent Agenda Items by one vote (the "Consent Agenda Motion"), in accordance with the respective staff recommendations and agreements furnished to the Commission at the meeting. Mr. Squires seconded the motion and the motion passed without objection.

11a. By approval of the Consent Agenda Motion, the Commission approved the Third Amendment of Lease Agreement with voestalpine Texas Holding, LLC to change the termination date and restoration obligations pertaining to Corpus Christi Liquefaction, LLC 110-acre laydown site located in San Patricio County, Texas.

11b. By approval of the Consent Agenda Motion, the Commission approved a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to extend the term of the 100-acre laydown construction lease located at La Quinta Terminal to December 1, 2024.

11c. By approval of the Consent Agenda Motion, the Commission awarded a Construction Contract in the amount of \$69,167.00 to Russell Marine LLC, the lowest and best bidder based on bids received May 8, 2018, for the Cargo Dock 15 Fender Replacement Project.

11d. By approval of the Consent Agenda Motion, the Commission approved an Amendment to Professional Engineering Services Contract for additional services with W&M Environmental Group, LLC in an amount not to exceed \$15,000 for additional services.

11e. By approval of the Consent Agenda Motion, the Commission approved the purchase of a 2018 backhoe loader in the amount of \$75,064 from Doggett Heavy Machinery using government pricing from the State of Texas Buy Board Cooperative Program.

11f. By approval of the Consent Agenda Motion, the Commission approved the Texas Commission on Environmental Quality Air Permit Amendment Application fee in the amount of \$75,000 for the Bulk Terminal.

11g. By approval of the Consent Agenda Motion, the Commission approved the Amendment No. 1 to consulting Services Contract for additional services with Professional Services Industries, Inc. for an increase in allowable air monitoring hours to actual hours to complete asbestos abatement in support of the Hillcrest Demo Project retroactive to February 8, 2018.

11h. By approval of the Consent Agenda Motion, the Commission approved a Consulting Services Agreement with Starcrest Consulting Group, LLC in an amount of \$127,000 for development of a 2017 Port Emissions Inventory update.**11i.** By approval of the Consent Agenda Motion, the Commission approved an increase in contingency in the amount of \$200,000 and a Change Order with J.M. Davidson, Ltd in the amount of \$145,881.68 associated with the construction of the Bulk Liquid Handling Facilities at Bulk Terminal Dock 3.

11j. By approval of the Consent Agenda Motion, the Commission approved a Utility Easement with AccuTRANS Fleeting Services, LLC for an 8-inch waterline to AccuTRANS Fleeting Services, LLC leased premises located on the north side of Avery Point Turning Basin, Nueces County, Texas.

11k. By approval of the Consent Agenda Motion, the Commission approved the Freight Handler License for Pe Ben USA, Inc.

11l. By approval of the Consent Agenda Motion, the Commission approved a Temporary Access Easement for a dredge pipeline to the Tule Lake Dredge Material Placement Area in connection with the Tule Lake Lift Bridge Foundation Removal Project.

12. Executive Director Report, Chief Executive Officer Report, and Commissioners' Comments:

12a. The Executive Director and Chief Executive Officer submitted their reports on upcoming community events, PCCA events and activities of the following PCCA departments during the preceding month – Safety, Community Relations, Communications, Government Affairs, Business Development, Foreign Trade Zone, Ortiz Center, Human Resources, Security, Operations, Engineering Services, Finance, Real Estate, and Environmental.

12b. Mr. Zahn then asked for comments from the Commissioners.

13. Recess Open Session and Convene Executive Session: At 10:03 a.m., Mr. Zahn announced the Commission would go into executive session pursuant to §551.072, and §551.087 of the Texas Government Code to deliberate agenda items 13a, 13b, and 13c, which were described in the agenda of the meeting as follows:

13a. The Port Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate purchasing four separate tracts of land in San Patricio County from four different sellers.

13b. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate receive legal advice from its counsel in connection with *PCCA v. The Port of Corpus Christi LP*.

13c. The Commission will go into executive session pursuant to §551.087 of the Texas Government Code to deliberate offering financial or other incentives to certain business prospects that PCCA is encouraging to locate or expand in PCCA's territory and with which PCCA is conducting economic development negotiations.

14. **Reconvene Open Session:** The Chairman reconvened the meeting in open session at 12:38 p.m. to consider agenda item 14a.

14a. Master Services Agreement and Service Order No. 1 with AECOM Technical Services, Inc.: Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with AECOM Technical Services, Inc. for professional engineering services on a service order basis and Service Order No. 1 to prepare a Feasibility Study, Environmental Impact Statement, and ultimately receive the U.S. Army Corps of Engineers (USACE) requisite permits for a 75-foot deepening project in order to achieve the only onshore VLCC compliant facilities in the U.S. Gulf.

Action: On motion made by Mr. Engel and seconded by Ms. Canales, the Commission approved Staff's recommendation. Mr. Zahn and Mr. Bowers were not present during the time of voting on this item.

15. **Adjourn:** On motion duly made and seconded, the meeting was adjourned at 12:46 p.m.



Recent Election Results
Nelda Olivo
Director of Government Affairs



PORTCORPUSCHRISTI®



Alice

Mayor- Jolene B. Vanover

Council Member Place 1- Pete H. Crist

Council Member Place 2- Ron L. Burke

Council Member Place 3- Cynthia Ann

Council Member Place 4- Robert R. M



Aransas Pass

Mayor: Ram Gomez

Council Member Place 1: Carrie Scruggs

Council Member Place 2: William "Bill" Moore

Council Member Place 3: Jan Moore

Council Member Place 4: Vickie Abregó



Portland

Mayor- Cathy Skurow

Council Member- John Green

Council Member- Troy Bethel

Council Member- Gary W. Moore

Council Member- John G. Sutton Jr.

Council Member- Bill T. Wilson II

Council Member- Thomas Yardley



Ingleside

Mayor- Ronnie Parker

Council Member Place 1: Dennis Knight

Council Member Place 2: Kody Fahr

Council Member Place 3: Pete Perkin

Council Member Place 4: Ben Tucker

Council Member Place 5: Oscar Adams

Council Member Place 6: John F. Sch



Rockport

Mayor- Patrick R. "Pat" Rios

Council Member Place #1: James Russe

Council Member Place #2: Joe David (J.

Council Member Place #3: Warren Hass

Council Member Place #4: Barbara Gurt



Kingsville

Mayor- Sam Fugate

Mayor Pro Tempore- Edna Lopez

City Commissioner- Hector M. Hinojosa

City Commissioner- Arturo Pecos

City Commissioner- Dianne Leubert



San Patricio County

County Judge: Terry A. Simpson

County Judge Elect: David R. Krebs

Precinct 1 Commissioner: Nina Trevino

Precinct 2 Commissioner: Gary W. Moo

Precinct 3 Commissioner: Alma V. More

Precinct 4 Commissioner: Howard Gilles



Jim Wells County

County Judge: Pete Trevino

County Judge Elect: Juan Rodriguez Jr.

Precinct 1 Commissioner: Richard Dele

Precinct 2 Commissioner: Ventura Garc

Precinct 3 Commissioner: Carlos D. Go

Precinct 4 Commissioner: Mauricio Gon



THANK YOU



PORT CORPUS CHRISTI®



FINANCIAL REVIEW

For the Quarter Ended March 31, 2018



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Net Position

STATEMENT OF NET POSITION							
	March	December	Annual Change	%	March	Year-Over-Year Change	%
	2018	2017			2017		
Cash/ Investments	\$ 154,606,123	\$ 173,736,158	\$ (19,130,035)	-11%	\$ 188,700,503	\$ (34,094,380)	-18%
A/R	\$ 28,446,534	\$ 29,681,899	\$ (1,235,365)	-4%	\$ 25,052,343	\$ 3,394,191	14%
Restricted Assets	\$ 43,245,891	\$ 43,168,645	\$ 77,246	0%	\$ 69,388,982	\$ (26,143,091)	-38%
P P & E, net	\$ 501,237,705	\$ 476,150,213	\$ 25,087,492	5%	\$ 405,116,264	\$ 96,121,441	24%
Other	\$ 1,674,696	\$ 2,043,409	\$ (368,713)	-18%	\$ 2,484,923	\$ (810,227)	-33%
Total Assets	\$ 729,210,949	\$ 724,780,324	\$ 4,430,625	1%	\$ 690,743,015	\$ 38,467,934	6%
Deferred Outflows-Pension	\$ 4,705,309	\$ 4,705,309	\$ -	0%	\$ 5,529,207	\$ (823,898)	-15%
Total Deferred Outflows	\$ 4,705,309	\$ 4,705,309	\$ -	0%	\$ 5,529,207	\$ (823,898)	-15%
Current Liabilities	\$ 14,663,242	\$ 14,007,145	\$ 656,097	5%	\$ 15,555,072	\$ (891,830)	-6%
Unearned Income	\$ 44,849,272	\$ 44,859,794	\$ (10,522)	0%	\$ 34,442,633	\$ 10,406,639	30%
Long-term Debt	\$ 106,245,000	\$ 106,245,000	\$ -	0%	\$ 110,640,000	\$ (4,395,000)	-4%
Other	\$ 5,661,027	\$ 5,694,702	\$ (33,675)	-1%	\$ 5,742,719	\$ (81,692)	-1%
Total Liabilities	\$ 171,418,541	\$ 170,806,641	\$ 611,900	0%	\$ 166,380,424	\$ 5,038,117	3%
Deferred Inflows-Pension	\$ 678,606	\$ 678,606	\$ -	0%	\$ 180,958	\$ 497,648	100%
Total Deferred Inflows	\$ 678,606	\$ 678,606	\$ -	0%	\$ 180,958	\$ 497,648	100%
Investment in Net Assets	\$ 409,381,513	\$ 384,104,593	\$ 25,276,920	7%	\$ 316,357,488	\$ 93,024,025	29%
Restricted Net Position	\$ 21,224,177	\$ 21,222,100	\$ 2,077	0%	\$ 36,756,465	\$ (15,532,288)	-42%
Unrestricted Net Position	\$ 131,213,421	\$ 152,673,693	\$ (21,460,272)	-14%	\$ 176,596,887	\$ (45,383,466)	-26%
Total Net Position	\$ 561,819,111	\$ 558,000,386	\$ 3,818,725	1%	\$ 529,710,840	\$ 32,108,271	6%

Revenues & Expenses

STATEMENT OF REVENUES AND EXPENSES							
	March YTD			Change			
	2018		2017	Budget	%	Actual	%
	Actual	Budget	Actual				
Wharfage	\$ 11,789,601	\$ 13,279,444	\$ 11,405,361	\$ (1,489,843)	-11%	\$ 384,240	3%
Dockage	\$ 3,501,056	\$ 3,378,393	\$ 3,463,250	\$ 122,663	4%	\$ 37,806	1%
Security	\$ 2,021,155	\$ 2,319,663	\$ 1,657,609	\$ (298,508)	-13%	\$ 363,546	22%
Other Shipping Services	\$ 2,620,992	\$ 2,575,630	\$ 2,535,566	\$ 45,362	2%	\$ 85,426	3%
Building and Land Rental	\$ 3,671,934	\$ 3,870,495	\$ 3,029,473	\$ (198,561)	-5%	\$ 642,461	21%
Total Operating Revenues	\$ 23,604,738	\$ 25,423,625	\$ 22,091,259	\$ (1,818,887)	-7%	\$ 1,513,479	7%
Employee Services	\$ 6,199,180	\$ 5,979,745	\$ 4,571,371	\$ 219,435	4%	\$ 1,627,809	36%
Maintenance	\$ 761,312	\$ 1,643,387	\$ 792,238	\$ (882,075)	-54%	\$ (30,926)	-4%
Utilities/ Telephone	\$ 322,580	\$ 322,777	\$ 369,092	\$ (197)	0%	\$ (46,512)	-13%
Insurance	\$ 354,577	\$ 372,629	\$ 386,481	\$ (18,052)	-5%	\$ (31,904)	-8%
Prof/ Contracted Services	\$ 1,613,035	\$ 1,922,085	\$ 1,306,076	\$ (309,050)	-16%	\$ 306,959	24%
Operator/ Event Expenses	\$ 451,810	\$ 392,343	\$ 458,496	\$ 59,467	15%	\$ (6,686)	-1%
Admin/Trade Dmp/Other	\$ 1,238,088	\$ 1,040,844	\$ 1,074,392	\$ 197,244	19%	\$ 163,696	15%
Depreciation	\$ 3,370,050	\$ 3,145,462	\$ 3,131,556	\$ 224,588	7%	\$ 238,494	8%
Total Operating Expenses	\$ 14,310,632	\$ 14,819,272	\$ 12,089,702	\$ (508,640)	-3%	\$ 2,220,930	18%
Net Operating Income(Loss)	\$ 9,294,106	\$ 10,604,353	\$ 10,001,557	\$ (1,310,247)	-12%	\$ (707,451)	-7%
Interest Income	\$ 1,272,930	\$ 864,279	\$ 1,271,713	\$ 408,651	47%	\$ 1,217	0%
Other Revenue	\$ 59,233	\$ 50,793	\$ 17,732	\$ 8,440	17%	\$ 41,501	234%
Gain(Loss) Disposal of Assets	\$ 6,083	\$ -	\$ (9,091)	\$ 6,083	-100%	\$ 15,174	-100%
Interest/Bond Expense	\$ (1,027,856)	\$ (1,015,822)	\$ (1,028,678)	\$ (12,034)	1%	\$ 822	0%
Other Expense	\$ (6,634,720)	\$ (6,858,600)	\$ (3,622,301)	\$ 223,880	-3%	\$ (3,012,419)	83%
Other Revenue(Expenses)	\$ (6,324,330)	\$ (6,959,350)	\$ (3,370,625)	\$ 635,020	9%	\$ (2,953,705)	-88%
Net Income(Loss)	\$ 2,969,776	\$ 3,645,003	\$ 6,630,932	\$ (675,227)	-19%	\$ (3,661,156)	-55%



Tonnage/Ships & Barges

TONNAGE								
	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2018	2017			2018	2017		
Bulk Grain	522,866	525,491	(2,625)	0%	1,485,954	1,452,212	33,742	2%
Break Bulk	9,170	46,099	(36,929)	-80%	39,388	129,502	(90,114)	-70%
Dry Bulk	870,000	598,121	271,879	45%	1,972,162	1,636,030	336,132	21%
Liquid Bulk	15,398	26,320	(10,922)	-41%	148,396	211,781	(63,385)	-30%
Chemicals	192,127	225,973	(33,846)	-15%	610,298	652,486	(42,188)	-6%
Crude	3,996,440	3,414,137	582,303	17%	10,729,060	10,178,267	550,793	5%
Petroleum	3,962,126	3,827,386	134,740	4%	11,378,512	11,426,050	(47,538)	0%
Total Tonnage	9,568,127	8,663,527	904,600	10%	26,363,770	25,686,328	677,442	3%

SHIP & BARGE MOVEMENTS								
	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2018	2017			2018	2017		
Ships	162	164	(2)	-1%	435	466	(31)	-7%
Barges	365	416	(51)	-12%	1,165	1,212	(47)	-4%
Total Ship & Barges	527	580	(53)	-9%	1,600	1,678	(78)	-5%



Capital Projects

CAPITAL PROJECTS						
	Annual Budget	Actual Y-T-D	Balance Remaining	Baseline Budget Y-T-D	Actual Y-T-D	Variance
Authority Oil Docks	\$ 8,960,000	\$ 1,622,935	\$ 7,337,065	\$ 2,240,000	\$ 1,622,935	\$ (617,065)
Dry Cargo Docks	\$ 14,500,000	\$ 1,160,608	\$ 13,339,392	\$ 3,625,000	\$ 1,160,608	\$ (2,464,392)
Canals & Basins	\$ 58,375,000	\$ 5,336,245	\$ 53,038,755	\$ 14,593,750	\$ 5,336,245	\$ (9,257,505)
Bulk Terminal	\$ 18,692,972	\$ 3,416,063	\$ 15,276,909	\$ 4,673,243	\$ 3,416,063	\$ (1,257,180)
La Quinta	\$ 20,000	\$ 4,110	\$ 15,890	\$ 5,000	\$ 4,110	\$ (890)
Property & Buildings	\$ 32,018,520	\$ 16,499,723	\$ 15,518,797	\$ 8,004,630	\$ 16,499,723	\$ 8,495,093
Railroads	\$ 5,162,000	\$ 16,259	\$ 5,145,741	\$ 1,290,500	\$ 16,259	\$ (1,274,241)
Security & Sec Grants	\$ 481,647	\$ 301,859	\$ 179,788	\$ 120,412	\$ 301,859	\$ 181,447
Port Operations	\$ 688,600	\$ 31,334	\$ 657,266	\$ 172,150	\$ 31,334	\$ (140,816)
Administration	\$ 2,360,387	\$ 68,811	\$ 2,291,576	\$ 590,097	\$ 68,811	\$ (521,286)
Total Capital Projects	\$ 141,259,126	\$ 28,457,947	\$ 112,801,179	\$ 35,314,782	\$ 28,457,947	\$ (6,856,835)

Bond Projects

BOND PROJECT PROCEEDS - (As of March, 2018)						
	Bond Project Proceeds	Bond Issuance Expenses	Net Bond Project Proceeds	Bond Project Expenditures	Transfer Remaining Proceeds on Closed Projects	Remaining Bond Project Proceeds
Land	\$ 34,960,000	\$ (346,544)	\$ 34,613,456	\$ (35,075,365)	\$ 461,909	\$ -
Oil Dock 14	\$ 28,000,000	\$ (277,552)	\$ 27,722,448	\$ (27,722,448)	\$ -	\$ -
Access Road & Rail	\$ 10,000,000	\$ (99,126)	\$ 9,900,874	\$ (6,667)	\$ -	\$ 9,894,207
Tule Lift Bridge	\$ 18,000,000	\$ (178,426)	\$ 17,821,574	\$ (9,911,417)	\$ -	\$ 7,910,157
West Barge Mooring Area	\$ 7,280,000	\$ (72,164)	\$ 7,207,836	\$ (6,745,927)	\$ (461,909)	\$ -
NRRY Phase II	\$ 6,000,000	\$ (59,475)	\$ 5,940,525	\$ (5,940,525)	\$ -	\$ -
La Quinta-Aquatic Habitat	\$ 4,020,000	\$ (39,849)	\$ 3,980,151	\$ (3,231,208)	\$ -	\$ 748,943
La Quinta-Mitigation Buffer	\$ 3,940,000	\$ (39,055)	\$ 3,900,945	\$ (489,658)	\$ -	\$ 3,411,287
La Quinta Dock	\$ 2,800,000	\$ (27,755)	\$ 2,772,245	\$ (2,715,125)	\$ -	\$ 57,120
Total Bond Projects	\$ 115,000,000	\$ (1,139,946)	\$ 113,860,054	\$ (91,838,340)	\$ -	\$ 22,021,714



PORTCORPUS CHRISTI®

Moving America's Energy

Thank You



DATE: June 19, 2018

TO: Port Commission

FROM: Dennis DeVries, Chief Financial Officer
dennis@pocca.com
 (361) 885-6139

Adopt a Resolution approving a Master Resolution establishing and authorizing the Port of Corpus Christi Authority of Nueces County, Texas Revenue Financing System, and a First Supplemental Resolution authorizing the issuance of \$102,000,000-Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A and a Second Supplemental Resolution authorizing the issuance of \$115,000,000 Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B; and authorizing other matters relating thereto.

BACKGROUND:

The Authority is proposing the establishment of a new revenue financing system to act as a framework for meeting the Authority’s financing needs in connection with the deepening and widening of the Corpus Christi Ship Channel and the execution of its capital improvement program. The Authority is also proposing to authorize the issuance of the first two series of bonds under the new revenue financing system in furtherance of the Authority’s plan of finance.

The proposed Financing System Resolution presents three related resolutions for approval by the Port Commission: (i) a Master Resolution (described below), which establishes the new revenue financing system, (ii) a First Supplemental Resolution (described below), which authorizes the issuance of up to \$102,000,000 of the Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A (the “Series 2018A Bonds”) under the Master Resolution for the Corpus Christi Ship Channel Improvement Project, and (iii) a Second Supplemental Resolution (described below), which authorizes the issuance of up to \$115,000,000 of the Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B (the “Series 2018B Bonds”) under the Master Resolution for the Authority’s capital improvement program. Passage of the Resolution will enable the Authorized Representative (discussed further below) to take all actions necessary for the issuance in the aggregate of up to \$217,000,000 of Senior Lien Revenue Bonds.

A. Master Resolution Establishing a Revenue Financing System; Authorizing the Issuance of Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Obligations and Junior Lien Obligations; Providing for Credit Agreements and Hedge Agreements; Granting Security and Establishing Funds and Accounts for the Payment of Obligations; and Making Other Provisions Regarding Such Obligations and Matters Incident Thereto (the “Master Resolution”)

As part of its long-term financing plans, the Authority and its financial advisors identified the need to establish a revenue financing system that facilitated the use of a number of different financial tools, including long-term and short-term debt, variable-rate debt, commercial paper programs and direct purchase lending programs. The resolution authorizing the Authority’s outstanding Port of Corpus Christi Authority of Nueces County, Texas Revenue Bonds, Series 2015 (the “Prior Lien Bonds”) did not contemplate the full range of financial instruments and financing mechanisms that the Authority intends to utilize going forward. In order to facilitate the financing flexibility identified by the finance working group, the Master Resolution closes the lien level at which the Prior Lien Bonds were issued and establishes the new revenue financing system that authorizes the issuance of revenue obligations that are subordinate to the Prior Lien Bonds.

The Master Resolution establishes a revenue financing system that incorporates the flexibility to undertake fixed-rate debt, variable-rate debt, long-term debt, short-term debt, commercial paper programs, and direct purchase note programs among other options. It also incorporates features intended to provide the Authority with financial flexibility in the future, including the ability for the Port Commission to adopt Excluded Fee and Charge Revenues to address specific projects. Such Excluded Fees and Charge Revenues can be used for specific purposes or as supplemental security for specific projects, rather than being required to secure all the Authority’s revenue bonds. The Master Resolution establishes the flow of funds for the revenue financing system, the rate covenant, the additional bonds test, and other covenants governing the operation of the Port Facilities and the use of revenues derived therefrom. The Master Resolution seeks to facilitate the smooth operation of the Port Facilities and maximize the Authority’s financing flexibility going forward.

Each time the Authority wishes to issue obligations secured by the Net Operating Revenues of the Authority, it will adopt a supplemental resolution under the Master Resolution.

B. First Supplemental Resolution Authorizing the Issuance of Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A; Prescribing the Terms and Provisions Thereof; Approving the Sale of the Bonds and Authorizing the Execution and Delivery of a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Approving the Preparation and Distribution of an Official Statement; And Resolving Other Matters Related Thereto

The First Supplemental Resolution is a supplemental resolution under the new Master Resolution. It authorizes the issuance of up to \$102 million of fixed-rate, tax-exempt bonds for (i) the construction, acquisition and equipment of the Corpus Christi Ship Channel Improvement Project, (ii) making a deposit to the Series 2018A Debt Service Reserve Account, if any, and (iii) paying the costs of issuing the Series 2018A Bonds. The First Supplemental Resolution designates the Series 2018A Bonds as Senior Lien Obligations under the Master Resolution and includes the Authority's continuing disclosure undertaking in connection with the Series 2018A Bonds.

The First Supplemental Resolution is a parameter resolution, and once approved by the Port Commission it would allow an Authorized Representative of the Authority (in consultation with the members of the finance working group) to take certain actions specified under the resolution in connection with the issuance of the Series 2018A Bonds. These actions include: (i) determining final principal amount of the Series 2018A Bonds to be issued up to a maximum of \$102 million, (ii) determining whether to include a debt service reserve fund requirement for the bonds, (iii) determining the maturity schedule and redemption provisions for the bonds, (iv) determining the interest rate on the bonds in connection with pricing, and (v) approving the form and content of the Preliminary Official Statement and Official Statement. A more detailed list of the delegations can be found in Section 8.01 of the First Supplemental Resolution. The delegations made in the First Supplemental Resolution are effective for one year from the date of the resolution unless extended or terminated by the Port Commission.

The parameters for the issuance of the Series 2018A Bonds are also found in Section 8.01 of the First Supplemental Resolution, and they are as follows: (i) the price to be paid for the Series 2018A Bonds may not be less than 90% of the aggregate original principal amount of the Series 2018A Bonds plus accrued interest thereon from their date to their delivery; (ii) the interest rate on the Series 2018A Bonds may not be in excess of the maximum rate allowed under Section 1204.006, Texas Government Code; (iii) the aggregate principal amount of the Series 2018A Bonds authorized to be issued may not exceed \$102 million; and (4) no Bond shall mature more than thirty-two (32) years from the date of delivery thereof.

The Authorized Representatives under the First Supplemental Resolution are designated as the Chairman of the Port Commission and the Executive Director, Chief Executive Officer, Chief Financial Officer, and Financial Controller of the Authority.

C. Second Supplemental Resolution Authorizing the Issuance of Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B; Prescribing the Terms and Provisions Thereof; Approving the Sale of the Bonds and Authorizing the Execution and Delivery of a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Approving the Preparation and Distribution of an Official Statement; and Resolving Other Matters Related Thereto

The Second Supplemental Resolution is a supplemental resolution under the new Master Resolution. It authorizes the issuance of up to \$115 million of fixed-rate, taxable bonds or private activity bonds for (i) the acquisition, design, construction, reconstruction, repair, rehabilitation, improvement and equipment of the Port Facilities contained in the Authority's capital improvement program, including the acquisition of land for authorized Authority purposes, and the Corpus Christi Ship Channel Improvement Project, (ii) making a deposit to the Series 2018B Debt Service Reserve Account, if any, and (iii) paying the costs of issuing the Series 2018B Bonds. The Second Supplemental Resolution designates the Series 2018B Bonds as Senior Lien Obligations under the Master Resolution and includes the Authority's continuing disclosure undertaking in connection with the Series 2018B Bonds.

The Second Supplemental Resolution is a parameter resolution, and once approved by the Port Commission it would allow an Authorized Representative of the Authority (in consultation with the members of the finance working group) to take certain actions specified under the resolution in connection with the issuance of the Series 2018B Bonds. These actions include: (i) determining final principal amount of the Series 2018B Bonds to be issued up to a maximum of \$115 million, (ii) determining whether the bonds should be issued as taxable bonds or private activity bonds, (iii) determining whether to include a debt service reserve fund requirement for the bonds, (iv) determining the maturity schedule and redemption provisions for the bonds, (v) determining the interest rate on the bonds in connection with pricing, and (vi) approving the form and content of the Preliminary Official Statement and Official Statement. A more detailed list of the delegations can be found in Section 8.01 of the Second Supplemental Resolution. The delegations made in the Second Supplemental Resolution are effective for one year from the date of the resolution unless extended or terminated by the Port Commission.

The parameters for the issuance of the Series 2018B Bonds are also found in Section 8.01 of the Second Supplemental Resolution, and they are as follows: (i) the price to be paid for the Series 2018B Bonds may not be less than 90% of the aggregate original principal amount of the Series 2018B Bonds plus accrued interest thereon from their date to their delivery; (ii) the interest rate on the Series 2018B Bonds may not be in excess of the maximum rate allowed under Section 1204.006, Texas Government Code; (iii) the aggregate principal amount of the Series 2018B Bonds authorized to be issued may not exceed \$115 million; and (4) no Bond shall mature more than thirty-two (32) years from the date of delivery thereof.

The Authorized Representatives under the Second Supplemental Resolution are designated as the Chairman of the Port Commission and the Executive Director, Chief Executive Officer, Chief Financial Officer, and Financial Controller of the Authority.

ALTERNATIVES: Modify its capital improvement program and continue to finance its capital improvement program through generated cash reserves.

PORT OF CORPUS CHRISTI AUTHORITY
OF
NUECES COUNTY, TEXAS

MASTER RESOLUTION

MASTER RESOLUTION ESTABLISHING A REVENUE FINANCING SYSTEM; AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN OBLIGATIONS AND JUNIOR LIEN OBLIGATIONS; PROVIDING FOR CREDIT AGREEMENTS AND HEDGE AGREEMENTS; GRANTING SECURITY AND ESTABLISHING FUNDS AND ACCOUNTS FOR THE PAYMENT OF OBLIGATIONS; AND MAKING OTHER PROVISIONS REGARDING SUCH OBLIGATIONS AND MATTERS INCIDENT THERETO

Dated as of [July 1], 2018

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MASTER RESOLUTION ESTABLISHING A REVENUE FINANCING SYSTEM; AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN OBLIGATIONS AND JUNIOR LIEN OBLIGATIONS; PROVIDING FOR CREDIT AGREEMENTS AND HEDGE AGREEMENTS; GRANTING SECURITY AND ESTABLISHING FUNDS AND ACCOUNTS FOR THE PAYMENT OF OBLIGATIONS; AND MAKING OTHER PROVISIONS REGARDING SUCH OBLIGATIONS AND MATTERS INCIDENT THERETO

IT IS HEREBY RESOLVED BY THE PORT COMMISSION OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS THAT:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations.

(a) The Port of Corpus Christi Authority of Nueces County, Texas (the “Authority,” “Issuer” or “Port”) is a governmental agency and body politic and corporate, created and organized under and by virtue of the constitution and general laws of the State of Texas (the “State”) and now operating under the provisions of Article XVI, Section 59 of the State constitution and under the laws of the State, particularly Chapters 60 and 62, Texas Water Code, with the power and authority to exercise all rights, privileges and functions essential to the accomplishment of the purposes for which it was organized.

(b) The Port Commission of the Authority (the “Port Commission”), the governing body of the Authority has previously issued its Port of Corpus Christi Authority of Nueces County, Texas Revenue Bonds, Series 2015 (Taxable) (the “Prior Lien Bonds”) payable from and secured by a lien on and pledge of the Net Operating Revenues (as defined herein).

(c) The Port Commission has determined to not issue any additional bonds on a parity with the Prior Lien Bonds under the provisions of the Prior Lien Resolution (as defined herein).

(d) The Authority has reserved the right and option to issue bonds or obligations that are inferior in right or lien to the Prior Lien Bonds.

(e) The Port Commission has determined that it is in the best interests of the Authority to establish a Revenue Financing System in order to issue obligations from time to time, to create commercial paper programs and direct purchase note programs, and to enter into credit agreements and hedge agreements to the extent permitted by this Master Resolution, Supplemental Resolutions (as defined herein) and applicable law.

(f) Obligations to be issued under this Master Resolution and any Supplemental Resolution are being authorized and issued pursuant to the Constitution and laws of the

State, including particularly Chapter 60, Texas Water Code, as amended, Chapter 62, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and Chapter 1371, Texas Government Code, as amended and other applicable law.

(g) The lien on and pledge of the Net Operating Revenues (as defined herein) securing the obligations issued under this Master Resolution shall in all things be junior and subordinate to the lien on and pledge of the Net Operating Revenues made for the security and payment of the Prior Lien Bonds.

(h) The Authority is an “Issuer” under Section 1371.001(4)(E), Texas Government Code, being a conservation and reclamation district organized as a navigation district under Section 52, Article III, and operating as a navigation district under Section 59, Article XVI, Texas Constitution.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1. Definitions. As used herein, the following terms shall have the meanings specified, unless the context clearly indicates otherwise:

“Accountant” means an independent certified public accountant or accountants or a firm of an independent certified public accountants, in either case, with demonstrated expertise and competence in public accountancy.

“Accounting Principles” shall mean the “Generally Accepted Accounting Principles” for governmental entities in the United States, which include the enterprise fund accounting and reporting requirements and standards as issued by the Governmental Accounting Standards Board and, when applicable, such other accounting principles as the Authority may be required to employ from time to time, or pursuant to State law or regulation.

“Act” shall mean Article XVI, Section 59 of the Texas Constitution, Chapter 60, Texas Water Code, as amended, Chapter 62, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended and Chapter 1371, Texas Government Code, as amended.

“Additional Junior Lien Obligations” shall mean all additional Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations issued or incurred as Junior Lien Obligations under and in accordance with this Master Resolution and any Supplemental Resolution.

“Additional Obligations” shall mean “Additional Senior Lien Obligations” and “Additional Junior Lien Obligations” as authorized from time-to-time under this Master Resolution and any Supplemental Resolution.

“Additional Senior Lien Obligations” shall mean all additional Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued or incurred as Senior Lien Obligations under and in accordance with this Master Resolution and any Supplemental Resolution.

“Annual Debt Service” shall mean, for any Annual Period with respect to all Outstanding Obligations, a particular Series of Obligations, or all Senior Lien Obligations or Junior Lien Obligations, respectively, (i) the principal amount and interest paid (except at the option of the Authority) or payable or Maturity Amount paid (except at the option of the Authority) or payable with respect to such Obligations in the Annual Period, plus (ii) Credit Agreement Obligations paid or payable in such Annual Period, plus (iii) the net amount (which may be negative) of (x) any amounts paid or payable by the Authority in such Annual Period as Hedge Agreement Payment Obligations, less (y) amounts paid or payable to the Authority in such Annual Period with respect to Hedge Agreements (excluding collateral postings, termination payments and similar payments), minus (iv) all amounts that are deposited to the credit of a debt service fund or account for the payment of capitalized interest or the payment of principal and interest or Maturity Amount due in the Annual Period on all Outstanding Obligations or on such particular Series of Obligations or all Senior Lien Obligations or Junior Lien Obligations, as the case may be, in each case from original proceeds from the sale of such Obligations, and that are used or scheduled to be used to pay interest on such Obligations during any Annual Period, and minus (v) any portion or all of the interest on or principal of the Obligations that has been irrevocably committed by the Authority to be paid from funds on hand other than Gross Operating Revenues, including without limitation, Supplemental Security. The following shall be used to calculate the Annual Debt Service for any Annual Period:

(a) Except as otherwise provided below, in determining the principal amount or Maturity Amount paid or payable with respect to Obligations or Credit Agreement Obligations in each Annual Period, payment shall be deemed to be made in accordance with any amortization schedule established for such Obligations to which the Authority is legally committed, including amounts paid or payable pursuant to any mandatory redemption schedule for such Obligations;

(b) If any of the Obligations constitute Balloon Obligations or Short-Term Obligations, then such amounts shall be treated as if such Obligations are refunded through the issuance of Long-Term Obligations on the date of the earliest permitted exercise of the put feature, stepped-up interest rate and call feature or similar obligation or right and incentive to refund as further set forth in the Supplemental Resolution authorizing a series of Balloon Obligations or the final maturity date of such Balloon Obligations, as the case may be, and, in the case of Short-Term Obligations at the maturity thereof, with such Long-Term Obligations assumed to be amortized in such a manner that the Annual Debt Service shall reflect substantially equal installments of principal and interest, or Maturity Amount, over a period of thirty years, and assumed to bear interest at a fixed interest rate estimated by the Authority’s Financial Advisor or underwriter to be the average rate of interest for a series of Long-Term Obligations issued to accomplish such refunding if issued on such terms on the date of such estimate;

(c) Notwithstanding subsections (b) or (f) of this Section, to the extent required by a Supplemental Resolution, if any of the Obligations are authorized to be issued under a direct purchase note program, such amounts shall be treated as if all of the Obligations committed to be purchased under a note purchase agreement are outstanding as of the date of calculation and continuously refinanced under such note purchase agreement until the termination date of the commitment to purchase notes under a note purchase agreement, at

which time it shall be assumed that the commitment shall be amortized in the manner set forth in subsection (b), above.

(d) Notwithstanding subsections (b) or (f) of this Section, to the extent required by a Supplemental Resolution, if any of the Obligations are authorized to be issued pursuant to a commercial paper program, Annual Debt Service shall be computed on the assumption that the principal amount shall continuously be refinanced under such program and remain outstanding until the first Fiscal Year for which interest on such Obligations has not been capitalized or otherwise provided for in such commercial paper program, at which time (which shall not be beyond the term of such program) it shall be assumed that the outstanding principal amount shall be amortized in the manner provided in subsection (b), above.

(e) As to any Annual Period prior to the date of any calculation, such requirements shall be calculated solely on the basis of Obligations that were Outstanding in such period; and as to any future Annual Period such requirements shall be calculated solely on the basis of Obligations Outstanding as of the date of calculation plus any Obligations then proposed to be issued;

(f) If any of the Obligations or proposed Obligations constitute Variable Rate Obligations, then, if the actual rate of interest borne thereby in any future Annual Period cannot be ascertained at the time of the calculation and subject to subsection (b) of this definition and the following proviso, interest in future Annual Periods shall be assumed to be the Assumed Variable Rate; provided, however, if the Authority has entered into a Hedge Agreement with respect to a Series of Obligations constituting Variable Rate Obligations that provides for the Authority to pay a fixed interest rate thereunder and to receive a variable rate that is expected to approximate the rate of such Variable Rate Obligations during any future period, the fixed interest rate payable by the Authority under the Hedge Agreement during such future period shall be assumed to be the interest rate on such Variable Rate Obligations if the notional amount under the Hedge Agreement is equal to or greater than the Outstanding principal amount or Maturity Amount of the Variable Rate Obligations and reduces in the amounts and on the dates that the Obligations mature; and

(f) Collateral postings and termination or similar payments under a Hedge Agreement shall not be taken into account in any calculation of Annual Debt Service.

“Annual Period” shall mean a Fiscal Year or any other consecutive twelve-month period, except in the case of Section 3.2(b)(iii)(A) of this Master Resolution, where it shall mean either the most recent Fiscal Year or any other twelve consecutive calendar month period that ends not more than 90 days prior to the date of the then proposed Obligations.

“Assumed Variable Rate” shall mean in the case of:

(a) Outstanding Variable Rate Obligations, the higher of:

(i) the average interest rate on such Variable Rate Obligations for the most recently completed twenty-four (24) month period or the period such Variable

Rate Obligations have been Outstanding if it is less than twenty-four (24) months, or

(ii) the rate to be determined pursuant to clause (b) below assuming the Outstanding Variable Rate Obligations were being issued on the date of the calculation; and

(b) proposed Variable Rate Obligations, the interest rate estimated by the Authority's Financial Advisor to be the fixed rate of interest at which the Variable Rate Obligations could be refinanced and amortized over a period that corresponds with the useful life of the improvements financed with the proceeds of such Variable Rate Obligations, but not longer than thirty (30) years.

Notwithstanding the foregoing, in no event shall the Assumed Variable Rate be in excess of the lesser of the Maximum Lawful Rate or the highest interest rate allowed by the documents pursuant to which the Variable Rate Obligations were issued.

“Attorney General” shall mean the Attorney General of the State.

“Authority,” “Issuer” and “Port” mean Port of Corpus Christi Authority of Nueces County, Texas and, where appropriate, the Port Commission.

“Authorized Denomination” shall mean any amount specified as an Authorized Denomination in an applicable Supplemental Resolution.

“Authorized Representative” shall mean the individual with the duties of the Chairman of the Port Commission, Executive Director and/or the Chief Executive Officer of the Authority, the Chief Financial Officer of the Authority, the Financial Controller of the Authority or any other employee or officer of the Authority or member of the Port Commission designated to serve as an Authorized Representative or authorized to perform specific acts or duties under a resolution, including a Supplemental Resolution, duly adopted by the Port Commission. A Supplemental Resolution may provide for the designation and the manner of the designation by the Authorized Representative of an appointee to carry out the duties of the Authorized Representative if the Authorized Representative is unavailable to carry out his or her duties.

“Balloon Obligations” shall mean Long-Term Obligations of a particular issue or Series of Obligations of which 25% or more of the principal or Maturity Amount of the same issue or Series matures in the same Annual Period and is not required by the applicable Supplemental Resolution to be amortized below such percentage by payment or redemption prior to that Annual Period. A Supplemental Resolution shall designate the Obligations that will constitute Balloon Obligations. Long-Term Obligations that include a put feature, a stepped up interest rate and call right, or other similar obligation or right and incentive to refund may be treated as Balloon Obligations maturing in the year of the put, stepped interest rate, or other incentive if such Obligations are designated as Balloon Obligations in the Supplemental Resolution authorizing such Long-Term Obligations.

“Bond Counsel” shall mean any attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds acceptable to the Port Commission.

“Business Day” shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions generally in New York, New York, the State, or the principal offices of any Paying Agent are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

“Capital Appreciation Bonds” shall mean Obligations on which interest accretes from the Issuance Date to the maturity date or prior redemption but is not payable prior to the maturity date or prior redemption. The term Capital Appreciation Bonds includes Obligations that convert to current interest bonds prior to maturity as may be further specified in a Supplemental Resolution.

“Completion Obligations” shall mean bonds, notes or other obligations issued in accordance with this Master Resolution and any Supplemental Resolutions for the purpose of completing any project financed with Obligations.

“Compounded Amount” shall mean, with respect to a Capital Appreciation Bond, as of any particular date, the original principal amount thereof plus all interest accreted and compounded to such date, as determined in the Supplemental Resolution authorizing the Capital Appreciation Bond.

“Counterparty” shall mean a counterparty to a Hedge Agreement.

“Credit Agreement” shall mean any letter of credit, line of credit, standby letter of credit or agreement to purchase a debt obligation or any similar extension of credit, credit enhancement or liquidity support obtained by the Authority from a Credit Provider or such other agreement as may be described as a “credit agreement” in Chapter 1371, Texas Government Code, as amended (but excluding agreements defined herein as a Hedge Agreement), obligating the Credit Provider to purchase, to provide for or to secure payment of the principal and purchase price of, and/or interest on or Maturity Amount of Obligations pursuant to the provisions of a Supplemental Resolution under which such Obligations are issued. The term includes a note purchase agreement or similar agreement between the Authority and a purchaser of notes under a commercial paper program, direct purchase note program or other similar program, if so specified in the Supplemental Resolution authorizing the same. The use of such definition is not intended to preclude the Authority from providing the credit or liquidity support with respect to Obligations directly rather than through a Credit Provider.

“Credit Agreement Obligation” shall mean the obligation of the Authority pursuant to a Reimbursement Agreement to repay any amounts drawn under a Credit Agreement and to pay interest on such drawn amounts pursuant to such Reimbursement Agreement or to pay other amounts owed under a Credit Agreement or Reimbursement Agreement as further specified in the Supplemental Resolution approving such Credit Agreement, which Credit Agreement Obligation is secured by the Net Operating Revenues on a parity with or subordinate to the Senior Lien Obligations or Junior Lien Obligations, to the extent provided in the Supplemental Resolution.

“Credit Provider” shall mean any party providing a Credit Agreement with respect to Obligations.

“Debt” means:

(1) all indebtedness payable from Net Operating Revenues incurred or assumed by the Authority for borrowed money that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Net Operating Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money that is guaranteed, directly or indirectly, in any manner by the Authority, or that is in effect guaranteed, directly or indirectly, by the Authority through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Authority in prior Fiscal Years.

“Debt Service Reserve Fund” means the Senior Lien Debt Service Reserve Fund and/or the Junior Lien Debt Service Reserve Fund.

“Debt Service Reserve Fund Participants” shall mean (a) any Series of Senior Lien Obligations designated in a Supplemental Resolution as a “Senior Lien Debt Service Reserve Fund Participant” or (b) any Series of Junior Lien Obligations designated in a Supplemental Resolution as a “Junior Lien Debt Service Reserve Fund Participant.”

“Debt Service Reserve Fund Requirement” means the Senior Lien Debt Service Reserve Fund Requirement and/or the Junior Lien Debt Service Reserve Fund Requirement, as applicable, as established in a Supplemental Resolution authorizing a Series of Obligations, if any.

“Defeased Obligation” shall mean Obligations deemed to be paid, retired and no longer Outstanding pursuant to the provisions of Section 8.1.

“DSRF” shall mean the Debt Service Reserve Fund.

“DSRF Security” shall mean a Senior Lien DSRF Security, a Junior Lien DSRF Security, or any DSRF Security relating to a particular Series of Obligations per the applicable Supplemental Resolution.

“Excluded Fee and Charge Revenues” shall mean all income and revenues derived from new fees and charges imposed by the Authority after the date hereof (excluding increases in fees and charges for services now provided by the Authority) and declared in the official action of the Port Commission approving such fees and charges to constitute fees and charges of the kind that will generate Excluded Fee and Charge Revenues. Such Excluded Fee and Charge Revenues may be authorized pursuant to any federal, state or local authority and may include, but not be limited to, any charge or fee relating to providing, enhancing or maintaining security for the Authority.

“Excluded Fees and Charges Revenue Account” shall mean the account within the Operating Fund designated as the Excluded Fees and Charges Revenue Account and further described in Section 5.2 of this Master Resolution.

“Event of Default” shall mean those events specified in Article IX hereof.

“Financial Advisor” shall mean the financial advisory firm or firms engaged by the Authority from time to time.

“Financed Project” shall have the meaning ascribed to such term in Section 3.5 of this Master Resolution.

“Fiscal Year” means the twelve-month accounting period used by the Authority in connection with the operation of the Port Facilities, currently ending on December 31 of each year, which may be any twelve consecutive month period established by the Authority; provided, however, that while the Prior Lien Bonds are outstanding, in no event may the Fiscal Year be changed more than one time in any three calendar-year period.

“Fund” or “Funds” shall mean any one or more, as the case may be, of the separate funds created and established in this Master Resolution or in a Supplemental Resolution.

“Gross Operating Revenues” and “Gross Operating Revenues of the Authority” means, for any defined period, all income, receipts, revenues, and increment which may be received or derived by the Authority from its ownership and/or operation of the Port Facilities or any part thereof, whether resulting from extensions, enlargements, repairs, betterments or improvements to the Port Facilities, purchased, constructed or otherwise acquired from time to time, including loss of use or business interruption insurance, but shall not mean, and shall specifically exclude:

(1) the income and increment derived from a contract or contracts with persons, corporations, municipal corporations, political subdivisions, or other entities which under the terms of the authorizing resolution(s) or order(s) that may be pledged for the requirements of the Authority’s Special Facilities Obligations issued particularly to finance facilities needed in performing any such contract or contracts;

(2) any monies received as grants, appropriations, or gifts, to the extent that the person making such the grant, appropriation or gift prohibits the use of such monies for the payment of the principal of and/or interest on (or other amounts owed on) the Prior Lien Bonds or Obligations, or, effective as of the date the Prior Lien Bonds are no longer outstanding, any monies received as grants, appropriations, or gifts unless they are designated by official action of the Port Commission at the time of receipt as being included

as part of Gross Operating Revenues;

(3) insurance proceeds other than loss of use or business interruption insurance proceeds;

(4) deposits, option fees and other funds collected by the Authority to which a third party holds a contractually based reversionary interest or other legal or equitable ownership interest;

(5) the proceeds of any user charge as may hereafter be collected by the Authority on behalf of and that is payable to the State, the United States, and any other governmental entities;

(6) sales and other taxes collected by the Authority on behalf of and that are payable to the State and any other taxing entities;

(7) payments received from the federal government, unless the Authority first receives an opinion from nationally recognized bond counsel to the effect that such payments, if included in Gross Operating Revenues, would not adversely affect the excludability of the interest on any Obligations the interest on which is otherwise excludable from gross income for federal income tax purposes;

(8) subject to Sections 6.5 and 7.4(a) of this Master Resolution, the proceeds received by the Authority from the sale of any Port Facilities or property owned by the Authority;

(9) proceeds of any Obligations;

(10) when the Prior Lien Bonds are no longer outstanding, any Excluded Fee and Charge Revenue;

(11) when the Prior Lien Bonds are no longer outstanding, Supplemental Security or revenue received under a Hedge Agreement; and

(12) any revenues derived from ad valorem taxes levied and collected by the Authority or on behalf of the Authority.

“General Account” shall mean the account within the Operating Fund designated as the General Account and further described in Section 5.2 of this Master Resolution.

“Hedge Agreement” means any agreement entered into by the Authority to manage the Authority’s interest rate exposure. For example, a Hedge Agreement may be, without limitation, an interest rate swap, an interest rate cap, a futures contract, a forward contract, an option or any other agreement or transaction defined as an “interest rate management agreement” by Chapter 1371, Texas Government Code, as amended. To the extent permitted by law, the Authority may enter into one or more Hedge Agreements in anticipation of, simultaneously with, or subsequent to the authorization and issuance of any Obligations benefiting from such Hedge Agreements.

“Hedge Agreement Payment Obligation” means the obligation of the Authority pursuant to a Hedge Agreement to make payments to a Counterparty under the Hedge Agreement that are secured by the Net Operating Revenues on a parity with Senior Lien Obligations or Junior Lien Obligations, as appropriate. The term does not include collateral postings, termination payments or similar payments and does not include fees or expenses under the Hedge Agreement.

“Inferior Lien Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper, Credit Agreements and other obligations issued or incurred by the Port under and in accordance with this Master Resolution and any Supplemental Resolution, that are junior and subordinate to the lien on Net Operating Revenues securing the payment of Senior Lien Obligations and Junior Lien Obligations.

“Interest Payment Date” shall mean each date defined as such in any Supplemental Resolution under which the Obligations are issued. However, in each case, if such date specified above is not a Business Day then the Interest Payment Date shall be the Business Day next succeeding such date.

“Issuance Date” shall mean with respect to any Obligations, the date of delivery of such Obligations to the initial purchasers thereof against payment therefor.

“Junior Lien Debt Service Fund” shall mean the fund so designated, created and secured in Section 5.5.

“Junior Lien Debt Service Reserve Fund” shall mean the fund so designated, created and secured in Section 5.6.

“Junior Lien Debt Service Reserve Fund Participant Account” shall mean an account so described in Section 5.1.

“Junior Lien Debt Service Reserve Requirement” shall mean the amount, if any, specified in any Supplemental Resolution authorizing Junior Lien Obligations as the Junior Lien Debt Service Reserve Requirement or, if not so specified in any such Supplemental Resolution, \$0.

“Junior Lien DSRF Security” shall have the meaning given to such term in Section 5.6.

“Junior Lien Hedge Agreement” shall mean a Hedge Agreement, the Hedge Agreement Payment Obligations of which are designated as Junior Lien Obligations.

“Junior Lien Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued or incurred and described as Junior Lien Obligations under and in accordance with this Master Resolution and any Supplemental Resolution, and includes all obligations of the Authority on Obligations, including Credit Agreement Obligations and Hedge Agreement Payment Obligations, that are secured by a pledge of and lien on the Net Operating Revenues on parity with the Junior Lien Obligations.

“Long-Term Obligations” shall mean all Obligations that are not Short-Term Obligations.

“Maintenance and Operating Expenses” means the expenses necessary to provide for the administration, efficient operation and adequate maintenance of the Port Facilities, including the payment of necessary wages, salaries, and benefits, the acquisition of property and materials necessary to maintain the Port Facilities in good condition and to operate it efficiently, together with such other costs and expenses as may now or hereafter be defined by law as proper maintenance and operation expenses of the Port Facilities, which costs and expenses, however, specifically exclude the following:

(i) any allowance for depreciation, property retirement, depletion, or obsolescence,

(ii) other items not requiring an outlay of cash, and

(iii) any allowance for redemption of, or payment of principal, interest or premium on, outstanding Prior Lien Obligations or Outstanding Obligations;

(iv) when the Prior Lien Bonds are no longer outstanding, any charges or obligations incurred in connection with any lawful Authority purpose, provided that such charges are payable and are paid from money on deposit in a specified, dedicated fund or account created pursuant to the provisions of this Master Resolution and any Supplemental Resolution;

(v) when the Prior Lien Bonds are no longer outstanding, liabilities based upon the Authority’s negligence or other grounds not based on contract;

(vi) when the Prior Lien Bonds are no longer outstanding, for so long as payments received from the federal government are excluded from Gross Operating Revenues, an amount of expenses that would otherwise constitute Maintenance and Operating Expenses for such period equal to the payments received from the federal government for such period to the extent that the payments received from the federal government are used to pay such expenses;

(vii) when the Prior Lien Bonds are no longer outstanding, so long as monies received as grants, appropriations or gifts are excluded from Gross Operating Revenues, an amount of expenses that would otherwise constitute Maintenance and Operating Expenses for such period equal to such grants, appropriations or gifts to the extent that they are used to pay such expenses; and

(viii) when the Prior Lien Bonds are no longer outstanding, so long as Excluded Fee and Charge Revenues are excluded from Gross Operating Revenues, an amount of expenses that would otherwise constitute Maintenance and Operating Expenses for such period equal to Excluded Fee and Charge Revenues to the extent that they are used to pay such expenses.

“Master Resolution” shall mean this Master Resolution, as the same may be amended or supplemented from time to time as permitted hereby.

“Maturity Amount” shall mean the Compounded Amount of a Capital Appreciation Bond due on its maturity, other than with respect to Capital Appreciation Bonds that convert to current interest bonds prior to maturity.

“Maximum Lawful Rate” means the lesser of (a) the maximum rate of interest allowed by Chapter 1204, Texas Government Code, or any successor provision or (b) the maximum nonusurious rate of interest permitted to be charged by applicable federal or Texas law from time to time in effect.

“Net Operating Revenues” and “Net Operating Revenues of the Authority” mean all Gross Operating Revenues for any period after the deduction of the Maintenance and Operating Expenses during such period.

“Obligation” or “Obligations” shall mean all indebtedness of the Authority payable from Net Operating Revenues incurred or assumed by the Authority for borrowed money (including Credit Agreement Obligations) and all other financing obligations of the Authority related to the Authority, the instruments or other documents evidencing or creating each of which are authenticated and delivered under and pursuant to this Master Resolution and any Supplemental Resolution. For the avoidance of doubt, the term Obligation does not include Prior Lien Bonds.

“Operating Fund” shall mean the fund so designated in Section 5.1(a) into which the Authority deposits (or causes to be deposited) Net Operating Revenues as further described herein.

“Operating Reserve Fund” means the special fund, the establishment of which is confirmed in Section 5.1 hereof and further described in Section 5.7 hereof.

“Outstanding,” when used with reference to any Obligations, shall mean, as of a particular date, all Obligations theretofore and thereupon delivered pursuant to this Master Resolution except: (a) any Obligations canceled by or on behalf of the Authority at or before such date in accordance with their terms or the terms of the Supplemental Resolution authorizing such Obligations; (b) any Obligations defeased pursuant to the defeasance provisions of this Master Resolution or the Supplemental Resolution authorizing such Obligations with the consequence that they are no longer payable from or secured by Net Operating Revenues; and (c) any Obligations in lieu of or in substitution for which a replacement Obligation shall have been delivered pursuant to and in accordance with this Master Resolution.

“Owner” or “Registered Owner,” when used with respect to any Obligations, shall mean the person or entity in whose name such bond or note is registered in the Register. Any reference to a particular percentage or proportion of the Owners shall mean the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Obligations of the applicable Series or lien priority then Outstanding under the Master Resolution, as applicable.

“Paying Agent/Registrar” shall mean a bank, trust company, or other entity designated pursuant to a Supplemental Resolution as the agent of the Authority to receive and disburse to bondholders the principal and premium, if any, and interest on the Obligations.

“Permitted Investments” shall mean any security or obligation or combination thereof permitted under the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, or its successor, and the Authority’s duly approved Investment Policy.

“Person” shall mean any individual, public or private corporation or limited liability company, district, authority, municipality, political subdivision or other agency or entity of the State of Texas or the United States of America, and any incorporated city, town or village, whether operating under general or special law or under its home rule charter, and any partnership, association, firm, trust, estate, or any other entity whatsoever.

“Port Commission” means the governing body of the Authority.

“Port Facilities” means the land, docks, wharves, warehouses, grain elevators, other storage facilities, railroads, cargo-handling facilities, equipment, or aids incidental to or useful in the operation of the Authority’s ports and waterways or in aid of navigation and commerce in such ports and on such waterways, or any interest therein, now or from time to time owned, operated, maintained or controlled by the Authority in connection with the Authority’s maintenance, operation and development of ports and waterways or in aid of navigation and commerce in such ports and on such waterways within its jurisdiction, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, whether situated within or without the boundaries of the Authority. The term Port Facilities shall not include facilities of any kind which are declared by formal action of the Port Commission not to be a part of the Port Facilities and which are acquired or constructed by or on behalf of the Authority with the proceeds from the issuance of Special Facilities Obligations.

“Port Improvement Fund” means the fund of the Authority established in Section 5.1 hereof and further described in Section 5.8 hereof.

“Port Management Consultant” means a nationally recognized independent firm, person or corporation having a widely known and favorable reputation for special skill, knowledge and experience in methods of development, operation, financing and management of ports of approximately the same size as the properties constituting the Port Facilities.

“Principal Office” means, with respect to the Paying Agent/Registrar, the address identified as its notice address in the Paying Agent/Registrar Agreement or otherwise notified in writing by the Paying Agent/Registrar to the Authority.

“Prior Lien Annual Debt Service Requirements” shall have the meaning ascribed to the term “Annual Debt Service Requirements” in the Prior Lien Resolution.

“Prior Lien Average Annual Debt Service Requirements” shall have the meaning ascribed to the term “Average Annual Debt Service Requirements” in the Prior Lien Resolution.

“Prior Lien Resolution” means the resolution authorizing the Prior Lien Bonds.

“Prior Lien Bonds” means the outstanding and unpaid revenue bonds of the Authority designated as Port of Corpus Christi Authority of Nueces County, Texas Revenue Bonds, Series 2015 (Taxable).

“Prior Lien Interest and Sinking Fund” shall have the meaning ascribed to the term “Interest and Sinking Fund” in the Prior Lien Resolution.

“Project” means any project financed or refinanced with Obligations of the Authority.

“Projected Annual Debt Service” as of any date shall mean, when applied to one Series or all Series of Senior Lien Obligations, Junior Lien Obligations or all Obligations, as the case may be, for any Annual Period, an amount equal to the sum of (a) the amount of Annual Debt Service in such Annual Period on such Senior Lien Obligations, Junior Lien Obligations or all Obligations, as the case may be, then Outstanding plus (b) the Annual Debt Service in such Annual Period on any additional Obligations at such lien level then proposed to be issued; provided that, in making such calculation, the Authority may take into consideration any amounts received, or reasonably expected to be received, by the Authority from or as a result of Supplemental Security (provided that such amounts are not Gross Operating Revenues) that the Authority has pledged for the benefit of the Obligations for which such calculation is being made.

“Rate Covenant” shall mean the covenant of the Authority set forth in Section 4.3 of this Master Resolution.

“Rating Agency” means any nationally recognized securities rating agency which has assigned, at the request of the Authority, a rating to the Obligations.

“Register” shall mean the registration books maintained by a Paying Agent/Registrar for Obligations issued under a Supplemental Resolution.

“Reimbursement Agreement” shall mean an agreement between the Authority and one or more Credit Providers pursuant to which, among other things, such Credit Provider issues (or which agreement is a part of) a Credit Agreement with respect to Obligations of one or more Series and pursuant to which the Authority agrees to reimburse such Credit Provider for any drawings made under such Credit Agreement.

“Required Operating Reserve Fund Amount” shall mean an amount not less than two months of budgeted Maintenance and Operating Expenses for the then current Fiscal Year.

“Senior Lien Debt Service Fund” shall mean the fund so designated and created in Section 5.3.

“Senior Lien Debt Service Reserve Fund” shall mean the fund so designated, created and secured in Section 5.4.

“Senior Lien Debt Service Reserve Fund Participant Account” shall mean the account described and so named in Section 5.1.

“Senior Lien Debt Service Reserve Requirement” shall mean the amount, if any, specified in any Supplemental Resolution authorizing Senior Lien Obligations as the Senior Lien Debt Service Reserve Requirement or, if not so specified in any such Supplemental Resolution, \$0.

“Senior Lien DSRF Security” shall have the meaning given to such term in Section 5.4.

“Senior Lien Obligations” shall mean all Obligations of any kind or class, including bonds, notes, bond anticipation notes, commercial paper and other obligations, issued or incurred and described as Senior Lien Obligations under and in accordance with this Master Resolution and any Supplemental Resolutions, and includes all obligations of the Authority on Obligations, including Credit Agreement Obligations and Hedge Agreement Payment Obligations, that are secured by a pledge of and lien on Net Operating Revenues on parity with other Senior Lien Obligations.

“Senior Lien Hedge Agreement” shall mean a Hedge Agreement, the Hedge Agreement Payment Obligations under which are Senior Lien Obligations.

“Series” shall mean a separate series of Obligations, including those issued or incurred as part of a commercial paper program, direct purchase note program or other similar program, as specified by or pursuant to the terms of a Supplemental Resolution.

“Short-Term Obligations” shall mean all Obligations that mature in less than 365 days and are issued as Short-Term Obligations pursuant to Sections 3.1 and 3.4 of this Master Resolution. In the event a line of credit has been extended or the Authority has undertaken a commercial paper program, direct purchase note program, or similar program, unless otherwise provided in the Supplemental Resolution authorizing the Short-Term Obligations, only amounts actually borrowed or notes purchased under such line of credit or program and repayable in less than 365 days shall be considered Outstanding Short-Term Obligations, and the full amount of such facility, commitment or program shall not be treated as Outstanding Short-Term Obligations to the extent that such facility, commitment or program remains available but undrawn.

“Special Facilities” means any and all facilities and appurtenances, all of the cost of the construction or other acquisition of which is financed with the proceeds of Special Facilities Obligations or set aside and reserved from other available funds when such Special Facilities Obligations are issued.

“Special Facilities Lease” means any lease or agreement, howsoever denominated, pursuant to which a Special Facility is leased by the Authority to the lessee in consideration for which the lessee agrees to pay (a) all debt service on the Special Facilities Obligations issued to finance the Special Facility (which payments are pledged to secure the Special Facilities Obligations) and (b) the operation and maintenance expenses of the Special Facility.

“Special Facilities Obligations” means any bonds, notes, or other obligations from time to time issued by the Authority pursuant to Section 3.8 hereof.

“State” means the State of Texas.

“Supplemental Resolution” shall mean any resolution supplementing this Master Resolution to provide for the issuance of Obligations authorized by this Master Resolution.

“Supplemental Security” shall mean any one or more of the following: (a) any Credit Agreement or other credit enhancement for specified Obligations, (b) any funds received by or obligations payable to the Authority, other than Gross Operating Revenues, including but not limited to Excluded Fee and Charge Revenues, and funds received by or payable to the Authority under a Hedge Agreement (c) the proceeds from the sale of Obligations issued for the purpose of

refinancing, redeeming or refunding then-Outstanding Obligations, or (d) a mortgage or encumbrance of Port Facilities acquired with the proceeds of the sale of the Obligations and permitted by Sections 6.5 or 7.4 of this Master Resolution; in each case which the Authority chooses to include as a security for specified Senior Lien Obligations or Junior Lien Obligations pursuant to a Supplemental Resolution, as provided in Section 4.4.

“Tender Obligations” shall mean any Obligations the terms of which include (a) an option or an obligation on the part of the Owner to tender all or a portion of such Obligations to the Authority, the Paying Agent or another fiduciary or agent for payment or purchase prior to maturity and (b) a requirement on the part of the Authority to purchase or cause to be paid or purchased such Obligation or portion thereof prior to maturity if properly tendered.

“Variable Rate Obligations” shall mean any Obligation the interest rate on which may fluctuate from time to time subsequent to the time of incurrence. Variable Rate Obligations may include, without limitation, (a) Tender Obligations; (b) commercial paper Obligations which are intended to be issued and refunded or refinanced periodically; (c) Obligations under a direct purchase note program which are intended to be issued and refunded or refinanced periodically, (d) Obligations that bear interest at a fixed rate, but with respect to which the Authority has entered into a Hedge Agreement that provides for the Authority to pay a variable interest rate thereunder; provided, that the notional amount under the Hedge Agreement is equal to or greater than the Outstanding principal amount of the related Obligations and reduces in amounts and on the dates that the related Obligations mature; or (e) other forms of Obligations on which the rate of interest fluctuates or is subject to being set or reset from time to time.

Section 2.2. Interpretations. All terms defined herein and all pronouns used in this Master Resolution shall be deemed to apply equally to singular and plural and to all genders. Whenever in the Master Resolution an officer of the Authority is named or referred to by title, it shall be deemed to include any office or officer of the Authority succeeding to the principal functions and powers of the named office or officer of the Authority. The titles and headings of the articles and sections of this Master Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Master Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Senior Lien Obligations or Junior Lien Obligations and the validity of the pledge of Net Operating Revenues to pay the principal of and interest on the Senior Lien Obligations or Junior Lien Obligations.

Section 2.3. Certifications. Wherever in this Master Resolution it is provided that any Person shall make any certification or deliver or receive any report as a condition to taking or refraining from taking any action or permitting any condition, or as evidence of compliance by the Authority with any term hereof, it is intended that the truth and accuracy, at the time of such certification or report, and of the facts stated therein, shall in such case be conditions to the sufficiency of such certification or report, but all action taken hereunder pursuant to any such certification or report shall be final and effective in favor of all Persons who have relied thereon without knowledge of any untruth or inaccuracy of such facts.

Section 2.4. Prior Resolution to Remain in Force. Following the adoption of this Master Resolution, the Prior Lien Resolution shall remain in full force and effect as to the matters covered therein, and, notwithstanding any other provision of this Master Resolution to the contrary: (i) unless otherwise expressly provided herein, this Master Resolution shall not be construed or interpreted as an amendment or modification of, or supplemental to, the Prior Lien Resolution; and (ii) to the extent of any conflict between the terms and provisions of the Prior Lien Resolution and this Master Resolution (during such time as the Prior Lien Bonds remain outstanding), the terms and provisions of the Prior Lien Resolution shall govern and control with respect to the Prior Lien Bonds.

ARTICLE III

ESTABLISHMENT OF THE REVENUE FINANCING SYSTEM AND ISSUANCE OF OBLIGATIONS

Section 3.1. Establishment of a Financing System.

(a) Pursuant to the authority conferred by and in accordance with the provisions of the Constitution and laws of the State, including, the Act and other applicable law, the Port Commission hereby establishes the “Port of Corpus Christi Authority of Nueces County, Texas Revenue Financing System” to (i) pay the cost of any Project, (ii) fund any reserve or other fund established in connection with the issuance of Obligations, (iii) refund and refinance outstanding Prior Lien Bonds, Outstanding Obligations and any other obligations of the Authority, (iv) pay the costs of issuance of such Obligations, and (v) provide funds for any other lawful purpose.

(b) The Obligations may, if and when authorized by the Authority pursuant to one or more Supplemental Resolutions, be issued or incurred in one or more Series, and the designation thereof, in addition to describing the priority of the security therefor as “Senior Lien,” “Junior Lien” or “Inferior Lien,” shall include such further appropriate particular designation added to or incorporated in such title for the Obligations of any particular Series as the Authority may determine, including, without limitation, the designation of such Obligations as “Bonds,” “Notes,” “Certificates,” “Commercial Paper,” “Program Notes” or other appropriate designation. A Supplemental Resolution may authorize one or more Series to be established as a program for the issuance of commercial paper, direct purchase notes or other similar forms of indebtedness from time to time as Senior Lien Obligations, Junior Lien Obligations or Inferior Lien Obligations. Such Obligations may be issued as Long-Term Obligations, Short-Term Obligations or Balloon Obligations.

(c) Each Supplemental Resolution shall provide for the authorization, issuance, sale, delivery, form, characteristics, interest rate(s) (which may be fixed, variable, adjustable or computed by any other method), provisions for payment and redemption and any other matters related to the Obligations authorized thereby (including without limitation, matters related to the delegation to an Authorized Representative of the sale of any such Obligations and the execution and delivery of Credit Agreements and Reimbursement Agreements, if any). A Supplemental Resolution may, to the extent

consistent with or not prohibited by this Master Resolution, provide for different or additional terms for, and delegations in connection with, Obligations issued under such Supplemental Resolution and may further provide for different or additional terms for, and delegations in connection with, Obligations issued under a Series established as a commercial paper program, direct purchase note program or other similar program.

(d) Subject to the Authority's compliance with the provisions of this Article III, no limit is imposed as to the principal amount of Obligations of any lien level that may be issued under the provisions of this Master Resolution.

Section 3.2. Issuance of Obligations and Credit Agreements.

(a) The Authority reserves and shall have the right and power to issue Obligations and to execute and deliver Credit Agreements, Reimbursement Agreements and Hedge Agreements (subject to Section 3.3 below) with respect to any or all of the Obligations for any purpose authorized by law pursuant to the provisions of this Master Resolution and any Supplemental Resolution on the conditions stated in this Master Resolution. The Obligations and Authority's Credit Agreement Obligations, when executed and delivered in accordance with this Master Resolution, may be (i) secured by and made payable equally and ratably on a parity with, or subordinate to, all Outstanding Senior Lien Obligations, Outstanding Junior Lien Obligations or Outstanding Inferior Lien Obligations, as the case may be, from a lien on and pledge of the Net Operating Revenues, or (ii) secured by and made payable from any combination of liens on and pledges of Net Operating Revenues that are on parity with or subordinate to the pledge and lien securing Senior Lien Obligations or senior to, on parity with, or subordinate to the pledge and lien securing Junior Lien Obligations or Inferior Lien Obligations.

(b) The Obligations of each Series, together with any Credit Agreement(s) related thereto, shall be delivered in accordance with terms to be set forth in the Supplemental Resolution authorizing such Series. In addition, except in connection with the Obligations authorized by a Supplemental Resolution approved at the same meeting as this Master Resolution (which shall not have to comply with this subsection), no Series of Obligations (or any Credit Agreement) shall be issued or delivered unless:

(i) No Default. The Authority shall certify that upon the issuance of such Series of Obligations and the delivery of such Credit Agreement (and any related Reimbursement Agreement), the Authority will not be in default under any term or provision of the Prior Lien Resolution (if Prior Lien Bonds are then outstanding), the Prior Lien Bonds outstanding, this Master Resolution, any Obligations then Outstanding, any Supplemental Resolution pursuant to which any of such Outstanding Obligations were issued, or any Credit Agreement or Hedge Agreement;

(ii) Proper Fund Balances. The Authority shall certify that, upon the issuance of such Series of Obligations, the Prior Lien Interest and Sinking Fund and the Prior Lien Reserve Fund each contain the amount required to be therein and the Senior Lien Debt Service Fund and Junior Lien Debt Service Fund will have

the amounts required by the Master Resolution and any Supplemental Resolution to be on deposit therein and the Senior Lien Debt Service Reserve Fund and Junior Lien Debt Service Reserve Fund, if any, will contain the applicable Debt Service Reserve Fund Requirement or so much thereof as is required to be funded at such time;

(iii) Coverage for Additional Obligations. Either

(A) Historical Coverage. The Authority shall certify that during either the most recently completed Fiscal Year or for any consecutive 12 calendar-month period ending not more than 90 days prior to the date of the then proposed Obligations (or Credit Agreement) (for the purposes of this subsection, such a period is an “Annual Period”) that the Net Operating Revenues of the Authority after deducting an amount equal to 1.25 times the Prior Lien Average Annual Debt Service Requirements (computed on a Fiscal Year basis) of the Prior Lien Bonds that would be outstanding following the issuance of the then proposed Obligations (for so long as the Prior Lien Bonds are outstanding) were equal to at least:

(I) 1.25 times the average Projected Annual Debt Service on all Senior Lien Obligations, and

(II) 1.10 times the average Projected Annual Debt Service on all Senior Lien Obligations and Junior Lien Obligations for such future Fiscal Years; and

in making such calculation, Net Operating Revenues may be adjusted to give effect to any increase of rentals, fees, rates, tolls and charges placed into effect at least 60 days prior to the adoption of the Supplemental Resolution authorizing the Additional Obligations to the same extent as if such increase of rentals, fees, rates, tolls and charges had been placed into effect prior to the commencement of the consecutive 12-month period that is the basis of the calculation; provided, however, that the result of the calculation utilizing such an adjustment must be certified by an independent certified public accountant or firm of independent certified public accountants using the Accounting Principles; or

(B) Projected Coverage: A Port Management Consultant provides a written report setting forth projections which indicate that the estimated Net Operating Revenues of the Authority, after deducting an amount equal to the greater of 1.25 times the Prior Lien Average Annual Debt Service Requirements (computed on a Fiscal Year basis) of the Prior Lien Bonds scheduled to be outstanding following the issuance of the then proposed Obligations and any amounts scheduled to be deposited in the Prior Lien Reserve Fund during the next Fiscal Year, for each of the three consecutive Fiscal Years beginning with the earlier of:

(I) the first Fiscal Year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such Additional Obligations, based upon a certified written estimate of such completion date by the consulting engineer for such facility or facilities, or

(II) the first Fiscal Year in which the Authority will have scheduled payments of interest on or principal of the Additional Obligations to be issued for the payment of which provision has not been made as indicated in the report of such Port Management Consultant from proceeds of such Additional Obligations, investment income thereon or other appropriated sources (other than Net Operating Revenues),

are equal to at least 1.25 times the average Projected Annual Debt Service on all Senior Lien Obligations, and 1.10 times the average Projected Annual Debt Service on all Senior Lien Obligations and Junior Lien Obligations, in each case for all Fiscal Years described in subsection (b)(iii)(A) of this Section;

(C) Refunding Obligations: If the Additional Obligations are being issued for the purpose of refunding previously issued Obligations which are then Outstanding, none of the certifications described in (b)(iii)(A) or (B) of this Section are required (except in the event Senior Lien Obligations are issued to refund Obligations other than Senior Lien Obligations or Junior Lien Obligations are issued to refund Inferior Lien Obligations), so long as the Projected Annual Debt Service in no Fiscal Year after the issuance of such Obligations (after taking into account the redemption or defeasance of the Obligations being refunded) will exceed the scheduled Annual Debt Service in the same Fiscal Year prior to the issuance of such Obligations;

provided, however, that the provisions of this subsection (iii) shall not apply to (a) the issuance of Obligations for the purpose of refunding Short-Term Obligations or Balloon Obligations or Obligations issued under a commercial paper program or a direct purchase note program or (b) the issuance of Completion Obligations in accordance with Section 3.5 hereof; and

(iv) Supplemental Resolution Requirements: Provision is made in the Supplemental Resolution authorizing the Series of Obligations proposed to be issued for:

(A) additional payments into the Senior Lien Debt Service Fund or Junior Lien Debt Service Fund (as the case may be) sufficient to provide for any principal and interest requirements resulting from the issuance of the Obligations, including, in the event that interest on the additional series of Obligations is capitalized and/or to be paid from investment earnings, a

requirement for the transfer from the capitalized interest fund or account and/or from the construction fund to the Senior Lien Debt Service Fund or the Junior Lien Debt Service Fund (as the case may be) of amounts fully sufficient to pay interest on such series of Obligations during the period specified in the Supplemental Resolution; and

(B) satisfaction of the Senior Lien Debt Service Reserve Fund Requirement or the Junior Lien Debt Service Reserve Fund Requirement, if any, (as the case may be) by not later than the date required by any Supplemental Resolution authorizing Obligations then Outstanding.

(c) Special Provisions for Credit Agreements. The Authority may enter into Credit Agreements with respect to any Obligations if (i) prior to entering into such Credit Agreement, the Authority, to the extent required by law, shall cause the proceedings authorizing the Credit Agreement and any contracts or Reimbursement Agreements relating thereto to be submitted to and approved by the Attorney General and (ii) the conditions described in subsection (b) of this Section 3.2 are satisfied for the Obligations to be incurred under the Credit Agreement. A Credit Provider shall be entitled to be subrogated to the rights of the Owners of the Obligations to payments thereon made by advances under such Credit Agreement, and to the extent so provided in a Supplemental Resolution authorizing such Credit Agreement, the Authority's Credit Agreement Obligations may be secured by Net Operating Revenues at the same lien priority as or a lien priority inferior to the Obligations to which the Credit Agreement relates.

Section 3.3. Hedge Agreements. The Authority may enter into one or more Hedge Agreements with respect to any Obligations if prior to entering into such Hedge Agreement:

(a) the Port Commission authorizes the execution and delivery of the Hedge Agreement and specifies therein whether the Hedge Agreement Payment Obligations shall be secured by a pledge of and lien on the Net Operating Revenues on a parity with the Senior Lien Obligations, Junior Lien Obligations or Inferior Lien Obligations to which such Hedge Agreement relates;

(b) the Authority obtains an opinion of nationally recognized bond counsel addressed to the Authority to the effect that the execution of the Hedge Agreement is permitted under the laws of the State and will not adversely affect the exclusion from gross income of interest on any Obligations for federal tax purposes (to the extent such Obligations were issued on a tax-exempt basis);

(c) the Authority shall certify that the Authority is not in default under the Prior Lien Resolution (if Prior Lien Bonds are then outstanding), Prior Lien Bonds outstanding, this Master Resolution, any Supplemental Resolution or Obligations then Outstanding, or any existing Credit Agreement or Hedge Agreement, and that the Hedge Agreement is in compliance with the Authority's then current policies;

(d) the Authority, to the extent required by law, shall cause the proceedings authorizing the Hedge Agreement to be submitted to and approved by the Attorney General; and

(e) the Authority shall certify that the calculation of Annual Debt Service takes into account the expected Hedge Agreement Payment Obligations to be made by the Authority and amounts to be received by the Authority from the Counterparty pursuant to such Hedge Agreement as set forth in this Master Resolution or applicable Supplemental Resolution or, in the case of a Hedge Agreement entered into in anticipation of or after the issuance of the Obligations to which it relates, the Authority makes the certifications required to demonstrate that it may then issue an equal amount of such Obligations of the same lien priority (in lieu of such Obligations if then Outstanding) in accordance with Section 3.2(b).

The Authority may elect to either (i) secure its Hedge Agreement Payment Obligations thereunder (but no other obligations with respect to any such Hedge Agreement) on parity with the Senior Lien Obligations or (ii) not secure such Hedge Agreement Payment Obligations thereunder issued on parity with the Senior Lien Obligations. In the event the Authority wishes to secure its Hedge Agreement Payment Obligations on parity with the Senior Lien Obligations, the Supplemental Resolution by which it is authorized shall grant such parity lien (in which event, such Hedge Agreement shall constitute a “Senior Lien Hedge Agreement”). Upon entering into a Senior Lien Hedge Agreement, amounts equal to the Hedge Agreement Payment Obligations under the Senior Lien Hedge Agreement (net of any amounts owed by the Counterparty to the Authority) shall be deposited into the Senior Lien Debt Service Fund as if such amounts were additional amounts of interest due in order to pay (when due) such Hedge Agreement Payment Obligations payable under the Senior Lien Hedge Agreement from amounts on deposit in the Senior Lien Debt Service Fund. Net amounts received by the Authority from the Counterparty pursuant to Senior Lien Hedge Agreement shall be deposited to the credit of the Senior Lien Debt Service Fund or, in the case of collateral postings and amounts due on termination, to such other Fund or account as designated by an Authorized Representative of the Authority. Notwithstanding the foregoing, any amounts payable by the Authority as termination payments under a Senior Lien Hedge Agreement shall, if secured by a pledge of and lien on the Net Operating Revenues, be secured by a pledge of and lien on the Net Operating Revenues subordinate to the lien benefitting the Senior Lien Obligations.

The Authority may elect to either (i) secure its Hedge Agreement Payment Obligations thereunder (but no other obligations with respect to any such Hedge Agreement) on parity with the Junior Lien Obligations or (ii) not secure such Hedge Agreement Payment Obligations thereunder on parity with the Junior Lien Obligations. In the event the Authority wishes to secure its obligations on parity with the Junior Lien Obligations, the Supplemental Resolution by which it is authorized shall grant such parity lien position (in which event, such Hedge Agreement shall constitute a “Junior Lien Hedge Agreement”). Upon entering into a Junior Lien Hedge Agreement, amounts equal to the Hedge Agreement Payment Obligations received under the Junior Lien Hedge Agreement (net of any amounts owed by the Counterparty to the Authority) shall be deposited into the Junior Lien Debt Service Fund as if such amounts were additional amounts of interest due in order to pay (when due) such Hedge Agreement Payment Obligations payable under the Junior Lien Hedge Agreement from amounts on deposit in the Junior Lien Debt Service Fund.

Net amounts received by the Authority from the Counterparty pursuant to a Junior Lien Hedge Agreement shall be deposited to the credit of the Junior Lien Debt Service Fund or in the case of collateral postings and amounts on termination, to such other Fund or account as designated by an Authorized Representative of the Authority. Notwithstanding the foregoing, any amounts payable by the Authority as termination payments under a Junior Lien Hedge Agreement shall, if secured by a pledge and lien on the Net Operating Revenues, be secured by a pledge of and lien on the Net Operating Revenues, subordinate to the lien benefitting the Junior Lien Obligations.

Section 3.4. Short-Term Obligations. The Authority reserves the right to issue, from time to time, one or more series of Obligations as “Short-Term Obligations”; provided, however, that no such Short-Term Obligations (other than those issued under a Supplemental Resolution adopted concurrently with this Master Resolution) may be issued without satisfying the applicable provisions of Section 3.2 above.

Section 3.5. Completion Obligations.

(a) The Authority reserves the right to issue (i) Obligations to pay the cost of completing any Financed Project (as defined in this Section below) for which Obligations have previously been issued to finance all or part of the Financed Project. Such Completion Obligations may be issued on parity with or subordinate to the Obligations that financed the costs of the Financed Project.

(b) Prior to the issuance of any series of Completion Obligations the Authority must provide, in addition to satisfying all of the conditions of Section 3.2 (other than subsections 3.2(b)(iii), which shall not apply to Completion Obligations), the following documents:

(i) a certificate of the consulting engineer engaged by the Authority to design the Financed Project for which the Completion Obligations are to be issued stating that such Financed Project has not materially changed in scope since the issuance of the most recent series of Obligations for such purpose (except as permitted in the applicable Supplemental Resolution authorizing such Obligations) and setting forth the aggregate cost of the Financed Project which, in the opinion of such consulting engineer, has been or will be incurred; and

(ii) a certificate of the Executive Director or Chief Financial Officer of the Authority (A) stating that all amounts allocated to pay costs of the Financed Project from the proceeds of the most recent series of Obligations issued in connection with the Financed Project for which the Completion Obligations are being issued were used or are still available within a construction fund therefor to be used to pay costs of such Financed Project; (B) containing a calculation of the amount by which the aggregate cost of that Financed Project (furnished in the consulting engineer’s certificate described above) exceeds the sum of the costs of the Financed Project paid to such date plus the monies available at such date within any construction fund established therefor or other like account applicable to the Financed Project plus any other monies which the Authority has determined are available to pay such costs in any other fund; (C) certifying that, in the opinion of

the Authority, the issuance of the Completion Obligations is necessary to provide funds for the completion of the Financed Project; and (D) certifying that at the time the most recent Series of Obligations were issued in connection with the Financed Project (other than pursuant to this Section), the Authority reasonably believed that such Series of Obligations would be sufficient, together with funds on hand dedicated to such purpose, to pay the costs of the Financed Project.

For purposes of this Section, the term “Financed Project” shall mean any Project or portion thereof defined in a Supplemental Resolution authorizing the issuance of Senior Lien Obligations, Junior Lien Obligations or Inferior Lien Obligations for the purpose of financing such Project or portion thereof. Any such Supplemental Resolution may contain such further provisions as the Authority shall deem appropriate with regard to the use, completion, modification or abandonment of such Financed Project.

Section 3.6. Inferior Lien Obligations. The Authority reserves the right to issue or incur, bonds, notes, commercial paper program notes or other obligations secured in whole or in part by liens on the Net Operating Revenues that are junior and subordinate to the lien on Net Operating Revenues securing payment of the Senior Lien Obligations and Junior Lien Obligations. Such Inferior Lien Obligations may be further secured by any other source of payment lawfully available for such purposes and may be issued under this Master Resolution and a Supplemental Resolution of the Authority, which may contain such additional provisions, funds, and accounts as are necessary and desirable to facilitate the issuance of Inferior Lien Obligations.

Section 3.7. Capital Leases. Subject to the restrictions contained in the Prior Lien Resolution (for so long as the Prior Lien Bonds are outstanding), the Authority reserves the right to finance or acquire Port Facilities through capital leases or other lease/purchase arrangements in accordance with this Section. Unless such capital leases or lease/purchase arrangements are entered into under a Supplemental Resolution designating the Authority’s payment obligations thereunder as Senior Lien Obligations, Junior Lien Obligations or Inferior Lien Obligations, any payment obligations of the Authority under such capital leases or other similar lease/purchase arrangements will be payable from Net Operating Revenues available after making all deposits required in connection with the outstanding Prior Lien Bonds and any Outstanding Senior Lien Obligations, Junior Lien Obligations and Inferior Lien Obligations under this Master Resolution and the Supplemental Resolution(s) authorizing such Outstanding Senior Lien Obligations, Junior Lien Obligations, Inferior Lien Obligations or other lawfully available funds of the Authority that are not Gross Operating Revenues. Capital leases or other similar lease/purchase arrangements may be secured by the mortgage or encumbrance of the Port Facility being financed under such arrangement, subject to Sections 6.5 and 7.4 of this Master Resolution, and a pledge of any other source of payment lawfully available for such purposes, subject to Sections 6.9 and 7.7 of this Master Resolution. Capital leases or other similar lease/purchase arrangements may be entered into under this Master Resolution or a separate resolution of the Authority. If the payment obligations of the Authority under a capital lease or other similar lease/purchase arrangement will be Senior Lien Obligations, Junior Lien Obligations or Inferior Lien Obligations, the Authority must comply with the provisions of Section 3.2 of this Master Resolution. The Authority reserves the right to establish such other funds and accounts as may be necessary in connection with such capital lease or other similar lease/purchase arrangements in a Supplemental Resolution; provided,

however, that no such funds or accounts shall be earlier in priority than the Senior Lien Debt Service Fund and any Senior Lien Debt Service Reserve Fund.

Section 3.8. Special Facilities Obligations. The Authority reserves the right to issue, from time to time, in one or more series, Special Facilities Obligations as herein provided to finance and refinance the cost of any Special Facilities, including all reserves required therefor, all related costs of issuance and other amounts reasonably relating thereto, provided that such Special Facilities Obligations shall be payable solely from payments by Special Facilities lessees and/or other security not provided by the Authority. In no event shall any Gross Operating Revenues or any other amounts held in any other fund or account maintained by the Authority as security for the Obligations or for the construction, operation, maintenance or repair of Port Facilities be pledged to the payment of Special Facilities Obligations or to the payment of any expenses of maintenance and operation of Special Facilities.

Section 3.9. Excluded Fee and Charge Revenue Obligations. The Authority reserves the right to issue or incur, for any lawful Authority purpose, bonds, notes, commercial paper program notes or other obligations secured in whole or in part by a lien on all or any designated portion of Excluded Fee and Charge Revenues. Such obligations may be further secured by any other source of payment lawfully available for such purposes, other than Gross Operating Revenues (unless issued in accordance with other provisions of this Article). The Port Commission shall document Excluded Fee and Charge Revenues via resolution or order.

Section 3.10. Springing Senior Lien Obligations. Notwithstanding the foregoing and without complying with any of the provisions of Section 3.2(b)(iii), the Authority may, from time to time, issue and deliver to the United States or any agency thereof a Junior Lien Obligation or an Inferior Lien Obligation that, upon the occurrence of an Event of Default arising from a bankruptcy related event, will be deemed to be and will automatically become a Senior Lien Obligation in accordance with the provisions of the Supplemental Indenture authorizing such Junior Lien Obligation or Inferior Lien Obligation.

ARTICLE IV

SECURITY AND SOURCE OF PAYMENT

Section 4.1. Security; Source of Payment for All Obligations. The Authority hereby covenants and agrees that all Gross Operating Revenues, as collected and received by the Authority, shall be deposited and credited to the Operating Fund and applied in accordance with Section 5.2 of this Master Resolution in order to provide for the payment of Maintenance and Operating Expenses due in a month, the payment of principal of, interest on and redemption premiums, if any, on the outstanding Prior Lien Bonds, deposits to the Prior Lien Reserve Fund, the payment of principal of, interest on and redemption premiums, if any, on the Obligations, the payment of Credit Agreement Obligations and Hedge Agreement Payment Obligations and the payment of all expenses of paying the same, and to provide for the disposition of the remaining Net Operating Revenues in accordance with this Master Resolution.

(a) Senior Lien Obligations. The Senior Lien Obligations shall constitute special obligations of the Authority that shall be payable solely from, and equally and

ratably secured by a lien on, the Net Operating Revenues. However, the lien and pledge securing such Senior Lien Obligations shall be in all things junior and subordinate to the lien on and pledge of the Net Operating Revenues made for the security and payment of the Prior Lien Bonds and the deposits required by the Prior Lien Resolution to the Prior Lien Interest and Sinking Fund and the Prior Lien Reserve Fund while the Prior Lien Bonds are outstanding. The Authority hereby grants a lien on such Net Operating Revenues in the Operating Fund and further grants a lien on the money and investments held in the Senior Lien Debt Service Fund and any other fund so designated in any Supplemental Resolution to secure the payment of the principal of and interest on, Maturity Amount, and, redemption premium, if any, on all Senior Lien Obligations and all expenses of providing for their full and timely payment in accordance with their terms. For the additional benefit of the owners of the Senior Lien Obligations that are Debt Service Reserve Fund Participants, the Authority hereby further grants a lien on the Senior Lien Reserve Fund Participant Account of the Senior Lien Debt Service Reserve Fund, as and to the extent provided in the Supplemental Resolution authorizing such Senior Lien Obligations. For the additional benefit of the owners of the Senior Lien Obligations that are not Debt Service Reserve Fund Participants, the Authority may create one or more additional separate accounts within the Senior Lien Debt Service Reserve Fund and grant a lien on such accounts for the benefit of the Owners of such Series of Senior Lien Obligations, all as more particularly described in Article V of this Master Resolution. Except with respect to the Senior Lien Debt Service Reserve Fund Participant Account or the other separate accounts of the Senior Lien Debt Service Reserve Fund described in this Section or applicable Supplemental Resolution and except to the extent a Supplemental Security has been provided in the manner described in Section 4.4, all Senior Lien Obligations shall be in all respects on a parity with and of equal dignity with one another.

(b) Junior Lien Obligations. The Junior Lien Obligations shall constitute special obligations of the Authority that shall, subject to the prior and superior liens of the Prior Lien Bonds while the Prior Lien Bonds are outstanding, and the Senior Lien Obligations, be payable solely from and equally and ratably secured by a lien on the Net Operating Revenues. The Authority hereby grants a lien, subject only to the prior and superior liens of the Prior Lien Bonds while the Prior Lien Bonds are outstanding, and the Senior Lien Obligations, on such Net Operating Revenues in the Operating Fund and on the Junior Lien Debt Service Fund to secure the payment of the principal of and interest on, Maturity Amount, and premium, if any, on all Junior Lien Obligations and all expenses of providing their full and timely payment in accordance with their terms. For the additional benefit of the owners of the Junior Lien Obligations that are Debt Service Reserve Fund Participants, the Authority hereby further grants a lien on the Junior Lien Reserve Fund Participant Account of the Junior Lien Debt Service Reserve Fund to secure the payment of principal of, premium, if any, and interest on all Junior Lien Obligations, as and to the extent provided in the Supplemental Resolution authorizing such Junior Lien Obligations. For the additional benefit of the owners of the Junior Lien Obligations that are not Debt Service Reserve Fund Participants, the Authority may, but is not obligated to, create one or more additional, and such separate accounts within the Junior Lien Debt Service Reserve Fund and grant a lien on such accounts for the benefit of the Owners of such Series of Junior Lien Obligations, all as more fully described in Article V of this Master Resolution. Except with respect to the Junior Lien Debt Service Fund Participant

Account or the other separate accounts of the Junior Lien Debt Service Reserve Fund described in this Section or applicable Supplemental Resolution and except to the extent a Supplemental Security has been provided in the manner described in Section 4.4, all Junior Lien Obligations shall be in all respects on a parity with and of equal dignity with one another.

(c) Perfection of Security Interests. Pursuant to Chapter 1208, Texas Government Code, the liens created hereunder are valid, effective and perfected. To the extent that the Senior Lien Obligations and Junior Lien Obligations are issued with a Credit Agreement, the Authority authorizes the inclusion of additional provisions, as needed to provide security for the payment of principal and interest when due on bank bonds. If State law is amended at any time while the Obligations are outstanding and unpaid such that the pledge of the security granted by the Port Commission under this Master Resolution is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the owners of the Obligations the perfection of the security interest in said pledge, the Port Commission agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and maintain the perfection and priority of such security under the Code.

Section 4.2. Obligations Not Payable from Taxes. The owners of the Obligations shall never have the right to demand payment of either the principal of, or interest on, Maturity Amount of, or any redemption premium on, any Obligations, any Credit Agreement Obligations or any amounts due and owing under any Credit Agreement or Hedge Agreement out of any funds raised or to be raised by taxation.

Section 4.3. Rate Covenant. The Authority hereby expressly stipulates and agrees, while any Obligations are Outstanding, to establish and maintain tariffs, rentals, tolls, fees, rates and charges for facilities and services afforded by the Port Facilities that are reasonably expected, on the basis of available information and experience, to produce Gross Operating Revenues in each Fiscal Year reasonably anticipated to be sufficient to meet all of the following:

- (a) to pay Maintenance and Operating Expenses; and
- (b) for so long as the Prior Lien Bonds are outstanding, to produce Net Operating Revenues at least equal to 1.25 times the Prior Lien Average Annual Debt Service Requirements on Outstanding Prior Lien Bonds; and
- (c) for so long as the Prior Lien Bonds are outstanding, to enable the Authority to make the deposits and credits, if any, from Net Operating Revenues to the Prior Lien Reserve Fund to restore any required reserve amounts, including the payment of any Prior Lien Reserve Fund Obligation Payment then due; and
- (d) to produce Net Operating Revenues at least equal to the greater of (i) or (ii) below:
 - (i) An amount not less than the highest of (1) 1.25 times the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations, (2)

1.10 times the Annual Debt Service in such Fiscal Year on all Outstanding Senior Lien Obligations and Junior Lien Obligations, or (3) 1.0 times the Annual Debt Service in such Fiscal Year on all Outstanding Obligations; plus all amounts required to be deposited in such Fiscal Year to the credit of the Senior Lien Debt Service Reserve Fund, the Junior Lien Debt Service Reserve Fund, and any debt service reserve fund established for any Inferior Lien Obligations; or

(ii) While the Prior Lien Bonds are outstanding, an amount not less than 1.10 times the average Annual Debt Service on all Outstanding Obligations and an amount equal to the amount required to be deposited in any reserve or contingency fund created for the payment and security of such Obligations; and

(e) While the Prior Lien Bonds are outstanding, to produce Net Operating Revenues to pay any other Debt payable from available revenues of the Authority.

When the Prior Lien Bonds are no longer outstanding, in making the calculations in subsection (d)(i), above, the Authority may take into consideration as a credit against Annual Debt Service any amounts received, or reasonably expected to be received, in the Fiscal Year from or as a result of any Supplemental Security the Authority has pledged for the benefit of Obligations to the extent the Authority is not under an obligation to repay the amounts received; provided, however, that if the pledge is not for the benefit of all Obligations, the amounts expected to be received may only be taken into account when making the calculation for the affected Obligations.

Should the annual audit report required by Sections 6.8 or 7.6 hereof reflect that the Gross Operating Revenues or Net Operating Revenues, as appropriate, and other available funds budgeted by the Port Commission for the Fiscal Year covered thereby were less than necessary to meet the requirements of this Section, the Port Commission will promptly upon receipt of such annual audit report review the operations of the Port Facilities and the rates and charges for services provided and its Maintenance and Operating Expenses, and the Port Commission will make the necessary adjustments or revisions, if any, in order that the Gross Operating Revenues or Net Operating Revenues, as appropriate, for the succeeding year, together with other funds of the Authority available to be budgeted for such purpose, are reasonably expected to be sufficient to satisfy the foregoing coverage requirements.

Notwithstanding the above, the Authority shall at all times establish and maintain tariffs, rentals, tolls, fees, rates and charges that are sufficient to produce Net Operating Revenues in each Fiscal Year in an amount not less than one hundred percent of Maintenance and Operating Expenses, the Prior Lien Annual Debt Service for such Fiscal Year on Prior Lien Bonds outstanding and the Annual Debt Service for such Fiscal Year on all Outstanding Obligations.

Section 4.4. Supplemental Security. Subject to any restrictions contained in the Prior Lien Resolution while the Prior Lien Bonds are outstanding, the Authority may, in its discretion, provide Supplemental Security (a) for specified Obligations, but shall have no obligation to provide such additional security or credit enhancement to other Obligations, or (b) for deposit into one or more specified Funds or accounts created under this Master Resolution or any Supplemental Resolution, except that no Supplemental Security shall be provided unless there shall have been first delivered an opinion of Bond Counsel to the effect that the exclusion from gross income of

interest on any Outstanding Obligations issued, or Obligations then proposed to be issued, on a tax-exempt basis for federal income tax purposes will not be adversely affected thereby. The Authority reserves the right to establish, pursuant to a Supplemental Resolution, one or more Funds or accounts for the purpose of securing, investing and disbursing Supplemental Security. A Supplemental Resolution may provide for the addition of Supplemental Security or the establishment of funds and accounts for the purpose of securing, investing and disbursing such Supplemental Security subsequent to the issuance of the Obligations authorized by such Supplemental Resolution.

ARTICLE V

FUNDS AND ACCOUNTS

Section 5.1. Establishment of Special Funds.

(a) The following special funds shall be established (or confirmed), maintained and accounted for by the Authority as hereinafter provided so long as any of the Obligations remain Outstanding (notwithstanding the foregoing, the Prior Lien Interest and Sinking Fund and the Prior Lien Reserve Fund must be maintained only for so long as the Prior Lien Bonds are outstanding):

- (i) Operating Fund;
- (ii) Prior Lien Interest and Sinking Fund;
- (iii) Prior Lien Reserve Fund;
- (iv) Senior Lien Debt Service Fund;
- (v) Senior Lien Debt Service Reserve Fund;
- (vi) Junior Lien Debt Service Fund;
- (vii) Junior Lien Debt Service Reserve Fund;
- (viii) Operating Reserve Fund; and
- (ix) Port Improvement Fund.

(b) The special funds shall be maintained in the following manner:

(i) The Operating Fund, the Prior Lien Interest and Sinking Fund, the Prior Lien Reserve Fund, the Senior Lien Debt Service Fund, the Senior Lien Debt Service Reserve Fund, the Junior Lien Debt Service Fund, the Junior Lien Debt Service Reserve Fund, the Operating Reserve Fund and the Port Improvement Fund shall be maintained at an official depository bank of the Authority separate and apart from all other funds and accounts of the Authority.

(ii) The Operating Fund shall be maintained as a separate fund or account on the books of the Authority and all amounts credited to such fund shall be maintained in an official depository of the Authority. While the Prior Lien Bonds are outstanding, the Operating Fund shall have the following accounts, the “General Account” and the “Excluded Fees and Charges Account.”

(iii) The Prior Lien Interest and Sinking Fund shall constitute a trust fund for the benefit of the owners of the Prior Lien Bonds as provided in the Prior Lien Resolution.

(iv) The Prior Lien Reserve Fund is for the benefit of the owners of the Prior Lien Bonds as provided in the Prior Lien Resolution.

(v) The Senior Lien Debt Service Fund shall constitute trust funds for the benefit of the Owners of the Senior Lien Obligations and the balance on deposit therein (other than the interest income thereon, which shall either be retained in the Senior Lien Debt Service Fund and applied against future required deposits into such fund or transferred to the Operating Fund, unless federal tax law requires that it be deposited to a different Fund) is hereby pledged to the payment of the Senior Lien Obligations.

(vi) The Senior Lien Debt Service Reserve Fund or accounts therein may be pledged to particular Series of Senior Lien Obligations as described herein and in the Supplemental Resolutions authorizing the issuance of the Senior Lien Obligations. Within the Senior Lien Debt Service Reserve Fund, there is created a “Senior Lien Debt Service Reserve Fund Participant Account”. The Senior Lien Debt Service Reserve Fund Participant Account shall constitute trust funds for the benefit of Owners of the Senior Lien Obligations that are Debt Service Reserve Fund Participants. The balance of the Senior Lien Debt Service Reserve Fund Participant Account (other than the interest income thereon, which may be transferred, to the extent herein provided, to the Senior Lien Debt Service Fund or such other funds as may be permitted under federal tax law) is hereby pledged to the payment of the Senior Lien Obligations that are Senior Lien Debt Service Reserve Fund Participants. The Authority reserves the right to issue Senior Lien Obligations that are not Debt Service Reserve Fund Participants and that are not secured by the Senior Lien Debt Service Reserve Fund Participant Account; and the Authority may, but is not obligated to, create one or more separate accounts within the Senior Lien Debt Service Reserve Fund for the benefit of any Series of Senior Lien Obligations that is not a Debt Service Reserve Fund Participant, the balance of which account (other than the interest income thereon, which may be transferred, to the extent herein provided, to the Senior Lien Debt Service Fund or such other funds as may be permitted under federal tax law) is hereby pledged to the payment of such Series of Senior Lien Obligations that is not a Debt Service Reserve Fund Participant.

(vii) The Junior Lien Debt Service Fund shall constitute trust funds for the benefit of the Owners of the Junior Lien Obligations and the balance on deposit

therein (other than the interest income thereon, which shall either be retained in the Junior Lien Debt Service Fund and applied against future required deposits into such fund or transferred to the Operating Fund, unless federal tax law requires that it be deposited to a different Fund) shall be pledged to the payment of the Junior Lien Obligations.

(viii) The Junior Lien Debt Service Reserve Fund or accounts thereunder may be pledged to particular Series of Junior Lien Obligations as described herein and in the Supplemental Resolutions authorizing the issuance of the Junior Lien Obligations. Within the Junior Lien Debt Service Reserve Fund, there is created a “Junior Lien Debt Service Reserve Fund Participant Account”. The Junior Lien Debt Service Reserve Fund Participant Account shall constitute trust funds for the benefit of Owners of the Junior Lien Obligations that are Debt Service Reserve Fund Participants. The balance of the Junior Lien Debt Service Reserve Fund Participant Account (other than the interest income thereon, which may be transferred, to the extent herein provided, to the Junior Lien Debt Service Fund or such other funds as may be permitted under federal tax law) is hereby pledged to the payment of the Junior Lien Obligations that are Junior Lien Debt Service Reserve Fund Participants. The Authority reserves the right to issue Junior Lien Obligations that are not Debt Service Reserve Fund Participants and that are not secured by the Junior Lien Debt Service Reserve Fund Participant Account; and the Authority may, but is not obligated to, create one or more separate accounts within the Junior Lien Debt Service Reserve Fund for the benefit of any Series of Junior Lien Obligations that is not a Debt Service Reserve Fund Participant, the balance of which account (other than the interest income thereon, which may be transferred, to the extent herein provided, to the Junior Lien Debt Service Fund or such other funds as may be permitted under federal tax law) is hereby pledged to the payment of such Series of Junior Lien Obligations that is not a Debt Service Reserve Fund Participant.

(ix) The Funds named in clauses (iii) and (iv), above, shall be used solely for the purposes for which such Funds were created for so long as the Prior Lien Bonds are outstanding. All of the other Funds named above shall be used solely as herein provided so long as any Obligations remain Outstanding.

(c) The Authority reserves the right to establish additional accounts and subaccounts within any Fund as necessary or desirable in furtherance of the intent and purpose of this Master Resolution, including the purpose of causing the supplemental funding of any debt service fund or Debt Service Reserve Fund. Each such account or subaccount within a Fund shall be designated in a manner that indicates the identity of such Fund and that distinguishes such account or subaccount from all other accounts and subaccounts established under this Master Resolution.

(d) The Authority reserves the right to establish, pursuant to a Supplemental Resolution, one or more additional Funds or accounts for such purposes as the Authority may determine from time to time, including, but not limited to the purposes of providing

for the issuance of Inferior Lien Obligations and the creation of reserves for any lawful Authority purpose.

Section 5.2. Revenue Fund; and Flow of Funds. All Gross Operating Revenue shall be deposited as received into the Operating Fund. While the Prior Lien Bonds are outstanding, Excluded Fees and Charges Revenues shall be deposited into the Excluded Fees and Charges Account, and the remaining Gross Operating Revenues shall be deposited in the General Account. Unless modified with respect to a particular Series of Obligations in a Supplemental Resolution, which modifications shall not have an adverse effect with respect to any outstanding Prior Lien Bonds or any Outstanding Obligations, monies on deposit in the Operating Fund shall be deposited in, or credited to, as appropriate, the following Funds and Accounts, on or before the 25th calendar day of each month (each, a “Transfer Date”) beginning in the calendar month in which any Obligations are issued and Outstanding hereunder (or on such other date or dates as may be provided in a Supplemental Resolution with respect to a particular Series of Obligations adopted in accordance herewith and any conditions contained in a Supplemental Resolution or Credit Agreement) in the following amounts and in the following order of priority (provided, however, that if the Chief Financial Officer of the Authority provides a written certification that a Fund contains the amount required to be deposited therein for a particular period under this Master Resolution and any Supplemental Resolution, the Authority may suspend transfers to such Fund for the period identified in such certification):

(a) From the General Account as follows:

(i) First, to pay and provide by encumbrance for the payment of all necessary and reasonable Maintenance and Operating Expenses as defined herein or required by law, provided, that for so long as the Prior Lien Bonds are outstanding, Maintenance and Operating Expenses shall be paid on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account, to be a first charge on and claim against Gross Operating Revenues;

(ii) Second, until such time as the Prior Lien Bonds are no longer outstanding, on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account, to the payment of amounts required to be credited to the Prior Lien Interest and Sinking Fund;

(iii) Third, until such time as the Prior Lien Bonds are no longer outstanding, on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account, to the amounts required to be deposited and credited to the Prior Lien Reserve Fund;

(iv) Fourth, to the Senior Lien Debt Service Fund (or to a fund or account created to pay Credit Agreement Obligations under a Credit Agreement entered into in connection with Senior Lien Obligations or a Hedge Agreement Payment Obligation under a Senior Lien Hedge Agreement, if the same are not payable from the Senior Lien Debt Service Fund and deposits to such fund or account are ratable with deposits to the Senior Lien Debt Service Fund), an amount equal to the sum of the following:

(A) one-sixth (1/6) of the interest becoming due on the next semiannual Interest Payment Date with respect to Senior Lien Obligations that bear interest at a fixed rate payable semiannually; and

(B) one-fourth (1/4) of the interest becoming due on the next quarterly Interest Payment Date with respect to Senior Lien Obligations that bear interest at a fixed rate payable quarterly; and

(C) the amount of interest next becoming due in the following month on Senior Lien Obligations that bear interest at a fixed rate payable monthly; and

(D) if interest on the Senior Lien Obligations bears interest payable at a variable rate or a fixed rate payable on other than a semi-annual, quarterly, or monthly basis, the amount required to provide for the payment of the interest thereon becoming due on the next Interest Payment Date in substantially equal monthly installments based on reasonably foreseeable financial conditions; and

(E) the amount of interest accruing in such month on Senior Lien Obligations that bear interest payable on other than a monthly basis (other than Capital Appreciation Bonds), together with the amount of interest that will accrue on such Senior Lien Obligations through any Interest Payment Dates that will occur prior to the next Transfer Date; and

(F) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Senior Lien Obligations that will mature and become due and payable on the next annual maturity date therefor; and

(G) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Senior Lien Obligations subject to mandatory sinking fund redemption on the next annual mandatory sinking fund redemption date;

(H) with respect to any issue of Senior Lien Obligations, the amount, if any, necessary to pay the rebate amount required to be paid, pursuant to section 148(f) of the Internal Revenue Code of 1986, as amended, in the month following the Transfer Date; and

(I) the Credit Agreement Obligation secured by a pledge of and a lien on Net Operating Revenues on parity with other Senior Lien Obligations or Hedge Agreement Payment Obligation, if any, payable by the Authority under a Senior Lien Hedge Agreement accruing in such month or that will accrue through a payment date that will occur prior to the next Transfer Date; provided, that such amounts shall be included in the calculation of the monthly deposit only to the extent such amounts are required to be paid in addition to the amounts provided for by clauses (A) through (H) above.

In calculating such monthly deposit to the Senior Lien Debt Service Fund, the following shall be taken into account and credited against deposits to the Senior Lien Debt Service Fund otherwise required by the foregoing clauses: (a) any accrued interest deposited into the Senior Lien Debt Service Fund from the proceeds of a Series of Senior Lien Obligations, and any amounts credited to the Senior Lien Debt Service Fund and dedicated to pay capitalized interest on a Series of Senior Lien Obligations, in either case on or before the Transfer Date and anticipated to be available to pay interest on such Senior Lien Obligations on the next Interest Payment Date, (b) any other amounts deposited to the Senior Lien Debt Service Fund prior to the Transfer Date, (c) any investment income realized by the Authority from the investment of amounts on deposit in the Senior Lien Debt Service Fund and credited to the Senior Lien Debt Service Fund, and (d) any payments received by the Authority from a Counterparty under a Senior Lien Hedge Agreement and deposited to the Senior Lien Debt Service Fund (which amounts shall be deposited to the Senior Lien Debt Service Fund as described in Section 5.3 of this Master Resolution).

No deposits shall be required under clauses (F) or (G), above for the payment of the principal amount or Maturity Amount as applicable on a Senior Lien Obligation to the extent there is in effect a third party agreement (e.g. bond purchase agreement) to refund or refinance the principal amount or Maturity Amount coming due or the Senior Lien Obligation is a Short-Term Obligation that will be refinanced, refunded or rolled under a commercial paper program or a direct purchase note program.

Further, such monthly deposits shall be adjusted, as appropriate, to reflect the frequency of Interest Payment Dates applicable to each Series of Senior Lien Obligations and the frequency of payments under any Senior Lien Hedge Agreements so as to assure ratable monthly accrual of all Obligations of the Authority payable thereunder. On or before each Transfer Date, the Authority shall make up any deficiencies in deposits on prior Transfer Dates in accordance with Section 5.9 of this Master Resolution.

(v) Fifth, to the Senior Lien Debt Service Reserve Fund, all amounts, if any, which, together with amounts on deposit therein and amounts available under a Senior Lien DSRF Security, may be required by any Supplemental Resolution, including transfers to pay all Credit Agreement Obligations under a Senior Lien DSRF Security.

(vi) Sixth, to the Junior Lien Debt Service Fund (or to a fund or account created to pay or Credit Agreement Obligations under a Credit Agreement entered into in connection with Junior Lien Obligations or a Hedge Agreement Payment Obligation under a Junior Lien Hedge Agreement), an amount equal to the sum of the following:

(A) one-sixth (1/6) of the interest becoming due on the next semiannual Interest Payment Date with respect to Junior Lien Obligations that bear interest at a fixed rate payable semiannually; and

(B) one-fourth (1/4) of the interest becoming due on the next quarterly Interest Payment Date with respect to Junior Lien Obligations that bear interest at a fixed rate payable quarterly; and

(C) the amount of interest next becoming due on Junior Lien Obligations that bear interest at a fixed rate payable monthly; and

(D) if interest on the Junior Lien Obligations bears interest payable at a variable rate or fixed rate on other than a semi-annual, quarterly, or monthly basis, the amount required to provide for the payment of the interest thereon becoming due on the next Interest Payment Date in substantially equal monthly installments under reasonably foreseeable financial conditions; and

(E) the amount of interest accruing in such month on Junior Lien Obligations that bear interest payable on other than a monthly basis (other than Capital Appreciation Bonds), together with the amount of interest that will accrue on such Junior Lien Obligations through any Interest Payment Dates that will occur prior to the next Transfer Date; and

(F) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Junior Lien Obligations that will mature and become due and payable on the next annual maturity date therefor; and

(G) one-twelfth (1/12) of the principal amount or Maturity Amount, as applicable, of Junior Lien Obligations subject to mandatory sinking fund redemption on the next annual mandatory sinking fund redemption date;

(H) with respect to any issue of Junior Lien Obligations, the amount, if any, necessary to pay the rebate amount required to be paid, pursuant to section 148(f) of the Internal Revenue Code of 1986, as amended, in the month following the Transfer Date; and

(I) the Credit Agreement Obligation secured by a pledge of and a lien on the Net Operating Revenues on parity with other Junior Lien Obligations or Hedge Agreement Payment Obligations the amount, if any, payable by the Authority under a Junior Lien Hedge Agreement accruing in such month or that will accrue through a payment date that will occur prior to the next Transfer Date; provided, that such amounts shall be included in the calculation of the monthly deposit only to the extent such amounts are required to be paid in addition to the amounts provided for by clauses (A) through (H), above.

In calculating such monthly deposit to the Junior Lien Debt Service Fund, the following shall be taken into account and credited against deposits to the Junior Lien Debt Service Fund otherwise required by the foregoing clauses: (a) any accrued interest deposited into the Junior Lien Debt Service Fund from the proceeds of a Series of Junior

Lien Obligations, (b) any amounts credited to the Junior Lien Debt Service Fund prior to the Transfer Date and dedicated to pay capitalized interest on Junior Lien Obligations and anticipated to be available to pay interest on Junior Lien Obligations on the next Interest Payment Date, (c) any amounts deposited to the Junior Lien Debt Service Fund prior to the Transfer Date, (d) any investment income realized by the Authority from the investment of amounts on deposit in the Junior Lien Debt Service Fund, and (e) any payments received by the Authority from a Counterparty under a Junior Lien Hedge Agreement and deposited to the Junior Lien Debt Service Fund (which amounts shall be deposited to the Junior Lien Debt Service Fund as described in Section 5.5 of this Master Resolution).

No deposits shall be required under clauses (F) or (G), above for the payment of the principal amount or Maturity Amount as applicable on a Junior Lien Obligation to the extent there is in effect a third party agreement (e.g. bond purchase agreement) to refund or refinance the principal amount or Maturity Amount coming due or the Junior Lien Obligation is a Short-Term Obligation that will be refinanced, refunded or rolled under a commercial paper program or a direct purchase note program.

Further, such monthly deposits shall be adjusted, as appropriate, to reflect the frequency of Interest Payment Dates applicable to each Series of Junior Lien Obligations and the frequency of payments under any Junior Lien Hedge Agreements so as to assure ratable monthly accrual of all Obligations of the Authority payable thereunder. On or before each Transfer Date, the Authority shall make up any deficiencies in deposits on prior Transfer Dates in accordance with Section 5.9 of this Master Resolution.

(vii) Seventh, to the Junior Lien Debt Service Reserve Fund, all amounts, if any, which, together with amounts on deposit therein and amounts available under a Junior Lien DSRF Security, may be required by any Supplemental Resolution, including transfers to pay all Credit Agreement Obligations under a Junior Lien DSRF Security.

(viii) Eighth, to any funds or accounts created by any Supplemental Resolutions to pay Inferior Lien Obligations or pay or repay amounts under a Credit Agreement or Hedge Agreement secured on a lien and subordinate to the Senior Lien Obligations and Junior Lien Obligations. Supplemental Resolutions establishing such funds or accounts shall establish the application of such deposits.

(ix) Ninth, to the payment of debt service payments and reserve fund payments related to any Inferior Lien Obligations established under this Master Resolution;

(x) Tenth, to the payment of the amount required to replenish the Operating Reserve Fund as provided in Section 5.7 hereof.

(xi) Eleventh, to any reserve funds or accounts created by any Supplemental Resolution to provide a reserve for any lawful purpose. Supplemental Resolutions establishing such reserve funds or accounts shall establish the application of such deposits.

(xii) Twelfth, except as otherwise provided in a Supplemental Resolution, to the Port Improvement Fund all amounts remaining on deposit in the Operating Fund.

(b) From the Excluded Fees and Charges Account as follows:

(i) First, until such time as the Prior Lien Bonds are no longer outstanding, to pay and provide by encumbrance for the payment of all current Maintenance and Operating Expenses; provided, that for so long as the Prior Lien Bonds are outstanding, Maintenance and Operating Expenses shall be paid on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account;

(ii) Second, until such time as the Prior Lien Bonds are no longer outstanding, on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account, to the payment of amounts required to be credited to the Prior Lien Interest and Sinking Fund;

(iii) Third, until such time as the Prior Lien Bonds are no longer outstanding, on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account, to the amounts required to be deposited and credited to the Prior Lien Reserve Fund;

(iv) Fourth, the payment of debt service on any Obligations secured by a pledge of Excluded Fee and Charge Revenues and the creation of any reserves related to such Obligations;

(v) Fifth, until such time as the Prior Lien Bonds are no longer outstanding, on a pro rata basis from funds in the General Account and the Excluded Fees and Charges Account, to replenish the Operating Reserve Fund;

(vi) Sixth, for any lawful purpose, including without limitation the payment of project costs.

It shall be the duty of the Authorized Representatives of the Authority or his designee to cause all Gross Operating Revenues to be accounted for, deposited, invested, transferred and applied in accordance with the provisions of this Article and any Supplemental Resolution. When the Prior Lien Bonds are no longer outstanding, the Excluded Fees and Charges Account shall terminate, and the moneys contained therein shall be transferred or committed at the discretion of the Port Commission.

Section 5.3. Senior Lien Debt Service Fund. The Authority may create such additional accounts in the Senior Lien Debt Service Fund pursuant to a Supplemental Resolution as it deems necessary or appropriate, including, but not limited to, (i) an account into which drawings on a Credit Agreement are to be deposited and from which principal or Maturity Amount, as applicable (including redemption price), of and interest on the Series of Senior Lien Obligations secured by such Credit Agreement are to be paid (and upon such payment, amounts on deposit in the Senior Lien Debt Service Fund shall be used to repay the provider of the Credit Agreement for such

payments as and to the extent provided in Section 5.2), and (ii) an account into which payments to the Authority from any Senior Lien Hedge Agreement Counterparty are to be deposited and from which payments from the Authority to any such Senior Lien Hedge Agreement Counterparty are to be paid as and to the extent provided in Section 5.2.

The monies in the Senior Lien Debt Service Fund shall be held in trust for the benefit of the Senior Lien Obligations, to the extent the Senior Lien Obligations are made payable therefrom in the applicable Supplemental Resolution, and, pending application, shall be subject to a lien and charge in favor of the Owners of such Senior Lien Obligations until paid out or transferred as hereinafter provided. The Authority shall pay out of the Senior Lien Debt Service Fund to the respective Paying Agents, if any, for Senior Lien Obligations or other payees thereof (a) on or before each Interest Payment Date and each date fixed for the redemption or other payment of Senior Lien Obligations, the amount required for the payment of the interest becoming due on such date and (b) on or before each date on which Senior Lien Obligations or other payments secured by the Senior Lien Debt Service Fund mature or become subject to scheduled mandatory sinking fund redemption or optional redemption or otherwise become due, the amount required for payment of the principal amount or Maturity Amount, as applicable, of the Senior Lien Obligations maturing or otherwise becoming due, the redemption price of Senior Lien Obligations becoming subject to redemption on such date (or to purchase Senior Lien Obligations issued as term bonds in the open market to be credited against mandatory redemption requirements), and any other payments secured by monies in the Senior Lien Debt Service Fund becoming due, except, in each case, to the extent such interest, principal amount or Maturity Amount, as applicable, or redemption price is paid from a fund or account other than the Senior Lien Debt Service Fund, as provided in the Supplemental Resolution authorizing such Senior Lien Obligation.

The Authority may determine to purchase Senior Lien Obligations in accordance with State law and may apply amounts in the Senior Lien Debt Service Fund to pay the purchase price of such Senior Lien Obligations if after the application of amounts in Senior Lien Debt Service Fund for such purpose, the amounts on deposit in the Senior Lien Debt Service Fund, together with amounts required to be deposited therein by Section 5.2, will be sufficient to pay the principal or Maturity Amount, and interest next becoming due on the Senior Lien Obligations.

If at the time the Authority is required to make a transfer from the Senior Lien Debt Service Fund the monies therein shall not be sufficient for such purpose, any remaining required transfers shall be accomplished pursuant to Section 5.9 below.

Except as may be otherwise provided in any Supplemental Resolution authorizing any Senior Lien Obligations, whenever the total amounts on deposit to the credit of the Senior Lien Debt Service Fund and the Senior Lien Debt Service Reserve Fund, if applicable, shall be equivalent to the sum of the aggregate principal amount of all Outstanding Senior Lien Obligations plus the aggregate amount of all interest and other payments secured by the Senior Lien Debt Service Fund accrued and to accrue thereon, no further transfers need be made into the Senior Lien Debt Service Fund or the Senior Lien Debt Service Reserve Fund, if applicable, and such Senior Lien Obligations shall not be regarded as being Outstanding except for the purpose of being paid with the monies credited to such Funds.

Section 5.4. Senior Lien Debt Service Reserve Fund.

(a) The Authority shall establish and maintain as hereinafter provided a balance in the applicable account of the Senior Lien Debt Service Reserve Fund equal to the Senior Lien Debt Service Reserve Fund Requirement for the Senior Lien Obligations that are secured thereby as established in the Supplemental Resolutions authorizing such Senior Lien Obligations.

The Senior Lien Debt Service Reserve Fund Requirement shall, as provided in any Supplemental Resolution authorizing such Additional Senior Lien Obligations, be satisfied by depositing to the credit of the Senior Lien Debt Service Reserve Fund Participant Account (in the case of Additional Senior Lien Obligations that are Debt Service Reserve Fund Participants) or such other designated accounts, as applicable, (in the case of Additional Senior Lien Obligations that are not Debt Service Reserve Fund Participants) of the Senior Lien Debt Service Reserve Fund (i) after providing for the payment of Maintenance and Operating Expenses and making required transfers under Section 5.2(a)(ii)-(iv) of this Master Resolution, transfers into the Senior Lien Debt Service Reserve Fund from the Operating Fund, in approximately equal monthly installments, amounts sufficient to accumulate within sixty (60) months the Senior Lien Debt Service Reserve Fund Requirement; (ii) proceeds of such Senior Lien Obligations or other lawfully appropriated funds in not less than the amount which, together with investment earnings thereon as estimated by the Authority, will be sufficient to fund fully the Senior Lien Debt Service Reserve Fund Requirement by no later than the end of the period of time for which the payment of interest on such Senior Lien Obligations has been provided out of proceeds of such Additional Senior Lien Obligations or investment earnings thereon as estimated by the Authority or from other lawfully available funds other than Net Operating Revenues; or (iii) a surety bond, insurance policy or letter of credit or similar financial instrument; provided that, at the time of deposit, either the rating for the long-term unsecured debt of the issuer of such surety bond, insurance policy or letter of credit or similar financial instrument, or the rating for obligations insured, secured or guaranteed by such issuer are required to be in one of the three highest letter categories by at least one Rating Agency (or, if such entities are no longer in existence, by comparable services) (each, a "Senior Lien DSRF Security") and which Senior Lien DSRF Security is in an amount equal to the amount required to be funded. The Senior Lien DSRF Security shall be payable (upon the giving of any notice as may be required thereunder) on any Interest Payment Date, principal payment date or redemption date on which monies will be required to be withdrawn from the Senior Lien Debt Service Reserve Fund and applied to the payment of the principal amount, Maturity Amount or redemption price of or interest on any Senior Lien Obligations secured thereby, unless otherwise provided in a Supplemental Resolution. Any downgrade of an issuer of a Senior Lien DSRF Security shall have no effect on the value of such instrument for the purposes of meeting the Senior Lien Debt Service Reserve Fund Requirement and the Authority shall have no obligation to supplement or replace such Senior Lien DSRF Security or make additional cash contributions to the Senior Lien Debt Service Reserve Fund as a result of such downgrade. The Authority further expressly reserves the right to substitute at any time a Senior Lien DSRF Security for any funded amounts in the Senior Lien Debt Service Reserve Fund and to apply the funds thereby released for any lawful purpose, including without limitation any purpose for which Senior

Lien Obligations may be issued or in order to pay debt service on Senior Lien Obligations. The Authority also reserves the right to provide for the use of a DSRF Security in relationship to a Series-specific debt service reserve requirement as may be required under any Supplemental Resolution.

(b) In any month in which any account of the Senior Lien Debt Service Reserve Fund contains less than the applicable Senior Lien Debt Service Reserve Fund Requirement (or so much thereof as shall then be required to be therein if the Authority has elected to accumulate the Debt Service Reserve Fund Requirement for any Series of Additional Senior Lien Obligations as above provided), then on or before the last Business Day of such month, after making all required payments and provision for payment of Maintenance and Operating Expenses and all required transfers under Section 5.2(a)(ii)-(iv) of this Master Resolution, there shall be transferred on a pro rata basis into the Senior Lien Debt Service Reserve Fund Participant Account (in the case of Senior Lien Obligations that are Debt Service Reserve Fund Participants) and such other designated accounts, as applicable, (in the case of Senior Lien Obligations that are not Debt Service Reserve Fund Participants) of the Senior Lien Debt Service Reserve Fund from the Operating Fund, such amounts as shall be required to permit the Authority to pay all Credit Agreement Obligations under Senior Lien DSRF Security allocable to the Senior Lien Debt Service Reserve Fund Participant Account or such other designated accounts, as applicable, within a twelve (12) month period and such additional amounts as shall be sufficient to enable the Authority within a twelve (12) month period to reestablish in the Senior Lien Debt Service Reserve Fund Participant Account or such other designated accounts within the Senior Lien Debt Service Fund, as applicable, the Senior Lien Debt Service Reserve Fund Requirement for the Senior Lien Obligations secured thereby. After such amounts have been accumulated in the Senior Lien Debt Service Reserve Fund Participant Account and such other designated accounts (as described above), and so long thereafter as such accounts contain the Senior Lien Debt Service Reserve Fund Requirement, no further transfers shall be required to be made into the Senior Lien Debt Service Reserve Fund Participant Account or such other designated accounts within the Senior Lien Debt Service Reserve Fund, and any excess amounts in such accounts shall be transferred to the Senior Lien Debt Service Fund to the extent the excess is attributable to the Senior Lien Debt Service Reserve Fund for any tax-exempt Senior Lien Obligations, and otherwise, shall be transferred to the Operating Fund or such other Funds as may be permitted by federal tax law. But if and whenever the balance in the Senior Lien Debt Service Reserve Fund Participant Account or such other designated accounts is reduced below the applicable Senior Lien Debt Service Reserve Fund Requirement, monthly transfers to such accounts shall be resumed and continued in such amounts as shall be required to restore the Senior Lien Debt Service Reserve Fund Participant Account or such other designated accounts within the Senior Lien Debt Service Fund, as applicable, to such amount within a twelve (12) month period.

The Senior Lien Debt Service Reserve Fund Participant Account shall be used to pay the principal of and interest on the Senior Lien Obligations that are Debt Service Reserve Fund Participants at any time when there is not sufficient money available in the Senior Lien Debt Service Fund for such purpose (with the requirement that all cash and investments on deposit in such account be depleted before drawing upon any Senior Lien

DSRF Security, unless provided otherwise in each of the Senior Lien DSRF Securities allocable to the Senior Lien Debt Service Reserve Fund Participant Account) and to repay amounts drawn under any Senior Lien DSRF Security allocable to such Senior Lien Debt Service Reserve Fund Participant Account for such purpose, together with interest thereon, in accordance with the terms of the Authority's Credit Agreement Obligations incurred in connection with such Senior Lien Senior Lien DSRF Security. The Senior Lien Debt Service Reserve Fund Participant Account may also be used to make the final payments for the retirement or defeasance of all Senior Lien Obligations then Outstanding that are secured thereby.

With respect to any Series of Senior Lien Obligations that are not Debt Service Reserve Fund Participants, any account created within the Senior Lien Debt Service Reserve Fund for the benefit of such Series of Senior Lien Obligations shall be used to pay the principal and interest on such Series of Senior Lien Obligations at any time when there is not sufficient money available if the Senior Lien Debt Service Fund for such purpose and to repay amounts drawn under any Senior Lien DSRF Security allocable to such account for such purpose, in accordance with the terms of the Supplemental Resolution establishing such account.

(c) The Authority directs and requires the Paying Agent/Registrar for any Series of Senior Lien Obligations to ascertain the necessity for claim or draw upon the applicable Senior Lien DSRF Security, and to provide notice to the issuer thereof in accordance with its terms and to make such claims or draws thereon as may be necessary to provide for the timely payment of principal of and interest on the Senior Lien Obligations to which it pertains.

Section 5.5. Junior Lien Debt Service Fund. The Authority may create such additional accounts in the Junior Lien Debt Service Fund pursuant to a Supplemental Resolution as it deems necessary or appropriate, including, but not limited to, (i) an account into which drawings on a Credit Agreement are to be deposited and from which principal or Maturity Amount, as applicable (including redemption price), of and interest on the Series of Junior Lien Obligations secured by such Credit Agreement are to be paid (and upon such payment, amounts on deposit in the Junior Lien Debt Service Fund shall be used to repay the provider of the Credit Agreement for such payments as and to the extent provided for in Section 5.2), (ii) an account into which payments to the Authority from any Junior Lien Hedge Agreement Counterparty are to be deposited and from which payments from the Authority to any such Junior Lien Hedge Agreement Counterparty are to be paid as and to the extent provided for in Section 5.2.

The monies in the Junior Lien Debt Service Fund shall be held in trust for the benefit of the Junior Lien Obligations, to the extent the Junior Lien Obligations are made payable therefrom in the applicable Supplemental Resolution, and, pending application, shall be subject to a lien and charge in favor of the Owners of the Junior Lien Obligations until paid out or transferred as hereinafter provided. The Authority shall pay out of the Junior Lien Debt Service Fund to the respective Paying Agents, if any, for Junior Lien Obligations or other payees thereof (a) on or before each Interest Payment Date and each date fixed for the redemption of Junior Lien Obligations, the amount required for the payment of the interest becoming due on such date and (b) on or before each date on which Junior Lien Obligations or other payments secured by the

Junior Lien Debt Service Fund mature or become subject to scheduled mandatory sinking fund redemption or optional redemption or otherwise become due, the amount required for payment of the principal amount or Maturity Amount, as applicable, of the Junior Lien Obligations maturing or otherwise becoming due, the redemption price of Junior Lien Obligations becoming subject to redemption on such date (or to purchase Junior Lien Obligations issued as term bonds in the open market to be credited against mandatory redemption requirements), and any other payments secured by monies in the Junior Lien Debt Service Fund becoming due, except, in each case, to the extent such interest, principal amount or Maturity Amount, as applicable, or redemption price is payable from a fund or account other than the Junior Lien Debt Service Fund, as provided in the Supplemental Resolution authorizing such Junior Lien Obligation.

The Authority may determine to purchase Junior Lien Obligations in accordance with State law and may apply amounts in the Junior Lien Debt Service Fund to pay the purchase price of such Junior Lien Obligations if after the application of amounts in Junior Lien Debt Service Fund for such purpose, the amounts on deposit in the Junior Lien Debt Service Fund, together with amounts required to be deposited therein by Section 5.2, will be sufficient to pay the principal or Maturity Amount, and interest next becoming due on the Junior Lien Obligations.

If at the time the Authority is required to make a withdrawal from the Junior Lien Debt Service Fund the monies therein shall not be sufficient for such purpose, any remaining required transfers shall be accomplished pursuant to Section 5.9 below.

Except as may be otherwise provided in any Supplemental Resolution authorizing any Junior Lien Obligations, whenever the total amounts on deposit to the credit of the Junior Lien Debt Service Fund and the Junior Lien Debt Service Reserve Fund, if applicable, shall be equivalent to the sum of the aggregate principal amount of all Outstanding Junior Lien Obligations plus the aggregate amount of all interest and other payments secured by the Junior Lien Debt Service Fund accrued and to accrue thereon, no further transfers need be made into the Junior Lien Debt Service Fund or the Junior Lien Debt Service Reserve Fund, if applicable, and such Junior Lien Obligations shall not be regarded as being Outstanding except for the purpose of being paid with the monies credited to such Funds.

Section 5.6. Junior Lien Debt Service Reserve Fund.

(a) The Authority shall establish and maintain as hereinafter provided a balance in the applicable account of the Junior Lien Debt Service Reserve Fund equal to the Junior Lien Debt Service Reserve Fund Requirement for the Junior Lien Obligations that are secured thereby as established in the Supplemental Resolutions authorizing such Junior Lien Obligations. In addition, within the Junior Lien Debt Service Reserve Fund, subaccounts may be established pursuant to Supplemental Resolutions into which the applicable Junior Lien Debt Service Reserve Fund Requirement for the particular Series of Junior Lien Obligations that are not Junior Lien Debt Service Reserve Fund Participants being issued under the Supplemental Resolution may be deposited.

The Junior Lien Debt Service Reserve Fund Requirement shall, as provided in any Supplemental Resolution authorizing such Additional Junior Lien Obligations, be satisfied by depositing to the credit of the Junior Lien Debt Service Reserve Fund Participant

Account (in the case of Additional Junior Lien Obligations that are Debt Service Reserve Fund Participants) or such other designated accounts, as applicable, (in the case of Additional Junior Lien Obligations that are not Debt Service Reserve Fund Participants) of the Junior Lien Debt Service Reserve Fund (i) after providing for the payment of Maintenance and Operating Expenses and making required transfers under Section 5.2(a)(ii)-(vi) of this Master Resolution, transfers into the Junior Lien Debt Service Reserve Fund from the Operating Fund, in approximately equal monthly installments, amounts sufficient to accumulate within sixty (60) months the Senior Lien Debt Service Reserve Fund Requirement; (ii) proceeds of such Junior Lien Obligations or other lawfully appropriated funds in not less than the amount which, together with investment earnings thereon as estimated by the Authority, will be sufficient to fund fully the Junior Lien Debt Service Reserve Fund Requirement by no later than the end of the period of time for which the payment of interest on such Junior Lien Obligations has been provided out of proceeds of such Additional Junior Lien Obligations or investment earnings thereon as estimated by the Authority or from other lawfully available funds other than Net Operating Revenues or (iii) a surety bond, insurance policy or letter of credit or similar financial instrument; provided that, at the time of deposit, either the rating for the long-term unsecured debt of the issuer of such surety bond, insurance policy or letter of credit or similar financial instrument, or the rating for obligations insured, secured or guaranteed by such issuer are required to be in one of the three highest letter categories by at least one Rating Agency (or, if such entities are no longer in existence, by comparable services) (each, a “Junior Lien DSRF Security”) and which Junior Lien DSRF Security is in an amount equal to the amount required to be funded. The Junior Lien DSRF Security shall be payable (upon the giving of any notice as may be required thereunder) on any Interest Payment Date, principal payment date or redemption date on which monies will be required to be withdrawn from the Junior Lien Debt Service Reserve Fund and applied to the payment of the principal amount, Maturity Amount or redemption price of or interest on any Junior Lien Obligations secured thereby, unless otherwise provided in a Supplemental Resolution. Any downgrade of an issuer of a Junior Lien DSRF Security shall have no effect on the value of such instrument for the purposes of meeting the Junior Lien Debt Service Reserve Fund Requirement and the Authority shall have no obligation to supplement or replace such Junior Lien DSRF Security or make additional cash contributions to the Junior Lien Debt Service Reserve Fund as a result of such downgrade. The Authority further expressly reserves the right to substitute at any time a Junior Lien DSRF Security for any funded amounts in the Junior Lien Debt Service Reserve Fund and to apply the funds thereby released for any lawful purpose, including without limitation any purpose for which Junior Lien Obligations may be issued or in order to pay debt service on Junior Lien Obligations. The Authority also reserves the right to provide for the use of a DSRF Security in relationship to a Series-specific debt service reserve requirement as may be required under any Supplemental Resolution.

(b) In any month in which any account of the Junior Lien Debt Service Reserve Fund contains less than the applicable Junior Lien Debt Service Reserve Fund Requirement (or so much thereof as shall then be required to be therein if the Authority has elected to accumulate the Debt Service Reserve Fund Requirement for any Series of Additional Junior Lien Obligations as above provided), then on or before the last Business Day of such month, after making all required payments and provision for payment of Maintenance and

Operating Expenses and all required transfers under Section 5.2(a)(ii)-(vi) of this Master Resolution, there shall be transferred on a pro rata basis into the Junior Lien Debt Service Reserve Fund Participant Account (in the case of Junior Lien Obligations that are Debt Service Reserve Fund Participants) and such other designated accounts, as applicable, (in the case of Junior Lien Obligations that are not Debt Service Reserve Fund Participants) of the Junior Lien Debt Service Reserve Fund from the Operating Fund, such amounts as shall be required to permit the Authority to pay all Credit Agreement Obligations under Junior Lien DSRF Security allocable to the Junior Lien Debt Service Reserve Fund Participant Account or such other designated accounts, as applicable, within a twelve (12) month period and such additional amounts as shall be sufficient to enable the Authority within a twelve (12) month period to reestablish in the Junior Lien Debt Service Reserve Fund Participant Account or such other designated accounts within the Junior Lien Debt Service Reserve Fund, as applicable, the Junior Lien Debt Service Reserve Fund Requirement for the Junior Lien Obligations secured thereby. After such amounts have been accumulated in the Junior Lien Debt Service Reserve Fund Participant Account and such other designated accounts (as described above), and so long thereafter as such accounts contain the Junior Lien Debt Service Reserve Fund Requirement, no further transfers shall be required to be made into the Junior Lien Debt Service Reserve Fund Participant Account or such other designated accounts within the Junior Lien Debt Service Reserve Fund, and any excess amounts in such accounts shall be transferred to the Junior Lien Debt Service Fund to the extent the excess is attributable to the Junior Lien Debt Service Reserve Fund for any tax-exempt Junior Lien Obligations, and otherwise, shall be transferred to the Operating Fund or such other Funds as may be permitted by federal tax law. But if and whenever the balance in the Junior Lien Debt Service Reserve Fund Participant Account or such other designated accounts is reduced below the applicable Junior Lien Debt Service Reserve Fund Requirement, monthly transfers to such accounts shall be resumed and continued in such amounts as shall be required to restore the Junior Lien Debt Service Reserve Fund Participant Account or such other designated accounts within the Junior Lien Debt Service Reserve Fund, as applicable, to such amount within a twelve (12) month period.

The Junior Lien Debt Service Reserve Fund Participant Account shall be used to pay the principal of and interest on the Junior Lien Obligations that are Debt Service Reserve Fund Participants at any time when there is not sufficient money available in the Junior Lien Debt Service Fund for such purpose (with the requirement that all cash and investments on deposit in such account be depleted before drawing upon any Junior Lien DSRF Security, unless provided otherwise in each of the Junior Lien DSRF Securities allocable to the Junior Lien Debt Service Reserve Fund Participant Account) and to repay amounts drawn under any Junior Lien DSRF Security allocable to such Junior Lien Debt Service Reserve Fund Participant Account for such purpose, together with interest thereon, in accordance with the terms of the Authority's Credit Agreement Obligations incurred in connection with such Junior Lien DSRF Security. The Junior Lien Debt Service Reserve Fund Participant Account shall also be used to make the final payments for the retirement or defeasance of all Junior Lien Obligations then Outstanding that are secured thereby.

With respect to any Series of Junior Lien Obligations that are not Debt Service Reserve Fund Participants, any account created within the Junior Lien Debt Service Reserve Fund for the benefit of such Series of Junior Lien Obligations shall be used to pay

the principal and interest on such Series of Junior Lien Obligations at any time when there is not sufficient money available if the Junior Lien Debt Service Fund for such purpose and to repay amounts drawn under any Junior Lien DSRF Security allocable to such account for such purpose in accordance with the terms of the Supplemental Resolution establishing such account.

(c) The Authority directs and requires the Paying Agent/Registrar for any Series of Junior Lien Obligations to ascertain the necessity for claim or draw upon the applicable Junior Lien DSRF Security, and to provide notice to the issuer thereof in accordance with its terms and to make such claims or draws thereon as may be necessary to provide for the timely payment of principal of and interest on the Junior Lien Obligations to which it pertains.

Section 5.7. Operating Reserve Fund. The Authority hereby confirms the establishment of and covenants to maintain a special fund or account to be known as the “Port of Corpus Christi Authority of Nueces County, Texas Operating Reserve Fund” (the “Operating Reserve Fund”). The Operating Reserve Fund shall be funded in an amount of not less than the Required Operating Reserve Fund Amount, which amount shall be funded initially with lawfully available funds of the Authority and shall be replenished as provided in Section 5.2. Money on deposit in the Operating Reserve Fund shall be used for meeting contingencies of any nature in connection with the operations or maintenance of properties constituting the Port Facilities including, but not limited to, the replacement of any equipment relating to the Port Facilities, as may be determined from time to time by the Port Commission of the Authority.

When and so long as the cash and investments in the Operating Reserve Fund equals the Required Operating Reserve Fund Amount, no deposits will be required to be made to the credit of the Operating Reserve Fund; but, if and when the Operating Reserve Fund at any time contains less than the Required Operating Reserve Fund Amount, the Authority covenants and agrees to cure the deficiency by making monthly deposits to said fund from Net Operating Revenues, or at the option of the Authority from any other lawfully available funds, such monthly deposits to be in amounts equal to not less than 1/60th of the Required Operating Reserve Fund Amount covenanted by the Authority to be maintained in the Operating Reserve Fund with any such deficiency payments being made on or before the business day preceding the 25th day of each month until the Operating Reserve Fund has been fully restored. The Authority further covenants and agrees that, subject only to the prior payments to be made pursuant to Section 5.2 hereof, Gross Operating Revenues shall be applied and appropriated and used to establish and maintain the Operating Reserve Fund or to cure any deficiency in such amounts as required by the terms of the Prior Lien Resolution (while the Prior Lien Bonds are outstanding) and the terms of this Master Resolution.

Section 5.8. Port Improvement Fund. After making all payments, credits and transfers described heretofore, amounts credited to the Port Improvement Fund may be used for any purpose permitted by law and not inconsistent with the terms and provisions of any Federal grants or aid or any contracts to which the Authority is a party, including, but not limited to, capital expenditures, establishing self-insurance reserves, contingency reserves and/or unrestricted reserves, costs of replacing any depreciable property or equipment of the Authority, and any major or extraordinary repairs, any lease, lease/purchase or contractual obligation, and transfers to make

up any deficiency in any Fund established under Article V. The Port Improvement Fund may contain such other funds or accounts as may be established by the policies of the Port Commission from time to time.

Section 5.9. Deficiencies in Funds. If in any month there shall not be transferred into any Fund maintained pursuant to this Article the full amounts required herein, amounts equivalent to such deficiency (a) shall be set apart and transferred to such Fund or Funds from the first available and unallocated monies in the Operating Fund (and additionally while the Prior Lien Bonds are outstanding and limited solely to deficiencies in the Prior Lien Interest and Sinking Fund and the Prior Lien Reserve Fund, from any other sources available for such purpose) in the order provided in Section 5.2, and such transfer shall be in addition to the amounts otherwise required to be transferred to such Funds during any succeeding month or months, or (b) at the sole discretion of the Authority, may be set apart and transferred to such Fund or Funds from funds on deposit in the Port Improvement Fund.

Section 5.10. Investment of Funds; Transfer of Investment Income.

(a) Money in the Operating Fund, the Senior Lien Debt Service Fund, the Senior Lien Debt Service Reserve Fund, the Junior Lien Debt Service Fund and the Junior Lien Debt Service Reserve Fund shall, at the option of the Authority, be invested in Permitted Investments; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. All such investments shall be valued no less frequently than the last Business Day of the Authority's Fiscal Year at their market value, except that any direct obligations of the United States of America - State and Local Government Series shall be continuously valued at their par value or principal face amount. Any obligation in which money is so invested shall be kept and held at an official depository of the Authority, except as otherwise permitted by the laws applicable to the Authority. For purposes of maximizing investment returns, money in such Funds may be invested, together with money in other Funds or with other money of the Authority, in common investments of the kind described above, or in a common pool of such investments maintained by the Authority or its designated agent, which shall not be deemed to be a loss of the segregation of such money or Funds, provided that safekeeping receipts, certificates of participation or other documents clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.

(b) All interest and income derived from deposits and investments credited to any account of the Senior Lien Debt Service Reserve Fund and the Junior Lien Debt Service Reserve Fund shall remain in such funds to the extent necessary to accumulate the respective Debt Service Reserve Fund Requirement therefor other required balance therein.

(c) All interest and income derived from deposits and investments of any amounts held in any construction fund, including amounts held therein as capitalized interest, created by any Supplemental Resolution authorizing the issuance of Senior Lien

Obligations or Junior Lien Obligations shall remain in such construction fund for application in the manner provided in such applicable Supplemental Resolution.

(d) To the extent not otherwise provided for above in this Article V (including Section 5.2 and Sections 5.10(b) and 5.10(c)) or specifically excluded from the definition of Gross Operating Revenues, all interest and income derived from deposits and investments credited to the Operating Fund, the Senior Lien Debt Service Fund, the Senior Lien Debt Service Reserve Fund, the Junior Lien Debt Service Fund, and the Junior Lien Debt Service Reserve Fund shall remain on deposit in such Funds and be credited against future transfers to such Funds, be transferred or credited semi-annually to the Operating Fund, or be transferred to such other Funds as may be required under federal tax law.

(e) Notwithstanding anything to the contrary contained herein, any interest and income derived from deposits and investments of any amounts credited to any Fund or account may be paid to the federal government if in the opinion of nationally recognized bond counsel such payment is required in order to prevent interest on any Prior Lien Bonds or Obligations from being includable within the gross income of the owners thereof for federal income tax purposes.

Section 5.11. Security for Uninvested Funds. All money on deposit in the Funds for which this Resolution makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Resolution.

Section 5.12. Maintaining Records and Subaccounts. Though each of such Funds shall be subaccounts of the Authority's Operating Fund held by the Authority's depository, and, as such, not held in separate bank accounts, such treatment shall not constitute a commingling of the monies in such Funds or of such Funds and the Authority shall keep full and complete records indicating the monies and investments credited to each of such Funds. The Authority also may create subaccounts within any such Fund as deemed necessary in order to separately account for proceeds of Obligations and interest earnings related to tax-exempt or taxable Obligations or for any other purpose.

ARTICLE VI

COVENANTS AND REPRESENTATIONS APPLICABLE WHILE THE PRIOR LIEN BONDS ARE OUTSTANDING

Section 6.1. Applicability of Article VI. The provisions of this Article VI shall apply for so long as the Prior Lien Bonds are outstanding. When the Prior Lien Bonds are no longer outstanding, the provisions of this Article VI shall be of no further force or effect and the covenants and representations contained in Article VII of this Master Resolution shall apply.

Section 6.2. Payment of Obligations. The Authority covenants and Agrees that it will punctually pay or cause to be paid the interest on and principal of and the Maturity Amount of all Obligations according to the terms thereof and will faithfully do and perform, and at all times fully

observe, any and all covenants, undertakings, stipulations and provisions contained in this Master Resolution and in any Supplemental Resolution.

Section 6.3. Operation of Facilities. While the Prior Lien Bonds are outstanding and unpaid, the Authority shall continuously and efficiently operate the Port Facilities, and shall maintain the Port Facilities in good condition, repair and working order, all at reasonable cost.

Section 6.4. No Free Service. While the Prior Lien Bonds are outstanding and unpaid, the Authority covenants and agrees that no free service of the Port Facilities shall be allowed that is in addition to (i) the customary dockage temporarily provided without charge to federal vessels, including vessels belonging to the United States Coast Guard and the United States Navy, and to other vessels temporarily stranded at the Authority's docks due to inclement weather or other temporary reasons, (ii) services provided each year in connection with certain established community events and to certain nonprofit organizations for social service purposes, (iii) no rent or below market rent in certain warehouses and buildings for nonprofit organizations providing services to or which benefit the Authority or which improve the general welfare of the Authority; and (iv) utility easements on the Authority's land granted for utility lines to the Authority's customers.

Section 6.5. Sale or Disposal of Property. While the Prior Lien Bonds are outstanding and unpaid, the Authority covenants and agrees that it will not sell, convey, mortgage or otherwise dispose of the Port Facilities, or any significant or substantial part thereof; provided, that the Authority retains the right to sell, convey, mortgage or otherwise dispose of any significant or substantial part of the Port Facilities if (i) the Executive Director of the Authority delivers a certificate to the Port Commission to the effect that, following such action by the Port Commission, the Authority is expected to produce Gross Operating Revenues in amounts sufficient in each Fiscal Year while any of the Obligations are to be Outstanding to comply with the obligations of the Authority contained in the Prior Lien Resolution; and (ii) the Port Commission makes a finding and determination to the same effect as the certificate of the Executive Director of the Authority set forth in (i) above. It is further provided that whenever the Port Commission determines that any property, machinery, fixtures or equipment is no longer useful in the operations of the Port Facilities, it may sell or otherwise dispose of such property, machinery, fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined that no such replacement or substitute is necessary. Proceeds from any sale hereunder shall be used for any lawful purpose.

Section 6.6. Liens. While the Prior Lien Bonds are outstanding and unpaid, the Authority covenants and agrees that it will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the Port Facilities; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other

lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Authority.

Section 6.7. Insurance.

(a) While the Prior Lien Bonds are outstanding and unpaid, the Authority covenants and agrees that it will cause to be insured such parts of the Port Facilities as would usually be insured by port authorities operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by port authorities operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and business interruption insurance. Public liability and property damage insurance shall also be carried unless the General Counsel of the Authority gives a written opinion to the effect that the Authority is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Authority shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Owners and their representatives at all reasonable times. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the Authority shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Authority. The proceeds of insurance covering such property are hereby pledged as security for the Prior Lien Bonds and, together with any other funds necessary and available for such purpose, shall be used forthwith by the Authority for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the Port Facilities shall be used promptly as follows:

(i) for the redemption prior to maturity of the Prior Lien Bonds, provided that if on any such occasion the principal of Prior Lien Bonds not subject to redemption, it shall not be regarded as outstanding for purposes of this subsection; or

(ii) if none of the Prior Lien Bonds is subject to redemption, then for the purchase on the open market and retirement of said Prior Lien Bonds to the extent practicable; provided that the purchase price for any Prior Lien Bonds shall not exceed the redemption price of such Prior Lien Bonds on the first date upon which it becomes subject to redemption; or

(iii) to the extent that the foregoing clauses (i) and (ii) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the Authority, to be designated the "Insurance Account." The Insurance Account shall be held until such time as the foregoing clauses (i) and/or (ii) can be complied with, or until other funds become available which, together with the Insurance Account,

will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(b) The foregoing provisions of (a) above notwithstanding, the Authority shall have the authority to enter into coinsurance, self-insurance or similar plans where risk of loss is shared in whole or in part by the Authority to the extent such arrangements are customary among port authorities of the State operating similar facilities.

(c) The annual audit hereinafter required shall contain a section commenting on whether or not the Authority has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(d) Nothing in this Master Resolution shall be construed as requiring the Authority to expend any funds which are derived from sources other than the operation of the Port Facilities, but nothing herein shall be construed as preventing the Authority from doing so.

Section 6.8. Accounts, Records, and Audits. While the Prior Lien Bonds are outstanding and unpaid, the Authority covenants and agrees that, the Authority will keep and maintain a complete system of records and accounts pertaining to the operations of the Port Facilities in which full, complete, true, proper, and correct entries shall be made of all dealings, transactions, business and affairs relating thereto, or which in any way affect or pertain to the Port Facilities or the Gross Operating Revenues or the Net Operating Revenues thereof, as provided by generally accepted accounting principles, consistently applied, and other applicable law. The Owners of the Prior Lien Bonds or the Obligations or any duly authorized agent or agents of such Owners shall have the right to inspect the Port Facilities and all properties comprising the same if they have a Transportation Worker Identification Credential card, meet the Authority's security clearance standards and agree to pay all costs incurred by the Authority in allowing the Owners, or their duly authorized agent or agents, to inspect the Port Facilities. The Authority further agrees that, following the close of each Fiscal Year, the Authority will cause an audit report of such records and accounts to be made by an Accountant which shall calculate the Gross Operating Revenues, Net Operating Revenues, Net Operating Revenues (if different than Prior Lien Net Revenues, Prior Lien Annual Debt Service Requirements, Annual Debt Service Requirements on Outstanding Senior Lien Obligations and Junior Lien Obligations for such Fiscal Year (as such terms are herein defined), if any, and shall set forth a calculation to demonstrate whether the Authority has satisfied the rate covenant set forth herein in Section 4.3. Copies of each annual audit shall be made available for public inspection during normal business hours at the Authority's principal office and may be furnished to, upon written request, any Owner upon payment of the reasonable copying and mailing charges.

Section 6.9. Further Encumbrance. While the Prior Lien Bonds are outstanding and unpaid, the Authority covenants and agrees that it will not additionally encumber the Net Operating Revenues in any manner, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of the Prior Lien Resolution with regard to the

Prior Lien Bonds; but the right of the Authority to issue or incur obligations payable from a subordinate lien on the Net Operating Revenues is specifically recognized and retained.

ARTICLE VII

COVENANTS AND REPRESENTATIONS

Section 7.1. Applicability of Article VII. The provisions of this Article VII shall become effective when the Prior Lien Bonds are no longer outstanding.

Section 7.2. Payment of Obligations. The Authority will punctually pay or cause to be paid the interest on and principal of and the Maturity Amount of all Obligations according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Master Resolution and in any Supplemental Resolution.

Section 7.3. Maintenance of Port Facilities. So long as any Obligations remain Outstanding, the Authority covenants that it will at all times maintain and operate all material Port Facilities, or within the limits of its authority cause the same to be maintained and operated, in good and serviceable condition at a reasonable cost to the Authority.

Section 7.4. Sale or Encumbrance of Port Facilities.

(a) Except as otherwise provided in this Section and except for the use of the Port Facilities or services pertaining thereto in the normal course of business, the Authority covenants and agrees that it will not sell, convey, mortgage or otherwise dispose of the Port Facilities, or any significant or substantial part thereof; provided, that the Authority retains the right to sell, convey, mortgage or otherwise dispose of any significant or substantial part of the Port Facilities if (i) the Executive Director of the Authority delivers a certificate to the Port Commission to the effect that, following such action by the Port Commission, the Authority is expected to produce Gross Operating Revenues in amounts sufficient in each Fiscal Year while any of the Obligations are to be Outstanding to comply with the obligations of the Authority under this Master Resolution; and (ii) the Port Commission makes a finding and determination to the same effect as the certificate of the Executive Director of the Authority set forth in (i) above. It is further provided that whenever the Port Commission determines that any property, machinery, fixtures or equipment is no longer useful in the operations of the Port Facilities, it may sell or otherwise dispose of such property, machinery, fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined that no such replacement or substitute is necessary. Proceeds from any sale hereunder shall be used for any lawful purpose.

(b) Notwithstanding the foregoing, the Authority may and expressly reserves the right to:

(i) execute leases, licenses, easements and other agreements in connection with the ordinary operation of the Port Facilities by the Authority; and

(ii) mortgage or encumber any Port Facility to be acquired or financed under a capital lease or other similar lease/purchase arrangement in connection with the capital lease or other similar lease/purchase arrangement.

(c) Nothing herein shall prevent any transfer of all or a substantial part of the Port Facilities to another body corporate or politic (including, but not necessarily limited to a joint action agency) which assumes the Authority's obligations under this Master Resolution and under any Supplemental Resolution authorizing the issuance of Obligations, wholly or in part, if, in the written opinion of the Port Management Consultant, the ability to meet the rate covenant and other covenants under this Master Resolution and under any Supplemental Resolution authorizing the issuance of Obligations, are not materially and adversely affected. In the event of any such transfer and assumption, nothing herein shall prevent the retention by the Authority of any facility of the Authority if, in the written opinion of the Port Management Consultant, such retention will not materially and adversely affect nor unreasonably restrict such other body's ability to comply with the requirements of the rate covenant and the other covenants of this Master Resolution and in any Supplemental Resolution authorizing the issuance of Obligations.

Section 7.5. Insurance. The Authority further covenants and agrees that it will keep the Port Facilities insured with insurers of good standing against risks, accidents or casualties against which and to the extent customarily insured against by political subdivisions of the State operating similar properties, to the extent that such insurance is available at a reasonable cost. All net proceeds of such insurance shall be applied to repair or replace the insured property that is damaged or destroyed or to make other capital improvements to the Port Facilities or shall be used to redeem Obligations (or pledged as Supplemental Security for a Series of Obligations), except for proceeds of loss of use or business interruption insurance, which shall be credited to the Operating Fund.

Section 7.6. Accounts, Records, and Audits. So long as any Obligations remain Outstanding, the Authority covenants and agrees that it will maintain a proper and complete system of all material records and accounts pertaining to the Gross Operating Revenues and the operation of the Port Facilities in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the Gross Operating Revenues and the Port Facilities. The Authority shall, within 180 days after the close of each Fiscal Year or as soon thereafter as practicable, cause an audit report of such records and accounts to be prepared by an independent certified public accountant or independent firm of certified public accountants, which shall calculate the Gross Operating Revenues, Net Operating Revenues and Annual Debt Service for such Fiscal Year (as such terms are herein defined) and shall set forth a calculation to demonstrate whether the Authority has satisfied the rate covenant contained in Section 4.3 hereof. Each year promptly after such reports are prepared, the Authority shall furnish copies thereof to any Owners of Obligations who shall request the same. The Authority may furnish such copies by posting the audit report on a publicly available Internet website. All expenses of obtaining such reports shall constitute Maintenance and Operating Expenses of the Port Facilities.

Section 7.7. Pledge and Encumbrance of Revenues. The Authority covenants and represents that it has the lawful power to create liens on and to pledge the Net Operating Revenues and the other items pledged hereunder to secure the payment of the Obligations and has lawfully

exercised such power under the constitution and laws of the State. The Authority further covenants and represents that, other than to the payment of Maintenance and Operating Expenses and the Obligations, the Gross Operating Revenues are not and will not be made subject to any other lien, pledge or encumbrance to secure the payment of any debt or obligation of the Authority, unless such lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Obligations and the right of the Authority to issue or incur obligations payable from a lien that is junior and subordinate to the lien and pledge securing the Obligations is specifically recognized and maintained.

ARTICLE VIII

DEFEASANCE

Section 8.1. Defeasance.

(a) The Authority reserves the right to discharge and defease its obligations with respect to any Obligations in any manner now or hereafter permitted by the laws of the State.

(b) Without limiting the provisions of subsection (a), the Authority may discharge its obligation to the Owners of any or all of the Obligations or other Series of Obligations to pay the principal of and interest on, the Maturity Amount, and redemption premium and other obligations (if any) thereon:

(i) by depositing with the applicable paying agent/registrar, if any, or escrow agent for such Obligations cash in an amount equal to the principal amount of and interest on, the Maturity Amount and redemption premium, if any, on such Obligations plus interest thereon to the date of maturity or redemption, or

(ii) by depositing either with the applicable paying agent/registrar, if any, or escrow agent for such Obligations or with any entity qualifying to receive such funds under Chapter 1207, Texas Government Code, as amended (or its successor), pursuant to an escrow or trust agreement, cash and/or any obligation authorized under State law to be deposited for the payment or redemption of the such Obligations, in principal amounts and maturities and bearing interest at rates sufficient, based upon a verification report of an independent nationally recognized certified public accountant, to provide for the timely payment of the principal amount of or the Maturity Amount and redemption premium, if any, of such Obligations plus interest thereon to the date of maturity or redemption.

In making the deposits under paragraphs (i) or (ii), to the extent that the interest rate on Variable Rate Obligations cannot be ascertained at the time of the deposit, the interest for the period during which the interest rate cannot be ascertained shall be calculated at the maximum interest rate applicable to such Variable Rate Obligations. Upon a deposit in accordance with paragraph (i) or (ii) above and obtaining a defeasance opinion from nationally recognized bond counsel, such Obligations shall no longer be regarded as being Outstanding or unpaid.

(c) In case any Obligations are to be redeemed on any date prior to their maturity, the Authority shall give to the applicable paying agent/registrar instructions to give notice of redemption of said Obligations to be so redeemed in the manner required in the Supplemental Resolution or Supplemental Resolutions authorizing such Obligations. For any Obligations not to be redeemed or paid in full within the next succeeding sixty (60) days from the date of deposit provided for in this Section 8.1, the Authority shall give the applicable paying agent/registrar, in form satisfactory to it, irrevocable instructions to mail, by certified mail, a notice to the Registered Owner of each such Obligation that the deposit required by this Section has been made and that said Obligations are deemed paid in accordance with this Section and stating such maturity or redemption date upon which monies are to be available for the payment of the principal amount and redemption premium (if any) on such Obligations plus interest thereon to the date of maturity or redemption. Any failure, error or delay in giving such notice shall not affect the defeasance of such Obligations.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default. Any one of the following shall constitute an Event of Default hereunder (subject, in each event, to any applicable grace period established in a Supplemental Resolution relating to a specific Obligation):

(a) failure by the Authority (1) to pay the principal of and interest on, Maturity Amount, of or premium, if any, on any of the Obligations or Hedge Agreement Payment Obligations when the same shall become due and payable, either at maturity or by redemption, or (2) to purchase or cause to be purchased any Variable Rate Obligations, including Tender Obligations, required to be purchased by it upon any optional or mandatory tender to the Authority or a tender agent of the Authority (except, for all purposes under this subsection (a), to the extent that a Supplemental Resolution relating to a specific Obligation may provide that such failure is not an Event of Default); or

(b) the occurrence and continuance of an event of default under a Credit Agreement, Senior Lien DSRF Security, Junior Lien DSRF Security, Hedge Agreement or Reimbursement Agreement, and such default shall continue for a period of sixty (60) days after written notice thereof to the Authority by the Credit Provider or Counterparty; provided, however, that if such default cannot be cured in such sixty (60) day period, but can be cured, and the Authority attempts to cure the same with due diligence, then such default shall not become an Event of Default for so long as the Authority pursues to cure the same with due diligence; or

(c) failure of the Authority to duly and punctually perform any other of the covenants, agreements and provisions contained in this Master Resolution on the part of the Authority to be performed, and the continuation of such failure for sixty (60) days after written notice from Owners of not less than 10% of the Obligations to which such default relates; provided, however, that if such default cannot be cured in such sixty (60) day period, but can be cured, and the Authority attempts to cure the same with due diligence,

then such default shall not become an Event of Default for so long as the Authority pursues to cure the same with due diligence.

Section 9.2. Remedies Applicable. The Owner shall be entitled to the remedies provided in this Article IX; provided, however, that except as may be provided in a Supplemental Resolution in accordance with applicable law, (a) acceleration of the principal of and interest on or Maturity Amount of the Obligations or any of the Obligations upon the occurrence of an Event of Default is not a remedy available under this Master Resolution and (b) in no event shall the Owner or other parties have the ability, upon the occurrence of an Event of Default, to declare immediately due and payable the principal of and interest on or Maturity Amount of the Obligations or any of the Obligations.

Section 9.3. Remedies for Default. Upon the happening of any Event of Default, then any Owner or an authorized representative thereof may proceed against the Authority for the purpose of protecting and enforcing the rights of the Owners under this Master Resolution or any Supplemental Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

Section 9.4. Waivers. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 9.5. Rights of Credit Providers and Credit Enhancers. The rights, if any, of any Credit Provider or the provider of a municipal bond insurance policy or a DSRF Security, if they do not constitute Credit Providers, as they relate to Events of Default shall be addressed in the Supplemental Resolution approving such Credit Agreement, municipal bond insurance policy or DSRF Security.

Section 9.6. Counterparties to Hedge Agreements not Owners. Counterparties to Hedge Agreements shall not be treated as Owners of the Obligations to which the Hedge Agreement relates for the purposes of directing the exercise of any remedy under the Master Resolution or any Supplemental Resolution, unless such Counterparty is in fact the Owner of such Obligations.

Section 9.7. Provisions and Remedies in Supplemental Resolution. In addition to or in lieu of the provisions and remedies for Events of Default set forth in this Master Resolution, a Supplemental Resolution may provide additional or different provisions and remedies for Events of Default in connection with the Series of Obligations authorized thereby, to the extent that any such provisions and remedies are not inconsistent with the provisions and remedies set forth herein.

ARTICLE X

AMENDMENT OF RESOLUTION

Section 10.1. Alteration of Rights and Duties. The rights, duties, and obligations of the Authority and the Owners of Outstanding Obligations are subject in all respects to all applicable federal and State laws including, without limitation, the provisions of federal law regarding the composition of indebtedness of political subdivisions, as the same now exist or may hereafter be amended.

Section 10.2. Amendment of Resolution Without Consent. The Authority may, without the consent of or notice to any of the Owners of the Obligations, amend this Master Resolution for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this Master Resolution or in the Obligations, or to comply with any applicable provision of law or regulation of State or federal agencies; provided, however, that such action shall not adversely affect the interests of the Owners of the Obligations;

(b) to change the terms or provisions of this Master Resolution to the extent necessary to prevent the interest on the Obligations (if they are issued as obligations the interest on which is excludable from gross income of the Owners thereof for federal income tax purposes) from being includable within the gross income of the Owners thereof for federal income tax purposes;

(c) To make any changes or amendments requested by any Rating Agency, as a condition to the issuance or maintenance of a rating;

(d) To make such changes, modifications or amendments as may be necessary or desirable, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Obligations including, without limitation, supplementing the definition of “Annual Debt Service” to address the amortization of payments due and owing under a Credit Agreement;

(e) To make such changes, modifications or amendments as may be necessary or desirable for the purpose of removing language regarding Prior Lien Bonds when such Prior Lien Bonds are no longer outstanding;

(f) To modify any of the provisions of this Master Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Obligations Outstanding at the date of the adoption of such modification shall cease to be Outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Obligations issued after the date of the adoption of such modification.

(g) to grant to or confer upon the Owners of the Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Obligations;

(h) to add to the covenants and agreements of the Authority contained in this Master Resolution other covenants and agreements of, or conditions or restrictions upon, the Authority or to surrender or eliminate any right or power reserved to or conferred upon the Authority in this Master Resolution;

(i) to subject additional revenues to the lien and pledge of this Master Resolution;

(j) to provide for the issuance of Inferior Lien Obligations; or

(k) to amend any provisions of this Master Resolution if, prior to execution of any such amendment, there shall be delivered to the Authority an opinion of nationally recognized bond counsel to the effect that such amendment will not have a material adverse effect on the security, remedies or rights of the Owners.

Section 10.3. Amendments of Resolution Requiring Consent. The Authority may at any time adopt one or more resolutions amending, modifying, adding to or eliminating any of the provisions of this Master Resolution but, if such amendment is not of the character described in Section 10.2 hereof, only with the consent given in accordance with Section 10.4 hereof of the Owner or Owners of not less than a majority in aggregate unpaid principal amount of the Senior Lien Obligations and Junior Lien Obligations then Outstanding and affected by such amendment, modification, addition, or elimination; provided, however, that nothing in this Section shall permit (a) an extension of the maturity of the principal of or interest or other amounts owed on any Obligations issued hereunder, or (b) a reduction in the principal amount of any Obligations or the rate of interest or other amounts owed on any Obligations, or (c) a reduction in the aggregate principal amount of the Obligations required for consent to such amendment, unless the Owner or Owners of 100% in the aggregate principal amount of the Senior Lien Obligations and Junior Lien Obligations Outstanding and affected by such amendment shall consent to the changes described in clauses (a) through (c). Before the Authority shall adopt an amendment authorized by this Section, the Authority must receive an opinion from nationally recognized bond counsel to the effect that such amendment does not affect the excludability from gross income for federal income tax purposes of interest on Outstanding tax-exempt Obligations.

Section 10.4. Consent of Owners. Any consent required by Section 10.3 hereof by any Owners shall be in writing, may be in any number of concurrent writings of similar tenor, and may be signed by such Owner or his duly authorized attorney. Proof of the execution of any such consent or of the writing appointing any such attorney and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes of this Master Resolution, and shall be conclusive in favor of the Authority with regard to any action taken, suffered or omitted to be taken by the Authority under such instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution; and

(b) the fact of the ownership by any person of any Obligations and the date of the ownership of the same may be proved by a certificate executed by an appropriate officer of the Paying Agent/Registrar, stating that at the date thereof such Obligations was registered in the name of such party in the Register.

In lieu of the foregoing the Authority may accept such other proofs of the foregoing as it shall deem appropriate.

Consents required pursuant to Section 10.3 shall be valid only if given following the giving of notice by or on behalf of the Authority requesting such consent and setting forth the substance of the amendment of this Master Resolution in respect of which such consent is sought and stating that copies thereof are available at the office of the Authority for inspection. Such notice shall be given by certified mail to each Registered Owner of the Senior Lien Obligations and Junior Lien Obligations affected at the address shown on the Register.

Section 10.5. Revocation of Consent. Any consent by any Owner of an Obligation pursuant to the provisions of this Article shall be irrevocable for a period of up to six (6) months, which period shall be specified in the request for consent, from the date of mailing of the notice provided for in this Article, and shall be conclusive and binding upon all future Owners of the same Obligations and any Obligations delivered on transfer thereof or in exchange for or replacement thereof during such period. Such consent may be revoked at any time after six (6) months from the date of the first mailing of such notice by the Owner who gave such consent or by a successor in title, by filing notice thereof with the Paying Agent/Registrar, but such revocation shall not be effective if the Owners of a majority in aggregate principal amount of the Obligations Outstanding as in this Master Resolution defined have, prior to the attempted revocation, consented to and approved the amendment.

Section 10.6. Rights of Credit Provider or Credit Enhancer. The rights, if any, of a Credit Provider, the provider of a municipal bond insurance policy or the provider of a DSRF Security to make any consents under this Article X, except those under Section 10.3(a), (b) and (c), may be specified in the Supplemental Resolution authorizing the Credit Agreement, municipal bond insurance policy or DSRF Security.

Section 10.7. Counterparties to Hedge Agreements not Owners. Unless otherwise provided in a Supplemental Resolution authorizing an Obligation, Counterparties to Hedge Agreements shall not be treated as Owners of the Obligations to which the Hedge Agreement relates for purposes of any voting rights to approve any amendments, unless such Counterparty is in fact the Owner of such Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notice. All notices hereunder shall be given by United States certified or registered mail or by telecommunication device capable of creating written record of such notice and its receipt. Notices hereunder shall be effective when received and shall be addressed:

- (a) Port of Corpus Christi Authority
222 Power Street
Corpus Christi, Texas 78401
Attention: Dennis DeVries, Chief Financial Officer

With a copy to the Authority's General Counsel:

- (b) Welder Leshin Law Firm
800 North Shoreline Boulevard
Suite 300, North Tower
Corpus Christi, Texas 78401
Attention: Jimmy Welder

Section 11.2. Continuing Disclosure Obligations. The Authority's continuing disclosure obligations, if any, under United State Securities and Exchange Commission Rule 15c2-12 with respect to the Obligations shall be set out in or authorized by the Supplemental Resolution with respect to such Obligations.

Section 11.3. Legal Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Master Resolution or any Supplemental Resolution, shall be a day that is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Master Resolution or any Supplemental Resolution and no interest shall accrue for the period after such nominal date.

Section 11.4. Governing Law. This Master Resolution shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the laws of the State of Texas.

Section 11.5. No Recourse Against Authority Officials. No recourse shall be had for the payment of principal of or interest on any Obligations or for any claim based thereon or on this Master Resolution against any official of the Authority or Port Commission or any person executing any Obligations.

Section 11.6. Successors. Whenever in the Master Resolution the Authority is named or referred to, it shall be deemed to include the board, body, commission, authority, agency, department or instrumentality of the State succeeding to the principal functions and powers of the Authority, and all the covenants and agreements in the Master Resolution contained by or on behalf of the Authority shall bind and inure to the benefit of said successor whether so expressed or not.

Section 11.7. Further Proceedings. The Chairman of the Port Commission, Secretary of the Port Commission and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Master Resolution, which may include any conforming changes to any Supplemental Resolutions relating to the issuance of Obligations. The Authorized Representative, in consultation with bond counsel,

may make any changes in the written text of this Master Resolution prior to issuance of the first Obligations hereunder as he determines are consistent with the intent and purposed of this Master Resolution and are necessary to obtain the approval of the Attorney General. Any such determination by the Authorized Representative shall be final.

Section 11.8. Severability. If any Section, paragraph, clause or provision of this Master Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Master Resolution.

Section 11.9. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Port Commission at which this Master Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the Port Commission's regular meeting location for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Master Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Port Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 11.10. Repealer. Except as provided in Section 2.4 hereof as it relates to the Prior Lien Resolution, all orders, resolutions and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 11.11. Effective Date. This Master Resolution shall be in force and effect from and after its passage on the date shown below.

[SIGNATURE PAGE FOLLOWS]

PASSED AND APPROVED on this 19th day of June, 2018.

Secretary, Port Commission
Port of Corpus Christi Authority
of Nueces County

Chair, Port Commission
Port of Corpus Christi Authority
of Nueces County

[SEAL]

RESOLUTION APPROVING A MASTER RESOLUTION ESTABLISHING AND AUTHORIZING THE PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS REVENUE FINANCING SYSTEM, AND A FIRST SUPPLEMENTAL RESOLUTION AND A SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS THEREUNDER; AND AUTHORIZING OTHER MATTERS RELATING THERETO

WHEREAS, the Port of Corpus Christi Authority of Nueces County, Texas (the “Authority”), is a governmental agency and body politic and corporate, created and organized under and by virtue of the constitution and general laws of the State of Texas (the “State”) and now operating under the provisions of Article XVI, Section 59 of the State constitution and under the laws of the State, particularly Chapters 60 and 62, Texas Water Code, with the power and authority to exercise all rights, privileges and functions essential to the accomplishment of the purposes for which it was organized; and

WHEREAS, the Port Commission (the “Port Commission”) of the Authority has determined that it is in the best interests of the Authority to establish a financing system in order to issue senior lien and junior lien obligations from time to time, to create commercial paper programs and direct purchase note programs, and to enter into credit agreements and hedge agreements for authorized Authority purposes; and

WHEREAS, in connection with the establishment of such financing system there have been presented to the Port Commission the following resolutions:

1. MASTER RESOLUTION ESTABLISHING A REVENUE FINANCING SYSTEM; AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN OBLIGATIONS AND JUNIOR LIEN OBLIGATIONS; PROVIDING FOR CREDIT AGREEMENTS AND HEDGE AGREEMENTS; GRANTING SECURITY AND ESTABLISHING FUNDS AND ACCOUNTS FOR THE PAYMENT OF OBLIGATIONS; AND MAKING OTHER PROVISIONS REGARDING SUCH OBLIGATIONS AND MATTERS INCIDENT THERETO (the “Master Resolution”), a copy of which is attached hereto as Exhibit A;

2. FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018A; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO (the “First Supplemental Resolution”), a copy of which is attached hereto as Exhibit B; and

3. SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018B;

PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO (the "Second Supplemental Resolution"), a copy of which is attached hereto as Exhibit C;

WHEREAS, any Obligations (as defined in the Master Resolution) to be issued under the Master Resolution and any Supplemental Resolution are being authorized and issued pursuant to the Constitution and laws of the State, including particularly Article XVI, Section 59 of the Texas Constitution, Chapter 60, Texas Water Code, as amended, Chapter 62, Texas Water Code, as amended, Chapter 1207, Texas Government Code, as amended, and Chapter 1371, Texas Government Code, as amended (collectively, the "Act"); and

WHEREAS, pursuant to the Act and the Master Resolution, the Authority desires to adopt the First Supplemental Resolution and Second Supplemental Resolution to authorize the issuance of bonds (the "Bonds") for the purposes described therein;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS THAT:

Section 1. The findings and determinations contained in the recitals to this Resolution are hereby found and determined to be true and correct, and the findings, determinations and definitions contained in the recitals are incorporated herein for all purposes.

Section 2. The Port Commission hereby ratifies and approves the Master Resolution, First Supplemental Resolution and Second Supplemental Resolution (collectively, the "Resolutions") in substantially the forms attached hereto.

Section 3. The Chairman or Vice Chairman of the Port Commission is hereby authorized and directed, for and on behalf of the Authority, to approve the final forms of and execute the Resolutions (such approval to be conclusively evidenced by the execution and delivery thereof). The Chairman of the Port Commission and the Executive Director, Chief Executive Officer, Chief Financial Officer, and Financial Controller of the Authority are each hereby authorized and directed for and on behalf of the Authority, to approve, execute and deliver the agreements, documents and certificates authorized under the Resolutions (collectively, the "Transaction Documents") (such approval to be conclusively evidenced by the execution and delivery thereof). The Secretary of the Port Commission is hereby authorized and directed, for and on behalf of the Authority, to attest to the Resolutions and Transaction Documents, if required.

Section 4. The officers and agents of the Authority are hereby authorized to take all action necessary or desirable to effect the issuance of the Bonds and to carry out, give effect to, and consummate the transactions contemplated by this Resolution and the Transaction Documents, including without limitation the payment of rating agency fees, Texas Office of the Attorney General review fees and other fees and expenses associated with the preparation, approval and issuance of the Bonds.

Section 5. This Resolution shall take effect and be in full force and effect upon and after its passage.

[SIGNATURE PAGE FOLLOWS]

PASSED AND APPROVED on this 19th day of June, 2018.

Secretary, Port Commission
Port of Corpus Christi Authority
of Nueces County

Chair, Port Commission
Port of Corpus Christi Authority
of Nueces County

[SEAL]

EXHIBIT A

Master Resolution

(Please see document included in official Authority records.)

EXHIBIT B

First Supplemental Resolution

(Please see document included in official Authority records.)

EXHIBIT C

Second Supplemental Resolution

(Please see document included in official Authority records.)

PORT OF CORPUS CHRISTI AUTHORITY
OF
NUECES COUNTY, TEXAS

FIRST SUPPLEMENTAL RESOLUTION

FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018A; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO

Dated: July 1, 2018
Adopted: June 19, 2018

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EXHIBIT A: FORM OF PRICING CERTIFICATE

FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018A; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO

IT IS HEREBY RESOLVED BY THE PORT COMMISSION OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS THAT:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01. Findings and Determinations. It is hereby officially found, determined and declared that:

(a) Pursuant to the Act (as defined in the Master Resolution) the Port of Corpus Christi Authority of Nueces County, Texas (the “Authority”) has adopted a Master Resolution (as defined herein) authorizing the issuance of one or more series of Senior Lien Obligations (as defined in the Master Resolution) pursuant to one or more Supplemental Resolutions (as defined in the Master Resolution).

(b) The Authority now desires to issue its Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A (the “Series 2018A Bonds”), which may be issued in multiple series or subseries as described in the Pricing Certificate (as defined herein), for the purposes of (i) the construction, acquisition and equipment of the Series 2018A Project (as defined herein), (ii) making a deposit to the Series 2018A Debt Service Reserve Account, if any, and (iii) paying the costs of issuing the Series 2018A Bonds as provided in this First Supplemental Resolution (as herein defined).

(c) The Port Commission of the Authority (the “Port Commission”) hereby finds and determines that the issuance and delivery of the Series 2018A Bonds hereinafter authorized is necessary and in the best interests of the Authority and the use of the proceeds in the manner herein specified constitutes a valid public purpose.

(d) The purposes of this First Supplemental Resolution are to approve the specific terms and provisions of the Series 2018A Bonds; and to extend the pledge, lien and provisions of the Master Resolution to and for the benefit of the Owner(s) of the Series 2018A Bonds.

(e) The Authority is a conservation and reclamation district of the State of Texas operating under Article XVI, Section 59 of the Texas Constitution and therefore is an “Issuer” as defined by Chapter, 1371.001(4)(E), Texas Government Code.

(f) The Series 2018A Bonds are expected to be rated by a nationally recognized rating agency for municipal securities in one of the three highest rating categories for a short-term debt instrument or one of the four highest rating categories for a long-term debt instrument, and will qualify as “obligations” under Chapter 1371, Texas Government Code.

(g) Pursuant to Chapter 1371, Texas Government Code, as amended, the Authority may delegate to the Authorized Representative the authority to execute and finalize certain terms in connection with the issuance of the Series 2018A Bonds authorized by this First Supplemental Resolution, and the Authority desires to delegate to the Authorized Representative such authority as described in Section 8.01 herein.

ARTICLE II

DEFINITIONS AND PRELIMINARY MATTERS

Section 2.01. Definitions. Unless otherwise expressly provided in this First Supplemental Resolution, the capitalized terms contained herein shall have the meanings given in the Master Resolution.

“Authorized Denomination” shall mean \$5,000 and integral multiples of \$5,000 in excess thereof.

“Authorized Representative” shall have the meaning ascribed in the Master Resolution.

“Bond Counsel” means Bracewell LLP, or any attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds acceptable to the Port Commission.

“Chapter 1371” means Chapter 1371, Texas Government Code.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Dated Date” means August 1, 2018, or such other date as may be designated in the Pricing Certificate.

“Designated Payment/Transfer Office” means with respect to the initial Paying Agent/Registrar named herein, its Austin, Texas office, or at such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office

of such successor designated and located as may be agreed upon by the Authority and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Fiscal Year” means such fiscal year of the Authority as shall be set from time to time by the Port Commission.

“First Supplemental Resolution” shall mean this First Supplemental Resolution adopted by the Authority in accordance with Article III of the Master Resolution, dated as of the date first above written, together with any amendments hereto.

“Gross Proceeds” means any Proceeds and Replacement Proceeds.

“Initial Bond” means the initial bond authorized by Section 3.04(d).

“Interest Payment Date” means, unless otherwise provided in the Pricing Certificate, the date on which interest on the Series 2018A Bonds is due and payable, such dates being each June 1 and December 1, commencing December 1, 2018 until the principal of the Series 2018A Bonds has been paid or provided for.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Investment Proceeds” is defined in Section 1.148-1(b) of the Regulations and generally consists of any amounts actually or constructively received from investing Proceeds.

“Issuance Date” means the date of the initial delivery of and payment for the Series 2018A Bonds.

“Issue Price” means “issue price” as defined in Sections 1273 and 1274 of the Code, unless otherwise provided in Sections 1.148-0 through 1.148-11 of the Regulations.

“Master Resolution” shall mean the Master Resolution dated as of July 1, 2018 as approved by the Authority.

“Maturity” means the date on which the principal of the Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“Maximum Lawful Rate” means the lesser of (a) the maximum rate of interest allowed by Chapter 1204, Texas Government Code, or any successor provision or (b) the maximum nonusurious rate of interest permitted to be charged by applicable federal or Texas law from time to time in effect.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Proceeds” means the Sale Proceeds less any Sale Proceeds invested in a Reasonably Required Reserve or Replacement Fund and as part of a minor portion under Section 148(e) of the Code and Investment Proceeds, less accrued interest.

“Paying Agent/Registrar” means initially BOKF, N.A., or any successor thereto as provided in this First Supplemental Resolution, unless otherwise designated in the Pricing Certificate.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the Authority relating to the Series 2018A Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Representative, in substantially the form attached hereto as Exhibit A with such variations, omissions and insertions as are approved by the Authorized Representative as indicated by his/her signature.

“Proceeds” is defined in Section 1.148-1(b) of the Regulations and generally means the Sale Proceeds and Investment Proceeds.

“Purchase Agreement” means the Bond Purchase Agreement between the Authority and the Underwriters.

“Reasonably Required Reserve or Replacement Fund” means any fund described in Section 148(d) of the Code provided that the amount thereof allocable to the Series 2018A Bonds invested at a Yield materially higher than the Yield on the Series 2018A Bonds does not exceed at any time the least of (a) 10% of the stated principal amount of the Series 2018A Bonds (or Sale Proceeds in the event that the amount of original issue discount exceeds two percent multiplied by the stated redemption price at maturity of the Series 2018A Bonds), (b) the maximum annual principal and interest requirements of the Series 2018A Bonds, and (c) 125 percent of average annual principal and interest requirements of the Series 2018A Bonds, within the meaning of Section 148(d) of the Code.

“Record Date” means the fifteenth calendar day of the month preceding an Interest Payment Date, or such other date designated in the Pricing Certificate.

“Register” means the Register specified in Section 3.06(a) of this First Supplemental Resolution.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations.

“Representations Letter” means the Blanket Letter of Representations between the Authority and DTC.

“Rule” means Rule 15c2-12, as amended from time to time, adopted by the SEC under the Securities Exchange Act of 1934.

“Sale Proceeds” is defined in Section 1.148-1 of the Regulations and generally consists of any amounts actually or constructively received from the sale (or other disposition) of bonds, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with such bonds and that is described in Section 1.148-4(b)(4) of the Regulations.

“SEC” means the United States Securities and Exchange Commission.

“Series 2018A Bonds” means the Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A, or such other series or subseries as may be designated in the Pricing Certificate.

“Series 2018A Debt Service Reserve Account” means the separate account of the Authority established within the Senior Lien Debt Service Reserve Fund pursuant to Section 7.03 of this First Supplemental Resolution.

“Series 2018A Debt Service Reserve Requirement” means the debt service reserve fund requirement pertaining solely to the Series 2018A Bonds as specified in the Pricing Certificate, as may be adjusted from time to time pursuant to Section 7.04 hereof.

“Series 2018A Project” means the construction, acquisition and equipment of the Corpus Christi Ship Channel Improvement Project.

“Series 2018A Project Fund” means the separate Fund of the Authority established in Section 7.03 of this First Supplemental Resolution.

“Special Payment Date” means the date that is 15 days after the Special Record Date, as described in Section 3.03 of this First Supplemental Resolution.

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03 of this First Supplemental Resolution.

“Stated Maturity” means the maturity date of the Series 2018A Bonds specified in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal, premium, if any, or interest, or money set aside for the payment of the Series 2018A Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owner of such Series 2018A Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means Wells Fargo Bank, NA, Citigroup Global Markets Inc., JP Morgan Securities LLC, Raymond James & Associates, Inc., Frost Bank, Siebert Cisneros Shank & Co., L.L.C., and M.E. Allison & Co., Inc.

“Yield” of (a) a bond has the meaning set forth in Section 1.148-4 of the Regulations and generally, is the discount rate that when used in computing the present value of all payment of principal and interest to be paid on the obligation produces an amount equal to the Issue Price of such bond, and (b) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and generally, is the discount rate that when used in computing the present value of all payment of principal and interest to be paid on the Investment produces an amount equal to all payments for the Investment.

Section 2.02. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this First Supplemental Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this First Supplemental Resolution or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 2.03. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This First Supplemental Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this First Supplemental Resolution.

(d) References to section numbers shall mean sections in this First Supplemental Resolution unless designated otherwise.

Section 2.04. Declarations under the Master Resolution.

(a) This First Supplemental Resolution is a Supplemental Resolution adopted under Article III of the Master Resolution.

(b) The Series 2018A Bonds are designated as Senior Lien Obligations under the Master Resolution.

(c) The Series 2018A Bonds are not Debt Service Reserve Fund Participants; however, in accordance with the Master Resolution, the holder(s) of the Series 2018A Bonds are beneficiaries of the Series 2018A Debt Service Reserve Account if a Series

2018A Debt Service Reserve Requirement is established for the Series 2018A Bonds in the Pricing Certificate.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE SERIES 2018A BONDS

Section 3.01. Authorization. The Series 2018A Bonds, which may be issued in one or more series or subseries to be designated as “Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A,” or having such other title or titles as may be designated in the Pricing Certificate, are hereby authorized to be issued and delivered, from time to time, in accordance with the Constitution and laws of the State, including particularly Chapters 60 (including Subchapter M of Chapter 60) and 62, Texas Water Code, and Chapter 1371. The total par amount of the bonds to be issued, from time to time, pursuant to this First Supplemental Resolution, shall not exceed \$102,000,000. Such bonds are to be issued for the purposes of (i) paying the costs of the Series 2018A Project, (ii) making a deposit to the Series 2018A Debt Service Reserve Account, if any, and (iii) paying the costs of issuing the Series 2018A Bonds.

Section 3.02. Date, Denomination, Interest Rates, and Maturities.

(a) The Series 2018A Bonds shall be dated the Dated Date and shall be in fully registered form without coupons.

(b) The Series 2018A Bonds shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in Authorized Denominations and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered I-1.

(c) The Series 2018A Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Unless otherwise specified in the Pricing Certificate, interest shall accrue and be paid on each Series 2018A Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) Principal of and interest on the Series 2018A Bonds shall be paid in lawful money of the United States as provided in this Section.

(b) Interest on the Series 2018A Bonds shall be paid by check dated as of the Interest Payment Date, and sent first class United States mail, postage prepaid, by the

Paying Agent/Registrar to the Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of the Series 2018A Bonds shall be paid to the person in whose name such Series 2018A Bonds are registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Series 2018A Bonds at the Designated Payment/Transfer Office.

(d) If the date for the payment of principal of or interest on the Series 2018A Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner of the Series 2018A Bonds appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Series 2018A Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Series 2018A Bonds thereafter coming due and, to the extent any such money remains three (3) years after the retirement of all outstanding Series 2018A Bonds, shall be paid to the Authority to be used for any lawful purpose. Thereafter, neither the Authority, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Series 2018A Bonds for any further payment of such unclaimed monies or on account of any such Series 2018A Bonds, subject to Title 6, Texas Property Code.

Section 3.04. Execution and Initial Registration.

(a) The Series 2018A Bonds shall be executed on behalf of the Authority by the Chairman or Vice Chairman and the Secretary of the Port Commission, by their manual or facsimile signatures, and the official seal of the Port Commission shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Series 2018A Bonds shall have the same effect as if each of the Series 2018A Bonds had been signed manually and

in person by each of said officers, and such facsimile seal on the Series 2018A Bonds shall have the same effect as if the official seal of the Port Commission had been manually impressed upon each of the Series 2018A Bonds.

(b) In the event that any officer of the Port Commission whose manual or facsimile signature appears on the Series 2018A Bonds ceases to be such officer before the authentication of such Series 2018A Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Series 2018A Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit of this First Supplemental Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this First Supplemental Resolution, duly authenticated by manual execution of the Paying Agent/Registrar. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Issuance Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this First Supplemental Resolution, manually executed by the Comptroller or by his duly authorized agent, which certificate shall be evidence that the Initial Series 2018A Bond has been duly approved by the Attorney General and that it is a valid and binding obligation of the Authority, and has been registered by the Comptroller.

(d) On the Issuance Date, one Initial Bond representing the entire principal amount of the Series 2018A Bonds designated in the Pricing Certificate, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Chairman and Secretary of the Port Commission, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with 3.09 hereof. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership.

(a) The Authority, the Paying Agent/Registrar and any other person may treat the person in whose name the Series 2018A Bonds is registered as the absolute owner of such Series 2018A Bonds for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Series 2018A Bonds is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Series 2018A Bonds is overdue, and neither the Authority nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of the Series 2018A Bonds in accordance with this Section shall be valid and effectual and shall discharge the liability of the Authority and the Paying Agent/Registrar upon such Series 2018A Bonds to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as the Series 2018A Bonds remain outstanding, the Authority shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Series 2018A Bonds in accordance with this First Supplemental Resolution.

(b) The ownership of a Series 2018A Bonds may be transferred only upon the presentation and surrender of the Series 2018A Bonds at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of the Series 2018A Bonds shall be effective until entered in the Register.

(c) The Series 2018A Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for the Series 2018A Bonds. The Paying Agent/Registrar is hereby authorized to authenticate and deliver the Series 2018A Bonds exchanged for any such Series 2018A Bonds in accordance with this Section.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Series 2018A Bonds transferred or exchanged in accordance with this Section. A new Series 2018A Bond or Series 2018A Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Series 2018A Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his or her designee. Each Series 2018A Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Authority and shall be entitled to the benefits and security of this First Supplemental Resolution to the same extent as the Series 2018A Bond or Series 2018A Bonds in lieu of which such Series 2018A Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of the Series 2018A Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of the Series 2018A Bonds.

(f) Neither the Authority nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange the Series 2018A Bonds called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of the Series 2018A Bonds.

Section 3.07. Cancellation. Any portion of the Series 2018A Bonds paid or redeemed before scheduled maturity in accordance with this First Supplemental Resolution, and the Series 2018A Bonds in lieu of which exchange the Series 2018A Bonds or replacement Series 2018A Bonds is authenticated and delivered in accordance with this First Supplemental Resolution, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the cancelled Series 2018A Bonds in accordance with the Securities Exchange Act of 1934, as amended.

Section 3.08. Replacement Series 2018A Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Series 2018A Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Series 2018A Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Authority or the Paying Agent/Registrar may require the Owner of such Series 2018A Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that a Series 2018A Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Series 2018A Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Series 2018A Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(1) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Series 2018A Bond;

(2) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Authority to save them harmless;

(3) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(4) satisfies any other reasonable requirements imposed by the Authority and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Series 2018A Bond, a bona fide purchaser of the original Series 2018A Bond in lieu of which such replacement Series 2018A Bond was issued presents for payment such original Series 2018A Bond, the Authority and the Paying Agent/Registrar shall be entitled to recover such replacement Series 2018A Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Authority or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Series 2018A Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Series 2018A Bond, may pay such Series 2018A Bond.

(e) Each replacement Series 2018A Bond delivered in accordance with this Section shall constitute an original contractual obligation of the Authority and shall be entitled to the benefits and security of this First Supplemental Resolution to the same extent as the Series 2018A Bond in lieu of which such replacement Series 2018A Bond is delivered.

Section 3.09. Book-Entry Only System.

(a) Unless otherwise specified in the Pricing Certificate, the definitive Series 2018A Bonds shall be initially issued in the form of a separate fully registered Series 2018A Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2018A Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Series 2018A Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Series 2018A Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2018A Bonds, except as provided in this First Supplemental Resolution. Without limiting the immediately preceding sentence, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2018A Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner of any notice with respect to the Series 2018A Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner of any amount with respect to principal of or interest on the Series 2018A Bonds. Notwithstanding any other provision of this First Supplemental Resolution to the contrary, the Authority and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2018A Bond is registered in the Register as the absolute owner of such Series 2018A Bond for the purpose of payment of principal of, premium, if any, and interest on the Series 2018A Bonds for the purpose of giving notices with respect to such Series 2018A Bond, and other matters with respect to such Series 2018A Bond, for the purpose of registering transfer with respect to such Series 2018A Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Series 2018A Bonds only to or upon the order of the respective Owners, as shown in the Register, as provided in this First Supplemental Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of premium, if any, principal and interest on the Series 2018A Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Series 2018A Bond evidencing the obligation of the Authority to make payments of amounts due pursuant to this First Supplemental Resolution. Upon

delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this First Supplemental Resolution with respect to interest payments being mailed to the Owner as shown on the Register on the Record Date, the word “Cede & Co.” in this First Supplemental Resolution shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by the Authority, and applicable to the Authority’s obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Series 2018A Bonds.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the Authority determines that it is in the best interest of the Authority and of the beneficial owners of the Series 2018A Bonds that they be able to obtain certificated Series 2018A Bonds, or in the event DTC discontinues the services described herein, the Authority or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2018A Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Series 2018A Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Series 2018A Bonds to DTC Participants having Series 2018A Bonds credited to their DTC accounts. In such event, the Series 2018A Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Series 2018A Bonds shall designate, in accordance with the provisions of this First Supplemental Resolution.

Section 3.11. Payments to Cede & Co. Notwithstanding any other provision of this First Supplemental Resolution to the contrary, so long as any Series 2018A Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2018A Bonds, and all notices with respect to such Series 2018A Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter of the Authority to DTC.

ARTICLE IV

REDEMPTION OF SERIES 2018A BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Series 2018A Bonds shall be subject to redemption before Stated Maturity as provided in this Article IV and in the Pricing Certificate.

Section 4.02. Optional Redemption. The Authority reserves the right to redeem at its option the Series 2018A Bonds as further specified in the Pricing Certificate.

Section 4.03. Mandatory Redemption. The Series 2018A Bonds shall be subject to mandatory redemption before Stated Maturity as further specified in the Pricing Certificate.

Section 4.04. Lapse of Payment. Money set aside for the redemption of the Series 2018A Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) BOKF, N.A. is hereby appointed the initial Paying Agent/Registrar for the Series 2018A Bonds.

(b) The Paying Agent/Registrar shall keep such books or records and make such transfers and registrations under such reasonable regulations as the Authority and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Series 2018A Bond to which payments with respect to the Series 2018A Bonds shall be mailed, as provided herein. The Authority or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) The Authority hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Series 2018A Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the Authority and the Paying Agent/Registrar with respect to the Series 2018A Bonds, and of all conversions, exchanges and replacements of such Series 2018A Bonds, as provided in this First Supplemental Resolution.

(d) The Authorized Representative is hereby authorized and directed to execute and deliver a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the Authority and the Paying Agent/Registrar. The Authority hereby approves the form of Paying Agent/Registrar Agreement.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Series 2018A Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while the Series 2018A Bonds are outstanding, the Authority will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this First Supplemental Resolution.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Authority will promptly appoint a replacement.

Section 5.04. Termination. The Authority, upon not less than 45 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Series 2018A Bonds.

Section 5.05. Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, the Authority will cause notice of the change to be sent to the Owners by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this First Supplemental Resolution and the Master Resolution and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Series 2018A Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE SERIES 2018A BONDS

Section 6.01. Form Generally.

(a) The Series 2018A Bonds, including the Registration Certificate of the Comptroller, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each Series 2018A Bond, shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this First Supplemental Resolution, and may have such letters, numbers, or other marks of identification and such legends and endorsements (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association and any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Authority or by the officers executing such Series 2018A Bonds, as evidenced by their execution thereof.

(b) The Series 2018A Bonds, including the Initial Bond submitted to the Attorney General of Texas and any temporary Series 2018A Bonds, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Series 2018A Bonds, as evidenced by their execution thereof.

Section 6.02. Form of Series 2018A Bonds. The form of Series 2018A Bonds, including the form of the Registration Certificate of the Comptroller, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Series 2018A Bonds, shall be substantially as follows, except as may be modified or substituted in the Pricing Certificate:

(a) Form of Series 2018A Bonds.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
SENIOR LIEN REVENUE BOND
SERIES 2018A

INTEREST RATE: _____% MATURITY DATE: June 1, 20____ ISSUANCE DATE: _____, ____ CUSIP NO.: _____

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the "Authority"), for value received, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Series 2018A Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Issuance Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provision for such payment shall have been made, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2018.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto in the Resolution (defined herein).

The principal of this Series 2018A Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Series 2018A Bond at the corporate trust office in Austin, Texas of BOKF, N.A. as Paying Agent/Registrar (the “Designated Payment/Transfer Office”), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Series 2018A Bond is payable by check dated as of the interest payment date, and will be mailed on or before such interest payment date, by first class United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Series 2018A Bond, the registered owner shall be the person in whose name this Series 2018A Bond is registered at the close of business on the “Record Date,” which shall be the fifteenth calendar day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days (as hereinafter defined) prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Series 2018A Bond is not a Business Day, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State or the city in which the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close (a “Business Day”), and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Series 2018A Bond is one of a series of fully registered bonds specified in the title hereof, dated as of August 1, 2018, issued in the aggregate principal amount of \$ _____¹, pursuant to the authority provided by the Act, the “Master Resolution” (as defined in the First Supplemental Resolution) and the First Supplemental Resolution dated July 1, 2018 (the “First Supplemental Resolution,” and together with the Master Resolution, the “Resolution”) by the Port Commission. The Series 2018A Bonds are issued for the purpose of paying the costs of the Series 2018A Project, [making a deposit to the Series 2018A Debt Service Reserve Account]², and paying

¹ Insert from Pricing Certificate.

² Delete if no Series 2018A Debt Service Reserve Requirement.

the costs of issuing the Series 2018A Bonds, under and pursuant to the authority granted in the Act.

This Series 2018A Bond is a special obligation of the Authority that is equally and ratably payable from and secured by a lien on and pledge of certain “Net Operating Revenues” (as defined in the Master Resolution) of the Authority, which Net Operating Revenues are required to be set aside for and pledged to the payment of the Series 2018A Bonds, all Senior Lien Obligations hereafter issued on parity therewith entered into in connection with such parity Senior Lien Obligations in the Senior Lien Debt Service Fund that may be required to be maintained for the payment of all such Senior Lien Obligations, all as more fully described and provided for in the Resolution. However, the lien and pledge on Net Operating Revenues securing the Series 2018A Bonds and other Senior Lien Obligations issued on parity therewith are in all things junior and subordinate to the lien on and pledge of Net Operating Revenues made for the security and payment of the Prior Lien Bonds and the deposits required by the Prior Lien Resolution to the Prior Lien Interest and Sinking Fund and Prior Lien Reserve Fund while the Prior Lien Bonds are outstanding. [This Series 2018A Bond is not a Debt Service Reserve Fund Participant; however, in accordance with the Master Resolution, the Owner(s) of the Series 2018A Bonds shall benefit from the creation of the Series 2018A Debt Service Reserve Account created within the Senior Lien Debt Service Reserve Fund under the First Supplemental Resolution.]³

THIS SERIES 2018A BOND WITH THE INTEREST THEREON, IS PAYABLE SOLELY FROM THE NET OPERATING REVENUES AND DOES NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OR A PLEDGE OF THE CREDIT OF THE AUTHORITY. THE OWNERS OF THE SERIES 2018A BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF EITHER THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018A BONDS OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION.

The Authority has reserved the right, subject to the restrictions contained in the Master Resolution, to issue additional Obligations, which may be secured by a lien on parity with, or subordinate and inferior to, the lien of the Net Operating Revenues securing the Series 2018A Bonds. Pursuant to the Master Resolution, the Authority may enter into one or more Credit Agreements or Hedge Agreements subsequent to the authorization and issuance of the Series 2018A Bonds, the Credit Agreement Obligations and Hedge Agreement Payment Obligations due under which and certain other payments may be secured by a pledge of the Net Operating Revenues.

The Master Resolution and First Supplemental Resolution contain provisions permitting the Authority to defease its obligations under the Master Resolution and the First Supplemental Resolution and to amend the Master Resolution and First Supplemental Resolution. Any amendment to the Master Resolution or First Supplemental Resolution shall be binding upon the Owner of this Series 2018A Bond without endorsement hereon or any reference to such amendment; provided, however, that no amendment shall permit (a) an extension of the maturity of the principal of or interest on this Series 2018A Bond, or (b) a reduction of the principal amount of this Series 2018A Bond or the rate of interest hereon.

³ Delete if no Series 2018A Debt Service Reserve Requirement.

[The Authority has reserved the option to redeem the Series 2018A Bonds maturing on and after December 1, 20__, in whole or from time to time in part before their respective scheduled maturity dates, on December 1, 20__, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Series 2018A Bonds are to be redeemed, the Authority shall determine the maturity or maturities (or mandatory sinking fund redemption amounts within a Term Bond) and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Series 2018A Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.]⁴

[Series 2018A Bonds maturing on ____⁵ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the Authority, in part, at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>\$</u> ⁶	<u>Term Bonds Maturing</u> ⁷
<u>Redemption Date</u> ⁸	<u>Principal Amount</u>
_____	\$ _____ ⁹

The Paying Agent/Registrar will select for redemption by lot, or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the Authority, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Authority at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]¹⁰

Not less than thirty (30) days prior to a redemption date for the Series 2018A Bonds, the Authority shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Series 2018A Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

In the First Supplemental Resolution, the Authority reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Series 2018A Bonds

⁴ Insert from Pricing Certificate.
⁵ Insert from Pricing Certificate.
⁶ Insert from Pricing Certificate.
⁷ Insert from Pricing Certificate.
⁸ Insert from Pricing Certificate.
⁹ Insert from Pricing Certificate.
¹⁰ Delete if Term Bonds are not issued.

conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of monies and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Authority retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Authority delivers a certificate of the Authority to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such monies and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners, and the rescission of such notice shall not be an Event of Default. Any Series 2018A Bond subject to conditional redemption for which such redemption has been rescinded shall remain outstanding.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the Authority in the notice, the Series 2018A Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Series 2018A Bonds or portions thereof shall cease to accrue.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue, transfer or exchange the Series 2018A Bonds called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Series 2018A Bonds.

The Authority, the Paying Agent/Registrar, and any other person may treat the person in whose name this Series 2018A Bond is registered as the Owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Series 2018A Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Series 2018A Bond be overdue, and neither the Authority, nor the Paying Agent/Registrar nor any other person shall be affected by notice to the contrary.

In the event of any conflict or inconsistency between the terms of this Series 2018A Bond and the terms of the Resolution, the terms of the Resolution will control.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Series 2018A Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Series 2018A Bonds to render the same lawful and valid have been properly done and have happened in regular and due time, form and manner as required by law; that the Series 2018A Bonds do not exceed any constitutional or statutory limitation; and that provision has been made for the payment of the principal of and interest on the Series 2018A Bonds by granting a lien on and pledge of the Net Operating Revenues as provided in the Master Resolution and First Supplemental Resolution; and that the issuance of the Series 2018A Bonds does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Authority has caused this Series 2018A Bond to be executed in its name by the manual or facsimile signature of the Chairman of the Port Commission and countersigned by the manual or facsimile signature of the Secretary of the Port Commission, and the official seal of the Authority has been duly impressed or placed in facsimile on this Series 2018A Bond.

Chairman, Port Commission
Port of Corpus Christi Authority
of Nueces County, Texas

Secretary, Port Commission
Port of Corpus Christi Authority
of Nueces County, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Series 2018A Bond if such Certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Series 2018A Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING/AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Series 2018A Bond was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is the Series 2018A Bond referred to in the within-mentioned Supplemental Resolution.

BOKF, N.A.
as Paying Agent/Registrar

By: _____

Dated: _____

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(print or typewrite name, address and zip code of transferee)

(Social Security or other identifying number)

the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) Initial Series 2018A Bond Insertions.

The Initial Series 2018A Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except that, in the event there is more than one maturity of Bonds:

(1) immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and “CUSIP NO. _____” deleted;

(2) in the first paragraph the words “on the Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted: “on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(Information to be inserted from the Pricing Certificate); and

(3) the Initial Series 2018A Bond shall be numbered I-1.

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be printed on the reverse side of the Series 2018A Bonds or attached to the Series 2018A Bonds over the certification of the Secretary of the Port Commission, which may be executed in facsimile.

Section 6.04. CUSIP Registration. The Authority may secure identification numbers through the CUSIP Global Services, managed on behalf of The American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may print such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

ARTICLE VII

SECURITY AND SOURCE OF PAYMENT FOR SERIES 2018A BONDS; ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEFEASANCE

Section 7.01. Pledge and Source of Payment.

(a) The Series 2018A Bonds are hereby designated as Senior Lien Obligations under the Master Resolution, and as such the Series 2018A Bonds are payable from and secured by a pledge of and a lien on the Net Operating Revenues, subject to the prior lien on and pledge of the Net Operating Revenues to the Prior Lien Bonds, as more specifically provided in Section 4.1(a) of the Master Resolution. The Series 2018A Bonds are further secured by the Series 2018A Debt Service Reserve Account, to the extent and as set forth herein and the Pricing Certificate. If a Series 2018A Debt Service Reserve Requirement is not established in the Pricing Certificate, the Series 2018A Debt Service Reserve Account shall not be funded and the Series 2018A Bonds shall not be further secured by the Series 2018A Debt Service Reserve Account.

(b) The Authority hereby reserves the right to further secure the Series 2018A Bonds with a lien on and pledge of Supplemental Security added by subsequent resolution of the Port Commission. Such Supplemental Security may include a pledge of Excluded Fee and Charge Revenues, which pledge shall be subject to the prior lien on and pledge of such Excluded Fee and Charge Revenues to the Prior Lien Bonds while the Prior Lien Bonds are outstanding. The Authority additionally reserves the right to use Excluded Fee and Charge Revenues to make payments on the Series 2018A Bonds as directed by resolution or order of the Port Commission.

Section 7.02. Series 2018A Bonds Not Payable from Taxes. The Owners of the Series 2018A Bonds shall never have the right to demand payment of either the principal of or interest on the Series 2018A Bonds out of any funds raised or to be raised by taxation.

Section 7.03. Creation of Additional Funds and Accounts.

(a) Pursuant to Section 5.1 of the Master Resolution, the Authority hereby establishes a separate fund to be known as the “Series 2018A Project Fund” in order to provide for the efficient administration of the proceeds of the Series 2018A Bonds. The monies in such fund shall be secured and invested in the manner required by law. The earnings on the investment of the proceeds deposited in the Series 2018A Project Fund shall remain in such fund to accomplish the purposes of the Series 2018A Bonds and be applied as provided in the Pricing Certificate.

(b) Pursuant to Section 5.1 of the Master Resolution, the Authority hereby establishes a separate account within the Senior Lien Debt Service Reserve Fund to be known as the “Series 2018A Debt Service Reserve Account” in order to satisfy the Series 2018A Debt Service Reserve Requirement, if such requirement is established in the Pricing Certificate. Monies contained within the Series 2018A Debt Service Reserve Account that may be in excess of the then calculated Series 2018A Debt Service Reserve Requirement

may be transferred from such account and those excess funds may be applied in a manner consistent with Article IX of this First Supplemental Resolution. The Pricing Certificate may provide for the establishment of a Series 2018A Debt Service Reserve Requirement to be funded in any manner authorized in Section 5.4 of the Master Resolution and may provide that the requirement to fund the Series 2018A Debt Service Reserve Requirement may be triggered by subsequent events.

Section 7.04. Flow of Funds. The Series 2018A Bonds are Senior Lien Obligations that bear interest semiannually. Except as described in the Pricing Certificate with respect to the Series 2018A Debt Service Reserve Requirement and the Series 2018A Debt Service Reserve Account, the flow of funds established in Section 5.2 of the Master Resolution shall apply to the Series 2018A Bonds.

Section 7.05. Defeasance. The Series 2018A Bonds may be defeased in the manner provided in Section 8.1 of the Master Resolution.

ARTICLE VIII

SALE OF THE SERIES 2018A BONDS

Section 8.01. Sale of Bonds; Deposit of Proceeds; Official Statement.

(a) The Series 2018A Bonds shall be sold to the Underwriters in accordance with the terms of the Master Resolution and this First Supplemental Resolution. As authorized by Chapter 1371, Texas Government Code, as amended, an Authorized Representative acting either individually or with other Authorized Representatives is authorized to act on behalf of the Authority from time to time in selling and delivering the Series 2018A Bonds and in carrying out the other procedures specified in this First Supplemental Resolution, including determining the price at which each of the Series 2018A Bonds will be sold, whether the Series 2018A Bonds will be sold as one or more series, the number and designation of each series or subseries of Series 2018A Bonds to be issued, the form in which the Series 2018A Bonds shall be issued, the years and dates on which the Series 2018A Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount to be issued by the Authority, the rate of interest to be borne by each maturity of the Series 2018A Bonds, the dates, prices and terms upon and at which the Series 2018A Bonds shall be subject to redemption prior to maturity at the option of the Authority and shall be subject to mandatory sinking fund redemption, the final defeasance provisions, the determination as to whether the Series 2018A Bonds will have a Series 2018A Debt Service Reserve Requirement, the manner in which the Series 2018A Debt Service Reserve Requirement is funded, and the sizing of the Series 2018A Debt Service Reserve Requirement, the selection of a bond insurer, if any, and all other matters relating to the issuance, sale and delivery of the Series 2018A Bonds, all of which shall be specified in the Pricing Certificate; provided that the following conditions can be satisfied:

(1) the price to be paid for the Series 2018A Bonds shall not be less than 90% of the aggregate original principal amount of the Series 2018A Bonds plus accrued interest thereon from their date to their delivery;

(2) the interest rate on the Series 2018A Bonds shall not be in excess the maximum rate allowed under Section 1204.006, Texas Government Code;

(3) the aggregate principal amount of the Series 2018A Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the maximum par amount described in Section 3.01; and

(4) no Series 2018A Bond shall mature more than thirty-one (32) years from the date of delivery thereof.

(b) The Authorized Representative is hereby authorized and directed to execute and deliver on behalf of the Authority a Purchase Agreement providing for the sale of the Bonds to the Underwriters, in such form as determined by the Authorized Representative. The Authorized Representative is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this First Supplemental Resolution, which final terms shall be determined to be the most advantageous reasonably attainable by the Authority, such approval and determination being evidenced by its execution thereof by the Authorized Representative. The Initial Bonds shall initially be registered in the name of the Underwriter or its designee or such other entity as may be specified in the Purchase Agreement.

(c) The authority granted to the Authorized Representative under Section 8.01(a) shall expire at 11:59 p.m., Central Time, on a date one year from the date the Port Commission adopts this First Supplemental Resolution, unless otherwise extended by the Authority by separate action.

(d) The Authorized Representative and all other officers of the Authority are authorized to take such actions, to obtain such consents or approvals and to execute such documents, agreements, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Series 2018A Bonds, pay the costs of issuance of the Series 2018A Bonds, and effectuate the terms and provisions of this First Supplemental Resolution and the Purchase Agreement.

(e) The Authority hereby authorizes the preparation of one or more Preliminary Official Statements and authorizes an Authorized Representative to approve the form and content of such Preliminary Official Statement and to deem the Preliminary Official Statement “final” within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934. The Authority hereby approves the distribution of the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Authorized Representative and the Underwriter). The Authority hereby authorizes the preparation of a final Official Statement reflecting the terms of the Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriter (with such appropriate variations as shall be

approved by the Authorized Representative and the Underwriter) is hereby approved and authorized and the proper officials of the Authority are authorized to sign such Official Statement and deliver a certificate pertaining to such Official Statement, if necessary. The Authorized Representative is hereby authorized to update the continuing disclosure undertakings contained herein, if necessary in connection with the offer and sale of the Bonds.

Section 8.02. Deposit of Proceeds; Transfer of Funds.

(a) Proceeds from the sale of the Series 2018A Bonds, together with other funds of the Authority, if any, shall, promptly upon receipt by the Authority, be applied as set out in the Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Interest and Sinking Fund.

(b) All officers and officials of the Authority are authorized to take such actions and to execute such documents, certificates and receipts to satisfy the conditions for the issuance of the Series 2018A Bonds as set forth in the Master Resolution, First Supplemental Resolution and the Purchase Agreement, and to make such elections with respect to the tax-exempt status of the Series 2018A Bonds, as they may deem necessary and appropriate in order to consummate the delivery of the Series 2018A Bonds. Further, in connection with the submission of the record of proceedings for the Series 2018A Bonds to the Attorney General of the State for examination and approval of such Series 2018A Bonds, the appropriate officer of the Authority is hereby authorized and directed to issue a check of the Authority payable to the Attorney General of the State as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code.

(c) The obligation of the Underwriters to accept delivery of the Series 2018A Bonds is subject to the conditions set forth in the Purchase Agreement, including without limitation, the Purchaser being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the Authority, which opinion shall be dated as of and delivered on the Issuance Date.

Section 8.03. Control and Delivery of Series 2018A Bonds.

(a) The Authorized Representative is hereby authorized to have control of the Initial Series 2018A Bonds and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General, registration by the Comptroller, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller, delivery of the Series 2018A Bonds shall be made to the Underwriter under and subject to the general supervision and direction of the Authorized Representative, against receipt by the Authority of all amounts due to the Authority under the terms of sale.

(c) In the event the Chairman or Secretary of the Port Commission are absent or otherwise unable to execute any document or take any action authorized herein, the Vice

Chairman and any Assistant Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Vice Chairman and Assistant Secretary shall for the purposes of this First Supplemental Resolution have the same force and effect as if such duties were performed by the Chairman and Secretary, respectively.

ARTICLE IX

PROVISIONS REGARDING FEDERAL INCOME TAX EXCLUSION

Section 9.01. Applicability. The provisions of this Article IX apply only to Series 2018A Bonds the interest of which is excludable from gross income for purposes of federal income taxation.

Section 9.02. General Tax Covenant. The Authority intends that the interest on the Series 2018A Bonds be excludable from gross income for purposes of federal income taxation pursuant to sections 103, 141 through 150 of the Code, and the Regulations promulgated thereunder or any corresponding predecessor statute. The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Series 2018A Bonds to be includable in gross income, as defined in Section 61 of the Code, for purposes of federal income taxation or (ii) result in the violation of or failure to satisfy any provision of Section 103, 141 through 150 of the Code. In particular, the Authority covenants and agrees to comply with each requirement of this Article IX; provided, however, that the Authority will not be required to comply with any particular requirement of this Article IX if the Authority has received an opinion of Bond Counsel that (i) such noncompliance will not adversely affect the excludability of the interest on the issue of Series 2018A Bonds from gross income for federal income tax purposes of interest on the Series 2018A Bonds or (ii) that compliance with some other requirement set forth in such opinion will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such opinion shall constitute compliance with the corresponding requirement specified in this Article IX (each, a “Favorable Opinion of Bond Counsel”).

Section 9.03. Use of Proceeds. The Authority covenants and agrees that it will make such use of the proceeds of the Series 2018A Bonds, including interest or other investment income derived from Bond proceeds; regulate the use of property financed or refinanced, directly or indirectly, with such proceeds; and take such other and further action as may be required so that the Series 2018A Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Moreover, the Authority will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2018A Bonds are delivered, that the proceeds of the Series 2018A Bonds will not be used in a manner that would cause the Series 2018A Bonds to be “private activity bonds” within the meaning of section 141 of the Code.

Section 9.04. Limitation on Maturity. The Authority covenants and agrees that the average maturity of each issue of the Series 2018A Bonds, taking into account the Issue Price of the various maturities of such issue of the Series 2018A Bonds, will not exceed 120 percent of the reasonably expected economic life of the projects financed with such issue, taking into account the

respective cost of each item composing the projects financed with such issue, all as determined in accordance with Section 147(b) of the Code. For purposes of the preceding sentence, the reasonably expected economic life of the facilities being financed with the Net Proceeds of the Series 2018A Bonds shall be determined as of the later of (i) the Issuance Date or (ii) the respective dates on which each component of the projects financed with such issue is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of the Series 2018A Project. The Authority will not make any changes to the facilities that would, at the time made, decrease the average reasonably expected economic life of the projects financed with such issue, unless the Authority receives a Favorable Opinion of Bond Counsel.

Section 9.05. Limitations on Investment. The cumulative, blended Yield on the investment of the Gross Proceeds of each issuance of the Series 2018A Bonds will be restricted to the Yield on the issue of bonds of which the Series 2018A Bonds is a part, other than amounts (i) not subject to yield restriction due to any applicable temporary period under Section 148(c) of the Code, (ii) deposited in a Reasonably Required Reserve or Replacement Fund, a bona fide debt service fund, or as a minor portion, or (iii) invested at a restricted yield by virtue of being invested in obligations described in Section 103(a) of the Code that are not “specified private activity bonds” within the meaning of Section 57(a)(5) of the Code to the extent required by the Code.

Section 9.06. No Federal Guaranty. The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Series 2018A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b)(3) of the Code and such Regulations.

Section 9.07. Series 2018A Bonds Not Hedge Bonds. The Authority covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2018A Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code. Moreover, the Authority will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the Issuance Date, that the Proceeds of the Series 2018A Bonds will not be used in a manner that would cause the Series 2018A Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section 9.08. No Arbitrage Covenant. The Authority will certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the Issuance Date, that the Proceeds of the Series 2018A Bonds will not be used in a manner that would cause the Series 2018A Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable Regulations thereunder. Moreover, the Authority covenants and agrees that it will make such use of the Proceeds of the Series 2018A Bonds including interest or other investment income derived from such Proceeds, regulate investments of such Proceeds, and take such other and further action as may be required so that the Series 2018A Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable Regulations thereunder.

Section 9.09. Arbitrage Rebate. The Authority will take all necessary steps to comply with the requirement that certain amounts earned by the Authority on the investment of the Gross Proceeds of each issue of Series 2018A Bonds be rebated to the federal government in accordance with Section 148(f) of the Code. Specifically, the Authority will (i) maintain records regarding the investment of the Gross Proceeds of each issue of Series 2018A Bonds as may be required to calculate, the amount earned on the investment of the Gross Proceeds of each issue of Series 2018A Bonds separately from records of amounts on deposit in the funds and accounts of the Authority allocable to other bond issues of the Authority or monies that do not represent gross proceeds of any Bond of the Authority, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the Gross Proceeds of each issue of Series 2018A Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the Issuance Date or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Authority will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Series 2018A Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the Yield on the issue not been relevant to either party.

Section 9.10. Information Reporting. The Authority covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 2018A Bonds are issued, an information statement concerning each issue of Series 2018A Bonds, all under and in accordance with Section 149(e) of the Code.

Section 9.11. Deliberate Actions. The Authority will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Series 2018A Bonds to fail to meet any requirement of section 141 of the Code after the Issuance Date unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, such remedial action is taken by the City, and a Favorable Opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

Section 9.12. Record Retention. The Authority will retain all pertinent and material records relating to the use and expenditure of the Proceeds of each issue of Series 2018A Bonds until three years after the last Series 2018A Bond of such issue is redeemed or paid at maturity, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Authority to retrieve and reproduce such books and records in the event of an examination of the Series 2018A Bonds by the Internal Revenue Service.

Section 9.13. Registration. The Series 2018A Bonds will be issued in registered form.

Section 9.14. Continuing Obligation. Notwithstanding any other provision of this First Supplemental Resolution, the Authority's obligations under the covenants and provisions of this Article IX hereof shall survive the defeasance and discharge of the Series 2018A Bonds for as long as such matters are relevant to the excludability of the interest on the Series 2018A Bonds from gross income for federal income tax purposes.

ARTICLE X

CONTINUING DISCLOSURE UNDERTAKING

Section 10.01. Annual Reports.

(a) The Authority shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the Authority ending in or after 2018, financial information and operating data with respect to the Authority of the general type included in the Official Statement under tables identified in the Pricing Certificate, and including financial statements of the Authority if audited financial statements of the Authority are then available, and (ii) if not provided as part of such financial information and operating data, audited financial statements of the Authority, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the Authority may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Authority shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the Authority changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document), if it available to the public on the MSRB's Internet website or has been filed with the SEC. The financial information or operating data shall be provided in an electronic format as prescribed by the MSRB.

Section 10.02. Event Notices. The Authority shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Series 2018A Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018A Bonds, or other material events affecting the tax status of the Series 2018A Bonds;
- (7) Modifications to rights of the holders of the Series 2018A Bonds, if material;
- (8) Series 2018A Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Series 2018A Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of successor or additional trustee or the change of name of a trustee, if material.

The Authority shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Authority to provide financial information and operating data in accordance with Section 10.01. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 10.03. Limitations, Disclaimers and Amendments.

(a) The Authority shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Authority remains an “obligated person” with respect to the Series 2018A Bonds within the meaning of the Rule, except that the Authority in any event will give notice of any deposit that causes Series 2018A Bonds no longer to be outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Series 2018A Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2018A Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Authority in observing or performing its obligations under this Article shall comprise a breach of or default under the Master Resolution or this First

Supplemental Resolution for purposes of any other provisions of this the Master Resolution or this First Supplemental Resolution.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

The provisions of this Article may be amended by the Authority from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2018A Bonds in the primary offering of the Series 2018A Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this First Supplemental Resolution that authorizes such an amendment) of the outstanding Series 2018A Bonds consent to such amendment or (B) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Series 2018A Bonds. The Authority may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Authority also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Series 2018A Bonds in the primary offering of the Series 2018A Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Authority so amends the provisions of this Article, the Authority shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.01. Events of Default. Each of the following occurrences or events for the purpose of this First Supplemental Resolution is hereby declared to be an Event of Default:

(a) the failure to make payment of the principal of or interest on any of the Series 2018A Bonds when the same becomes due and payable; or

(b) default in the performance or observance of any other covenant, agreement or obligation of the Authority contained in this First Supplemental Resolution, and the continuation thereof for a period of sixty (60) days after written notice of such default is given by any Owner to the Authority.

Section 11.02. Remedies for Default. Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, may proceed against the Authority for the purpose of protecting and enforcing the rights of the Owners under this First Supplemental Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 11.03. Remedies Not Exclusive. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Series 2018A Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this First Supplemental Resolution, the right to accelerate the debt evidenced by the Series 2018A Bonds shall not be available as a remedy under this First Supplemental Resolution.

The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XII

COVENANTS AND REPRESENTATIONS

Section 12.01. Payment of the Series 2018A Bonds. The Authority will punctually pay or cause to be paid the interest on and principal of the Series 2018A Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this First Supplemental Resolution.

Section 12.02. Authority. The Authority represents and warrants that it is duly authorized under the Constitution of the State, the Act and other applicable laws of the State to issue the Series 2018A Bonds, all action on its part for the creation and issuance of the Series 2018A Bonds has been duly and effectively taken; and the Series 2018A Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Authority in accordance with their terms.

Section 12.03. Rate Covenant. The Authority shall adhere to the rate covenant contained in Section 4.3 of the Master Resolution.

ARTICLE XIII

AMENDMENT OF FIRST SUPPLEMENTAL RESOLUTION

Section 13.01. Amendment of Resolution Without Consent. The Authority may, without the consent of or notice to any of the Owners of the Series 2018A Bonds, amend this First Supplemental Resolution for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this First Supplemental Resolution or in the Series 2018A Bonds; or to comply with any applicable provision of law or regulation of federal agencies; provided, however, that such action shall not adversely affect the interests of the Owners of the Series 2018A Bonds;

(b) to change the terms or provisions of this First Supplemental Resolution to the extent necessary to prevent the interest on the Series 2018A Bonds (if they are issued as obligations the interest on which is excludable from gross income of the Owners thereof for federal income tax purposes) from being includable within the gross income of the Owners thereof for federal income tax purposes;

(c) to grant to or confer upon the Owners of the Series 2018A Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Series 2018A Bonds;

(d) to add to the covenants and agreements of the Authority contained in this First Supplemental Resolution other covenants and agreements of, or conditions or restrictions upon, the Authority or to surrender or eliminate any right or power reserved to or conferred upon the Authority in this First Supplemental Resolution;

(e) to subject additional revenues or supplemental security to the lien and pledge of this First Supplemental Resolution;

(f) to comply with applicable federal or state securities laws;

(g) to amend any provisions of this First Supplemental Resolution if, prior to execution of any such amendment there shall be delivered to the Authority an opinion of Bond Counsel to the effect that such amendment will not have a material adverse effect on the security, remedies or rights of the Owners; or

(h) to make such changes, modifications, or amendments as maybe necessary or desirable in order to obtain or maintain the granting of a rating on the Series 2018A Bonds by a rating agency or to obtain or maintain a Credit Agreement, in each case with respect to any Outstanding Obligations or Obligations proposed to be issued, so long as such changes, modifications and/or amendments will not have an adverse effect on the security, remedies or rights of the Owners.

Section 13.02. Amendments of Resolution Requiring Consent. The Authority may at any time adopt one or more resolutions amending, modifying, adding to or eliminating any of the provisions of this First Supplemental Resolution but, if such amendment is not of the character described in Section 13.01, only with the consent given in accordance with Section 13.03 hereof of the Owner or Owners of not less than a majority in aggregate unpaid principal amount of the Series 2018A Bonds then Outstanding and affected by such amendment, modification, addition, or elimination; provided, however, that nothing in this Section shall permit (a) an extension of the maturity of the principal of or interest on any Series 2018A Bond, or (b) a reduction in the principal amount of any Series 2018A Bond or the rate of interest on any Series 2018A Bond, or (c) a reduction in the aggregate principal amount of the Series 2018A Bonds required for consent to such amendment, unless the Owner or Owners of 100% in the aggregate principal amount of the

Series 2018A Bonds then Outstanding shall consent to the changes described in clauses (a) through (c). Before the Authority shall adopt an amendment authorized by this Section, the Authority must receive an opinion from nationally recognized bond counsel to the effect that such amendment does not affect the exclusion from gross income for federal income tax purposes of interest on the Series 2018A Bonds.

Section 13.03. Consent of Owners. Any consent required by Section 13.02 hereof by any Owner shall be in writing, may be in any number of concurrent writings of similar tenor, and may be signed by such Owner or his or her duly authorized attorney. Proof of the execution of any such consent or of the writing appointing any such attorney and of the ownership of Series 2018A Bonds, if made in the following manner, shall be sufficient for any of the purposes of this First Supplemental Resolution, and shall be conclusive in favor of the Authority with regard to any action taken, suffered or omitted to be taken by the Authority under such instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him or her the execution thereof, or by affidavit of any witness to such execution; and

(b) the fact of the ownership by any person of any Series 2018A Bonds and the date of the ownership of the same may be proved by a certificate executed by an appropriate officer of the Paying Agent/Registrar, stating that at the date thereof such Series 2018A Bonds was registered in the name of such party in the Register.

In lieu of the foregoing the Authority may accept such other proofs of the foregoing as it shall deem appropriate.

Consents required pursuant to Section 13.02 shall be valid only if given following the giving of notice by or on behalf of the Authority requesting such consent and setting forth the substance of the amendment of this First Supplemental Resolution in respect of which such consent is sought and stating that copies thereof are available at the office of the Authority for inspection. Such notice shall be given by certified mail to each Registered Owner of the Series 2018A Bonds affected at the address shown on the Register.

Section 13.04. Revocation of Consent. Any consent by any Owner of a Series 2018A Bonds pursuant to the provisions of this Article shall be irrevocable for a period of six (6) months from the date of mailing of the notice provided for in this Article, and shall be conclusive and binding upon all future Owners of the same Series 2018A Bonds and any Series 2018A Bonds delivered on transfer thereof or in exchange therefor or replacement thereof during such period. Such consent may be revoked at any time after six (6) months from the date of the first mailing of such notice by the Owner who gave such consent or by a successor in title, by filing notice thereof with the Paying Agent/Registrar, but such revocation shall not be effective if the Owners of a majority in aggregate principal amount of the Series 2018A Bonds Outstanding as in this First Supplemental Resolution defined have, prior to the attempted revocation, consented to and approved the amendment.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Changes to First Supplemental Resolution. Bond Counsel is hereby authorized to make changes to the terms of this First Supplemental Resolution if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Series 2018A Bonds by the Attorney General.

Section 14.02. Further Procedures. The Chairman of the Port Commission, the Secretary of the Port Commission, the Authorized Representative, the Executive Director and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this First Supplemental Resolution.

Section 14.03. Further Delegations for the Series 2018A Bonds. Pursuant to the provisions of the Act, the Authority delegates to the Authorized Representative the authority, to execute and/or consent to the delivery of any agreements, consents, certificates, notices, or other instrument on behalf of the Authority that are authorized under the Master Resolution and this First Supplemental Resolution, including the Paying Agent/Registrar Agreement, the Purchase Agreement and any certificate, notice, or other instrument required in connection with the issuance of the Series 2018A Bonds.

Section 14.04. Severability. If any Section, paragraph, clause or provision of this First Supplemental Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this First Supplemental Resolution.

Section 14.05. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Port Commission at which this First Supplemental Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the offices of the Authority for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this First Supplemental Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Port Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 14.06. Individuals Not Liable. No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any agent or employee of the Authority in his or her individual capacity. No agent or employee of the Authority shall be liable personally on the Series 2018A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 14.07. Repealer. All orders, resolutions and First Supplemental Resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 14.08. Force and Effect. This First Supplemental Resolution shall be in full force and effect from and after its final passage and it is so ordained.

[Signature Page to Follow]

PASSED AND APPROVED on this 19th day of June, 2018.

Secretary, Port Commission
Port of Corpus Christi Authority
of Nueces County

Chair, Port Commission
Port of Corpus Christi Authority
of Nueces County

[SEAL]

EXHIBIT A

FORM OF PRICING CERTIFICATE

PRICING CERTIFICATE

Re: Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A (the “Series 2018A Bonds”)

I, the undersigned [_____] of the Port of Corpus Christi Authority of Nueces County, Texas (the “Authority”), do hereby make and execute this Pricing Certificate pursuant to a Master Resolution and a First Supplemental Resolution adopted by the Port Commission on _____, 2018 and captioned as follows:

FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018A; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO

authorizing the issuance of the referenced Series 2018A Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Master Resolution or First Supplemental Resolution.

As authorized by Section 8.01 of the First Supplemental Resolution, I have acted on behalf of the Authority in selling the Series 2018A Bonds to Wells Fargo Bank, NA, Citigroup Global Markets Inc., JP Morgan Securities LLC, Raymond James & Associates, Inc., Frost Bank, Siebert Cisneros Shank & Co., L.L.C., and M.E. Allison & Co., Inc. (collectively, the “Underwriters”) at a price and pursuant to the terms set forth in the Purchase Agreement dated as of the date hereof. The Series 2018A Bonds shall have the terms set forth in the First Supplemental Resolution and this Pricing Certificate.

A. Principal Amount; Dated Date; Designation. The Series 2018A Bonds shall be issued in the aggregate principal amount of \$_____, for the purposes specified in Section 3.01 in the First Supplemental Resolution. The Series 2018A Bonds shall have a Dated Date of August 1, 2018 and have a scheduled Issuance Date of [_____], 2018. The Series 2018A Bonds shall accrue interest from the Issuance Date.

B. Maturity Schedule; Interest Accrual. The Series 2018A Bonds shall bear interest from the Issuance Date. The Series 2018A Bonds shall mature on [December 1] in each of the years, in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

C. Redemption Provisions.

1. Optional Redemption. The Authority has reserved the right to redeem at its option the Series 2018A Bonds maturing on and after [December 1, 20__], in whole or from time to time in part, before their respective scheduled maturity dates, on [December 1, 20__] or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.

The Authority, at least forty-five (45) days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Series 2018A Bonds to be redeemed.

2. [Mandatory Redemption.]

(i) [The Series 2018A Bonds maturing on _____ (the “Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the Authority, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of monies available for such purpose in the interest and sinking fund, on the dates and in the respective principal amounts shown in the following schedule:

<u>Redemption Date</u>	<u>Principal Amount</u>
_____	\$ _____

(ii) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date,

and shall give notice of such redemption, as provided in the First Supplemental Resolution.

(iii) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section C.2. shall be reduced, at the option of the Authority, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Authority at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]

3. Partial Redemption. If less than all of the Series 2018A Bonds are to be redeemed pursuant to Section C.1. above, the Authority shall determine the maturities (or mandatory sinking fund redemption amounts within a Term Bond) and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or any other customary random selection method such Series 2018A Bonds for redemption.

A portion of a single Series 2018A Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of such Series 2018A Bond as though it were a single Series 2018A Bond for purposes of selection for redemption.

Upon surrender of any Series 2018A Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of the First Supplemental Resolution, shall authenticate and deliver exchange Series 2018A Bonds in an aggregate principal amount equal to the unredeemed principal amount of the Series 2018A Bond so surrendered, such exchange being without charge.

4. Notice of Redemption to Owners. The Paying Agent/Registrar shall give notice of any redemption of Series 2018A Bonds by sending notice by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Series 2018A Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

The notice shall state the redemption date, the redemption price, the place at which the Series 2018A Bonds are to be surrendered for payment, and, if less than all the Series 2018A Bonds outstanding are to be redeemed, an identification of the Series 2018A Bonds or portions thereof to be redeemed.

The Authority reserves the right to give notice of its election or direction to redeem Series 2018A Bonds under Section C.1. above conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of monies and/or authorized securities, in an amount equal to the amount necessary

to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate of the Authority to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such monies and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Series 2018A Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default.

Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

5. Payment Upon Redemption. Before or on each redemption date, the Authority shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Series 2018A Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the Authority and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Series 2018A Bonds being redeemed.

Upon presentation and surrender of any Series 2018A Bond called for redemption to the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Series 2018A Bond to the date of redemption from the money set aside for such purpose.

6. Effect of Redemption. When Series 2018A Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Series 2018A Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Series 2018A Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

If the Authority shall fail to make provision for payment of all sums due on a redemption date, then any Series 2018A Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Series 2018A Bond until due provision is made for the payment of same by the Authority.

[D. Series 2018A Debt Service Reserve Account and Series 2018A Debt Service Reserve Requirement.

(i) As provided in Section 7.01 of the First Supplemental Resolution, the Series 2018A Bonds are further Secured by the Series 2018A Debt Service Reserve Account.

(ii) The Series 2018A Debt Service Reserve Requirement is hereby established as _____.

(iii) On the Issuance Date, the Authority will deposit the Series 2018A Debt Service Reserve Requirement to the Series 2018A Debt Service Reserve Account. With respect to the Series 2018A Debt Service Reserve Account, to the extent there is any deficiency in such account, the Authority will deposit all amounts required to attain the Series 2018A Debt Service Reserve Requirement in the same manner as the “Senior Lien Debt Service Reserve Fund” is funded in Section 5.2(a)(v) of the Master Resolution. At the beginning of any Fiscal Year of the Authority or following any partial redemption and/or defeasance of any portion of the Series 2018A Bonds in any Fiscal Year of the Authority, the Authority may direct its financial advisor to determine the Series 2018A Debt Service Reserve Requirement based on such redemption and/or defeasance. If the amount in such account exceeds the newly determined Series 2018A Debt Service Reserve Requirement, the Authority may transfer any excess amounts from such account and apply those excess funds in a manner consistent with Article IX of the First Supplemental Resolution.]

E. Form of Bond. The Form of Series 2018A Bond attached hereto as Exhibit A shall replace the Form of Series 2018A Bond contained in Article VI of the First Supplemental Resolution.

F. Yield. The yield on the Series 2018A Bonds as calculated for federal arbitrage purposes is approximately _____%, as determined by the Authority’s financial advisor, Estrada Hinojosa & Company, Inc.

G. Compliance with Parameters. The undersigned does hereby find, certify and represent that the foregoing terms of the Series 2018A Bonds satisfy the parameters contained in Sections 3.01 and 8.01 of the First Supplemental Resolution.

H. Deposit of Proceeds. The proceeds of the Series 2018A Bonds and other available funds shall be applied as follows:

(i) the amount of \$_____, consisting of \$_____ principal amount of Series 2018A Bond proceeds and \$_____ premium received from the sale of the Series 2018A Bonds shall be used for the purposes set forth in Section 3.01 of the Ordinance;

(ii) the amount of \$_____, consisting of \$_____ principal amount of Series 2018A Bond proceeds and \$_____ premium received from the sale of the Series 2018A Bonds shall be deposited to the Series 2018A Debt Service Reserve Account of the Senior Lien Debt Service Reserve Fund;

(iii) Premium received from the sale of the Series 2018A Bonds in the amount of \$_____ shall be used to pay the costs of issuance;

(iv) Premium received from the sale of the Series 2018A Bonds in the amount of \$_____ shall be used to pay the underwriting discount; and

(v) any amounts remaining after accomplishing the above described purposes shall be deposited to the Senior Lien Debt Service Fund.

I. [Insurance Provisions.]

J. Continuing Disclosure. The quantitative financial information and operating data with respect to the Authority to be provided in accordance with Section 10.01 of the First Supplemental Resolution is that of the general type included in the Official Statement under Tables _____.

K. Findings. The undersigned hereby finds, determines and declares that the terms of sale of the Series 2018A Bonds are in the Authority's best interests and are the most advantageous reasonable attainable by the Authority, and therefore, the sale of the Series 2018A Bonds to the Underwriter in accordance with the terms of the Purchase Agreement dated as of the date hereof, is hereby approved.

[Signature Page Follows]

This Pricing Certificate for the Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018A, is executed on the _____ day of _____, 2018.

Authorized Representative
Port of Corpus Christi Authority of Nueces
County, Texas

EXHIBIT A
FORM OF SERIES 2018A BOND

[To be Added at Pricing]

PORT OF CORPUS CHRISTI AUTHORITY
OF
NUECES COUNTY, TEXAS

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018B; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO

Dated: July 1, 2018
Adopted: June 19, 2018

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EXHIBIT A: FORM OF PRICING CERTIFICATE

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018B; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO

IT IS HEREBY RESOLVED BY THE PORT COMMISSION OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS THAT:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01. Findings and Determinations. It is hereby officially found, determined and declared that:

(a) Pursuant to the Act (as defined in the Master Resolution) the Port of Corpus Christi Authority of Nueces County, Texas (the “Authority”) has adopted a Master Resolution (as defined herein) authorizing the issuance of one or more series of Senior Lien Obligations (as defined in the Master Resolution) pursuant to one or more Supplemental Resolutions (as defined in the Master Resolution).

(b) The Authority now desires to issue its Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B (the “Series 2018B Bonds”), which may be issued in multiple series or subseries as described in the Pricing Certificate (as defined herein), for the purposes of (i) the construction, acquisition and equipment of the Series 2018B Project (as defined herein), (ii) making a deposit to the Series 2018B Debt Service Reserve Account, if any, and (iii) paying the costs of issuing the Series 2018B Bonds as provided in this Second Supplemental Resolution (as herein defined).

(c) The Port Commission of the Authority (the “Port Commission”) hereby finds and determines that the issuance and delivery of the Series 2018B Bonds hereinafter authorized is necessary and in the best interests of the Authority and the use of the proceeds in the manner herein specified constitutes a valid public purpose.

(d) The purposes of this Second Supplemental Resolution are to approve the specific terms and provisions of the Series 2018B Bonds; and to extend the pledge, lien and provisions of the Master Resolution to and for the benefit of the Owner(s) of the Series 2018B Bonds.

(e) The Authority is a conservation and reclamation district of the State of Texas operating under Article XVI, Section 59 of the Texas Constitution and therefore is an “Issuer” as defined by Chapter, 1371.001(4)(E), Texas Government Code.

(f) The Series 2018B Bonds are expected to be rated by a nationally recognized rating agency for municipal securities in one of the three highest rating categories for a short-term debt instrument or one of the four highest rating categories for a long-term debt instrument, and will qualify as “obligations” under Chapter 1371, Texas Government Code.

(g) Pursuant to Chapter 1371, Texas Government Code, as amended, the Authority may delegate to the Authorized Representative the authority to execute and finalize certain terms in connection with the issuance of the Series 2018B Bonds authorized by this Second Supplemental Resolution, and the Authority desires to delegate to the Authorized Representative such authority as described in Section 8.01 herein.

ARTICLE II

DEFINITIONS AND PRELIMINARY MATTERS

Section 2.01. Definitions. Unless otherwise expressly provided in this Second Supplemental Resolution, the capitalized terms contained herein shall have the meanings given in the Master Resolution.

“Authorized Denomination” shall mean \$5,000 and integral multiples of \$5,000 in excess thereof.

“Authorized Representative” shall have the meaning ascribed in the Master Resolution.

“Bond Counsel” means Bracewell LLP, or any attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds acceptable to the Port Commission.

“Chapter 1371” means Chapter 1371, Texas Government Code.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Dated Date” means August 1, 2018, or such other date as may be designated in the Pricing Certificate.

“Designated Payment/Transfer Office” means with respect to the initial Paying Agent/Registrar named herein, its Austin, Texas office, or at such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office

of such successor designated and located as may be agreed upon by the Authority and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Fiscal Year” means such fiscal year of the Authority as shall be set from time to time by the Port Commission.

“Gross Proceeds” means any Proceeds and Replacement Proceeds.

“Initial Bond” means the initial bond authorized by Section 3.04(d).

“Interest Payment Date” means, unless otherwise provided in the Pricing Certificate, the date on which interest on the Series 2018B Bonds is due and payable, such dates being each June 1 and December 1, commencing December 1, 2018, until the principal of the Series 2018B Bonds has been paid or provided for.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Investment Proceeds” is defined in Section 1.148-1(b) of the Regulations and generally consists of any amounts actually or constructively received from investing Proceeds.

“Issuance Date” means the date of the initial delivery of and payment for the Series 2018B Bonds.

“Issue Price” means “issue price” as defined in Sections 1273 and 1274 of the Code, unless otherwise provided in Sections 1.148-0 through 1.148-11 of the Regulations.

“Master Resolution” shall mean the Master Resolution dated as of July 1, 2018, as approved by the Authority.

“Maturity” means the date on which the principal of the Series 2018B Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“Maximum Lawful Rate” means the lesser of (a) the maximum rate of interest allowed by Chapter 1204, Texas Government Code, or any successor provision or (b) the maximum nonusurious rate of interest permitted to be charged by applicable federal or Texas law from time to time in effect.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Proceeds” is defined in Section 150(a)(3) of the Code and generally means the Proceeds less any amounts in a Reasonably Required Reserve or Replacement Fund.

“PAB Bonds” means tax-exempt obligations issued as “exempt facility bonds” pursuant to section 142 of the Code and that are designated as such pursuant to Section 8.01 hereof.

“PAB Project” means the portion of the Series 2018B Project, if any, financed with PAB Bonds.

“Paying Agent/Registrar” means initially BOKF, N.A., or any successor thereto as provided in this Second Supplemental Resolution.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the Authority relating to the Series 2018B Bonds, unless otherwise designated in the Pricing Certificate.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Representative, in substantially the form attached hereto as Exhibit A with such variations, omissions and insertions as are approved by the Authorized Representative as indicated by his/her signature.

“Proceeds” is defined in Section 1.148-1(b) of the Regulations and generally means the Sale Proceeds and Investment Proceeds.

“Purchase Agreement” means the Bond Purchase Agreement between the Authority and the Underwriters.

“Reasonably Required Reserve or Replacement Fund” means any fund described in Section 148(d) of the Code, provided that the amount thereof allocable to the Series 2018B Bonds does not exceed at any time the least of (a) 10% of the stated principal amount of the Series 2018B Bonds (or Sale Proceeds in the event that the amount of original issue discount exceeds two percent multiplied by the stated redemption price at maturity of the Series 2018B Bonds), (b) the maximum annual principal and interest requirements of the Series 2018B Bonds, and (c) 125 percent of average annual principal and interest requirements of the Series 2018B Bonds, within the meaning of Section 148(d) of the Code.

“Record Date” means the fifteenth calendar day of the month preceding an Interest Payment Date, or such other date designated in the Pricing Certificate.

“Register” means the Register specified in Section 3.06(a) of this Second Supplemental Resolution.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations.

“Representations Letter” means the Blanket Letter of Representations between the Authority and DTC.

“Rule” means Rule 15c2-12, as amended from time to time, adopted by the SEC under the Securities Exchange Act of 1934.

“Sale Proceeds” is defined in Section 1.148-1 of the Regulations and generally consists of any amounts actually or constructively received from the sale (or other disposition) of bonds, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with such bonds and that is described in Section 1.148-4(b)(4) of the Regulations.

“SEC” means the United States Securities and Exchange Commission.

“Second Supplemental Resolution” shall mean this Second Supplemental Resolution adopted by the Authority in accordance with Article III of the Master Resolution, dated as of the date first above written, together with any amendments hereto.

“Series 2018B Bonds” means the Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B, or such other series or subseries as may be designated in the Pricing Certificate.

“Series 2018B Debt Service Reserve Account” means the separate account of the Authority established within the Senior Lien Debt Service Reserve Fund pursuant to Section 7.03 of this Second Supplemental Resolution.

“Series 2018B Debt Service Reserve Requirement” means the debt service reserve fund requirement pertaining solely to the Series 2018B Bonds specified in the Pricing Certificate, as may be adjusted from time to time pursuant to Section 7.04 hereof.

“Series 2018B Project” means the acquisition, design, construction, reconstruction, repair, rehabilitation, improvement and equipment of the Port Facilities contained in the Authority’s capital improvement program, including the acquisition of land for authorized Authority purposes, and the Corpus Christi Ship Channel Improvement Project.

“Series 2018B Project Fund” means the separate Fund of the Authority established in Section 7.03 of this Second Supplemental Resolution.

“Special Payment Date” means the date that is 15 days after the Special Record Date, as described in Section 3.03 of this Second Supplemental Resolution.

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03 of this Second Supplemental Resolution.

“Stated Maturity” means the maturity date of the Series 2018B Bonds specified in the Pricing Certificate.

“Taxable Bonds” means Series 2018B Bonds for which the Authority has taken no action to qualify the interest on such bonds as excludable from gross income for federal income tax purposes.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal, premium, if any, or interest, or money set aside for the payment of the Series 2018B Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owner of such Series 2018B Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means Wells Fargo Bank, NA, Citigroup Global Markets Inc., JP Morgan Securities LLC, Raymond James & Associates, Inc., Frost Bank, Siebert Cisneros Shank & Co., L.L.C., and M.E. Allison & Co., Inc.

“Yield” of (a) a bond has the meaning set forth in Section 1.148-4 of the Regulations and generally, is the discount rate that when used in computing the present value of all payment of principal and interest to be paid on the obligation produces an amount equal to the Issue Price of such bond, and (b) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and generally, is the discount rate that when used in computing the present value of all payment of principal and interest to be paid on the Investment produces an amount equal to all payments for the Investment.

Section 2.02. Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Second Supplemental Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Second Supplemental Resolution or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 2.03. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Second Supplemental Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Second Supplemental Resolution.

(d) References to section numbers shall mean sections in this Second Supplemental Resolution unless designated otherwise.

Section 2.04. Declarations under the Master Resolution.

(a) This Second Supplemental Resolution is a Supplemental Resolution adopted under Article III of the Master Resolution.

(b) The Series 2018B Bonds are designated as Senior Lien Obligations under the Master Resolution.

(c) The Series 2018B Bonds are not Debt Service Reserve Fund Participants; however, in accordance with the Master Resolution, the holder(s) of the Series 2018B Bonds are beneficiaries of the Series 2018B Debt Service Reserve Account if a Series 2018B Debt Service Reserve Requirement is established for the Series 2018B Bonds in the Pricing Certificate.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE SERIES 2018B BONDS

Section 3.01. Authorization. The Series 2018B Bonds, which may be issued in one or more series or subseries to be designated as “Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B,” or having such other title or titles as may be designated in the Pricing Certificate, are hereby authorized to be issued and delivered, from time to time, in accordance with the Constitution and laws of the State, including particularly Chapters 60 (including Subchapter M of Chapter 60) and 62, Texas Water Code, and Chapter 1371. The total par amount of the bonds to be issued, from time to time, pursuant to this Second Supplemental Resolution shall not exceed \$115,000,000. Such bonds are to be issued for the purposes of (i) paying the costs of the Series 2018B Project, (ii) making a deposit to the Series 2018B Debt Service Reserve Account, if any, and (iii) paying the costs of issuing the Series 2018B Bonds.

Section 3.02. Date, Denomination, Interest Rates, and Maturities.

(a) The Series 2018B Bonds shall be dated the Dated Date and shall be in fully registered form without coupons.

(b) The Series 2018B Bonds shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in Authorized Denominations and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered I-1.

(c) The Series 2018B Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Interest shall accrue and be paid on each Series 2018B Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity

specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) Principal of and interest on the Series 2018B Bonds shall be paid in lawful money of the United States as provided in this Section.

(b) Interest on the Series 2018B Bonds shall be paid by check dated as of the Interest Payment Date, and sent first class United States mail, postage prepaid, by the Paying Agent/Registrar to the Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of the Series 2018B Bonds shall be paid to the person in whose name such Series 2018B Bonds are registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Series 2018B Bonds at the Designated Payment/Transfer Office.

(d) If the date for the payment of principal of or interest on the Series 2018B Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner of the Series 2018B Bonds appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Series 2018B Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Series 2018B Bonds thereafter coming due and, to the extent any such money remains three (3) years after the retirement of all outstanding Series 2018B Bonds, shall be paid to the Authority to be used for any lawful purpose. Thereafter, neither the Authority, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Series 2018B Bonds for any further payment of such

unclaimed monies or on account of any such Series 2018B Bonds, subject to Title 6, Texas Property Code.

Section 3.04. Execution and Initial Registration.

(a) The Series 2018B Bonds shall be executed on behalf of the Authority by the Chairman or Vice Chairman and the Secretary of the Port Commission, by their manual or facsimile signatures, and the official seal of the Port Commission shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Series 2018B Bonds shall have the same effect as if each of the Series 2018B Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Series 2018B Bonds shall have the same effect as if the official seal of the Port Commission had been manually impressed upon each of the Series 2018B Bonds.

(b) In the event that any officer of the Port Commission whose manual or facsimile signature appears on the Series 2018B Bonds ceases to be such officer before the authentication of such Series 2018B Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Series 2018B Bonds shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Second Supplemental Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Second Supplemental Resolution, duly authenticated by manual execution of the Paying Agent/Registrar. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Issuance Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Second Supplemental Resolution, manually executed by the Comptroller or by his duly authorized agent, which certificate shall be evidence that the Initial Series 2018B Bond has been duly approved by the Attorney General and that it is a valid and binding obligation of the Authority, and has been registered by the Comptroller.

(d) On the Issuance Date, one Initial Bond representing the entire principal amount of the Series 2018B Bonds designated in the Pricing Certificate, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Chairman and Secretary of the Port Commission, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with 3.09 hereof. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Series 2018B Bonds in safekeeping for DTC.

Section 3.05. Ownership.

(a) The Authority, the Paying Agent/Registrar and any other person may treat the person in whose name the Series 2018B Bonds is registered as the absolute owner of such Series 2018B Bonds for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Series 2018B Bonds is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Series 2018B Bonds is overdue, and neither the Authority nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of the Series 2018B Bonds in accordance with this Section shall be valid and effectual and shall discharge the liability of the Authority and the Paying Agent/Registrar upon such Series 2018B Bonds to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as the Series 2018B Bonds remain outstanding, the Authority shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Series 2018B Bonds in accordance with this Second Supplemental Resolution.

(b) The ownership of a Series 2018B Bonds may be transferred only upon the presentation and surrender of the Series 2018B Bonds at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of the Series 2018B Bonds shall be effective until entered in the Register.

(c) The Series 2018B Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for the Series 2018B Bonds. The Paying Agent/Registrar is hereby authorized to authenticate and deliver the Series 2018B Bonds exchanged for any such Series 2018B Bonds in accordance with this Section.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Series 2018B Bonds transferred or exchanged in accordance with this Section. A new Series 2018B Bond or Series 2018B Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Series 2018B Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his or her designee. Each Series 2018B Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Authority and shall be entitled to the benefits and security of this Second Supplemental Resolution to the same extent as the Series 2018B Bond or Series 2018B Bonds in lieu of which such Series 2018B Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of the Series 2018B Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of the Series 2018B Bonds.

(f) Neither the Authority nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange the Series 2018B Bonds called for redemption, in whole or in part, where such redemption is scheduled to occur within forty-five (45) calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of the Series 2018B Bonds.

Section 3.07. Cancellation. Any portion of the Series 2018B Bonds paid or redeemed before scheduled maturity in accordance with this Second Supplemental Resolution, and the Series 2018B Bonds in lieu of which exchange the Series 2018B Bonds or replacement Series 2018B Bonds is authenticated and delivered in accordance with this Second Supplemental Resolution, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the cancelled Series 2018B Bonds in accordance with the Securities Exchange Act of 1934, as amended.

Section 3.08. Replacement Series 2018B Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Series 2018B Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Series 2018B Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Authority or the Paying Agent/Registrar may require the Owner of such Series 2018B Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that a Series 2018B Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Series 2018B Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Series 2018B Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(1) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Series 2018B Bond;

(2) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Authority to save them harmless;

(3) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(4) satisfies any other reasonable requirements imposed by the Authority and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Series 2018B Bond, a bona fide purchaser of the original Series 2018B Bond in lieu of which such replacement Series 2018B Bond was issued presents for payment such original Series 2018B Bond, the Authority and the Paying Agent/Registrar shall be entitled to recover such replacement Series 2018B Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Authority or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Series 2018B Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Series 2018B Bond, may pay such Series 2018B Bond.

(e) Each replacement Series 2018B Bond delivered in accordance with this Section shall constitute an original contractual obligation of the Authority and shall be entitled to the benefits and security of this Second Supplemental Resolution to the same extent as the Series 2018B Bond in lieu of which such replacement Series 2018B Bond is delivered.

Section 3.09. Book-Entry Only System.

(a) Unless otherwise specified in the Pricing Certificate, the definitive Series 2018B Bonds shall be initially issued in the form of a separate fully registered Series 2018B Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2018B Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Series 2018B Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Series 2018B Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2018B Bonds, except as provided in this Second Supplemental Resolution. Without limiting the immediately preceding sentence, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2018B Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner of any notice with respect to the Series 2018B Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner of any amount with respect to principal of or interest on the Series 2018B Bonds. Notwithstanding any other provision of this Second Supplemental Resolution to the contrary, the Authority and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2018B Bond is registered in the Register as the absolute owner of such Series 2018B Bond for the purpose of payment of

principal of, premium, if any, and interest on the Series 2018B Bonds for the purpose of giving notices with respect to such Series 2018B Bond, and other matters with respect to such Series 2018B Bond, for the purpose of registering transfer with respect to such Series 2018B Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Series 2018B Bonds only to or upon the order of the respective Owners, as shown in the Register, as provided in this Second Supplemental Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of premium, if any, principal and interest on the Series 2018B Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Series 2018B Bond evidencing the obligation of the Authority to make payments of amounts due pursuant to this Second Supplemental Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Second Supplemental Resolution with respect to interest payments being mailed to the Owner as shown on the Register on the Record Date, the word "Cede & Co." in this Second Supplemental Resolution shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by the Authority, and applicable to the Authority's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Series 2018B Bonds.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the Authority determines that it is in the best interest of the Authority and of the beneficial owners of the Series 2018B Bonds that they be able to obtain certificated Series 2018B Bonds, or in the event DTC discontinues the services described herein, the Authority or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2018B Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Series 2018B Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Series 2018B Bonds to DTC Participants having Series 2018B Bonds credited to their DTC accounts. In such event, the Series 2018B Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Series 2018B Bonds shall designate, in accordance with the provisions of this Second Supplemental Resolution.

Section 3.11. Payments to Cede & Co. Notwithstanding any other provision of this Second Supplemental Resolution to the contrary, so long as any Series 2018B Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2018B Bonds, and all notices with respect to such Series 2018B Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter of the Authority to DTC.

ARTICLE IV

REDEMPTION OF SERIES 2018B BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Series 2018B Bonds shall be subject to redemption before Stated Maturity as provided in this Article IV and in the Pricing Certificate.

Section 4.02. Optional Redemption. The Authority reserves the right to redeem at its option the Series 2018B Bonds as further specified in the Pricing Certificate.

Section 4.03. Mandatory Redemption. The Series 2018B Bonds shall be subject to mandatory redemption before Stated Maturity as further specified in the Pricing Certificate

Section 4.04. Lapse of Payment. Money set aside for the redemption of the Series 2018B Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) BOKF, N.A. is hereby appointed the initial Paying Agent/Registrar for the Series 2018B Bonds.

(b) The Paying Agent/Registrar shall keep such books or records and make such transfers and registrations under such reasonable regulations as the Authority and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Series 2018B Bond to which payments with respect to the Series 2018B Bonds shall be mailed, as provided herein. The Authority or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) The Authority hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Series 2018B Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the Authority and the Paying Agent/Registrar with respect to the Series 2018B Bonds, and of all conversions, exchanges and replacements of such Series 2018B Bonds, as provided in this Second Supplemental Resolution.

(d) The Authorized Representative is hereby authorized and directed to execute and deliver a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the Authority and the Paying Agent/Registrar. The Authority hereby approves the form of Paying Agent/Registrar Agreement.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Series 2018B Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while the Series 2018B Bonds are outstanding, the Authority will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Second Supplemental Resolution.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Authority will promptly appoint a replacement.

Section 5.04. Termination. The Authority, upon not less than 45 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Series 2018B Bonds.

Section 5.05. Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, the Authority will cause notice of the change to be sent to the Owners by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Second Supplemental Resolution and the Master Resolution and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Series 2018B Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE SERIES 2018B BONDS

Section 6.01. Form Generally.

(a) The Series 2018B Bonds, including the Registration Certificate of the Comptroller, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each Series 2018B Bond, shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Second Supplemental Resolution, and may have such letters, numbers, or other marks of identification and such legends and endorsements

(including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association and any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Authority or by the officers executing such Series 2018B Bonds, as evidenced by their execution thereof.

(b) The Series 2018B Bonds, including the Initial Bond submitted to the Attorney General of Texas and any temporary Series 2018B Bonds, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Series 2018B Bonds, as evidenced by their execution thereof.

Section 6.02. Form of Series 2018B Bonds. The form of Series 2018B Bonds, including the form of the Registration Certificate of the Comptroller, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Series 2018B Bonds, shall be substantially as follows, except as may be modified or substituted in the Pricing Certificate:

(a) Form of Series 2018B Bonds.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
SENIOR LIEN REVENUE BOND
SERIES 2018B [_____]¹

INTEREST RATE: MATURITY DATE: ISSUANCE DATE: CUSIP NO.:
_____ % June 1, 20____ _____, _____ _____

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS (the “Authority”), for value received, hereby promises to pay to

or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Maturity Date specified above, the sum of

¹ Insert from Pricing Certificate.

DOLLARS

unless this Series 2018B Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Issuance Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provision for such payment shall have been made, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on June 1 and December 1 of each year, commencing December 1, 2018.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto in the Resolution (defined herein).

The principal of this Series 2018B Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Series 2018B Bond at the corporate trust office in Austin, Texas of BOKF, N.A. as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Series 2018B Bond is payable by check dated as of the interest payment date, and will be mailed on or before such interest payment date, by first class United States mail, postage prepaid, by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Series 2018B Bond, the registered owner shall be the person in whose name this Series 2018B Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days (as hereinafter defined) prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Series 2018B Bond is not a Business Day, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday or legal holiday, or day on which banking institutions in the State or the city in which the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close (a "Business Day"), and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Series 2018B Bond is one of a series of fully registered bonds specified in the title hereof, dated as of August 1, 2018, issued in the aggregate principal amount of \$ _____² pursuant to the authority provided by the Act, the “Master Resolution” and the Second Supplemental Resolution dated July 1, 2018 (the “Second Supplemental Resolution,” and together with the Master Resolution, the “Resolution”) by the Port Commission. The Series 2018B Bonds are issued for the purpose of paying the costs of the Series 2018B Project, [making a deposit to the Series 2018B Debt Service Reserve Account]³, and paying the costs of issuing the Series 2018B Bonds, under and pursuant to the authority granted in the Act.

This Series 2018B Bond is a special obligation of the Authority that is equally and ratably payable from and secured by a lien on and pledge of certain “Net Operating Revenues” (as defined in the Master Resolution) of the Authority, which Net Operating Revenues are required to be set aside for and pledged to the payment of the Series 2018B Bonds, all Senior Lien Obligations hereafter issued on parity therewith entered into in connection with such parity Senior Lien Obligations in the Senior Lien Debt Service Fund that may be required to be maintained for the payment of all such Senior Lien Obligations, all as more fully described and provided for in the Resolution. However, the lien and pledge on Net Operating Revenues securing the Series 2018B Bonds and other Senior Lien Obligations issued on parity therewith are in all things junior and subordinate to the lien on and pledge of Net Operating Revenues made for the security and payment of the Prior Lien Bonds and the deposits required by the Prior Lien Resolution to the Prior Lien Interest and Sinking Fund and Prior Lien Reserve Fund while the Prior Lien Bonds are outstanding. [This Series 2018B Bond is not a Debt Service Reserve Fund Participant; however, in accordance with the Master Resolution, the Owner(s) of the Series 2018B Bonds shall benefit from the creation of the Series 2018B Debt Service Reserve Account created within the Senior Lien Debt Service Reserve Fund under the Second Supplemental Resolution.]⁴

THIS SERIES 2018B BOND WITH THE INTEREST THEREON, IS PAYABLE SOLELY FROM THE NET OPERATING REVENUES AND DOES NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OR A PLEDGE OF THE CREDIT OF THE AUTHORITY. THE OWNERS OF THE SERIES 2018B BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF EITHER THE PRINCIPAL OF OR INTEREST ON THE SERIES 2018B BONDS OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION.

The Authority has reserved the right, subject to the restrictions contained in the Master Resolution, to issue additional Obligations, which may be secured by a lien on parity with, or subordinate and inferior to, the lien of the Net Operating Revenues securing the Series 2018B Bonds. Pursuant to the Master Resolution, the Authority may enter into one or more Credit Agreements or Hedge Agreements subsequent to the authorization and issuance of the Series 2018B Bonds, the Credit Agreement Obligations and Hedge Agreement Payment Obligations due under which and certain other payments may be secured by a pledge of the Net Operating Revenues.

² Insert from Pricing Certificate.

³ Delete if no Series 2018B Debt Service Reserve Requirement.

⁴ Delete if no Series 2018B Debt Service Reserve Requirement.

The Master Resolution and Second Supplemental Resolution contain provisions permitting the Authority to defease its obligations under the Master Resolution and the Second Supplemental Resolution and to amend the Master Resolution and Second Supplemental Resolution. Any amendment to the Master Resolution or Second Supplemental Resolution shall be binding upon the Owner of this Series 2018B Bond without endorsement hereon or any reference to such amendment; provided, however, that no amendment shall permit (a) an extension of the maturity of the principal of or interest on this Series 2018B Bond, or (b) a reduction of the principal amount of this Series 2018B Bond or the rate of interest hereon.

[The Authority has reserved the option to redeem the Series 2018B Bonds maturing on and after December 1, 20__, in whole or from time to time in part before their respective scheduled maturity dates, on December 1, 20__, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.]⁵

[Make-whole call language, if any, to be added from the Pricing Certificate.]⁶

[IF LESS THAN ALL OF THE SERIES 2018B BONDS are to be redeemed pursuant to an optional redemption, the Authority shall determine the maturity or maturities and the amounts thereof to be redeemed, and if less than the entire maturity is redeemed, the Authority shall direct the Paying Agent/Registrar to redeem the Series 2018B Bonds of such maturity on a *Pro Rata* (as defined below) basis to each Owner in whose name such Series 2018B Bonds are registered on the Record Date immediately preceding the redemption date.]⁷

[Series 2018B Bonds maturing on ____⁸ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the Authority, in part, at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

\$ ____ ⁹	Term Bonds Maturing ____ ¹⁰
<u>Redemption Date</u> ₁₁	<u>Principal Amount</u> \$ ____ ¹²

Mandatory redemptions of the Term Bonds will be made on a *Pro Rata* (as defined below) basis to each Owner in whose name such Term Bonds are registered on the Record Date immediately preceding the mandatory sinking fund redemption date. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the Authority, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory

⁵ Insert from Pricing Certificate.
⁶ Insert from Pricing Certificate.
⁷ Insert from Pricing Certificate.
⁸ Insert from Pricing Certificate.
⁹ Insert from Pricing Certificate.
¹⁰ Insert from Pricing Certificate.
¹¹ Insert from Pricing Certificate.
¹² Insert from Pricing Certificate.

sinking fund redemption date (i) shall have been acquired by the Authority at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

If less than all of the Outstanding Term Bonds of a maturity are optionally redeemed as provided above, then following the *Pro Rata* reduction of the redeemed Series 2018B Bonds among the bondholders, the Authority shall direct the Paying Agent/Registrar to proportionately reduce the principal amount of each of the remaining mandatory sinking fund redemption amounts for such mandatory sinking fund redemption dates.

“*Pro Rata*” is determined in connection with any mandatory sinking fund redemption or partial optional redemption by multiplying the principal amount of the Series 2018B Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Series 2018B Bonds of such maturity owned by an Owner, and the denominator of which is equal to the amount of the Series 2018B Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral of \$5,000, provided that the portions of the Series 2018B Bonds being redeemed are required to be in Authorized Denominations, and all Series 2018B Bonds of a maturity to remain outstanding following any redemption are required to be in Authorized Denominations.]¹³

[Not less than thirty (30) days prior to a redemption date for the Series 2018B Bonds, the Authority shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Series 2018B Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

In the Second Supplemental Resolution, the Authority reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Series 2018B Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of monies and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Authority retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Authority delivers a certificate of the Authority to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such monies and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners, and the rescission of such notice shall not be an Event of Default. Any Series 2018B Bond subject to conditional redemption for which such redemption has been rescinded shall remain outstanding.

¹³ Delete if Term Bonds are not issued.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the Authority in the notice, the Series 2018B Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Series 2018B Bonds or portions thereof shall cease to accrue.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue, transfer or exchange the Series 2018B Bonds called for redemption where such redemption is scheduled to occur within forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Series 2018B Bonds.]¹⁴

The Authority, the Paying Agent/Registrar, and any other person may treat the person in whose name this Series 2018B Bond is registered as the Owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Series 2018B Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Series 2018B Bond be overdue, and neither the Authority, nor the Paying Agent/Registrar nor any other person shall be affected by notice to the contrary.

In the event of any conflict or inconsistency between the terms of this Series 2018B Bond and the terms of the Resolution, the terms of the Resolution will control.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Series 2018B Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Series 2018B Bonds to render the same lawful and valid have been properly done and have happened in regular and due time, form and manner as required by law; that the Series 2018B Bonds do not exceed any constitutional or statutory limitation; and that provision has been made for the payment of the principal of and interest on the Series 2018B Bonds by granting a lien on and pledge of the Net Operating Revenues as provided in the Master Resolution and Second Supplemental Resolution; and that the issuance of the Series 2018B Bonds does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Authority has caused this Series 2018B Bond to be executed in its name by the manual or facsimile signature of the Chairman of the Port Commission and countersigned by the manual or facsimile signature of the Secretary of the Port Commission,

¹⁴ Insert from Pricing Certificate.

and the official seal of the Authority has been duly impressed or placed in facsimile on this Series 2018B Bond.

Chairman, Port Commission
Port of Corpus Christi Authority
of Nueces County, Texas

Secretary, Port Commission
Port of Corpus Christi Authority
of Nueces County, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Series 2018B Bond if such Certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
OF THE STATE OF TEXAS §

I HEREBY CERTIFY THAT this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Series 2018B Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING/AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Series 2018B Bond was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is the Series 2018B Bond referred to in the within-mentioned Supplemental Resolution.

BOKF, N.A.
as Paying Agent/Registrar

By: _____

Dated: _____

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(print or typewrite name, address and zip code of transferee)

(Social Security or other identifying number)

the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) Initial Series 2018B Bond Insertions.

The Initial Series 2018B Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except that, in the event there is more than one maturity of Series 2018B Bonds:

(1) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and "CUSIP NO. _____" deleted;

(2) in the first paragraph the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on December 1 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(Information to be inserted from the Pricing Certificate); and

(3) the Initial Series 2018B Bond shall be numbered I-1.

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be printed on the reverse side of the Series 2018B Bonds or attached to the Series 2018B Bonds over the certification of the Secretary of the Port Commission, which may be executed in facsimile.

Section 6.04. CUSIP Registration. The Authority may secure identification numbers through the CUSIP Global Services, managed on behalf of The American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may print such numbers on the face of the Series 2018B Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Series 2018B Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed on the Series 2018B Bonds.

ARTICLE VII

SECURITY AND SOURCE OF PAYMENT FOR SERIES 2018B BONDS; ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEFEASANCE

Section 7.01. Pledge and Source of Payment.

(a) The Series 2018B Bonds are hereby designated as Senior Lien Obligations under the Master Resolution, and as such the Series 2018B Bonds are payable from and secured by a pledge of and a lien on the Net Operating Revenues, subject to the prior lien on and pledge of the Net Operating Revenues to the Prior Lien Bonds, as more specifically provided in Section 4.1(a) of the Master Resolution. The Series 2018B Bonds are further secured by the Series 2018B Debt Service Reserve Account, to the extent and as set forth herein and the Pricing Certificate. If a Series 2018B Debt Service Reserve Requirement is not established in the Pricing Certificate, the Series 2018B Debt Service Reserve Account shall not be funded and the Series 2018B Bonds shall not be further secured by the Series 2018B Debt Service Reserve Account.

(b) The Authority hereby reserves the right to further secure the Series 2018B Bonds with a lien on and pledge of Supplemental Security added by subsequent resolution of the Port Commission. Such Supplemental Security may include a pledge of Excluded Fee and Charge Revenues, which pledge shall be subject to the prior lien on and pledge of such Excluded Fee and Charge Revenues to the Prior Lien Bonds while the Prior Lien Bonds are outstanding. The Authority additionally reserves the right to use Excluded Fee and Charge Revenues to make payments on the Series 2018B Bonds as directed by resolution or order of the Port Commission.

Section 7.02. Series 2018B Bonds Not Payable from Taxes. The Owners of the Series 2018B Bonds shall never have the right to demand payment of either the principal of or interest on the Series 2018B Bonds out of any funds raised or to be raised by taxation.

Section 7.03. Creation of Additional Funds and Accounts.

(a) Pursuant to Section 5.1 of the Master Resolution, the Authority hereby establishes a separate fund to be known as the “Series 2018B Project Fund” in order to

provide for the efficient administration of the proceeds of the Series 2018B Bonds. The monies in such fund shall be secured and invested in the manner required by law. The earnings on the investment of the proceeds deposited in the Series 2018B Project Fund shall remain in such fund to accomplish the purposes of the Series 2018B Bonds and be applied as provided in the Pricing Certificate.

(b) Pursuant to Section 5.1 of the Master Resolution, the Authority hereby establishes a separate account within the Senior Lien Debt Service Reserve Fund to be known as the “Series 2018B Debt Service Reserve Account” in order to satisfy the Series 2018B Debt Service Reserve Requirement, if such requirement is established in the Pricing Certificate. Monies contained within the Series 2018B Debt Service Reserve Account that may be in excess of the then calculated Series 2018B Debt Service Reserve Requirement may be transferred from such account and those excess funds may be applied in a manner consistent with Article IX of this Second Supplemental Resolution if the Series 2018B Bonds are PAB Bonds, and may be used for any purpose authorized under the Master Resolution and applicable law if the Series 2018B Bonds are issued as Taxable Bonds. The Pricing Certificate may provide for the establishment of a Series 2018B Debt Service Reserve Requirement to be funded in any manner authorized in Section 5.4 of the Master Resolution and may provide that the requirement to fund the Series 2018B Debt Service Reserve Requirement may be triggered by subsequent events.

Section 7.04. Flow of Funds. The Series 2018B Bonds are Senior Lien Obligations that bear interest semiannually. Except as described in the Pricing Certificate with respect to the Series 2018B Debt Service Reserve Requirement and the Series 2018B Debt Service Reserve Account, the flow of funds established in Section 5.2 of the Master Resolution shall apply to the Series 2018B Bonds.

Section 7.05. Defeasance. The Series 2018B Bonds may be defeased in the manner provided in Section 8.1 of the Master Resolution.

ARTICLE VIII

SALE OF THE SERIES 2018B BONDS

Section 8.01. Sale of Series 2018B Bonds; Deposit of Proceeds; Official Statement.

(a) The Series 2018B Bonds shall be sold to the Underwriters in accordance with the terms of the Master Resolution and this Second Supplemental Resolution. As authorized by Chapter 1371, Texas Government Code, as amended, an Authorized Representative acting either individually or with other Authorized Representatives is authorized to act on behalf of the Authority from time to time in selling and delivering the Series 2018B Bonds and in carrying out the other procedures specified in this Second Supplemental Resolution, including determining the price at which each of the Series 2018B Bonds will be sold, whether the Series 2018B Bonds will be sold as one or more series, the number and designation of each series or subseries of Series 2018B Bonds to be issued, whether the Series 2018B Bonds will be sold as Taxable Bonds or PAB Bonds, the form in which the Series 2018B Bonds shall be issued, the years and dates on which the

Series 2018B Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount to be issued by the Authority, the rate of interest to be borne by each maturity of the Series 2018B Bonds, the dates, prices and terms upon and at which the Series 2018B Bonds shall be subject to redemption prior to maturity at the option of the Authority and shall be subject to mandatory sinking fund redemption, the final defeasance provisions, the determination as to whether the Series 2018B Bonds will have a Series 2018B Debt Service Reserve Requirement, the manner in which the Series 2018B Debt Service Reserve Requirement is funded, and the sizing of the Series 2018B Debt Service Reserve Requirement, the selection of a bond insurer, if any, and all other matters relating to the issuance, sale and delivery of the Series 2018B Bonds, all of which shall be specified in the Pricing Certificate; provided that the following conditions can be satisfied:

(1) the price to be paid for the Series 2018B Bonds shall not be less than 90% of the aggregate original principal amount of the Series 2018B Bonds plus accrued interest thereon from their date to their delivery;

(2) the interest rate on the Series 2018B Bonds shall not be in excess the maximum rate allowed under Section 1204.006, Texas Government Code;

(3) the aggregate principal amount of the Series 2018B Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the maximum par amount described in Section 3.01; and

(4) no Series 2018B Bond shall mature more than thirty-one (32) years from the date of delivery thereof.

(b) The Authorized Representative is hereby authorized and directed to execute and deliver on behalf of the Authority a Purchase Agreement providing for the sale of the Bonds to the Underwriters, in such form as determined by the Authorized Representative. The Authorized Representative is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Second Supplemental Resolution, which final terms shall be determined to be the most advantageous reasonably attainable by the Authority, such approval and determination being evidenced by its execution thereof by the Authorized Representative. The Initial Bonds shall initially be registered in the name of the Underwriter or its designee or such other entity as may be specified in the Purchase Agreement.

(c) The authority granted to the Authorized Representative under Section 8.01(a) shall expire at 11:59 p.m., Central Time, on a date one year from the date the Port Commission adopts this Second Supplemental Resolution, unless otherwise extended by the Authority by separate action.

(d) The Authorized Representative and all other officers of the Authority are authorized to take such actions, to obtain such consents or approvals and to execute such documents, agreements, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Series 2018B Bonds, pay the costs

of issuance of the Series 2018B Bonds, and effectuate the terms and provisions of this Second Supplemental Resolution and the Purchase Agreement.

(e) The Authority hereby authorizes the preparation of one or more Preliminary Official Statements and authorizes an Authorized Representative to approve the form and content of such Preliminary Official Statement and to deem the Preliminary Official Statement “final” within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934. The Authority hereby approves the distribution of the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Authorized Representative and the Underwriter). The Authority hereby authorizes the preparation of a final Official Statement reflecting the terms of the Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriter (with such appropriate variations as shall be approved by the Authorized Representative and the Underwriter) is hereby approved and authorized and the proper officials of the Authority are authorized to sign such Official Statement and deliver a certificate pertaining to such Official Statement, if necessary. The Authorized Representative is hereby authorized to update the continuing disclosure undertakings contained herein, if necessary in connection with the offer and sale of the Bonds.

Section 8.02. Deposit of Proceeds; Transfer of Funds.

(a) Proceeds from the sale of the Series 2018B Bonds, together with other funds of the Authority, if any, shall, promptly upon receipt by the Authority, be applied as set out in the Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Interest and Sinking Fund.

(b) All officers and officials of the Authority are authorized to take such actions and to execute such documents, certificates and receipts to satisfy the conditions for the issuance of the Series 2018B Bonds as set forth in the Master Resolution, Second Supplemental Resolution and the Purchase Agreement, and to make such elections with respect to the tax-exempt status of the Series 2018B Bonds, as they may deem necessary and appropriate in order to consummate the delivery of the Series 2018B Bonds. Further, in connection with the submission of the record of proceedings for the Series 2018B Bonds to the Attorney General of the State for examination and approval of such Series 2018B Bonds, the appropriate officer of the Authority is hereby authorized and directed to issue a check of the Authority payable to the Attorney General of the State as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code.

(c) The obligation of the Underwriters to accept delivery of the Series 2018B Bonds is subject to the conditions set forth in the Purchase Agreement, including without limitation, the Purchaser being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the Authority, which opinion shall be dated as of and delivered on the Issuance Date.

Section 8.03. Control and Delivery of Series 2018B Bonds.

(a) The Authorized Representative is hereby authorized to have control of the Initial Series 2018B Bonds and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General, registration by the Comptroller, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller, delivery of the Series 2018B Bonds shall be made to the Underwriter under and subject to the general supervision and direction of the Authorized Representative, against receipt by the Authority of all amounts due to the Authority under the terms of sale.

(c) In the event the Chairman or Secretary of the Port Commission are absent or otherwise unable to execute any document or take any action authorized herein, the Vice Chairman and any Assistant Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Vice Chairman and Assistant Secretary shall for the purposes of this Second Supplemental Resolution have the same force and effect as if such duties were performed by the Chairman and Secretary, respectively.

ARTICLE IX

PROVISIONS REGARDING FEDERAL INCOME TAX EXCLUSION

Section 9.01. Applicability. The provisions of this Article IX apply only to Series 2018B Bonds that are designated as PAB Bonds. The provisions of this Article IX do not apply to Series 2018B Bonds issued as Taxable Bonds.

Section 9.02. General Tax Covenant. The Authority intends that the interest on the PAB Bonds be excludable from gross income for purposes of federal income taxation pursuant to sections 103, 142 through 150, inclusive, of the Code, and the Regulations promulgated thereunder or any corresponding predecessor statute. The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the PAB Bonds to be includable in gross income, as defined in Section 61 of the Code, for purposes of federal income taxation or (ii) result in the violation of or failure to satisfy any provision of Section 103, 142 through 150, inclusive, of the Code. In particular, the Authority covenants and agrees to comply with each requirement of this Article IX; provided, however, that the Authority will not be required to comply with any particular requirement of this Article IX if the Authority has received an opinion of Bond Counsel that (i) such noncompliance will not adversely affect the excludability of the interest on the issue of PAB Bonds from gross income for federal income tax purposes of interest on the PAB Bonds or (ii) that compliance with some other requirement set forth in such opinion will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such opinion shall constitute compliance with the corresponding requirement specified in this Article IX (each, a “Favorable Opinion of Bond Counsel”).

Section 9.03. Use of Proceeds of the PAB Bonds.

(a) The Authority represents covenants and agrees that its use of the Proceeds of the PAB Bonds will at all times satisfy the following requirements:

(i) At least 95 percent of the Net Proceeds of the PAB Bonds will be (A) expended for costs properly chargeable for federal income tax purposes to the capital account of the PAB Project, or would be so chargeable with either a proper election or but for a proper election to deduct such amounts and (B) used to provide dock and wharf facilities (within the meaning of section 142 of the Code) and property that is “functionally related and subordinate” thereto (within the meaning of section 1.103-8(a)(3) and 1.103-8(3)(2)(iii) of the Regulations) and (C) meet the requirements of section 1.150-2 of the Regulations. For purposes of this requirement, a storage or training facility is a “dock and wharf facility” only if such facility is directly related to the dock and wharf. In addition, an “office” is considered a “dock and wharf facility” only if such office is located on the premises of a dock and wharf and all but a de minimis amount of the functions to be performed at such office are directly related to the day-to-day operations at such dock and wharf.

(ii) The PAB Project is and will be owned for all federal income tax purposes by the Authority. Any leases, management contracts or similar operating or use agreements entered into with any person with respect to all or any portion of the PAB Project will comply with the requirements of section 142(b)(1)(B)(i)-(iii) of the Code.

(iii) The PAB Project does not include and will not include (i) any lodging facilities, (ii) any retail facilities (including food and beverage facilities) in excess of the size necessary to serve passengers and employees at the dock and wharf facility, (iii) any retail facility (other than parking) for passengers or the general public located outside of the dock and wharf facility, (iv) any office building for individuals who are not employees of the Authority, or (v) any industrial park or manufacturing facility.

(iv) The PAB Project has not included and will not include any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(v) Less than 25 percent of the Net Proceeds of the PAB Bonds will be used, directly or indirectly, for the acquisition of land or an interest therein; provided that, land acquired for noise abatement or wetland preservation purposes, or for future use as a dock or wharf facility is not taken into account, if there is no significant other use of such land. Notwithstanding the immediately preceding sentence, no portion of the Net Proceeds of the PAB Bonds will be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(vi) No portion of the Net Proceeds of the PAB Bonds will be used for the acquisition of any existing property or an interest therein unless (i) the first use of such property is pursuant to such acquisition or (ii) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15 percent of the cost of acquiring such building financed or refinanced with the Net Proceeds of the PAB Bonds (with respect to structures other than buildings, this clause shall be applied by substituting 100 percent for 15 percent). For purposes of the preceding sentence, the term “rehabilitation expenditures” shall have the meaning set forth in Section 147(d)(3) of the Code.

(vii) The costs of issuance (within the meaning of Section 147(g) of the Code) of the PAB Bonds financed with the Proceeds of the PAB Bonds will not exceed two percent of the Proceeds of the PAB Bonds.

Section 9.04. Limitation on Maturity. The Authority covenants and agrees that the average maturity of the PAB Bonds, taking into account the Issue Price of the various maturities of the PAB Bonds, will not exceed 120 percent of the reasonably expected economic life of the PAB Project, taking into account the respective cost of each item composing the PAB Project, all as determined in accordance with Section 147(b) of the Code. For purposes of the preceding sentence, the reasonably expected economic life of the facilities being financed with the PAB Bonds shall be determined as of the later of (i) the Issuance Date or (ii) the respective dates on which each component of the PAB Project is placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of the PAB Project. The Authority will not make any changes to the facilities that would, at the time made, decrease the average reasonably expected economic life of the PAB Project, unless the Authority receives a Favorable Opinion of Bond Counsel.

Section 9.05. Limitations on Investment. The cumulative, blended Yield on the investment of the Gross Proceeds of the PAB Bonds will be restricted to the Yield on the PAB Bonds, other than amounts (i) not subject to yield restriction due to any applicable temporary period under Section 148(c) of the Code, (ii) deposited in a Reasonably Required Reserve or Replacement Fund, a bona fide debt service fund, or as a minor portion, or (iii) invested at a restricted yield by virtue of being invested in obligations described in Section 103(a) of the Code that are not “specified private activity bonds” within the meaning of Section 57(a)(5) of the Code to the extent required by the Code.

Section 9.06. Public Approval. A sufficient written notice of the date, hour, place and subject of the public hearing conducted by the Authority will be posted in accordance with the requirements of section 147(f) of the Code in a manner available to residents of the Authority and the hearing will be conducted in a manner that provided a reasonable opportunity for persons with differing views on the issuance of the PAB Bonds to be heard, all as required by section 147(f) of the Code. Any Authorized Representative or his or her designee may serve as hearing officer for a public hearing with respect to the issuance of the PAB Bonds on behalf of the Authority, notice of such public hearing having been provided not less than 14 days before the day of such hearing. Following the public hearing, an Authorized Representative shall seek approval of the PAB Bonds and the PAB Project from an “applicable elected representative” in accordance with Section 147(f) of the Code.

Section 9.07. No Federal Guaranty. The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the PAB Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b)(3) of the Code and such Regulations.

Section 9.08. PAB Bonds Not Hedge Bonds. The Authority will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the Issuance Date, that the Proceeds of the PAB Bonds will not be used in a manner that would cause the PAB Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section 9.09. No Arbitrage Covenant. The Authority will certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the Issuance Date, that the Proceeds of the PAB Bonds will not be used in a manner that would cause the PAB Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable Regulations thereunder. Moreover, the Authority covenants and agrees that it will make such use of the Proceeds of the PAB Bonds including interest or other investment income derived from such Proceeds, regulate investments of such Proceeds, and take such other and further action as may be required so that the PAB Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable Regulations thereunder.

Section 9.10. Arbitrage Rebate. The Authority will take all necessary steps to comply with the requirement that certain amounts earned by the Authority on the investment of the Gross Proceeds of each issue of the PAB Bonds be rebated to the federal government in accordance with Section 148(f) of the Code. Specifically, the Authority will (i) maintain records regarding the investment of the Gross Proceeds of the PAB Bonds as may be required to calculate, the amount earned on the investment of the Gross Proceeds of the PAB Bonds separately from records of amounts on deposit in the funds and accounts of the Authority allocable to other bond issues of the Authority or monies that do not represent gross proceeds of any Bond of the Authority, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the Gross Proceeds of the PAB Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the Issuance Date or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Authority will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the PAB Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the Yield on the issue not been relevant to either party.

Section 9.11. Information Reporting. The Authority covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the PAB Bonds are issued, an information statement concerning each issue of the PAB Bonds, all under and in accordance with Section 149(e) of the Code.

Section 9.12. Deliberate Actions. The Authority will not take any action, or knowingly omit to take any action that causes the PAB Bonds to fail to meet any requirement of the Code regarding the use of Gross Proceeds after the Issuance Date unless an appropriate remedial action is permitted by Section 1.142-2 of the Regulations and a Favorable Opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements with respect to the use of Gross Proceeds of the PAB Bonds.

Section 9.13. Record Retention. The Authority will retain all pertinent and material records relating to the use and expenditure of the Proceeds of the PAB Bonds until three years after the last PAB Bond of such issue is redeemed or paid at maturity, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Authority to retrieve and reproduce such books and records in the event of an examination of the PAB Bonds by the Internal Revenue Service.

Section 9.14. Registration. The PAB Bonds will be issued in registered form.

Section 9.15. Continuing Obligation. Notwithstanding any other provision of this Second Supplemental Resolution, the Authority's obligations under the covenants and provisions of this Article IX hereof shall survive the defeasance and discharge of the PAB Bonds for as long as such matters are relevant to the excludability of the interest on the PAB Bonds from gross income for federal income tax purposes.

ARTICLE X

CONTINUING DISCLOSURE UNDERTAKING

Section 10.01. Annual Reports.

(a) The Authority shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the Authority ending in or after 2018, financial information and operating data with respect to the Authority of the general type included in the Official Statement under tables identified in the Pricing Certificate, and including financial statements of the Authority if audited financial statements of the Authority are then available, and (ii) if not provided as part of such financial information and operating data, audited financial statements of the Authority, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the Authority may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Authority shall file unaudited financial statements within such 12-month period and audited financial

statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

(b) If the Authority changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document), if it available to the public on the MSRB's Internet website or has been filed with the SEC. The financial information or operating data shall be provided in an electronic format as prescribed by the MSRB.

Section 10.02. Event Notices. The Authority shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Series 2018B Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018B Bonds, or other material events affecting the tax status of the Series 2018B Bonds;
- (7) Modifications to rights of the holders of the Series 2018B Bonds, if material;
- (8) Series 2018B Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Series 2018B Bonds, if material;

- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Authority;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of successor or additional trustee or the change of name of a trustee, if material.

The Authority shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Authority to provide financial information and operating data in accordance with Section 10.01. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 10.03. Limitations, Disclaimers and Amendments.

(a) The Authority shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Authority remains an “obligated person” with respect to the Series 2018B Bonds within the meaning of the Rule, except that the Authority in any event will give notice of any deposit that causes Series 2018B Bonds no longer to be outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Series 2018B Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide

pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2018B Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Authority in observing or performing its obligations under this Article shall comprise a breach of or default under the Master Resolution or this Second Supplemental Resolution for purposes of any other provisions of this the Master Resolution or this Second Supplemental Resolution.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

The provisions of this Article may be amended by the Authority from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2018B Bonds in the primary offering of the Series 2018B Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Second Supplemental Resolution that authorizes such an amendment) of the outstanding Series 2018B Bonds consent to such amendment or (B) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Series 2018B Bonds. The Authority may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Authority also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Series 2018B Bonds in the primary offering of the Series 2018B Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Authority so amends the provisions of this Article, the Authority shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons

for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.01. Events of Default. Each of the following occurrences or events for the purpose of this Second Supplemental Resolution is hereby declared to be an Event of Default:

(a) the failure to make payment of the principal of or interest on any of the Series 2018B Bonds when the same becomes due and payable; or

(b) default in the performance or observance of any other covenant, agreement or obligation of the Authority contained in this Second Supplemental Resolution, and the continuation thereof for a period of sixty (60) days after written notice of such default is given by any Owner to the Authority.

Section 11.02. Remedies for Default. Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, may proceed against the Authority for the purpose of protecting and enforcing the rights of the Owners under this Second Supplemental Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 11.03. Remedies Not Exclusive. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Series 2018B Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Second Supplemental Resolution, the right to accelerate the debt evidenced by the Series 2018B Bonds shall not be available as a remedy under this Second Supplemental Resolution.

The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XII

COVENANTS AND REPRESENTATIONS

Section 12.01. Payment of the Series 2018B Bonds. The Authority will punctually pay or cause to be paid the interest on and principal of the Series 2018B Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Second Supplemental Resolution.

Section 12.02. Authority. The Authority represents and warrants that it is duly authorized under the Constitution of the State, the Act and other applicable laws of the State to issue the Series 2018B Bonds, all action on its part for the creation and issuance of the Series 2018B Bonds has been duly and effectively taken; and the Series 2018B Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Authority in accordance with their terms.

Section 12.03. Rate Covenant. The Authority shall adhere to the rate covenant contained in Section 4.3 of the Master Resolution.

ARTICLE XIII

AMENDMENT OF SECOND SUPPLEMENTAL RESOLUTION

Section 13.01. Amendment of Resolution Without Consent. The Authority may, without the consent of or notice to any of the Owners of the Series 2018B Bonds, amend this Second Supplemental Resolution for any one or more of the following purposes:

- (a) to cure any ambiguity, defect, omission or inconsistent provision in this Second Supplemental Resolution or in the Series 2018B Bonds; or to comply with any applicable provision of law or regulation of federal agencies; provided, however, that such action shall not adversely affect the interests of the Owners of the Series 2018B Bonds;
- (b) to change the terms or provisions of this Second Supplemental Resolution to the extent necessary to prevent the interest on the Series 2018B Bonds (if they are issued as obligations the interest on which is excludable from gross income of the Owners thereof for federal income tax purposes) from being includable within the gross income of the Owners thereof for federal income tax purposes;
- (c) to grant to or confer upon the Owners of the Series 2018B Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Series 2018B Bonds;
- (d) to add to the covenants and agreements of the Authority contained in this Second Supplemental Resolution other covenants and agreements of, or conditions or restrictions upon, the Authority or to surrender or eliminate any right or power reserved to or conferred upon the Authority in this Second Supplemental Resolution;
- (e) to subject additional revenues or supplemental security to the lien and pledge of this Second Supplemental Resolution;
- (f) to comply with applicable federal or state securities laws;
- (g) to amend any provisions of this Second Supplemental Resolution if, prior to execution of any such amendment there shall be delivered to the Authority an opinion of Bond Counsel to the effect that such amendment will not have a material adverse effect on the security, remedies or rights of the Owners; or

(h) to make such changes, modifications, or amendments as maybe necessary or desirable in order to obtain or maintain the granting of a rating on the Series 2018B Bonds by a rating agency or to obtain or maintain a Credit Agreement, in each case with respect to any Outstanding Obligations or Obligations proposed to be issued, so long as such changes, modifications and/or amendments will not have an adverse effect on the security, remedies or rights of the Owners.

Section 13.02. Amendments of Resolution Requiring Consent. The Authority may at any time adopt one or more resolutions amending, modifying, adding to or eliminating any of the provisions of this Second Supplemental Resolution but, if such amendment is not of the character described in Section 13.01, only with the consent given in accordance with Section 13.03 hereof of the Owner or Owners of not less than a majority in aggregate unpaid principal amount of the Series 2018B Bonds then Outstanding and affected by such amendment, modification, addition, or elimination; provided, however, that nothing in this Section shall permit (a) an extension of the maturity of the principal of or interest on any Series 2018B Bond, or (b) a reduction in the principal amount of any Series 2018B Bond or the rate of interest on any Series 2018B Bond, or (c) a reduction in the aggregate principal amount of the Series 2018B Bonds required for consent to such amendment, unless the Owner or Owners of 100% in the aggregate principal amount of the Series 2018B Bonds then Outstanding shall consent to the changes described in clauses (a) through (c). Before the Authority shall adopt an amendment authorized by this Section, the Authority must receive an opinion from nationally recognized bond counsel to the effect that such amendment does not affect the exclusion from gross income for federal income tax purposes of interest on the Series 2018B Bonds.

Section 13.03. Consent of Owners. Any consent required by Section 13.02 hereof by any Owner shall be in writing, may be in any number of concurrent writings of similar tenor, and may be signed by such Owner or his or her duly authorized attorney. Proof of the execution of any such consent or of the writing appointing any such attorney and of the ownership of Series 2018B Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Second Supplemental Resolution, and shall be conclusive in favor of the Authority with regard to any action taken, suffered or omitted to be taken by the Authority under such instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him or her the execution thereof, or by affidavit of any witness to such execution; and

(b) the fact of the ownership by any person of any Series 2018B Bonds and the date of the ownership of the same may be proved by a certificate executed by an appropriate officer of the Paying Agent/Registrar, stating that at the date thereof such Series 2018B Bonds was registered in the name of such party in the Register.

In lieu of the foregoing the Authority may accept such other proofs of the foregoing as it shall deem appropriate.

Consents required pursuant to Section 13.02 shall be valid only if given following the giving of notice by or on behalf of the Authority requesting such consent and setting forth the substance of the amendment of this Second Supplemental Resolution in respect of which such consent is sought and stating that copies thereof are available at the office of the Authority for inspection. Such notice shall be given by certified mail to each Registered Owner of the Series 2018B Bonds affected at the address shown on the Register.

Section 13.04. Revocation of Consent. Any consent by any Owner of a Series 2018B Bonds pursuant to the provisions of this Article shall be irrevocable for a period of six (6) months from the date of mailing of the notice provided for in this Article, and shall be conclusive and binding upon all future Owners of the same Series 2018B Bonds and any Series 2018B Bonds delivered on transfer thereof or in exchange therefor or replacement thereof during such period. Such consent may be revoked at any time after six (6) months from the date of the first mailing of such notice by the Owner who gave such consent or by a successor in title, by filing notice thereof with the Paying Agent/Registrar, but such revocation shall not be effective if the Owners of a majority in aggregate principal amount of the Series 2018B Bonds Outstanding as in this Second Supplemental Resolution defined have, prior to the attempted revocation, consented to and approved the amendment.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Changes to Second Supplemental Resolution. Bond Counsel is hereby authorized to make changes to the terms of this Second Supplemental Resolution if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Series 2018B Bonds by the Attorney General.

Section 14.02. Further Procedures. The Chairman of the Port Commission, the Secretary of the Port Commission, the Authorized Representative, the Executive Director and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Second Supplemental Resolution.

Section 14.03. Further Delegations for the Series 2018B Bonds. Pursuant to the provisions of the Act, the Authority delegates to the Authorized Representative the authority, to execute and/or consent to the delivery of any agreements, consents, certificates, notices, or other instrument on behalf of the Authority that are authorized under the Master Resolution and this Second Supplemental Resolution, including the Paying Agent/Registrar Agreement, the Purchase Agreement and any certificate, notice, or other instrument required in connection with the issuance of the Series 2018B Bonds.

Section 14.04. Severability. If any Section, paragraph, clause or provision of this Second Supplemental Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Second Supplemental Resolution.

Section 14.05. Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Port Commission at which this Second Supplemental Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the offices of the Authority for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Second Supplemental Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Port Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 14.06. Individuals Not Liable. No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any agent or employee of the Authority in his or her individual capacity. No agent or employee of the Authority shall be liable personally on the Series 2018B Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 14.07. Repealer. All orders, resolutions and Second Supplemental Resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 14.08. Force and Effect. This Second Supplemental Resolution shall be in full force and effect from and after its final passage and it is so ordained.

[Signature Page to Follow]

PASSED AND APPROVED on this 19th day of June, 2018.

Secretary, Port Commission
Port of Corpus Christi Authority
of Nueces County

Chair, Port Commission
Port of Corpus Christi Authority
of Nueces County

[SEAL]

EXHIBIT A

FORM OF PRICING CERTIFICATE

PRICING CERTIFICATE

Re: Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B (the “Series 2018B Bonds”)

I, the undersigned [_____] of the Port of Corpus Christi Authority of Nueces County, Texas (the “Authority”), do hereby make and execute this Pricing Certificate pursuant to a Master Resolution and a Second Supplemental Resolution adopted by the Port Commission on _____, 2018 and captioned as follows:

SECOND SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS SENIOR LIEN REVENUE BONDS, SERIES 2018B; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; APPROVING THE SALE OF THE BONDS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS RELATED THERETO

authorizing the issuance of the referenced Series 2018B Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Master Resolution or Second Supplemental Resolution.

As authorized by Section 8.01 of the Second Supplemental Resolution, I have acted on behalf of the Authority in selling the Series 2018B Bonds to Wells Fargo Bank, NA, Citigroup Global Markets Inc., JP Morgan Securities LLC, Raymond James & Associates, Inc., Frost Bank, Siebert Cisneros Shank & Co., L.L.C., and M.E. Allison & Co., Inc. (collectively, the “Underwriters”) at a price and pursuant to the terms set forth in the Purchase Agreement dated as of the date hereof. The Series 2018B Bonds shall have the terms set forth in the Second Supplemental Resolution and this Pricing Certificate.

A. Principal Amount; Dated Date; Designation. The Series 2018B Bonds shall be issued in the aggregate principal amount of \$[215 million], for the purposes specified in Section 3.01 in the Second Supplemental Resolution. The Series 2018B Bonds shall have a Dated Date of [_____], 2018 and have a scheduled Issuance Date of [_____], 2018. The Series 2018B Bonds are issued as [PAB] [Taxable] Bonds.

B. Maturity Schedule; Interest Accrual. The Series 2018B Bonds shall bear interest from the Issuance Date. The Series 2018B Bonds shall mature on [December 1] in each of the years, in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
_____	\$ _____	_____ %	_____	\$ _____	_____ %
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

C. Redemption Provisions. [Note: The following redemption language is placeholder language and may be modified, removed or replaced in connection with pricing.]

1. [Optional Redemption. The Authority has reserved the right to redeem at its option the Series 2018B Bonds maturing on and after [December 1, 20__], in whole or from time to time in part, before their respective scheduled maturity dates, on [December 1, 20__] or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.]

2. [Make-Whole Redemption. The Authority reserves the right to redeem at its option the Series 2018B Bonds maturing on December 1 in the years 20__ through and including 20__, or portions thereof in integral multiples of \$5,000, at any time in whole or from time to time in part, in such order of their maturity as the Authority shall determine (and if in part within a maturity, on a Pro Rata basis within such maturity, as defined below), at a redemption price equal to: (i) the unpaid principal amount of the Series 2018B Bonds to be redeemed, plus (ii) Accrued Interest (as defined below), plus (iii) a Make-Whole Premium (as defined below) on such Series 2018B Bonds.

“Make-Whole Premium” means a prepayment premium with respect to Called Principal equal to the excess, if any, of the Discounted Value over the amount of such Called Principal. The Make-Whole Premium will in no event be less than zero.

For purposes of these definitions, the following terms are defined as follows:

(a) “Accrued Interest” means the interest on the Called Principal, accrued and unpaid to (but not including) the date fixed for redemption;

(b) “Called Principal” means the principal amount of the Series 2018B Bonds being redeemed with respect to which a Make Whole Premium is required to be paid;

(c) “Discounted Value” means the amount obtained by discounting all Remaining Scheduled Payments (as defined below) with respect to Called Principal from their respective scheduled due dates to the Settlement Date assuming a 360-day year consisting of twelve 30-day months with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semi-annual basis) equal to the Reinvestment Yield (as defined below) with respect to such Called Principal, less Accrued Interest;

(d) “Reinvestment Yield” means, with respect to Called Principal, (i) the yield to maturity implied by the Treasury Constant Maturity Series yields reported, for the latest day for which such yields have been so reported at least two business days but not more than 45 calendar days prior to the Settlement Date, (excluding inflation indexed securities), with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication), or, if such Statistical Release is no longer published, any publicly available source of similar market data reasonably selected by the Authority, for actively traded United States Treasury securities having a constant maturity equal to the Remaining Average Life (as defined below) of such Called Principal as of such Settlement Date (as defined below), plus (ii) the number of basis points described in the Reinvestment Yield Basis Point Schedule following this paragraph for Series 2018B Bonds maturing in the years described therein. Such implied yield will be determined, if necessary, by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between (y) the actively traded U.S. Treasury security with the maturity closest to and greater than the remaining average life of the Series 2018B Bonds and (z) the actively traded U.S. Treasury security with the maturity closest to and less than the remaining average life of the Series 2018B Bonds:

Reinvestment Yield Basis Point Schedule

Maturity (December 1)	Basis Points
----------------------------------	---------------------

(e) “Remaining Average Life” means, with respect to Called Principal, the number of years (calculated to the nearest one-twelfth (1/12) year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (A) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (B) the number of years (calculated to the nearest one-

twelfth (1/12) year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment;

(f) “Remaining Scheduled Payments” mean, with respect to Called Principal, all payments of such Called Principal and interest thereon which would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date; and

(g) “Settlement Date” means the date on which the Called Principal is prepaid.]

3. [Mandatory Redemption]. The Series 2018B Bonds maturing on _____ (the “Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the Authority, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of monies available for such purpose in the interest and sinking fund, on the dates and in the respective principal amounts shown in the following schedule:

<u>\$ _____ Term Bonds Maturing _____</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____	\$ _____

Mandatory redemptions of the Term Bonds will be made on a *Pro Rata* (as defined below) basis to each Owner in whose name such Term Bonds are registered on the Record Date immediately preceding the mandatory sinking fund redemption date. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the Authority, by the principal amount of any Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Authority at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

If less than all of the Outstanding Term Bonds of a maturity are optionally redeemed as provided above, then following the *Pro Rata* reduction of the redeemed Series 2018B Bonds among the bondholders, the Authority shall direct the Paying Agent/Registrar to proportionately reduce the principal amount of each of the remaining mandatory sinking fund redemption amounts for such mandatory sinking fund redemption dates.]

4. [Partial Redemption]. If less than all of the Series 2018B Bonds are to be redeemed pursuant to an optional redemption, the Authority shall determine the maturity or maturities and the amounts thereof to be redeemed, and if less than the entire maturity is redeemed (or mandatory redemption amounts within a Term Bond), the Authority shall

direct the Paying Agent/Registrar to redeem the Bonds of such maturity on a *Pro Rata* basis to each Owner in whose name such Series 2018B Bonds are registered on the Record Date immediately preceding the redemption date.

A portion of a single Series 2018B Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of such Series 2018B Bond as though it were a single Series 2018B Bond for purposes of selection for redemption.

Upon surrender of any Series 2018B Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of the Second Supplemental Resolution, shall authenticate and deliver exchange Series 2018B Bonds in an aggregate principal amount equal to the unredeemed principal amount of the Series 2018B Bond so surrendered, such exchange being without charge.

5. Pro Rata Definition. “*Pro Rata*” is determined in connection with any mandatory sinking fund redemption or partial optional redemption by multiplying the principal amount of the Series 2018B Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Series 2018B Bonds of such maturity owned by an Owner, and the denominator of which is equal to the amount of the Series 2018B Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral of \$5,000, provided that the portions of the Series 2018B Bonds being redeemed are required to be in Authorized Denominations, and all Series 2018B Bonds of a maturity to remain outstanding following any redemption are required to be in Authorized Denominations.

6. Notice of Redemption to Owners. The Paying Agent/Registrar shall give notice of any redemption of Series 2018B Bonds by sending notice by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Series 2018B Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

The notice shall state the redemption date, the redemption price, the place at which the Series 2018B Bonds are to be surrendered for payment, and, if less than all the Series 2018B Bonds outstanding are to be redeemed, an identification of the Series 2018B Bonds or portions thereof to be redeemed.

The Authority reserves the right to give notice of its election or direction to redeem Series 2018B Bonds under Section C.1. or C.2. above conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of monies and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the

Authority delivers a certificate of the Authority to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such monies and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Series 2018B Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default.

Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

7. Payment Upon Redemption. Before or on each redemption date, the Authority shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Series 2018B Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the Authority and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Series 2018B Bonds being redeemed.

Upon presentation and surrender of any Series 2018B Bond called for redemption to the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Series 2018B Bond to the date of redemption from the money set aside for such purpose.

8. Effect of Redemption. When Series 2018B Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Series 2018B Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Series 2018B Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

If the Authority shall fail to make provision for payment of all sums due on a redemption date, then any Series 2018B Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Series 2018B Bond until due provision is made for the payment of same by the Authority.]

[D. Series 2018B Debt Service Reserve Account and Series 2018B Debt Service Reserve Requirement.

1. As provided in Section 7.01 of the Second Supplemental Resolution, the Series 2018B Bonds are further Secured by the Series 2018B Debt Service Reserve Account.

2. The Series 2018B Debt Service Reserve Requirement is hereby established as _____.

3. On the Issuance Date, the Authority will deposit the Series 2018B Debt Service Reserve Requirement to the Series 2018B Debt Service Reserve Account. With respect to the Series 2018B Debt Service Reserve Account, to the extent there is any deficiency in such account, the Authority will deposit all amounts required to attain the Series 2018B Debt Service Reserve Requirement in the same manner as the “Senior Lien Debt Service Reserve Fund” is funded in Section 5.2(a)(v) of the Master Resolution. At the beginning of any Fiscal Year of the Authority or following any partial redemption and/or defeasance of any portion of the Series 2018B Bonds in any Fiscal Year of the Authority, the Authority may direct its financial advisor to determine the Series 2018B Debt Service Reserve Requirement based on such redemption and/or defeasance. If the amount in such account exceeds the newly determined Series 2018B Debt Service Reserve Requirement, the Authority may transfer any excess amounts from such account and apply those excess funds in a manner consistent with Article IX of the Second Supplemental Resolution.]

E. Form of Bond. The Form of Series 2018B Bond attached hereto as Exhibit A shall replace the Form of Series 2018B Bond contained in Article VI of the Second Supplemental Resolution.

F. Yield. The yield on the Series 2018B Bonds as calculated for federal arbitrage purposes is approximately _____%, as determined by the Authority’s financial advisor, Estrada Hinojosa & Company, Inc.

G. Compliance with Parameters. The undersigned does hereby find, certify and represent that the foregoing terms of the Series 2018B Bonds satisfy the parameters contained in Sections 3.01 and 8.01 of the Second Supplemental Resolution.

H. Deposit of Proceeds. The proceeds of the Series 2018B Bonds and other available funds shall be applied as follows:

1. the amount of \$ _____, consisting of \$ _____ principal amount of Series 2018B Bond proceeds and \$ _____ premium received from the sale of the Series 2018B Bonds shall be used for the purposes set forth in Section 3.01 of the Ordinance;

2. the amount of \$ _____, consisting of \$ _____ principal amount of Series 2018B Bond proceeds and \$ _____ premium received from the sale of the Series 2018B Bonds shall be deposited to the Series 2018B Debt Service Reserve Account of the Senior Lien Debt Service Reserve Fund;

3. Premium received from the sale of the Series 2018B Bonds in the amount of \$ _____ shall be used to pay the costs of issuance;

4. Premium received from the sale of the Series 2018B Bonds in the amount of \$ _____ shall be used the pay the underwriting discount; and

5. any amounts remaining after accomplishing the above described purposes shall be deposited to the Senior Lien Debt Service Fund.

I. [Insurance Provisions.]

J. Continuing Disclosure. The quantitative financial information and operating data with respect to the Authority to be provided in accordance with Section 10.01 of the Second Supplemental Resolution is that of the general type included in the Official Statement under Tables _____.

K. Findings. The undersigned hereby finds, determines and declares that the terms of sale of the Series 2018B Bonds are in the Authority's best interests and are the most advantageous reasonable attainable by the Authority, and therefore, the sale of the Series 2018B Bonds to the Underwriter in accordance with the terms of the Purchase Agreement dated as of the date hereof, is hereby approved.

[Signature Page Follows]

This Pricing Certificate for the Port of Corpus Christi Authority of Nueces County, Texas Senior Lien Revenue Bonds, Series 2018B, is executed on the _____ day of _____, 2018.

Authorized Representative
Port of Corpus Christi Authority of Nueces
County, Texas

EXHIBIT A
FORM OF SERIES 2018B BOND
[To be Added at Pricing]



DATE: June 19, 2018

TO: Port Commission

FROM: Danielle Hale
dhale@pocca.com
 (361) 885-6612

AGENDA ITEM NO.

Approve Amendment to Professional Consulting Services Contract with Tetra Tech, Inc. not to exceed the amount of \$250,000 for FEMA Public Assistance Program Grant Management Services

SUMMARY: Staff is seeking Commission approval of First Amendment to the Professional Consulting Services contract for FEMA Public Assistance Program Grant Management Services (GMS) with Tetra Tech, Inc in an amount not to exceed \$250,000. The requested services will be used for the continued preparation and submission of PCCA’s FEMA grant applications and the management of such grants for Hurricane Harvey related projects.

BACKGROUND: The Port of Corpus Christi Authority issued a Request for Proposals (“RFP”) seeking a qualified firm to work with the Port Authority to assist with FEMA Public Assistance Grants for Hurricane Harvey and future events. A professional Consulting Services Contract with Tetra Tech, Inc. was approved by the Commission January 16, 2018. Since January, Tetra Tech, Inc. has provided grant management services to support Hurricane Harvey recovery projects primarily for work previously completed. To continue support from Tetra Tech, Inc. for recovery projects not completed, an additional proposal has been developed and attached. FEMA reimbursable projects from Hurricane Harvey are anticipated to exceed \$20,000,000.

ALTERNATIVES: Task current PCCA staff with additional duties.

CONFORMITY TO PORT POLICY: This conforms to PCCA’s procurement policy.

EMERGENCY: No.

FINANCIAL IMPACT: All efforts will be made to recover the cost associated with GMS within the grant application.

STAFF RECOMMENDATION: Staff recommends the Port Commission approve the First Amendment to the Professional Consulting Contract with Tetra Tech for FEMA Public Assistant Grant Management Services not to exceed the amount \$250,000 for Hurricane Harvey related projects.



DEPARTMENTAL CLEARANCES:

Originating Department	Port Security
Reviewed & Approved	Danielle Hale, Manager of Safety & Emergency Management Leslie Ruta Kent Britton
Procurement	Lynn Angerstein
Legal	Dane Bruun
Senior Staff	Tom Mylett Dennis DeVries Sean Strawbridge John LaRue

LIST OF SUPPORTING DOCUMENTS:

First Amendment and Supplement of Master Services Contract
Proposal for FEMA Public Assistance Consulting Services – Phase II

**FIRST AMENDMENT AND SUPPLEMENT OF
MASTER SERVICES CONTRACT**

This First Amendment and Supplement of Master Services Contract (the “*Amendment*”) is made effective as of June 19, 2018 (“*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 (“*Authority*”), and Tetra Tech, Inc. (“*Consultant*”). Authority and Consultant are sometimes individually referred to herein as a “*Party*” and collectively as the “*Parties*”.

WHEREAS, Authority and Consultant entered into a Master Services Contract dated January 16, 2018 (the “*Contract*”), under the terms of which the Consultant agreed to perform the services described in the Scope of Services attached to the Agreement as **Exhibit A**; and

WHEREAS, the Authority asked Consultant to provide services associated with FEMA Public Assistance Program Grant Management Services to continue until such time as the Port Chief Executive Officer deems appropriate;

NOW, THEREFORE, for a good and valuable consideration, the Parties hereby agree as follows:

A. Section 1 of the Contract is amended to include the Task Order #1 scope of services described in and set forth in **Exhibit A-1**, Change Order #1 scope of services described in and set forth in **Exhibit A-1A**, and Task Order #2 scope of services described in and set forth in **Exhibit A-2** to this Contract which is incorporated herein by reference.

B. Section 7 of the Contract is hereby amended in its entirety to read as follows.

7. COMPENSATION: The compensation to be paid Consultant for providing the Services shall be the compensation described in Exhibit B hereto, which is incorporated herein by reference; provided, however, the total paid to Consultant for the Services shall not exceed Two Hundred Fifty Thousand **Dollars (\$ 250,000)**. The hourly rates listed in Exhibit B are fully burdened to include overhead, profit, labor, and standard travel expenses. Consultant will obtain the approval of Authority’s Project Representative relative to incurring other expenses as may be applicable to the project under a specific task order before incurring such costs.

C. This Amendment shall be binding on the successors and assigns of the Parties.

D. Except as specifically amended hereby, all terms and conditions of the Contract 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 Contract, the terms and conditions of this Amendment shall control.

E. This Amendment maybe 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 representatives effective for all purposes as of the 19th day of June, 2018.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
Sean Strawbridge, Chief Executive Officer

Date: _____

TETRA TECH, INC.

By: _____
Betty Kamara, Contractual Representative

Date: _____

Exhibit A-1

TASK ORDER NO. 1

PORT OF CORPUS CHRISTI AUTHORITY, TEXAS TASK ORDER No. 1-PCCA-PA Services

In accordance with the Notice-to-Proceed dated February 2, 2018 issued by the Port of Corpus Christi Authority, Texas ("PCCA") to Tetra Tech, Inc. ("Tetra Tech"), the PCCA hereby authorizes the services to be performed for the period of performance and estimated budget set forth herein:

PROJECT: FEMA Public Assistance Consulting Services
2017 Hurricane Harvey

ESTIMATED PROJECT TERM: February 2, 2018 through May 2, 2018
To the extent the estimated project term is required to be extended due to reasons beyond the Tetra Tech Team's control, such unforeseen circumstances may result in an increase in the project timeline and budget.

SCOPE:
The PCCA was recently impacted by Hurricane Harvey. As a result of this disaster, the PCCA is seeking staff from Tetra Tech to provide staff augmentation to assist the PCCA with their FEMA Public Assistance claims process.

Task 1 – Complete and Submit Damage Inventory

Tetra Tech will work with the PCCA to review its existing list of damages and capture additional damages. Once the list of damages has been compiled, Tetra Tech will present the final list for the PCCA's review. Upon the PCCA's approval, Tetra Tech will upload the damage list into FEMA's Grant Management Portal to serve as the PCCA's Damage Inventory.

This task will be completed by February 10, 2018.

Task 2 – Force Account Compilation and Essential Elements of Information (EEI) for Work Complete

For all the disaster work that has been completed by the time of this proposal, Tetra Tech will prepare the PCCA's Force Account disaster documentation and gather additional data needed to respond to FEMA's EEIs. The following subtask describe the process for completing FEMA's EEIs:

2.1 Force Account Documentation Collection and Desktop Review

The PCCA will provide Tetra Tech with its force account labor, equipment, material and invoice records directly related to Hurricane Harvey costs and for which the PCCA is seeking reimbursement for via FEMA's Public Assistance program. Upon receipt of this documentation, Tetra Tech will conduct a preliminary desktop review of the data to identify systematic data/information deficiencies that would impact data entry and reconciliation and the creation of force account summary records. Any identified issues or deficiencies will be reported to the PCCA's Project Sponsor for resolution.

During this task, Tetra Tech will scan and organize the files provided by the PCCA. This will include a process whereby we rename, file and archive this data in accordance with disaster documentation best practices.

2.2 Force Account Data Entry and Reconciliation

Upon digitization of the force account documentation, Tetra Tech will begin the process of entering and reconciling each force account records in our RecoveryTrac™ database consistent with FEMA PA Force Account Summary Requirements. Should documentation issues or deficiencies be further identified during the data entry and reconciliation process, they will be reported to the PCCA's Project Sponsor for resolution.

2.3 Complete Force Account Summary Record(s)

At the completion of the data entry and reconciliation process, Tetra Tech will create a report off of the force account data input for each project. This report will serve as the completed force account summary record by project and will quantify force account costs by category (labor, equipment, materials). The force account summary report will be submitted to the PCCA's Project Sponsor upon completion for final review and acceptance.

2.4 Contracted Cost Accounting

Tetra Tech team will compile cost documentation on contracted work completed for the PCCA. With this documentation, Tetra Tech will summarize the cost totals and prepare narratives on the Contract Costs with input from the PCCA's staff.

2.5 EEI Completion

The Tetra Tech team will support the PCCA with responses to questions and submittal of documentation that are delivered from FEMA as an EEI in the FEMA Grants Portal. For EEI requests that cannot be fulfilled from the information gathered under the Force Account and Contracted cost subtasks, Tetra Tech will work directly with the PCCA's staff to obtain the requested information. All data will be maintained in Tetra Tech's data management system, RecoveryTrac™ and then Tetra Tech will then submit the requested responses and documents into FEMA's Grants Portal system.

Task 3 – Site Inspection Planning

Tetra Tech will assist the PCCA to prepare for site inspection planning. This will include providing the PCCA with best practices on how to complete site inspections and how to capture critical information during the visits. Tetra Tech will perform a review of Mott McDonald contract to determine eligibility for use to collect site inspection data. Tetra Tech will also prepare our RecoveryTrac system and for use to capture data on the PCCA's site inspections.

Task 4 – Hazard Migration Grant Program (HMGP) Scope Vision

The Tetra Tech conduct a HMGP scope visioning meeting to acclimate the PCCA's staff to the opportunities to compete for HMGP funds. This meeting will focus on the eligibility of mitigation measures in relationship to the HMGP and provide an overview on the type of mitigation projects that the PCCA may consider. The meeting will also focus the process in which projects will need to be identified, submitted for initial State approval, and how the HMGP application process works.

Task 5 – Technical Assistance

The Tetra Tech team will provide executive assistance as the PCCA staff and leadership encounter overarching, complex recovery issues. Executive assistance is defined as support for broad disaster-related issues directly associated with the Public Assistance Program. This assistance may also include the following:

- Assistance with preparation of the Request for Proposals for wet debris removal
- Review of the fringe calculation to identify all possible worker benefits for reimbursement
- HMGP 404 Grant application schedule for Hurricane Harvey
- Review of the PCCA's Insurance policy to identify possible issues surrounding duplication of benefits
- Advisement on how to prepare for the discovery of damage after the timeframe established for identification of damage to FEMA
- Advisement of how to prepare for environmental projects on the islands owned by PCCA
- Support on issues related to the recovery of jetties in relationship to the Army Corps of Engineers.

ASSUMPTIONS:

The scope of services and project costs shown above were developed with the following assumptions and exclusions:

- **Project Sponsor.** The PCCA will assign a primary point of contact to serve as project sponsor to address administrative and functional issues.
- **Access to Materials.** Documentation pertinent to the execution of this project should be made available to Tetra Tech for review in electronic format within five business days of the request from Tetra Tech.
- **Access to Key Personnel.** Availability of PCCA key personnel is critical to obtaining the information required for the overall success of this project. Information presented by key personnel will be accepted as factual and no confirmation will be made.

Port of Corpus Christi Authority, Texas
TASK ORDER No. 1-PCCA-PA Services

Page 2 of 3

- **Work Location/Meeting Space.** The PCCA will provide on-site workspace during the trips schedule by Tetra Tech.
- **Remote Assistance.** Tetra Tech shall complete some documentation collection and organization remotely.
- **Direct Administrative Cost (DAC).** Tetra Tech will track time consistent with FEMA Policy and provide the PCCA with the support documentation to submit Tetra Tech costs for reimbursement under the DAC program.
- **Indirect Costs.** Costs associated with general program delivery that cannot be attributed to project delivery as DAC are known as indirect project costs. Such costs include project setup, status meetings, status reporting, accounting, and program management. These types of costs are not typically reimbursable under the FEMA Public Assistance program. To the extent possible, Tetra Tech will minimize indirect costs.

ESTIMATED COST (not to exceed):

Initial Not-to Exceed Amount: **\$99,978.00**

The cost is based on Tetra Tech's current understanding of the project requirements and best estimates of level of effort required to perform the basic services and may be subject to change upon agreement between the PCCA and Tetra Tech. The fee for the services will be based on the actual hours of services furnished multiplied by Tetra Tech's hourly rates as set forth in the Master Services Agreement between the PCCA and Tetra Tech, dated January 16, 2018. The table below outlines the anticipated staff positions and level of effort for this assignment.

Labor Category	Hourly Rate	Estimated Hours	Estimated Total
Executive Consultant	\$244.00	50	\$12,200.00
Supervising Consultant	\$175.00	30	\$5,250.00
Senior Public Assistance Consultant	\$135.00	490	\$66,150.00
Public Assistance Consultant	\$115.00	30	\$3,450.00
Administrative Specialist	\$64.00	202	\$12,928.00
ESTIMATED TOTAL			\$99,978.00

INVOICE AND PAYMENT:

Monthly Invoices – Invoices are to be mailed/mailed to:

Attn: Accounts Payable
 Port of Corpus Christi Authority
 1002 E. Port Avenue
 Corpus Christi TX 78401

Payment terms are Net 30 days – Payments are to be mailed to:

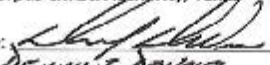
Tetra Tech, Inc.
 PO 911642
 Denver, CO 80291-1642

APPROVED BY:

Tetra Tech, Inc.

Signature: 
 Name: Jonathan Burge
 Title: Vice President/Ops Manager

Port of Corpus Christi Authority, Texas

Signature: 
 Name: DENNIS J. DELANEY
 Title: CEO

Port of Corpus Christi Authority, Texas
 TASK ORDER No. 1-PCCA-PA Services

Exhibit A-1A

CHANGE ORDER #1

PORT OF CORPUS CHRISTI AUTHORITY, TEXAS
TASK ORDER NO. 1-PCCA-PA SERVICES

CHANGE ORDER NO. 1
EFFECTIVE DATE: May 2, 2018

In accordance with TASK ORDER NO. 1-PCCA-PA SERVICES dated February 2, 2018 between the Port of Corpus Christi Authority, Texas ("PCCA") and Tetra Tech, Inc. (Tetra Tech), the PCCA hereby authorizes the services to be performed for the Period of Performance (POP) set forth herein:

PROJECT: FEMA Public Assistance Consulting Services
2017 Hurricane Harvey

DURATION:
The period of performance is extended through June 30, 2018.

PROJECT COST:
No change to the current total project not-to-exceed amount: \$99,978.00


SCOPE:
No change to the current scope of services.

This change order no. 1 provides a "no cost" time extension through June 30, 2018.

The individuals executing this Change Order represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Amendment on behalf of the respective legal entities of Tetra Tech and the PCCA.

APPROVED BY:

TETRA TECH, INC.

Signature: 
Name: Jonathan Bungle
Title: Vice President, Ops Manager
Date: May 18, 2018

PORT OF CORPUS CHRISTI AUTHORITY, TEXAS


Signature: 
Name: Charles D. DeVries
Title: Chief Financial Officer
Date: May 18, 2018

Exhibit A-2

TASK ORDER NO. 2

PORT OF CORPUS CHRISTI AUTHORITY, TEXAS TASK ORDER No. 2-PCCA-PA Services Phase II

In accordance with the Notice-to-Proceed dated July 1, 2018 issued by the **Port of Corpus Christi Authority, Texas** ("PCCA") to **Tetra Tech, Inc.** ("Tetra Tech"), the PCCA hereby authorizes the services to be performed for the period of performance and estimated budget set forth herein:

PROJECT: FEMA Public Assistance Consulting Services – Phase II
2017 Hurricane Harvey

ESTIMATED PROJECT TERM: July 1, 2018 through March 31, 2019.

An extension may be granted if agreed to by the POCCA and Tetra Tech. *To the extent the estimated project term is required to be extended due to reasons beyond the Tetra Tech Team's control; such unforeseen circumstances may result in an increase in the project timeline and budget.*

SCOPE:

The PCCA was recently impacted by Hurricane Harvey. As a result of this disaster, the PCCA is seeking staff from Tetra Tech to provide staff augmentation to assist the PCCA with their FEMA Public Assistance claims process.

Task 1 – Project Formulation Assistance and Essential Elements of Information (EEI) for Work to be Completed

For all the disaster work that was not covered under Tetra Tech's previous task order covering disaster work, Tetra Tech will support POCCA with assistance with project formulation, site visits, Essential Elements of Information response for FEMA, review and reconciliation of Project Worksheets (PW) that are drafted by FEMA. The following subtask describe the process for completing these tasks:

Subtask 1.1 – Project Worksheet Formulation and Tracking

Tetra tech will support POCCA with the following activities regarding project formulation and tracking:

1. Organizing Damages into Project Worksheets
 - a. Review POCCA's costs; invoices, spreadsheets and proof of payment
 - b. Project grouping, divided or combined into potential future PWs
 - c. Review proposed project grouping with the Finance Department
2. Tetra Tech staff will assist with scheduling and will attend FEMA Site Visits for Project Worksheet Formulation. Tetra Tech will assist POCCA's staff by capturing critical information during the visits. Tetra Tech will utilize our RecoveryTrac system to capture data including damage descriptions, damage photographs and GPS coordinates of all damaged identified during the visits. Tetra tech will:
 - a. Advocate for POCCA if deviations from site inspections occur
 - b. Notify the Finance Department when deviations occur
 - c. Evaluate cost-effective Section 406 mitigation measures as identified by the POCCA
3. Data Collection
 - a. Collect documentation relevant to Hurricane Harvey from department/divisions (e.g. timesheets work order system reports, activity logs, debris logs/tickets)
 - b. Review supporting documentation for completeness and tie back to project groupings

- c. Notify department/divisions when insufficient documentation is provided
 - d. Notify department/divisions when ineligible activities (due to the nature of the activity) are provided
 - e. Reconcile timekeeping records with work orders and activity logs, and notify the department/division of discrepancies or accountant to recode time if a coding error occurred
4. Project Worksheet Packages
- a. Assist FEMA in developing PW packages

Deliverables for Subtask 1.1 include:

1. POCCA Damage List grouped by Project Worksheet and updated regularly throughout the project lifecycle
2. Attendance at Site Visits
3. Collect and reconcile appropriate supporting documentation for inclusion Project Worksheets
4. Project Worksheet documentation packages
5. Project worksheet cost detail spreadsheets to itemize all costs on a project worksheet

Subtask 1.2 EEI Completion

The Tetra Tech team will support POCCA with drafted responses to questions and submittal of documentation for the Essential Elements of Information (EEI) requests from FEMA. EEI requests that cannot be fulfilled from the information gathered under the Force Account and Contracted cost subtasks, Tetra Tech will work directly with the POCCA's staff to obtain the requested information. All data will be maintained in Tetra Tech's data management system, RecoveryTrac™ and then Tetra Tech will then submit the requested responses and documents into FEMA's Grants Portal system.

Task 2 – Project Formulation Assistance and Essential Elements of Information (EEI) for Work Complete

For all the disaster work that was not covered under Tetra Tech's previous task order covering disaster work that had been completed to date, Tetra Tech will:

Subtask 2.1 Force Account Documentation Collection and Desktop Review

POCCA will provide Tetra Tech with its force account labor, equipment, material and invoice records directly related to Hurricane Harvey costs and for which POCCA is seeking reimbursement for via FEMA's Public Assistance program. Upon receipt of this documentation, Tetra Tech will to conduct a preliminary desktop review of the data to identify systematic data/information deficiencies that would impact data entry and reconciliation and the creation of force account summary records. Any identified issues or deficiencies will be reported to the Project Sponsor for resolution.

During this task, Tetra Tech will scan and organize the files provided by POCCA. This will include a process whereby we rename, file and archive this data in accordance with disaster documentation best practices.

Subtask 2.2 Force Account Data Entry and Reconciliation

Upon digitization of the force account documentation, Tetra Tech will begin the process of entering and reconciling each force account records in our RecoveryTrac™ database consistent with FEMA PA Force Account Summary Requirements. Should documentation issues or deficiencies be further identified during the data entry and reconciliation process, they will be reported to the Project Sponsor for resolution.

Subtask 2.3 Complete Force Account Summary Record(s)

At the completion of the data entry and reconciliation process, Tetra Tech will create a report of the force account data input for each project. This report will serve as the completed force account summary record by project and will quantify force account costs by category (labor, equipment, materials). The force account summary report will be submitted to the Project Sponsor upon completion for final review and acceptance.

Subtask 2.4 Contracted Cost Accounting

Tetra Tech team will compile cost documentation on contracted work completed for POCCA. Tetra Tech will summarize the cost totals and prepare narratives on the contract costs with input from POCCA's staff.

Task 3 – Monitor and Track Recovery Work for Grant Compliance

To comply with the Public Assistance program regulations, all disaster work should be closely monitored and properly documented to demonstrate compliance and prepare for the closeout of the grant. The following sub tasks are proposed to oversee POCCA's recovery process.

Subtask 3.1 Tetra Tech will maintain detail financial and programmatic accounts of grant funding obligated in FEMA's Project Worksheets. Tetra Tech will track all recovery expenditures against each cost line item identified in a Project Worksheet.

- a. Contacts
- b. Proof of Payment
- c. This will include a detailed line spreadsheet that contains the list of items in the PW (one spreadsheet per PW)

Subtask 3.2 General Ledger Coordination

- d. Reconcile payments made by TDEM/FEMA to the Port

Subtask 3.3 Summary Listing

- e. Maintain a summary spreadsheet of FEMA PWs

Task 4 – Technical Assistance

At the request of the Port, Tetra Tech will provide the Port with Technical Assistance associated with Federal Disaster Recovery Grant Programs (FEMA PA, FEMA HMGP, FHWA-ER, USDA NRCS-EWP, and CDBG-DR). This will include:

1. Review applicable Codes & Standards language for applicability in grant applications.
2. Discuss application of 406 Mitigation or Alternate/Improved projects for damaged sites.
3. Provide guidance on application of Environmental and Historical Preservation (EHP)
4. High-level Technical Assistance and guidance with disaster recovery grant programs outside of the FEMA PA program to include: FEMA HMGP, FHWA-ER, NRCS-EWP, CDBG-DR.

To the extent that POCCA requests more robust consulting support with disaster recovery grant programs outside of the FEMA PA program, Tetra Tech will detail a scope and budget for the requested effort in a separate task order submission to the Port for approval.

ASSUMPTIONS:

The scope of services and project costs shown above were developed with the following assumptions and exclusions:

- **Project Sponsor.** POCCA will assign a primary point of contact to serve as project sponsor to address administrative and functional issues.
- **Access to Materials.** Documentation pertinent to the execution of this project should be made available to Tetra Tech for review in electronic format within five business days of the request from Tetra Tech.
- **Access to Key Personnel.** Availability of POCCA key personnel is critical to obtaining the information required for the overall success of this project. Information presented by key personnel will be accepted as factual and no confirmation will be made.
- **Work Location/Meeting Space.** POCCA will provide on-site workspace during the trips schedule by Tetra Tech.
- **Remote Assistance.** Tetra Tech shall complete some documentation collection and organization remotely.
- **Changes:** To the extent the project scope or estimated project term requires changes; such unforeseen circumstances may result in an increase in the project timeline and budget.
- **Direct Administrative Cost (DAC).** Tetra Tech will track time consistent with FEMA Policy and provide POCCA with the support documentation to submit Tetra Tech costs for reimbursement under the DAC program.
- **Indirect Costs.** Costs associated with general program delivery that cannot be attributed to project delivery as DAC are known as indirect project costs. Such costs include project setup, status meetings, status reporting,

accounting, and program management. These types of costs are not typically reimbursable under the FEMA Public Assistance program. To the extent possible, Tetra Tech will minimize indirect costs.

ESTIMATED COST (not to exceed):

Initial Not-to Exceed Amount: **\$150,022.00**

The cost is based on Tetra Tech’s current understanding of the project requirements and best estimates of level of effort required to perform the basic services and may be subject to change upon agreement between the PCCA and Tetra Tech. The fee for the services will be based on the actual hours of services furnished multiplied by Tetra Tech's hourly rates as set forth in the Master Services Agreement between the PCCA and Tetra Tech, date January 16, 2018. The table below outlines the anticipated staff positions and level of effort for this assignment.

Labor Category	Hourly Rate	Estimated Hours	Estimated Cost
Principal in Charge/Executive Consultant	\$225.00	160	\$36,000
Senior Program Manager	\$175.00	60	\$10,500
Consultant II	\$125.00	3120	\$390,000
Analytical Aide	\$75.00	1040	\$78,000
ESTIMATED TOTAL			\$514,500
Task Order No. 1			\$99,978
Task Order No. 2			\$150,022
Total to Date			\$250,000

INVOICE AND PAYMENT:

Monthly Invoices -- Invoices are to be mailed/emailed to:

Attn: Accounts Payable
 Port of Corpus Christi Authority
 1002 E. Port Avenue
 Corpus Christi TX 78401

Payment terms are Net 30 days -- Payments are to be mailed to:

Tetra Tech, Inc.
 PO 911642
 Denver, CO 80291-1642

APPROVED BY:

Tetra Tech, Inc.

Port of Corpus Christi Authority, Texas

Signature: _____

Signature: _____

Name: Jonathan Burgiel

Name: _____

Title: Business Unit President

Title: _____



DATE: June 19, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
 Director of Engineering Services
Krams@pocca.com
 (361) 885-6134

ANTICIPATED STAFF PRESENTER: Carlos Martinez, P.E.
 Senior Design Engineer

Approve Service Order No. 2 in the Amount of \$1,193,748 with HDR Engineering, Inc., under Master Services Agreement No. 18-04, for Engineering Services associated with the Final Design of New Oil Dock 22.

SUMMARY: Staff recommends approval of the attached Service Order No. 2, under Master Services Agreement 18-04, with HDR Engineering, Inc. (HDR) in an amount with a ceiling price of \$1,193,748 to provide engineering services to prepare the final design and contract documents for the construction of the New Oil Dock 22.

BACKGROUND: Per the terms of PCCA’s Lease Agreement (Lease) with CCI Corpus Christi Infrastructure, LLC to develop a petroleum liquids terminal on the north side of the ship channel just east of the PCCA’s Oil Dock 14 (see attached map exhibit), the PCCA is required to engage the services of a design engineer to complete the design a new Oil Dock 22 to potentially be constructed on the Lease premises. The proposed Oil Dock 22 will generally include a marine dock platform with a 1,100-foot long berth, breasting structures, mooring structures, shore protection, and a parking area. CCI will be required to provide all necessary piping, storage, loading arms and equipment, and other materials and supplies required to operate the facility.

In May 2018, the Commission approved a Service Order with HDR in the amount of \$92,000 for the Phase I Initial Study and Cost Estimate. With this preliminary work nearly complete, staff has negotiated a scope of work and cost for Service Order No. 2 with HDR to finalize the design, prepare bid documents, and provide limited services during the bidding and construction phases of the project.

The final design will include geotechnical borings and laboratory analyses, detailed design of the dock platform, slip dredging, mooring and breasting structures, shoreline protection, and parking improvements. The dock facility will be able to accommodate various vessels from inland barges to up and including a Suezmax ship. In addition, the facility will provide a dock house, and parking area. The plans, specifications, and contract documents are anticipated to be complete by December 31, 2018.



ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #4 – Develop Process to Support Private Customer Projects).

EMERGENCY: Although this is not an emergency action, the terms of the Lease require this work to be performed early within the initial term of the Lease.

FINANCIAL IMPACT: The PCCA's cost to design and construct the proposed dock will be recovered through fees and other revenue generating provisions included in the lease agreement.

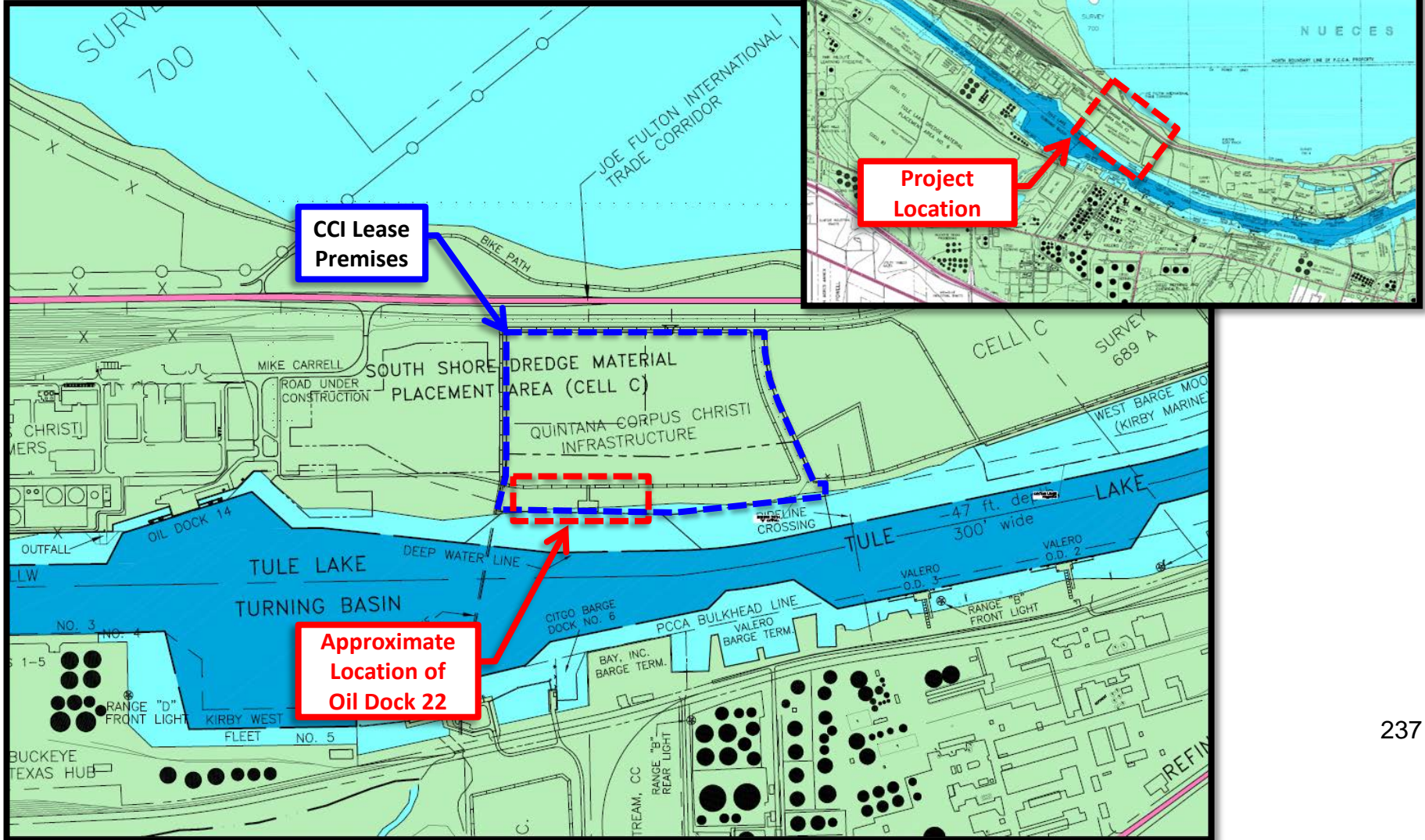
STAFF RECOMMENDATION: Staff recommends approval of the attached Service Order No. 2 with a ceiling price of \$1,193,748 with HDR Engineering, Inc., under Master Services Agreement No. 18-04, to provide engineering services for Phase II – Final Design and contract document preparation for New Oil Dock 22. With the approval of this Service Order No. 2, the amount of awarded Service Orders under Master Services Agreement No. 18-04 will total to \$1,285,748.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams Carlos Martinez
Legal	Staff used PCCA's standard Service Order template
Senior Staff	John LaRue Sean Strawbridge Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit
Service Order No. 2



**SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-04**

PROJECT NAME: New Oil Dock 22 – Final Design
PROJECT NO.: 18-037A
SERVICE ORDER NO.: 2
COMMENCEMENT DATE: June 19, 2018

This Service Order is executed by and between the Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”) and HDR Engineering, Inc. (“**Engineer**”). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA’s Master Services Agreement No. 18-04 between PCCA and Engineer, as amended (“**Agreement**”). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

The PCCA has entered into a lease with a Customer for the development of a 55-acre site in the Inner harbor that includes the possible construction of a new marine oil dock to support the loading and unloading of crude and petroleum products. The new dock will generally consist of a dock platform with space to accommodate loading arms, piping and equipment; dredging of a berth to accommodate various vessels from inland barges up to and including a Suezmax ship; breasting and mooring structures; parking and lighting; and associated equipment. Engineer has commenced Phase I Initial Study and Cost Estimate and will prepare final construction plans for Oil Dock 22 dock and berth taking into consideration the preliminary layout and cost estimate.

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are set forth in “Part 1—Services” of **Exhibit A**, “*Engineer’s Services for Service Order*,” modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

B. Resident Project Representative (RPR) Services: Not Applicable

C. Designing to a Construction Cost Limit: Not Applicable

D. Other Services: Not Applicable

3. PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement.

4. Service Order Schedule

In addition to any schedule provisions provided in Exhibit A or elsewhere, the parties shall meet the following schedule:

<u>Party</u>	<u>Action</u>	<u>Schedule</u>
Engineer	30% Design deliverables to PCCA.	By July 31, 2018.
PCCA	Submit comments regarding the 30% Design documents to Engineer.	Within 5 days of the receipt of the 30% Design deliverables from Engineer.
Engineer	60% Design deliverables to PCCA.	By September 20, 2018.
PCCA	Submit comments regarding the 60% Design documents to Engineer.	Within 5 days of the receipt of the 60% Design documents.
Engineer	90% Design deliverables to PCCA.	By November 15, 2018.
PCCA	Submit comments regarding the 90% Design documents to Engineer.	Within 5 days of the receipt of the 90% Design documents.
Engineer	Final Drawings and Specifications to PCCA.	By December 31, 2018.
PCCA	Submit comments and instructions regarding the final Drawings and Specifications to Engineer.	Within 5 days of the receipt of the final Drawings and Specifications.
Engineer	Final Signed and Sealed Design Phase deliverables to PCCA.	Within 2 days of the receipt of PCCA's comments and instructions regarding the final Drawings and Specifications.

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

5. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the Standard Hourly Rates with a Ceiling Price. Reimbursable Expenses are included in the Ceiling price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: Not Applicable. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): Not Applicable.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is \$1,072,000.

Description of Service	Amount
Final Design Phase, Bidding, and Negotiating Phase <i>(A1.03 and A1.04 of Exhibit A)</i>	\$1,193,748
CEILING PRICE	\$1,193,748

D. The terms of payment are set forth in Article 4 of the Agreement.

6. Consultants retained or that will be retained as of the Commencement Date of the Service Order:

TBD

7. Other Modifications to the Agreement or the Exhibits to the Agreement:

Not Applicable.

8. Exhibits or Attachments to this Service Order:

Not Applicable.

9. Documents (other than the Agreement) Incorporated by Reference:

Not Applicable.

10. Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:

Port of Corpus Christi Authority

By: _____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed: _____

Address for giving notice:

222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Designated Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361.885.6134

Facsimile Number: 361.881.5164

E-Mail Address: krams@pocca.com

Engineer:

HDR Engineering, Inc.

By: Arthur B. Colwell

Name: Arthur B. Colwell, P.E.

Title: Vice President

Date Signed: _____

Address for giving notice:

555 Carancahua, Suite 1600
Corpus Christi, Texas 78401

Engineer's Designated Representative:

Brent Moore, P.E.

Title: Ports Program Manager

Phone Number: 361.696.3374

Facsimile Number: 361.696.3385

E-Mail Address: brent.moore@hdrinc.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

PART 1—SERVICES

A1.01 *Study and Report Phase Services. Not applicable.*

A1.02 *Preliminary Design Phase. Not applicable.*

A1.03 *Final Design Phase.*

- A. Engineer shall provide the following Final Design Phase services, consistent with the design criteria in the Lease Agreement between the PCCA and Customer:
1. ***Project Management.*** General project management duties such as status reporting, scheduling of manpower and project deliverables, subcontractor administration and coordination, staff assignments, internal coordination meetings, deliverables and quality control (QC). Prepare minutes from meetings, conferences and conference calls pertaining to Engineer's design efforts.
 2. ***Permitting Assistance.*** Anticipated work includes exhibit preparation, modification of the permit application, preparation of responses to public comment and periodic meetings with both the Port of Corpus Christi and USACE staff. An allowance of \$27,000 has been included for this work and will be invoiced such that PCCA project management can track the effort for this work.
 3. ***Geotechnical Investigation.*** Perform a geotechnical investigation along the existing shoreline. Five borings will be drilled to a depth of 175 feet, samples collected and analyzed, and a report generated providing design criteria for various sized concrete and pipe piles. The report will also include dredge slope stability analyses for a 3:1 slope and a 2.5:1 slope.
 4. ***Dredging Plans for Oil Dock 22 Berth.*** Based on bathymetric surveying information obtained during the preparation of the *Phase I Oil Dock 22 Concept Study and Report*, Engineer will determine the extent and volume of necessary dredging for this project. Dredging plans and information will be provided to PCCA for use in addressing regulatory requirements and used for the contract plans and construction documents. Dredge depth will be for a 60 foot deep berth (54 base dredge plus 4 foot advanced maintenance, plus 2 foot allowable over dredge) from the breasting/bulkhead line towards the shore and a shallower depth to match the channel from the channel's edge. The length will be based upon a 950 foot LOA Suezmax tanker.
 5. ***Oil Dock 22 Dock Design.*** Engineer will design the dock, and breasting and mooring structures. The dock will be designed to have the ability to also moor 55 foot x 300 foot barges serviced by a lower dock deck level. The dock will be supplemented by independent mooring/breasting structures and attached barge fender panels and mooring cleats.

- a. Perform Passing Vessel Analyses consisting of a moored Suezmax ship and a passing Suezmax vessel for one speed (5 knots), in-bound and out-bound scenarios. The following two dredge basin cases will be analyzed: 1) full depth of -60 MLLW, and 2) full depth of -60 MLLW behind the breasting/bulkhead line with a shallower depth in front of the dock to match the current channel depth.
 - b. Develop a general construction methodology and sequencing to allow constructability of the facility;
 - c. Design a dock capable of using 4 loading arms (up to 16-inch diameter), a hose handling crane, and a portable gangway.
 - d. Design a dock fender system and provide performance criteria for loads applied by ship and barge mooring and berthing.
 - e. Design dock structure and mooring/breasting structures for the future -60 MLLW basin depth.
 - f. Design a mooring system with Quick Release Hooks to accommodate a laden Suezmax vessel for the future deep draft.
6. ***Shoreline Protection.*** The type of shoreline protection will be determined after soil stability analysis: mechanically connected concrete revetment mats or steel sheet pile bulkhead, or combination of both.
 7. ***Road Realignment and Parking Lot Design.*** Due to the top of the dredge prism encroaching across the existing aggregate access road, the existing roadway may need to be realigned. Also a 50 x 50 foot parking lot will be designed.
 8. ***Technical Specifications and Front-end Documents.*** Prepare technical specifications for materials, installation requirements and quality control. Technical specifications will cover material and other project specific requirements not presented on the drawings. Front-end specification templates will be provided by PCCA for Engineer's use and preparation.
 9. ***Drawing Development.*** Develop a set of construction plans for the project. PCCA CAD standards will be used throughout, unless otherwise directed. It is estimated that approximately 56 drawings will be produced for this project. The drawings will be presented in an 11x17 format.
 10. Prepare Opinion of Probable Construction Cost for Oil Dock 22 Dock and Berth for each submittal deliverable.
 11. Meetings consist of the kickoff meeting, monthly progress meetings with Customer, and submittal review meetings with Customer. They are to be held at the PCCA offices. The kickoff meeting and up to five progress meetings are anticipated to be two hours duration. Engineer has scheduled four hour plan review meetings at the 30%, 60%, and 90% submittals. Engineer is aware that Customer will be provided opportunity to review all documents prepared by

Engineer and PCCA, and Customer will consult with Engineer in the preparation of such documents.

Engineer is aware that final construction plans and specifications for dock and berth will be approved in writing by Customer and PCCA prior to seeking bids.

<i>Engineer's Deliverables</i>	
Submittal	Remarks
30% Design Submittal	PDF and AutoCAD copies of the drawings and specifications at the 30% completion stage. The drawings will include layouts, plans, elevations and limited details. The specifications will include the table of contents for the technical sections required for the project. The purpose of this submittal is to allow the PCCA to perform an internal review of the work in progress and provide comments and/or recommendations. One copy will be submitted via email.
60% Drawings and Specifications	PDF and AutoCAD copy of the drawings and specifications and the opinion of probable construction cost at the 60% completion stage. The drawings will include layouts, plans, elevations and limited details. The specifications will include the table of contents for the technical sections required for the project. The purpose of this submittal is to allow the owner to perform an internal review of the work in progress and provide comments and/or recommendations. One copy will be submittal via email.
90% Drawings and Specifications	PDF and AutoCAD copy of the drawings and specifications at the 90% completion stage. The drawings, specifications and updated opinion of probable construction cost will be submitted for the PCCA review and comment. The purpose of this submittal is to allow the owner to perform a final internal review of the work before finalizing the contract documents. One copy will be submitted via email.
Final Drawings and Specifications	PDF and AutoCAD copy of signed and sealed drawings, and technical and front-end specifications. The specifications will be submitted in .pdf and MSWord formats. Submittal will be via email. In addition, one hard copy set and one DVD will be hand delivered to the PCCA at 222 Power Street, Corpus Christi, TX 78401.
Geotechnical Report	One copy of the final geotechnical report. Submittal to PCCA will be via email.
Bid Phase Contract Items	Issue of necessary Contract addenda and responses to questions and inquiries during the bid phase will be provided in electronic PDF format via e-mail.

A1.04 Bidding or Negotiating Phase.

A. Engineer shall provide the following Bid Phase services:

1. Assist the PCCA in advertising for and soliciting bids for the work, and attend

pre-bid conferences;

2. Prepare contract addenda as appropriate to clarify, correct, or change the bid documents; provide updated AutoCAD and PDFs for construction documents incorporating any addenda items;
3. Determine the acceptability of substitute materials and equipment proposed during the bidding or negotiating phase when substitution prior to award of the contract is allowed by the bid documents;
4. Attend the bid opening and consult with PCCA in comparison and tabulation of bids.

A1.05 *Construction Phase. Not Applicable*

A1.06 *Post-Construction Phase. Not Applicable*

A1.07 *Commissioning Phase. Not Applicable*

PART 2—OTHER SERVICES. Not Applicable.



DATE: June 19, 2018

TO: Port Commission

FROM: Sean Strawbridge, Chief Executive Officer
sstrawbridge@pocca.com
 (361) 885-6133

Waive PCCA's standard insurance requirements in the proposed contract with The Partnership for executive coaching for PCCA's Chief Executive Officer.

SUMMARY: Staff seeks Port Commission guidance for authorization to waive insurance requirements in the approval of a Consulting Services Contract with The Partnership.

BACKGROUND: Port of Corpus Christi Authority (PCCA) and The Partnership are negotiating a Consulting Services Contract to provide multi-perspective (360) feedback covering the Chief Executive Officer. The consultant has requested a waiver of insurance requirements for the services performed under this consulting services contract. The term of the contract is anticipated to be July 1, 2018 through June 30, 2019 with a not to exceed contract amount of \$35,000

ALTERNATIVES: Require insurance as appropriate for services to be provided during the term of this contract.

CONFORMITY TO PORT POLICY: Strategic Objective 3A: Build and Sustain Productive Relationships with all Stakeholders (4b) increase public awareness of what the PCCA does and the benefits to the community

EMERGENCY: No.

FINANCIAL IMPACT: Unknown

STAFF RECOMMENDATION: Staff requests guidance and authorization to waive insurance requirements related to the Consulting Services Contract with The Partnership.

DEPARTMENTAL CLEARANCES:

Originating Department Senior Staff	Chief Executive Officer Jarl Pedersen Dennis DeVries Sean Strawbridge John LaRue
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LIST OF SUPPORTING DOCUMENTS: None





DATE: June 19, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
 Director of Engineering Services
Krams@pocca.com
 (361) 885-6134

ANTICIPATED STAFF PRESENTER: Natasha E. Fudge, P.E.
 Acting Chief Construction Engineer

Approve a Net Deductive Change Order in the Amount of \$16,318.68 with W.T. Byler for the Nueces River Rail Yard – Phase II Project Related to Track A Extension.

SUMMARY: Staff requests approval of a net deductive Change Order with W.T. Byler in the amount of \$16,318.68 for work associated with repairing poor rail subgrade areas, extending several cross drainage structures, and deleting the French drain system from the contract for the Nueces River Rail Yard – Phase II project associated with extending Track A.

BACKGROUND: On May 19, 2015, the Port Commission awarded a construction contract with W. T. Byler in the amount of \$24,208,830.10 for the Nueces River Rail Yard-Phase II project. This project merited award of \$22 Million in grant funds from via TxDOT’s Mobility Fund to expand the Nueces River Rail Yard to create eight unit train sidings and provide storage for 1,300 railcars. Tracks B-H of the original Phase II contract have been completed and are in service. Completion of the original contracted track work left approximately \$2.5 Million in unused grant funds, which allowed the for a Change Order for additional work to extend Track A eastward approximately 7,000 feet for a two-way rail system to just east of the PCCA’s Bulk Terminal.

The project requirements called for a French drain system to provide drainage for the sections of the new Track A extension; however, staff concluded that drainage would be better handled in his area with track-side open drainage ditches. Therefore, staff negotiated the attached deductive Change Order, which includes a credit in the amount of \$305,040 for the deletion of 8,000 linear feet of French drain pipe.

In addition, the Change Order addresses the time and materials cost required to repair approximately 5,600 square yards of poor rail bed subgrade and replace with class “B” stone, geogrid, and new select fill in an amount of \$197,028.52. The original contract anticipated the need for the repairs in case soft soil was encountered during construction. Repairs require excavation and disposal of soft or poor soil to varied depths where a solid subgrade can be encountered to support compaction and load requirements. The excavated materials are then replaced with a one-foot layer of limestone rock, geogrid, and select fill. These repairs are

taking place in an narrow work area between active railroad tracks, so it is a slow process to remove and add materials using large construction equipment.

Other items in the proposed Change Order include extending reinforced concrete pipe and provide reinforced concrete junction boxes at four cross drainage structures for a cost of \$91,692.80. These additional work items result in a construction cost increase of \$288,721.32. Therefore, considering both the deduction of French drains and the additional work, the total amount reflected in the attached deductive Change Order is a reduction in the construction contract of \$16,318.68.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: Conforms to Strategic Plan Goal #2 (Provide Facilities & Services to Meet Customer Needs), Strategic Objective 2C (Provide Surface Infrastructure and Services to Support Maritime and Industrial Development), Action Item 3 (Continued Improvement of Rail Access to Support Waterborne Commerce and Port-related Industry).

EMERGENCY: No.

FINANCIAL IMPACT: The currently approved contingency on this project is \$984,176.60. To date, \$467,062.01 of the contingency has been expended, leaving a balance of \$517,114.59. Executing this deductive Change Order will result in a total construction contract cost of \$28,547,515.82 and will increase the contingency balance to \$533,433.27.

STAFF RECOMMENDATION: Staff recommends approval of the attached net deductive Change Order in the amount of \$16,318.68 to W.T. Byler, for the work associated with the Nueces River Rail Yard – Phase II project.

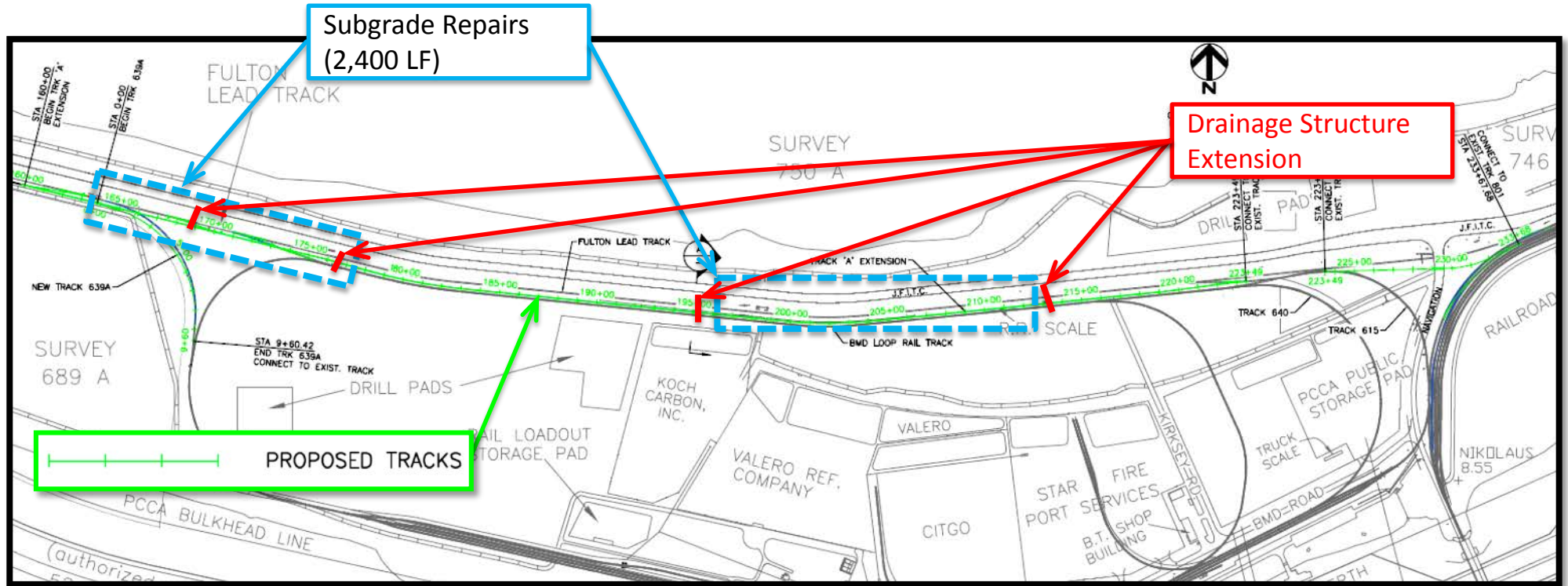
DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams Natasha Fudge Bert Perez
Legal	Used Standard Template
Senior Staff	John LaRue Sean Strawbridge Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit
Change Order

Nueces River Rail Yard Phase 2 - Track "A" Extension





Change Order No. 16
 Date: June 19, 2018
 Page 1 of 2

PROJECT: Nueces River Rail Yard Phase - II
PROJECT NUMBER: 13-043A
CONTRACTOR: W.T. Byler Co., Inc.

This contract will be modified to include the changes listed below, and the contract price and/or contract time will be changed to reflect these modifications:

See attached description of modifications and breakdown of charges on Page 2.

Decrease in Contract Price:	\$ (16,318.68)
Increase in Contract Time:	0 Days
<hr/>	
Original Contract Amount:	\$ 24,208,830.10
Total Amount of Previous Change Orders:	\$ 4,355,004.40
Amount of this Change Order:	\$ (16,318.68)
Revised Contract Amount:	\$ 28,547,515.82
<hr/>	
Notice To Proceed Date:	July 08, 2015
Original Contract Time:	630 Days
Previous Changes in Contract Time:	665 Days
Calendar Days for this Change Order:	0 Days
Revised Contract Time:	1,295 Days
Required Completion Date:	January 23, 2019

The change in contract price incorporates all costs for this Change Order including but not limited to the following—direct and indirect costs, overhead, profit, insurance, bonds, labor, materials, equipment, supervision, and delay. This Change Order is accepted and executed by the Port of Corpus Christi Authority and W.T. Byler Co., Inc., as signed by their duly authorized representatives below.

Port of Corpus Christi Authority	W.T. Byler Co., Inc.
By: _____	By: _____
Bert Perez, P.E. Senior Project Engineer	Steve Smith CFO
By: _____	Date: _____
David L. Krams, P.E. Director of Engineering Services	

Date: June 19, 2018

PROJECT: Nueces River Rail Yard Phase - II
PROJECT NUMBER: 13-043A
CONTRACTOR: W.T. Byler Co., Inc.

- 1 Removal of 8,000 linear feet of 8" HDPE french pipe and installation at a rate of \$38 per linear foot from the contract.

Decrease	\$	(305,040.00)
Increase		0 Days

- 2 Cost based on time & material for additional excavation of poor subgrade, dewatering, installation of class B stone and filter fabric in two areas approximately 15 feet by 900 feet and 15 feet by 1,500 feet.

Increase	\$	197,028.52
Increase		0 Days

- 3 Cost for modifications and extension of four drainage junction structures, associated culvert and safety end treatments at Stations 169+70, 176+20, 197+50 and 213+00 to avoid conflict with new railroad.

Increase	\$	91,692.80
Increase		0 Days

TOTAL DECREASE IN CONTRACT PRICE (16,318.68)

TOTAL INCREASE IN CONTRACT TIME 0 Days

DRAFT

DATE: June 19, 2018

TO: Port Commission

FROM: Kent Britton
Financial Controller
kbritton@pocca.com
(361) 885-6114

Approve Increase to Tariff 100-A, Item 301 – HARBOR SAFETY FEE

SUMMARY: Staff recommends the Commission approve an increase in the Port’s Harbor Safety Fee of approximately 26% over the current rate, to be effective July 1, 2018.

BACKGROUND: In response to the September 2001 terrorist attack on the United States, ports around the nation increased security efforts to better protect their facilities. These increased security efforts required, and continue to require, significant investment of capital funds and operating costs. The Port of Corpus Christi Authority charges a Harbor Safety Fee on all commercial ships and barges entering or operating in the Authority’s Waterways, to assist in defraying the administration, maintenance and operating expenses of a fire response vessel and marine patrol vessels, including personnel and equipment. As the number of tenants and operating footprint of the Port continues to increase, the cost to provide these necessary services similarly increases. The current Harbor Safety Fee is \$1,153 for ships and ocean-going barges and \$132 for barges. After the increase, the effective rate will be \$1,446 for ships and ocean-going barges and \$166 for barges.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: This increase will serve to sustain existing staffing and operational capabilities of the marine port security posture and will serve to support PCCA Strategic Goal #3 – Operate the Port’s Facilities in a Safe, Secure and Efficient Manner.

EMERGENCY: No.

FINANCIAL IMPACT: The Port has targeted a 70% cost share of security expenses, and based on the estimated expense and capital needs covered by this fee, this change will allow the Port to achieve that ratio for marine security. The increase will generate approximately \$418,000 in additional revenue in the second half of 2018, and approximately \$900,000 of additional revenue on an ongoing annual basis.

STAFF RECOMMENDATION: Approve this increase in Harbor Safety Fee.

DEPARTMENTAL CLEARANCES:

Originator:	Kent Britton
Reviewed & Approved:	Director of Port Security
Legal:	Dane Bruun
Senior Staff:	John LaRue Sean Strawbridge Jarl Pedersen Dennis Devries



DATE: June 19, 2018
TO: Port Commission
FROM: Maggie Iglesias-Turner

**Amendment to Bulk Terminal Tariff 1-A
Item 200 E (Wharfage Charges and Fees at Bulk Terminal Dock 3).**

SUMMARY: Staff recommends amendment to Tariff 1-A: Item 200 E (WHARFAGE CHARGES AND FEES AT BULK TERMINAL 3).

BACKGROUND: Amended Item 200 E adds a line item to include a Dockman Fee at Bulk Terminal Dock 3. A Dockman Fee of \$46.50 per hour is listed within Operator Agreement for Bulk Terminal Dock 3 at Exhibit E. Amended Item 200 E WHARFAGE CHARGES AND FEES AT BULK TERMINAL 3 adds:

Dockman Fee\$46.50 per hour, if vessel is at Bulk Dock 3 earlier than three (3) hours prior to start of unloading operation and if vessel remains at Bulk Dock 3 after three (3) hours following completion of unloading operation.

ALTERNATIVES: Language remains as published.

CONFORMITY TO PORT POLICY: Supports Strategic Goal 4: Foster Compatible Industrial and Maritime Development; Strategic Objective 4A: Proactively Pursue Diversified Port-related Economic Development Opportunities; Action Item 3: Identify and Pursue General Cargo and Dry Bulk Diversification Opportunities.

EMERGENCY: Yes. Operations have commenced.

FINANCIAL IMPACT: None

STAFF RECOMMENDATION: Staff recommends amendment to Tariff 1-A: Item 200 E (WHARFAGE CHARGES AND FEES AT BULK TERMINAL 3) with effective date June 19, 2018.

DEPARTMENTAL CLEARANCES:

Originating Department	Commercial
Reviewed By	Maggie Iglesias-Turner
	Jarl Pedersen
	Dennis DeVries
Legal	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS: Red-lined Bulk Terminal Tariff Item 200 E;
Operator Agreement with highlighted Exhibit E

Redlined Item 205:

ITEM 200

WHARFAGE (A) 1-1-2018

A. RESPONSIBILITY FOR PAYMENT OF WHARFAGE CHARGES

Wharfage is due from the owner, shipper or consignee of the cargo and shall be collected for and on behalf of the Port Authority by the vessel discharging or loading the cargo, or for which the cargo was received, through the vessel's owner, agent or other person duly authorized, and such vessel and its owner and agent, jointly and severally, shall guarantee and be liable for the payment of such charges to the Port Authority whether or not collected by such vessel or its owner or agent. The use of the Bulk Terminal wharves or other terminal facility by the vessel or its owner or agent shall constitute acceptance and acknowledgement of this agency, guaranty and liability.

B. RESPONSIBILITY FOR REPORTING WHARFAGE

All vessels, their owners and/or agents, and all other Users of the Bulk Terminal, and other public port facilities, shall file with the Port Authority a wharfage transaction form accompanied by a manifest, which must be amended to include all changes and supplements thereto covering all cargo loaded or unloaded. Such wharfage transactions shall be reported on a processed Wharfage Transaction Form provided by the Port Authority. The Wharfage Transaction Form on inbound cargo must be processed not later than ten (10) days after the arrival of the vessel. The Wharfage Transaction form on outbound cargo must be filed no later than ten (10) days after the vessel sails.

C. WHARFAGE ON CARGO NOT SHIPPED BY WATER

Cargo handled at the wharf shall be considered to have earned wharfage, and wharfage will be collected on such cargo so handled whether or not it is loaded to or from a waterborne vessel.

D. WHARFAGE CHARGES (A) 1-1-2018

Unless otherwise provided herein, wharfage on dry bulk commodities handled at the Bulk Terminal shall be:

ALL COMMODITIES, NOS

\$1.48 per net ton (\$1.63 per metric ton)

LIQUID BULK at Dock 3

Waterborne to storage tanks.....\$0.15 per barrel

Operator fee.....\$0.02 per barrel

ITEM 200

WHARFAGE (A) 1-1-2018

A. RESPONSIBILITY FOR PAYMENT OF WHARFAGE CHARGES

Wharfage is due from the owner, shipper or consignee of the cargo and shall be collected for and on behalf of the Port Authority by the vessel discharging or loading the cargo, or for which the cargo was received, through the vessel's owner, agent or other person duly authorized, and such vessel and its owner and agent, jointly and severally, shall guarantee and be liable for the payment of such charges to the Port Authority whether or not collected by such vessel or its owner or agent. The use of the Bulk Terminal wharves or other terminal facility by the vessel or its owner or agent shall constitute acceptance and acknowledgement of this agency, guaranty and liability.

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Cargo handled at the wharf shall be considered to have earned wharfage, and wharfage will be collected on such cargo so handled whether or not it is loaded to or from a waterborne vessel.

D. WHARFAGE CHARGES (A) 1-1-2018

Unless otherwise provided herein, wharfage on ~~dry~~ **all** bulk commodities handled at the Bulk Terminal shall be:

ALL COMMODITIES, NOS

\$1.48 per net ton (\$1.63 per metric ton)

**E. WHARFAGE CHARGES AND OPERATOR FEES AT BULK TERMINAL DOCK 3 ~~(I) 4-17-2018~~
(I) 6-19-2018**

Liquid Bulk Cargo \$0.15 per barrel

Operator Fee \$0.02 per barrel

Dockman Fee\$46.50 per hour if vessel is berthed at Bulk Dock 3 earlier than three (3) hours prior to start of unloading operation and if vessel remains berthed at Bulk Dock 3 after three (3) hours following completion of unloading operation.

**OPERATOR AGREEMENT FOR
PORT OF CORPUS CHRISTI AUTHORITY
BULK TERMINAL DOCK 3**

This Operator Agreement for Port of Corpus Christi Authority Bulk Terminal Dock 3 (the “*Agreement*”) is made effective as of the 17th day of April, 2018 (the “*Effective Date*”), by and between the PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, a political subdivision of the State of Texas (the “*Authority*”) and COASTAL DOCK AND TERMINAL, LLC (“*Operator*”). Authority and Operator may each be referred to herein individually as a “*Party*” and collectively as the “*Parties*.”

WHEREAS, Authority owns Bulk Terminal Dock 3 in the Inner Harbor of the Port of Corpus Christi and wishes to engage Operator to provide the services on the dock described herein; and

WHEREAS, Operator provides certain marine terminal operator services in and around the Port of Corpus Christi and is willing to perform the services and undertake the obligations described herein; and

WHEREAS, the Parties desire to set forth the rights and obligations of the Parties regarding the operation of the Authority’s Bulk Terminal Dock 3;

NOW, THEREFORE, for the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows.

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

Section 1.01. Certain Definitions.

Each of the following words and terms shall have the meaning set forth or referred to in this Section whenever they are used in this Agreement:

“*Agreement*” means this Operator Agreement for Port of Corpus Christi Authority Bulk Terminal Dock 3, together with all Exhibits attached hereto and all amendments and supplements hereto.

“*Applicable Environmental Laws*” means all federal, state and local statutes, laws, ordinances, regulations, codes, permits, licenses, authorizations and rules, and other provisions having the force and effect of law, in each case as amended, and including any judicial or administrative orders, determinations, writs, injunctions, judgments and decrees relating to public health or safety, Hazardous Substances or the Environment, including without limitation such laws as 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 2601 et seq; 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 Texas Oil Spill Prevention Act of 1991, Chapter 40, Texas Natural Resource Code; Chapter 26, Texas Water Code, Subtitle D; 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 Tariff (as they relate to the Environment.)

“**Authority**” means the Port of Corpus Christi Authority of Nueces County, Texas.

“**Authority Parties**” has the meaning given to that term in Article XI.

“**Auxiliary Equipment**” means Authority-supplied equipment installed or kept on Bulk Terminal Dock 3 to move Liquid Bulk Cargo to or from vessels docked at Bulk Terminal Dock 3, such as pollution control equipment, fire extinguishers, portable eyewash station, portable restroom facilities, spill response supplies, gangway(s), life ring(s), and compressed air and gas equipment. An inventory of Auxiliary Equipment at Bulk Terminal Dock 3 as of the Effective Date is attached hereto as **Exhibit D**.

“**Bulk Terminal Dock 3**” means the Port of Corpus Christi Authority Bulk Terminal Dock 3, including its dock platform, barge mounted loading tower and crane, fender systems, personnel shelter, breasting structures, catwalks, mooring facilities, navigation lights, utilities, fire protection equipment (except fire extinguishers required as Auxiliary Equipment), parking lot facilities, lights, poles, security features, shoreline erosion control features, pipelines, pumps, combustors, vapor combustion unit, rail loading facilities, manifolds, valves, safety equipment, metering skids, transfer hoses, support facilities, electrical systems, spill pans, instrumentation and control equipment, drainage structures and ditches, and other improvements installed on and part of Bulk Terminal Dock 3. A general description and drawing of Bulk Terminal Dock 3 is attached hereto as **Exhibit B**.

“**Claims**” means 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).

“**Commissioning Completion Date**” means the date upon which Bulk Terminal Dock 3 is verified (by testing and inspecting) and documented that the operational components were installed and are operating in accordance the design.

“**Dockman**” means Operator employee serving as the Person In Charge of the transfer operations being performed at Bulk Terminal Dock 3.

“**Effective Date**” has the meaning given to that term in the Recitals.

“**Facility Operations Manual**” of “**FOM**” means Facility Operations Manual prepared by W&M Environmental Group, Inc., on behalf of Authority for the Bulk Liquid Handling Facility – Bulk Dock 3 approved by US Coast Guard COTP Corpus Christi.

“Facility Response Plan” or **“FRP”** means Facility Response Plan prepared by W&M Environmental Group, Inc., on behalf of Authority for the Bulk Liquid Handling Facility – Bulk Dock 3 approved by US Coast Guard COTP Corpus Christi.

“Layberth Vessels” means vessels moored at Bulk Terminal Dock 3 but that will not perform cargo transfer operations.

“Liquid Bulk Cargo” means gasoline, diesel, gasoil, residual fuel oil and similar related feedstock, or any cargo permitted in the Facility Operations Manual.

“Operator” means Coastal Dock and Terminal, LLC, a corporation organized and existing under the laws of the State of Texas and its permitted successors and assigns.

“Parties” means Authority and Operator.

“Party” means Authority or Operator, as the case may be.

“person” means any individual, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability company, joint venture, joint stock association, estate, trust, cooperative, foundation, union, syndicate, league, consortium, coalition, committee, society, firm or other enterprise, association, organization or entity of any nature.

“Person in Charge” or **“PIC”** means dockman in charge of the transfer operations as defined in 33 CFR 154 and 156.

“Pollution Incident” means an incident or set of circumstances during or as a consequence of which there is a leak, spill, air emission, or other escape or deposit of a substance, as a result of which pollution has occurred or is occurring. It includes an incident or set of circumstances in which a substance has been emitted, leaked, placed or disposed of on premises, but it does not include an incident or set of circumstances involving only the emission of any noise.

“Port Commission” means the governing body of the Authority.

“Qualified Individual” or **“QI”** means a person located in the United States who meets the requirements of 33 CFR 154.1026.

“Recitals” means the Recitals to this Agreement.

“Section” means a section of this Agreement.

“Tariff” means the Authority’s Bulk Terminal Tariff 1-A, Naming Rates, Rules and Regulations Applying to Authority’s Bulk Terminal, as such may be amended from time to time.

“Term” means the period from the Effective Date until the earlier of the date on which this Agreement (1) ends at the expiration of the Initial Term or any applicable Extension Period, as the case may be, or (2) is terminated in accordance with the provisions of this Agreement.

“*Vessel*” means any waterborne ship or barge.

Section 1.02. Other Definitions.

Capitalized terms in this Agreement which are not defined in Section 1.01 are defined in the text of this Agreement.

Section 1.03. Terminology.

The terms defined in Section 1.01 or in the text of this Agreement shall apply throughout this Agreement. All references in this Agreement to “*Section*” or “*Article*” shall refer to a section or article of this Agreement, unless otherwise expressly stated. All references to “*Exhibits*” shall mean the exhibits attached to this Agreement. All references to herein, hereof, hereto, hereunder or similar terms shall be deemed to refer to this Agreement in its entirety. As used in this Agreement, the term “*including*” shall mean “including but not limited to.” The headings of Articles and Sections in and Exhibits to this Agreement shall be for convenience only and shall not affect the interpretation hereof. All currency amounts in the Agreement, including any and all attachments hereto, are in United States Dollars.

Section 1.04. Exhibits.

All Exhibits and any other attachments to this Agreement are incorporated in this Agreement by this reference. If there is any conflict or inconsistency between the terms and conditions set forth in the main body of this Agreement and any of the Exhibits to this Agreement, the provisions of the Exhibits shall control with respect to the rights and obligations of the Parties.

**ARTICLE II
TERM AND REPRESENTATIONS**

Section 2.01. Term of this Agreement.

(a) The initial term of this Agreement (“*Initial Term*”) shall be a period of one (1) year from the Effective Date. Thereafter this Agreement shall be automatically extended on an annual basis for an additional one-year period (each an “*Extension Period*”) unless either Party provides written notice to the other at least thirty (30) days prior to the expiration of the Initial Term or the then effective Extension Period irrevocably stating that the Party does not wish to extend this Agreement for an additional one-year period.

(b) Notwithstanding anything to the contrary in Section 2.01(a), this Agreement may be terminated at any time without cause or penalty by (i) either Party upon sixty (60) days prior written notice to the other Party, or (ii) by mutual consent of the Parties.

(c) Termination of this Agreement shall not extinguish any obligation of a Party that arose prior to such termination, or that, by its nature, survives the Term of this Agreement.

Section 2.02. Representations by Operator.

The Operator makes the following representations:

- (1) that it is familiar with all regulatory, safety, and operating requirements of bulk loading, unloading, and transloading of petroleum and chemical products to/from vessels at a ship or barge dock to/from storage tanks and/or railcars;
- (2) that it is familiar with all permits required in order to load and unload Liquid Bulk Cargo at Bulk Terminal Dock 3 and operate Bulk Terminal Dock 3 which are attached hereto as Exhibit A;
- (3) that it will comply with the terms and conditions of the permits described in this Article II;
- (4) that it shall ensure that its employees, agents, servants, and contractors are in compliance with all applicable U.S. Coast Guard requirements, the Facility Operations Manual, and Facility Response Plan;
- (5) that it shall comply with the Texas General Land Office Discharge Prevention and Response Certificate and ensure that it is in compliance with all applicable regulations of the Texas Oil Spill Prevention and Response Act of 1991, the Oil Pollution Act of 1991, and any regulations published thereunder;
- (6) that it will comply with all Applicable Environmental Laws, governmental rules, and regulations outlined in the FOM and FRP pertaining to the loading and unloading of Liquid Bulk Cargo at Bulk Terminal Dock 3, including any and all reporting and record keeping requirements applicable to such operations;
- (7) that all of the pollution control equipment included as part of the Auxiliary Equipment shall be operated and maintained in good and proper working order in compliance with applicable permitting requirements and standard operating procedures;
- (8) that all of the pollution control equipment included as part of the Auxiliary Equipment shall be operated and maintained in good and proper working order in compliance with applicable permitting requirements and standard operating procedures;
- (9) that any new or changed operations will be communicated to Authority's Director of Environmental Planning & Compliance prior to commencing new or change in operations to allow for review and amendment of applicable permits or programs;
- (10) that all of its employees and contractors involved in loading or unloading Liquid Bulk Cargo on Bulk Terminal Dock 3 will have had adequate training as required in the FOM and FRP to safely handle their assigned responsibilities on the dock;
- (11) that it will comply with Authority's Environmental Policy; and

- (12) that it will include Bulk Terminal Dock 3 Operations within the scope of its Environmental Management System.

Section 2.03. Representations by Authority.

The Authority makes the following representations:

- (1) Authority will perform commissioning of Bulk Terminal Dock 3 certifying the facility as safe for its intended purpose and that all certifications with appropriate authorities for the facility, equipment, and plans (including the Facility Operations Manual and Facility Response Plan) are in place and approved before the facility is turned over to Operator (the “*Commissioning Completion Date*”);
- (2) Authority will provide Operator personnel with initial facility-specific training prior to commencement of operations and following the Commissioning Completion Date;
- (3) that upon the Commissioning Completion Date, Bulk Terminal Dock 3 is permitted by all applicable governmental entities, including but not limited to, the United States Coast Guard, to safely load and unload Liquid Bulk Cargo to/from vessels, rail cars and shore tanks; and
- (4) that the engineering and design of Bulk Terminal Dock 3 meets all the regulatory, safety, and operating requirements for bulk loading, unloading, and transloading of petroleum and chemical products to/from vessels at a ship or barge dock to/from storage tanks and/or railcars.

**ARTICLE III
MODIFICATION, MAINTENANCE AND REPAIR OF BULK TERMINAL DOCK 3**

Section 3.01. Modification of Bulk Terminal Dock 3.

A description and drawing of Bulk Terminal Dock 3 is attached to this Agreement as **Exhibit B**. If the Authority makes any modifications to Bulk Terminal Dock 3 during the Term, the Authority shall cause a detailed description and drawing of the modification(s) to be delivered to Operator and attached to this Agreement as a **Supplemental Exhibit B**.

Section 3.02. Maintenance and Repair of Bulk Terminal Dock 3.

(a) The Authority shall be responsible for the maintenance and repair of Bulk Terminal Dock 3, including all structural components, piping, and integrity of Bulk Terminal Dock 3 and appurtenances, and shall perform routine maintenance dredging of the berth adjacent to the dock to accommodate vessels accessing Bulk Terminal Dock 3.

(b) The Authority has the right to close Bulk Terminal Dock 3 and prohibit vessels from accessing Bulk Terminal Dock 3 in order to perform any required maintenance, upgrades, and repairs which Authority, in its sole discretion, deems necessary for safety and/or efficiency purposes. Authority will endeavor to coordinate these activities with Operator to minimize disruptions. Operator will fully cooperate with Authority and perform any required safety checks, including securing equipment and performing air monitoring of Bulk Terminal Dock 3, to ensure maintenance work can be performed in a safe fashion.

(c) Operator shall perform routine maintenance inspections of Bulk Terminal Dock 3 and immediately report to Authority when repairs are needed. Daily, weekly, and monthly maintenance inspections reports shall be provided to Authority as specified in the Facility Operations Manual.

(d) Operator shall perform minor repairs at Bulk Terminal Dock 3 approved in advance by Authority. An inventory of Bulk Terminal Dock 3 spare parts and consumables as of the Effective Date is attached hereto as **Exhibit C**. Operator shall update the inventory as spares and consumables are used and shall provide Authority an updated inventory on a monthly basis with the maintenance inspection reports. Authority will replenish spares and consumables as needed.

Section 3.03. Cleanup of Bulk Terminal Dock 3.

Operator is responsible for cleaning Bulk Terminal Dock 3 after each use of Bulk Terminal Dock 3 (collectively, the “**Cleanup Obligations**”). For the avoidance of doubt, Bulk Terminal Dock 3 includes the personnel shelter, the parking lot adjacent to the dock, and the other upland property shown on **Exhibit B** to this Agreement. The Authority will inspect Bulk Terminal Dock 3 on a regular basis to ensure that Operator is complying with its Cleanup Obligations under this Section. If the Authority reasonably determines, at any time during the Term, that the Operator has failed to satisfy its Cleanup Obligations in one or more material respects (each such failure being referred to in this Agreement as a “**Cleanup Violation**”), the Authority may give the Operator written notice of such determination (each, a “**Cleanup Notice**”) specifically describing the Cleanup Violation(s). The Operator shall have thirty (30) days after receiving a Cleanup Notice in which to cure, correct or remedy the Cleanup Violation(s) described in the notice, unless such Cleanup Violation(s) cannot be cured with due diligence within such period of thirty (30) days, in which case such Cleanup Violation(s) shall not be deemed to continue if the Operator proceeds with due diligence to cure the Cleanup Violation(s) and diligently completes the curing thereof. If the Operator fails to cure, correct or remedy the Cleanup Violation(s) described in a Cleanup Notice within the time prescribed in this Section, the Authority may terminate this Agreement by delivering a written notice to that effect to Operator after the date by which the Operator was required to cure the Cleanup Violation(s).

ARTICLE IV AUXILIARY EQUIPMENT, UTILITIES, FEES AND ASSESSMENTS

Section 4.01 Auxiliary Equipment.

A list of Authority-supplied Auxiliary Equipment on Bulk Terminal Dock 3 as of the Effective Date is attached hereto as **Exhibit D**. The Operator will, throughout the Term, keep the Auxiliary Equipment in good operating condition consistent with industry standards, normal wear and tear

excepted. The Operator shall notify Authority in writing when, in its Opinion, Auxiliary Equipment is in need of repair or replacement. Operator shall also notify Authority when, in its Opinion, additional Auxiliary Equipment is needed in order to safely and properly move Liquid Bulk Cargo to or from ships or barges docked at Bulk Terminal Dock 3. The Auxiliary Equipment shall remain the property of Authority and must be returned by Operator at the end of the Term in good operating condition, normal wear and tear excepted.

Section 4.02. Electrical Power, Water and Other Utilities.

(a) The Authority shall cause electrical power lines to be installed from the service entrance of Bulk Terminal Dock 3 to the distribution panel at the personnel shelter. All electrical equipment shall be installed in accordance with area classification requirements for Bulk Terminal Dock 3. The Authority shall provide at no cost to the Operator electricity to power Bulk Terminal Dock 3 and its illumination.

(b) There is no water supplied to Bulk Terminal Dock 3. Firewater is available via seawater intake.

(c) The Authority shall cause natural gas to be installed at Bulk Terminal Dock 3. The Authority shall provide at no cost to the Operator natural gas for use in operations at Bulk Terminal Dock 3.

Section 4.03. Governmental Fees and Assessments.

(a) Any enforcement actions or notices of violation imposed on Bulk Terminal Dock 3 by federal or state regulatory authorities caused by Operator shall be the responsibility of the Operator.

(b) Any fees or assessments imposed on Bulk Terminal Dock 3 by Homeland Security, the United States Coast Guard or other governmental authorities caused by Operator shall be paid by the Operator.

(c) Should the Authority receive an invoice for any fees or assessments described in this Section 4.03, the Authority shall forward the invoice to the Operator and the Operator shall promptly pay such invoice upon receipt.

**ARTICLE V
COMPENSATION AND SCOPE OF OPERATOR SERVICES**

Section 5.01 Compensation and Scope of Operator Services.

Operator will perform the services and shall be compensated in accordance with the Fee Schedule described in Exhibit E hereto, which is incorporated herein by reference.

Section 5.02 Invoice Procedure and Payments.

Operator shall submit invoices monthly to the Authority for services performed during the preceding calendar month. Such invoices shall be due and payable by Authority on or before thirty (30) days from receipt by Authority. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the Fee Schedule included in **Exhibit E**. Invoices shall document actual volume of Cargo transferred based on Users' custody transfer metering. Invoices shall also describe any pre-approved work performed by subcontractors retained by Operator and reimbursable costs. Operator will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At the Authority's request, Operator will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by Authority.

ARTICLE VI EXCLUSIVE OPERATOR AND BULK TERMINAL DOCK 3 USERS

Section 6.01. Public Dock.

Operator acknowledges and understands that, although Operator is exclusive operator of Bulk Terminal Dock 3, Bulk Terminal Dock 3 is a public dock and that multiple shippers may be allowed to use Bulk Terminal Dock 3 for loading or unloading operations (hereinafter collectively called the "*Users*") after executing an agreement with the Authority and installing the equipment on Bulk Terminal Dock 3 necessary for such loading or unloading operations.

Section 6.02. Berthing at Bulk Terminal Dock 3.

Operator acknowledges and understands that vessel scheduling and berthing for Liquid Bulk Cargo transfers at Bulk Terminal Dock 3 will be controlled by the Authority's Harbormaster in accordance with the Authority's Tariff and any applicable contractual agreements. The Authority's Harbormaster shall also have the right to layberth vessels at Bulk Terminal Dock 3.

ARTICLE VII OIL OR CHEMICAL SPILLS

Section 7.01. Occurrence of a Spill.

(a) In the event of an oil spill, a chemical spill, or other Pollution Incident results from Bulk Terminal Dock 3, Operator shall immediately initiate the appropriate actions to respond to the spill or incident in accordance with the Facility Response Plan and Spill Prevention Control and Countermeasure Plan. In such event, Operator shall also immediately notify the National Response Center [800-424-8802], State Emergency Response Center [800-832-8224], Texas General Land Office, Texas Commission on Environmental Quality, the Authority's Police Department, and other governmental agencies to the extent required by federal, state, or local laws and ordinances.

(b) In the event of an air emissions event that is a deviation from the air emissions authorized by the applicable air permits, Operator shall immediately initiate the appropriate actions

to mitigate the air emissions and immediately notify the Authority Director of Environmental Planning & Compliance and, if applicable, the Texas Commission on Environmental Quality to the extent required by law.

Section 7.02. Cleanup.

In the event of a spill or other Pollution Incident caused by Operator at Bulk Terminal Dock 3, the Operator shall be responsible for the cleanup and attendant costs, including any penalty or fine imposed by any federal, state, or local entity. In such instances that the cleanup extends beyond an initial response, requiring further assessment, investigation, and remediation, the Operator shall not commence such additional activities until Operator has provided Authority with a copy of the Operator's proposed action plan and Authority's Director of Environmental Planning & Compliance has furnished Operator with its written approval of such plan, which approval shall not be unreasonably withheld or delayed. Such approval may also require terms of access for assessment, investigation, and cleanup activities specified under a separate agreement between Authority and Operator. The Operator understands and agrees that its obligation to cleanup an oil spill, a chemical spill, or other Pollution Incident shall continue in effect until such time as the Operator, the Authority's Environmental staff and the other applicable governmental agencies have agreed that the cleanup is complete.

**ARTICLE XIII
EMISSION LIMITATIONS**

It is the intent of Operator to manage its Liquid Bulk Cargo loading operations at Bulk Terminal Dock 3 in compliance with all applicable throughput and emission limitations in accordance with applicable Federal and State regulations and to voluntarily limit emissions at Bulk Terminal Dock 3, including use of air monitoring equipment for identifying leaking valves and seals, capturing fugitive vapors and routing to VDU, and other such industry specific best management practices. To the extent of its authority, the Authority will require compliance with these limitations on all current and future Users of Bulk Terminal Dock 3.

**ARTICLE IX
COMPLIANCE WITH AUTHORITY'S TARIFF**

Operator agrees to comply with all Items in the Authority's Tariff, as amended from time to time, applicable to the loading and unloading of Liquid Bulk Cargo, including the following rules and regulations pertaining to activities at the Authority's Bulk Terminal Dock 3s:

(a) Bunkering vessels from trucks is not permitted at Bulk Terminal Dock 3 during cargo transfer. Bunkering of fuel may not proceed until the U.S. Coast Guard declaration of inspection (DOI) has been properly completed and signed.

(b) During loading or unloading of tank vessels at Bulk Terminal Dock 3, a ship's officer, or certified tankerman who is properly licensed and qualified and familiar with the loading or unloading operations must be on duty at all times. A sufficient number of experienced crewmembers must also be on duty at all times for the safe loading or unloading of cargo. Prior to and during all cargo and fuel transfer operations, all scuppers must be properly plugged and sea valves closed and

sealed. The ship's officer, or tankerman, in charge must be a licensed officer or certified tankerman and must inspect the vessel to assure that it is ready for loading or unloading. Loading or unloading of a ship or barge shall not begin until a representative of Operator has given approval to start, the required means of communication has been established, and the U.S. Coast Guard declaration of inspection (DOI) has been properly completed and signed.

(c) When using Bulk Terminal Dock 3 for loading or unloading vessels (which loading and unloading includes the operation of valves and displacing of pipelines or transfer of products between owners), Operator shall be responsible for having dock personnel experienced in handling flammable materials present at Bulk Terminal Dock 3 at all times during transfer and/or loading or unloading.

(d) Repairs to a vessel at Bulk Terminal Dock 3 during loading or unloading of the vessel is limited to minor repairs. Such repairs may not be made without written approval of the Harbormaster, and if required, the Coast Guard Captain of the Port will issue a "hotwork" permit. During such repairs the main propulsion plant of the vessel may not be disabled, and must be able to propel the vessel upon order of the Harbormaster.

(e) In case of fire, ruptured hose or major leak at Bulk Terminal Dock 3, the dockmen shall immediately stop cargo operations.

(f) Except as permitted by the Harbormaster, tugboats, towboats or supply vessels are not be permitted alongside a tank ship at Bulk Terminal Dock 3 while the vessel is loading or unloading.

(g) In addition to requirements contained in the applicable U. S. Coast Guard regulations, the Harbormaster may direct the discontinuance of loading or unloading at Bulk Terminal Dock 3 during electrical storms, high winds, or at any time during inclement weather.

(h) Direct loading or unloading of cargo from tank barge to tank ship, tank barge to tank barge, tank ship to tank barge, or tank ship to tank ship is prohibited at Bulk Terminal Dock 3 unless approved in writing by the Harbormaster.

(i) Vessel winches may not be operated during the loading or unloading of flammable materials at Bulk Terminal Dock 3 unless the winches are of the type designed to handle lines or hoses necessary to load or unload flammable materials.

(j) Vapor proof flashlights approved by the Mine Safety and Health Administration (MSHA) and required by the U. S. Coast Guard must be used exclusively aboard tank vessels or tank barges at Bulk Terminal Dock 3 when flammable materials are being loaded or unloaded.

(k) Pumps used for transfer of cargo between shore and vessels berthed at Bulk Terminal Dock 3 shall comply with the Facility Operations Manual.

(l) U. S. Coast Guard rules and regulations require that cargo hoses used at Bulk Terminal Dock 3 be stenciled with the name of the product for which the hose may be used, the maximum allowable working pressure, and the hose marked for identification. The date of manufacture and date

of last test may be omitted if the information is recorded at the facility of the person or entity using the hose. Coast Guard rules state that the test pressure must not be stenciled on the hose. Supports for cargo hoses shall be provided which will prevent chafing or kinking of the hose during cargo transfer operations.

(m) A certified tankerman is required onboard unmanned tank barges at all times while loading or unloading Bulk Terminal Dock 3.

(n) Diesel or gasoline powered equipment or vehicles are not permitted on Bulk Terminal Dock 3 during ship or barge loading or unloading.

(o) (1) Simultaneous barge operations, by a single User only, are permitted when:

(A) Both barges are discharging; or

(B) Both barges are loading; or

(C) Discharging of one barge and loading of the other barge with crude oil or products exceeding a flashpoint of 105 degrees Fahrenheit is occurring.

(2) Nothing in (1) above shall prohibit the Operator from establishing specific procedures for loading and discharging crude oil or products with a flashpoint higher than 105 degrees Fahrenheit. Operator shall provide the Harbormaster's office with a Safety Data Sheet (SDS) for products handled at Bulk Terminal Dock 3. The SDS shall contain the flashpoint of the crude oil or product. When the flashpoint of a product is unknown or is other than specified in the SDS, the flashpoint provided by test results of the User shall be used.

(3) The number of tankermen required for simultaneous barge operations shall be that required by the U.S. Coast Guard.

(p) Operator must comply with the applicable provisions of the Oil Pollution Act of 1990 (OPA) and the Texas Oil Spill Prevention Act of 1991 (TOSPPRA), and any federal rules or regulations promulgated thereunder, with respect to any and all operations conducted at or on Bulk Terminal Dock 3. Upon reasonable request from the Authority, Operator shall furnish proof of or demonstrate compliance. The failure of Operator to be in compliance with OPA or TOSPPRA may result in Operator being denied access to Bulk Terminal Dock 3 until Operator provides satisfactory proof of compliance. With respect to Operator's compliance with OPA and TOSPPRA, Operator is responsible for discharges or any pollution resulting from its operations at Bulk Terminal Dock 3. Except for its own negligence, the Authority assumes no responsibility for spills or any pollution caused by Operator any Other User. **Operator shall indemnify, hold harmless and defend the Authority from any loss, cost, expense, damage, judgment or other liability resulting from spills or pollution caused by Operator.** All spills of oil or chemicals into the Inner Harbor or other navigable waters of the United States within Nueces County, Texas, shall immediately be reported to the Authority's Police Department. The person or entity responsible for such spill must also make the proper spill notifications to federal and state authorities.

(q) Operator's operations at Bulk Terminal Dock 3 will not violate any applicable federal, state, or local laws or regulations pertaining to health or the environment. The Operator must take all necessary precautions at the Operator's expense to prevent pollution from the Operator's activities at Bulk Terminal Dock 3, including, without limitation, nuisance air emissions and storm water pollution. The Operator will obtain all additional required permits for the Operator's operations prior to commencing such operations and will maintain these permits throughout the duration of such operations.

ARTICLE X INSURANCE REQUIREMENTS

(a) Operator agrees to carry and maintain, at its sole expense during the Term of this Agreement, the policies of insurance described in **Exhibit F** attached hereto (collectively, the "***Policies***") and in at least the minimum amounts specified in **Exhibit F**.

(b) Operator shall deliver certificates of insurance (and/or the endorsements) evidencing the Policies to the Authority's Risk Program Manager for approval in accordance with **Exhibit F**.

ARTICLE XI INDEMNITY

(a) Operator shall defend, indemnify, and hold harmless the Authority, its commissioners, officers, directors, managers, employees, and agents (for purposes of this Article XI, the "***Authority Parties***") from and against, and shall be responsible for, any and all losses, costs, expenses (including reasonable attorneys' fees and other litigation costs), damages, judgments, or other liabilities (collectively, "***Claims***") based on or arising out of or relating to the activities of Operator or any of its contractors or their respective owners, officers, managers, employees, agents, invitees, licensees or subcontractors (collectively, the "***Operator Parties***") in the performance of Operator's obligations and the exercise of its rights hereunder, including the loading or unloading of any Liquid Bulk Cargo on Bulk Terminal Dock 3. Notwithstanding anything to the contrary contained herein, in no event shall Operator be liable to the Authority hereunder for any contingent, consequential, special, or indirect damages. This Paragraph is not intended and shall not be construed to require Operator to indemnify or hold harmless the Authority Parties for any Claims resulting from the negligent acts or omissions of the Authority Parties.

(b) Operator's indemnification obligation under this Article XI shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for that party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

(c) The indemnification obligations under this Article XI shall survive the termination of this Agreement.

**ARTICLE XII
FORCE MAJEURE**

For purposes of this Agreement, a “*Force Majeure Event*” shall mean any delay in the performance of any obligation hereunder by reason of any occurrence which is not within the reasonable anticipation or control of the obligated Party, including but not limited to strikes, lockouts, labor troubles, governmental action or inaction, failure of power, riots, insurrections, wars, terrorism, transportation embargoes, acts of God, fires, storms, hurricanes, floods, or casualties of the sea (excluding ordinary action of wind and waves), or other similar reason, and which occurrence, in any event, is not a result of the gross negligence or willful misconduct of the obligated Party. In the event of a Force Majeure Event, the obligated Party’s performance shall be excused for the period of time equivalent to the delay caused by such Force Majeure Event, provided the obligated Party gives prompt notice to the other Party of such delay.

**ARTICLE XIII
NOTICES**

All payments, notices, demands, invoices, or requests provided for in this Agreement (each a “*Notice*” and collectively the “*Notices*”) shall be in writing and may be given by certified first-class mail, by overnight delivery, or by fax, to the other Party at its address or fax number listed in **Exhibit G** attached hereto. Notices may also be given by personal service. Any Notice given by mail shall be deemed to have been given one day after such Notice was deposited in the United States mail, certified and postage prepaid, or on the next business day (if delivered by overnight delivery) addressed to the Party to be served. In all cases, Notices will be considered delivered when received at the address listed for the addressee’s receipt of notice. Either Party may change the address or fax number for Notices by giving the other Party written notice as provided in this Article.

**ARTICLE XIV
GENERAL PROVISIONS**

Section 14.01. Assignment.

Neither this Agreement nor any of the rights and obligations hereunder may be transferred or assigned, in whole or in part, by either of the Parties without the prior written consent of the other Party.

Section 14.02. Parties Bound.

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives, successors, and assigns, where assignment is permitted by this Agreement.

Section 14.03. Entire Agreement.

This Agreement, including all attachments hereto, constitutes the entire Agreement among the parties with respect to the particular subject matter of this Agreement. This Agreement shall not be

modified, altered, amended, or rescinded except through a written document, which is signed by the appropriate representatives of each of the Parties hereto or their respective successors in interest. This Agreement supersedes any and all proposals, negotiations, and representations of the Parties, made or had prior to the execution hereof, relative to the subject matter of this Agreement.

Section 14.04. No Partnership; No Third-Party Beneficiaries.

The relationship between Authority and Operator at all times shall remain solely that of Authority and Operator and not be deemed a partnership or joint venture. This Agreement is for the sole benefit of Authority and Operator and no other person or third party unless the benefit to a person or third party is expressly stated in this Agreement.

Section 14.05. Applicable Law.

This Agreement must be construed and its performance enforced under Texas law. Venue of any action arising out of this Agreement will be in Nueces County, Texas. TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW, EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT.

Section 14.06 Severability.

If any part of this Agreement is for any reason found to be unenforceable, all other portions nevertheless remain enforceable.

Section 14.07. Rights and Remedies Cumulative.

The rights and remedies provided by this 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 14.08. Attorneys' Fees.

In the event of a breach or default based upon any of the terms of this Agreement and the Parties employ an attorney to protect or enforce their rights hereunder, then the prevailing Party will be paid its reasonable attorneys' fees by the losing Party.

Section 14.09. 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 Agreement and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Operator agrees that the disclosure of this 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 Operator. Authority shall provide immediate notice to Operator of any open records request and allow Operator to seek protective order within the statutory time limits. In the event that Authority is requested to disclose any information regarding the Operator or the transactions contemplated hereby which can be withheld under the Texas Public Information Act, Authority will provide the Operator with prompt prior notice so that the Operator may seek a protective order or other appropriate remedy and/or waive the right to have the information withheld.

Section 14.10. Authorization.

The Operator and Authority each warrant and represent to each other that (a) it is a duly organized and existing legal entity, in good standing in the state of its organization, and is fully qualified to transact business in the State of Texas, (b) it has full right and authority to execute, deliver and perform this Agreement, (c) the person executing this Agreement on behalf of such Party was authorized to do so, and (d) upon request of the other Party, such person will deliver reasonable satisfactory evidence of his or her authority to execute this Agreement.

Section 14.11. Interpretation.

Both Authority and Operator and their respective legal counsel have reviewed and have participated in the preparation of this Agreement. Accordingly, no presumption will apply in favor of either Authority or Operator in the interpretation of this Agreement or in the resolution of the ambiguity of any provision hereof. Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. Reference to this Agreement means this Agreement as amended or modified and in effect for time to time in accordance with the terms thereof. Wherever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limiting the foregoing in any respect.”

Section 14.12. Recitals.

The Recitals are incorporated into this Agreement by reference, as if fully set forth herein at length, and shall be considered terms of this Agreement.

Section 14.13. Dispute Resolution.

In the event a dispute arises between the Parties regarding the application or interpretation of, or in any way relating to, this Agreement, the Parties agree to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner. If the Parties shall have failed to resolve the dispute within the ten (10) Business Days after any written notice of the dispute has been received by the other Party, then either Party may elect to refer the dispute to the respective upper management of the Parties by notice in writing to the other Party, and the appropriate upper management of the Parties shall meet within the ten (10) Business Days after the date of the notice, to resolve the dispute. If the dispute is not resolved within five (5) Business Days after such a meeting has commenced (but in any event within ten (10) Business Days after the date of the letter referring the matter to upper

management), then either Party may at any time thereafter request mediation, under the provisions of Section 14.14.

Section 14.14. Mediation.

Authority and Operator agree they may, if agreed by both Parties, 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 Agreement before a mediator to be agreed upon by Authority and Operator. Authority and Operator must agree upon a mediator within fifteen (15) days after a written request for mediation by either Party. If the Parties cannot agree on the appointment of a mediator within fifteen (15) days, either Party may request that the American Arbitration Association 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 Operator will each pay one-half of the costs of mediation to the mediator. The duration of any in-person mediation session shall not be longer than one (1) day unless agreed by the Parties. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator and should the Parties elect to mediate a controversy or claim and fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available at law or in equity.

Section 14.15. Events of Default

(a) An Event of Default occurs if Operator fails in any material respect to keep, perform, or observe any covenant, condition, agreement, or obligation under this Agreement that is to be kept, performed or observed by Operator, and fails to cure, correct or remedy such failure within thirty (30) days after Operator has received written notice specifying such failure, unless such failure cannot be cured with due diligence within such period of thirty (30) days, in which case such failure shall not be deemed to continue if the Operator proceeds with due diligence to cure the failure and diligently completes the curing thereof.

(b) If an Event of Default occurs and is continuing, then the Authority may, at any time thereafter prior to the curing thereof and without waiving any other remedies available to the Authority (Authority's remedies being cumulative), terminate this Agreement effective as of the date the Operator receives the notice of termination.

[Signature Page Follows]

IN WITNESS WHEREOF, the Authority and Operator have caused this Agreement 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 Effective Date.

**Port of Corpus Christi Authority of
Nueces County, Texas**

By: _____
Sean Strawbridge, Chief Executive Officer

Date: _____

Coastal Dock and Terminal, LLC

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

PERMITS AND PROGRAMS

- 1. Facility Operations Manual – Dated October 31, 2017 and approved by the USCG on December 4, 2017.**
- 2. Facility Response Plan – Dated October 31, 2017 and approved by the USCG on December 4, 2017.**
- 3. Air Permit by Rule 30 TAC 106. 261 and 30 TAC 106. 472, TCEQ Registration No. 148696 dated November 10, 2017.**
- 4. Spill Prevention Control and Countermeasure Plan currently under development.**
- 5. Texas General Land Office Large Facility Certification currently under development.**
- 6. TPDES Multi-Sector General Permit pending registration.**
- 7. TPDES Multi-Sector General Permit Storm Water Pollution Prevention Plan currently under development.**

EXHIBIT B

DESCRIPTION AND DRAWING OF BULK TERMINAL DOCK 3

EXHIBIT C

SPARE PARTS AND CONSUMABLES

1. Crane Tower Product hose – 12” diameter;
2. Absorbent pads;
3. Crane hydraulic fluid / lubricant;
4. Crane sling;
5. Flange bolts and nuts; and
6. Nitrogen purge bottles.

EXHIBIT D

AUXILIARY EQUIPMENT

- 1. Pollution Control Equipment: Oil Containment Boom, Rakes, Shovels, Storm Drain cover;**
- 2. Submersible pump and power supply;**
- 3. Fire extinguishers;**
- 4. Portable eyewash station;**
- 5. Portable restroom;**
- 6. Spill response kit;**
- 7. Gangways; and**
- 8. Life rings.**

EXHIBIT E

COMPENSATION AND SCOPE OF OPERATOR SERVICES

I. Terminal Operation and Oversight Duties (\$13,800.00/Month)

- Perform Terminal Operator Duties per all applicable permits and programs, USCG approved Facility Operations Manual (“FOM”) and Facility Response Plan (“FRP”);
- Act as the Qualified Individual (“QI”) and Alternate Qualified Individual (“AQI”) as required by the FOM, FRP, and other applicable programs;
- Provide Site Specific Training of QI/Person In Charge (“PIC”) Personnel in accordance with the FOM and ERP, and other required personnel training per applicable permits and programs;
- Perform recordkeeping daily, weekly, and monthly, in accordance with applicable permits and programs for Bulk Terminal Dock 3;
- Perform cleanup of Bulk Terminal Dock 3;
- Conduct Required Drills in accordance with the FOM and FRP;
- Perform Minor Maintenance;
- Perform Recordkeeping and Document Retention in accordance with the FOM and ERP;
- Schedule Dockman/PIC;
- Recordkeeping and Maintenance Oversight of Bulk Terminal Dock 3 and Auxiliary Equipment;
- Provide feedback and advice to Authority with regard to Terminal Operations and Maintenance;
- Interface with all Interested Parties; and
- Regular Communication with Authority Designed Departments.

II. Dockman/PIC Duties (\$0.02/BBL)

- Provide One (1) properly trained and certified Dockman/PIC during Hose Connection/Disconnection;
- Provide One (1) properly trained and certified Crane Operator during Hose Connection/Disconnect; and
- Provide One (1) Dockman/PIC during cargo transfer operations.
- \$0.02/BBL rate limited to a max of 3-hours before and after cargo unloading operations for barges/vessels. After that threshold, the hourly rate (see Section III) will apply for any PIC/dockman.

III. Dockman/PIC Duties for Layberth Vessels (\$46.50/Hour)

- Provide One (1) properly trained and certified Dockman/PIC during Hose Connection/Disconnection;
- Provide One (1) properly trained and certified Crane Operator during Hose Connection/Disconnect; and
- Provide One (1) Dockman/PIC during cargo transfer operations.

IV. Skilled Maintenance (Cost and Materials)

- Contracting and oversight of third party service providers for repairs to Bulk Terminal Dock 3 (subject to prior Authority approval).

EXHIBIT F

OPERATOR INSURANCE REQUIREMENTS

Without limiting the indemnity obligations or liabilities of Operator or its insurers provided in this Agreement, before commencing any material activities on Bulk Terminal Dock 3, Operator shall self-insure or procure and maintain at its sole expense during the Term of the Agreement, and during any time period following expiration or termination of the Agreement in which Operator is required to perform additional work on Bulk Terminal Dock 3, the following policies of insurance (sometimes collectively referred to in this Exhibit F as the “*Policies*”) and in at least the minimum amounts specified below:

(1) *Workers’ Compensation and Employer’s Liability Insurance.* For all its employees engaged in performing work on Bulk Terminal Dock 3, workers’ compensation insurance for at least the applicable statutory limit required by the Texas Workers’ Compensation Code; and Employer’s Liability insurance with at least \$1,000,000 limit for each for bodily injury by accident, and at least \$1,000,000 limit for each employee for bodily injury by disease. Under the Worker’s Compensation policy, Operator shall provide a Waiver of Subrogation in favor of the Authority Parties on the Certificate of Insurance. In the event that the work of Operator’s employees falls within the purview of the United States Longshoremen’s and Harbor Workers’ Compensation Act, the Jones Act or the Federal Employer’s Liability Act, the Operator shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

(2) *Commercial General Liability Insurance.* Commercial General Liability (CGL) insurance coverage, which shall cover or be endorsed to cover bodily injury, personal injury, property damage, operations hazard, owner’s protective coverage, contractual liability, products and completed operations liability, with a per occurrence limit of \$1,000,000 and aggregate limits of at least \$2,000,000 and including the Authority Parties as additional insureds on a primary, non-contributory basis.

(3) *Automobile Liability Insurance.* When any motor vehicles (owned, non-owned or hired by Operator) are used in connection with work being performed by Operator, the Operator shall provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The policy shall include the Authority Parties as additional insureds on a primary, non-contributory basis.

(4) *Umbrella Insurance.* Excess or Umbrella liability insurance coverage limits of not less than \$5,000,000 over and above the underlying primary coverage limits stated above with respect to bodily injury or death to any number of persons in any one accident or occurrence. The policy shall include the Authority Parties as additional insureds on a primary, non-contributory basis.

(5) *Pollution Insurance.* Pollution insurance covering bodily injury, property damage, including cleanup, and other losses caused by pollution conditions occurring during the Term of this Agreement and arising from Operator’s operations at Bulk Terminal Dock 3,

including pollution of any body of water, with limits of not less than \$5,000,000 per occurrence. Pollution Coverage shall include, but not be limited to, environmental cleanup, remediation and disposal and may be included within the required General Liability and/or Umbrella Insurance.

(6) *Railroad Protective Liability Insurance.* Railroad Protective Liability insurance, with limits of \$1,000,000 per Occurrence and Aggregate limits of \$5,000,000. Railroad Protective Liability is required unless the Commercial General Liability Policy contains an endorsement which deletes the exclusion within 50 feet of rail.

Operator shall deliver to Authority, prior to the commencement of any material activity by Operator on Bulk Terminal Dock 3, as proof of the insurance required of Operator, a certificate or certificates of insurance (and notation of endorsements required to provide evidence of the insurance coverages required under this Agreement) describing the Policies, which certificates must be in their form and content, reasonably acceptable to the Authority.

In the event that a claim is filed against the Authority and governed by the terms of this Agreement, Operator shall, upon receipt of a written request, deliver to the Authority, true and correct copies of the Policies required hereunder which may be responsive to the claim. In addition, to the extent that during the Term there shall occur any material changes in any of the Policies required hereunder, Operator shall notify the Authority of such changes. In the event that Operator fails to obtain or maintain any of the insurance required by this **Exhibit F**, the Authority retains the right to procure such insurance coverage and charge the Operator the premium cost plus an additional 10% administrative fee.

From time to time during the Term to the extent that the Authority provides written notice to Operator evidencing Authority's reasonable belief (in reasonable detail) that the amounts of coverage required by this **Exhibit F** have become insufficient to adequately protect the interests of the Authority, then upon Operator's receipt of such notice the Parties will commence a dialog in good faith to discuss a possible adjustment to the coverage amounts herein provided, to adequately restore the protection afforded to the interests of the Authority.

Operator shall deliver to Authority certificates of renewal for each of the Policies prior to expiration of the Policies. The company writing each of the Policies, except for Operator's captive insurance company, must possess a Financial Strength Rating of no less than "A-" and a Financial Size Category rating of at least "VI" by A.M. Best Company (or any successor rating agency or entity reasonably selected by Authority if A.M. Best Company discontinues publishing ratings of insurance companies or if the rating system is changed).

Notwithstanding the foregoing, Operator expressly reserves the right, at its sole option, to comply with the insurance obligations using self-insurance programs maintained by it or its corporate parent. Operator will self-insure Authority in the same manner as an additional insured using self-insurance programs maintained by Operator or Operator's corporate parent. If Operator elects to self-insure or to maintain insurance required herein subject to deductibles and/or retentions exceeding \$50,000, Authority and Operator shall maintain all rights and obligations between themselves as if Operator maintained the insurance with a commercial insurer including any additional insured status, primary liability, waivers of rights of recovery, other insurance clauses, and any other extensions of

coverage required herein. Operator or its corporate parent, whichever maintains the self-insurance program, shall pay from its assets the costs, expenses, damages, claims, losses and liabilities, including reasonable attorney's fees and necessary litigation expenses at least to the extent that an insurance company would have been obligated to pay those amounts if Operator had maintained the insurance pursuant to this **Exhibit F**. Authority shall not be responsible for payment of any deductible or self-insured retention or uninsured amount.

EXHIBIT G

MAILING/PHONE LIST

(Operator)

Coastal Dock and Terminal, LLC

Attn: A. Trey Williams
Manager
P.O. Box 2505
Corpus Christi, Texas 78403
361-884-4096 (Office)
361-883-3289 (Fax)
361-877-7650 (Mobile)

(Authority)

Port of Corpus Christi Authority

Attn: Sean Strawbridge
Chief Executive Officer
222 Power Street
Corpus Christi, Texas 78401
361-885-6133 (Office)
361-882-7110 (Fax)
361-730-8174 (Mobile)



DATE: June 19, 2018

TO: Port Commission

FROM: Eric Giannamore, Chief
Eric@pocca.com
(361) 885-6195

Tyler Fuhrken, Director of IT
Tyler@pocca.com
(361) 885-6150

Authorize Purchase of ten (10) In-Car Audio Video Recording Systems from WatchGuard Video, Allen, Texas in the amount of \$58,950 through FEMA Port Security Grant Program.

SUMMARY: Staff is seeking authorization for the purchase of Ten (10) In-Car Audio Video Recording Systems utilizing FEMA Port Security Grant Program (PSGP) Grant 15 funds, which will require a 25% Port match of \$14,737.50 for the replacement of aging, and obsolete In-Car Audio Video Recording Equipment. This replacement equipment will provide enhanced video resolution, efficient WIFI video uploading, additional security of audio/video evidence storage, remote live video streaming, which allows remote viewing of live video feed from patrol units to the Command Center, and a compact user-friendly platform.

BACKGROUND: In 2011 FEMA Port Security Grant Program, Grant 6 funds were utilized to purchase the existing In-Car Audio/Video Recording systems for the Port PD patrol units. This In-Car Audio Video Recording System has enhanced the safety of Port PD officers, provided and maintained evidence in criminal cases, provided accountability of officer performance when interacting with the public and has met the requirements of Texas law on racial profiling requiring that police agencies collect and analyze data relevant to motor vehicle-related contacts. The existing system has become obsolete and manufacturer support no longer exists.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: Supports Strategic Goal #3 - Operate the Port's Facilities in a Safe, Secure and Efficient Manner.

EMERGENCY: No

FINANCIAL IMPACT: This is a FEMA PSGP, Grant 15, Security Equipment Maintenance and Upkeep project with a required PCCA 25% Port match of \$14,737.50. This investment is included as a 2018 budgeted project. Total project cost is \$58,950.00

STAFF RECOMMENDATION: Staff recommends authorization to purchase ten (10) In-Car Audio Video Recording Systems from WatchGuard Video, Allen, Texas. The total cost of the project is \$58,950.00.

DEPARTMENTAL CLEARANCES:

Originating Department	Port PD
Reviewed & Approved	Director Tom Mylett Lynn Angerstein
Legal	Dane Bruun
Senior Staff	Sean Strawbridge John LaRue Dennis DeVries
Port Security Committee	

LIST OF SUPPORTING DOCUMENTS:

Watch Guard Quote



4RE/VISTA Price Quote

CUSTOMER: Port Authority of Corpus Christi

ISSUED: 5/21/2018 2:46 PM

EXPIRATION: 10/31/2018 3:00 PM

Attn: Accounts Payable,
PO Box 1541, Attn: Albert Gomez,
Corpus Christi, TX, United States,
78401

**TOTAL PROJECT ESTIMATED AT:
\$58,950.00**

ATTENTION: Bill Collins

SALES CONTACT: Dave Childress

PHONE: 361-882-5633

DIRECT: (281) 782-2544

Buy Board: 524-17

E-MAIL: DChildress@WatchGuardVideo.com

4RE and VISTA Proposal Evidence Library 4 Web Software and Licensing

Part Number	Detail	Qty	Direct	Discount	Total Price
KEY-EL4-SRV-001	Evidence Library 4 Web Server Site License Key	1.00	\$1,000.00	\$0.00	\$1,000.00
KEY-EL4-DEV-001	Evidence Library 4 Web 4RE In-Car Device License Key	10.00	\$150.00	\$0.00	\$1,500.00

4RE In-Car System and Options

Part Number	Detail	Qty	Direct	Discount	Total Price
4RE-STD-GPS-RV2	4RE Standard DVR Camera System with integrated 200GB automotive grade hard drive, 16GB USB removable thumb drive, rear facing cabin camera, GPS, hardware, cabling and your choice of mounting bracket.	10.00	\$4,795.00	\$0.00	\$47,950.00
CAM-4RE-PAN-NHD	Front Camera, 4RE, HD Panoramic, (Reduced EMI)	10.00	\$200.00	\$200.00	\$0.00

Wireless Video Transfer and Networking Options

Part Number	Detail	Qty	Direct	Discount	Total Price
4RE-WRL-KIT-101	MikroTik Configured Wireless Kit, 4RE In-Car 802.11n (Radio, Antenna, PoE, 2-10' Ethernet Cables)	10.00	\$200.00	\$0.00	\$2,000.00
HDW-ETH-SWT-001	MDC Application with 4-Port Power Over Ethernet Switch	10.00	\$200.00	\$200.00	\$0.00
WAP-MIK-CON-802	WiFi Access Point, Configured, MikroTik, 802.11n, 5GHz, Sector	1.00	\$250.00	\$0.00	\$250.00

4RE Hardware Warranties

Part Number	Detail	Qty	Direct	Discount	Total Price
WAR-4RE-CAR-1ST	Warranty, 4RE, In-Car, 1st Year (Months 1-12)	10.00	\$0.00	\$0.00	\$0.00

Software Maintenance and CLOUD-Share

Part Number	Detail	Qty	Direct	Discount	Total Price
SFW-MNT-EL4-001	Software Maintenance, Evidence Library, 1st Year (Months 1-12)	10.00	\$0.00	\$0.00	\$0.00



4RE/VISTA Price Quote

SFW-EL4-CLD-BAS	Evidence Library 4 Web CLOUD-SHARE - Basic	10.00	\$0.00	\$0.00	\$0.00
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Additional Software and Licensing

Part Number	Detail	Qty	Direct	Discount	Total Price
SFW-WCM-KIT-100	Kit, Watch Commander User Guide Document and License Card Insert	1.00	\$2,500.00	\$0.00	\$2,500.00

WatchGuard Video Technical Services

Part Number	Detail	Qty	Direct	Discount	Total Price
SVC-4RE-INS-100	4RE System Installation, In-Car (Per Unit Charge)	10.00	\$400.00	\$0.00	\$4,000.00
SVC-4RE-ONS-400	4RE System Setup, Configuration, Testing and Training (WG-TS)	1.00	\$2,500.00	\$0.00	\$2,500.00
	Trade in of current DV1 cameras	12.00	\$-250.00	\$0.00	\$-3,000.00

Shipping and Handling

Part Number	Detail	Qty	Direct	Discount	Total Price
Freight	Shipping/Handling and Processing Charges	1.00	\$250.00	\$0.00	\$250.00
					\$58,950.00

Total Estimated Tax, may vary from State to State \$0.00

Configuration Discounts	\$4,000.00
Additional Quote Discount	\$0.00
Total Amount	\$58,950.00

To accept this quotation, sign, date and return with Purchase Order: _____ DATE: _____

DATE: June 19, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve an Emergency Vehicle Access Road Easement with Maverick Terminals Corpus, LLC for a 16 Foot Wide Non-Exclusive Emergency Water Access Road from Maverick Terminals 41 acre Facility to the Chemical Turning Basin, Nueces County, Texas.

SUMMARY: Maverick Terminals Corpus, LLC representatives are requesting a 16 foot wide non-exclusive access road easement from the Maverick Terminals Corpus, LLC, (Maverick) 41 acre Terminal to the Chemical Turning Basin. Maverick will construct an access road with an all-weather surface utilizing asphalt, concrete, or concrete stabilized rock along with suitable drainage improvements. The Access Road will meet all reasonable design standards and specifications of the Authority. Maverick will obtain the appropriate U.S. Corp of Engineers authorizations for construction and maintenance of the access road. The term of the Easement Agreement will be coterminous with the term of the Maverick Lease Agreement, but includes a 90-day termination option by the PCCA.

BACKGROUND: On July 18, 2017 Maverick and the Port of Corpus Christi Authority (PCCA) entered into a Lease Agreement for a 41 acre Terminal Facility. The 41 acre site is located south of the Joe Fulton International Trade Corridor and on the easterly side of the Bulk Terminal. This Easement Agreement will grant Maverick a 16 Foot Wide Non-Exclusive Emergency Water Access Road from Maverick Terminals 41-acre Facility to the Chemical Turning Basin for mobilizing water pumps for firefighting purposes.

ALTERNATIVES: Do not approve and Maverick will not have access to the Chemical Turning Basin for firefighting purposes.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for easements or non-exclusive access agreements granted to serve PCCA customers.

STAFF RECOMMENDATION: Staff recommends approval of the Emergency Vehicle Access Road Easement Agreement with Maverick Terminals Corpus, LLC

DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate
Reviewed & Approved	Sam Esquivel Kent Britton
Legal	Bruce Hawn
Senior Staff	Sean Strawbridge John LaRue Jarl Pedersen

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Utility Easement Agreement

Approve an Emergency Vehicle Access Road Easement with Maverick Terminals Corpus, LLC for a 16 Foot Wide Non-Exclusive Emergency Water Access Road from Maverick Terminals 41 acre Facility to the Chemical Turning Basin, Nueces County, Texas.



EMERGENCY FIREFIGHTING VEHICLE ACCESS ROAD EASEMENT

This Emergency Firefighting Vehicle Access Road Easement Agreement (this "***Agreement***") is effective as of May 15, 2018 (the "***Effective Date***") and is executed by and between **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, a navigation district and political subdivision of the State of Texas ("***Authority***"), and **MAVERICK TERMINALS CORPUS, LLC**, a Delaware limited liability company ("***Grantee***"). Authority and Grantee are sometimes hereinafter referred to individually as "***Party***" and collectively as "***Parties***."

RECITALS:

A. The Parties entered into a lease agreement effective as of August 1, 2017 (as amended, restated, modified or replaced from time to time, the "***Grantee Lease***") pursuant to which Grantee is leasing from Authority an approximately 40.79-acre tract of land in Nueces County, Texas, which tract is more particularly described and depicted in ***Exhibit "A"*** attached hereto (the "***Grantee Property***"), with any portion of the Grantee Property hereafter released from the Grantee Lease being no longer part of the Grantee Property after such release.

B. Whereas Grantee pursuant to the terms of the Grantee Lease intends to construct and operate on the Grantee Property a receiving and trans-loading facility capable of loading and unloading railcars, trucks, pipelines, tanks, ocean going vessels, and intercoastal barges transporting crude oil, condensate and other liquid bulk petroleum products.

C. Whereas Grantee has requested Authority to grant it easements for two emergency fire access roads for ingress and egress between the Grantee Property and the shoreline of Authority's "Chemical Turning Basin" to be constructed, maintained, and used solely for emergency firefighting vehicles to access to the Chemical Turning Basin for the purpose of withdrawing water therefrom and transporting such water utilizing firefighting vehicles or fire hoses laid along said access roads for use in fighting fires on or in the immediate vicinity of the Grantee Property.

D. Whereas Authority is amenable to granting Grantee's request upon the terms and conditions hereinafter set forth.

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 Grantee agree as follows:

Section 1. Grant of Emergency Fire Access Road Easement.

A. **Emergency Fire Access Road Easement.** Authority hereby grants and conveys to Grantee and its successors and assigns a non-exclusive .032-acre emergency fire access road easement ("***Fire Access Road Easement No. 1***") which is more particularly described and depicted in ***Exhibit "B"***

attached hereto. The area encompassed by the Fire Access Road Easement shall hereinafter be referred to as the “**Fire Access Road Easement Area**”. The Fire Access Road Easement may be used for Fire Emergency Purposes (defined below) only and for no other purpose.

B. Fire Access Easement Purposes. The Fire Access Road Easement may be used only for the following purposes (the “**Fire Emergency Purposes**”):

(i) Emergency ingress and egress between the Grantee Property and the shoreline of the Chemical Turning Basin for the purpose of withdrawing water therefrom for use solely for emergency firefighting vehicles to access the Chemical Turning Basin for the purpose of withdrawing water therefrom and transporting such water utilizing firefighting vehicles or fire hoses laid along the Fire Access Road Easement Area for use in fighting fires on, or in the immediate vicinity of, the Grantee Property. The Fire Access Road Easement Area is subject to use by Authority, its authorized users, adjacent and existing and future tenants and customers; and

(ii) The installation, construction, inspection, maintenance, replace, remove and repair of improved all weather roads and associated drainage improvements within the Fire Access Road Easement Area.

C. Fire Access Road Construction. The roads and associated drainage constructed upon the Fire Access Road Easement shall hereinafter be referred to as the “**Fire Access Road**”. Grantee shall construct the Fire Access Road with an all-weather surface utilizing asphalt, concrete, or concrete stabilized rock along with suitable drainage improvements. The Fire Access Road shall be capable of withstanding normal semi-tractor trailer highway loads. The Fire Access Road shall also meet all reasonable design standards and specifications of the Authority. Grantee as a condition precedent to Grantee’s right to enter upon the Fire Access Road Easement Area for construction purposes must submit to Authority, plans for the initial construction of the Fire Access Road; thereafter Grantee must submit to Authority plans for any future modifications and improvements to the Fire Access Road constructed within the boundaries of the Fire Access Road Easement Area. The Initial construction plans and plans for future modifications and improvements to the Fire Access Road must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. 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 and show all physical features and improvements proposed to be installed within the boundaries of the Fire Access Road Easement Area and must be signed and sealed by a Professional Engineer registered in the State of Texas. Any approval, comments or denial, of such revised initial construction plans or plans for future modifications and improvements, by the Authority shall be promptly made to Grantee within thirty (30) Business Days after Authority’s receipt of the of such revised plans or plans. Further, Authority shall prepare detailed comments or responses to the revised initial construction or plans modifications and improvements to the Fire Access Road in order to direct Grantee on the action needed to have such plans revised and approved. The final plans for the Fire Access Road as ultimately approved by the Authority are referred to herein as the “**Approved Plans**”. Adjustments to utilities, as required to accommodate the Fire Access Road, will be performed by the Grantee. Prior to the commencement of construction of the Fire Access Road, Grantee will furnish Authority issued-for-construction

drawings for the Access Road, if different than the Approved Plans. Grantee shall construct and maintain the Fire Access Road in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same.

D. Permitting. Grantee is responsible for obtaining the appropriate U.S. Corp of Engineers authorizations for construction and maintenance of both Fire Access Roads.

E. Maintenance of Fire Access Road. Grantee shall have the right, but not the obligation, to maintain the Fire Access Road, at its own expense. The Authority shall also have the right, but not the obligation, to maintain the Fire Access Road, at its own expense.

F. Security Requirements. Grantee shall comply with the Authority's reasonable, non-discriminatory security measures applicable to the Fire Access Road provided by the Authority to Grantee in writing.

G. Reservations and Exceptions. The Fire Road Access Easement shall be subject to any and all easements heretofore granted by Authority to other parties whether of record in Nueces County or not. Authority reserves the right to install, maintain, inspect and repair gas lines, water lines, sewer lines, pipelines, power transmission lines, fiber optic cable, and related poles and attachments and roads, on, along, over and across the Fire Access Road Easement Area, which do not unreasonably interfere with Grantee's intended use of the Fire Access Road. Authority also reserves the right to grant leases, easements and rights of way on the portion of the Fire Access Road Easement Area. Authority also reserves the right to cross the Fire Access Road Easement with pipelines, roads, etc., and the right to grant to others the right to do so, if such crossings do not unreasonably interfere with the Fire Access Road.

H. Additional Rights. Authority further grants to Grantee and its successors and assigns the additional right to enter onto the Authority's land adjacent to the Fire Access Road Easement Area, to the extent it is reasonably available, as reasonably necessary from time to time, at reasonable times, for purposes of constructing, maintaining, repairing, and replacing the Fire Access Road. Such right of entry shall only be exercised after five (5) days advance written notice to Authority unless in the event of an emergency. Entry by Grantee onto the Authority's property shall not unreasonably interfere with the Authority's use of the Authority's property.

I. Termination. The Fire Access Road Easement will terminate upon the expiration, cancellation or termination of the Grantee Lease; and will also terminate ninety (90) days after Authority notifies Grantee in writing of Authority's election to terminate the Fire Access Road Easement.

Section 2. Term of Agreement; Survival. The term of this Agreement ("**Term**") shall be coterminous with the term of the Grantee Lease. Upon the expiration or earlier termination of the Grantee Lease, this Agreement will automatically terminate without any further action by either Party, but Authority and Grantee (or its successor) shall enter into a written agreement confirming the termination of this Agreement at the request of either Party. In addition, Authority may terminate this Agreement ninety (90) days after Authority notifies Grantee in writing of Authority's election to terminate this Agreement. The termination of this Agreement will not release either Party from any

liability or obligation under this Agreement, whether indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination.

Section 3. Insurance.

(a) Without limiting the indemnity obligations or liabilities of Grantee provided under this Agreement, Grantee shall provide and maintain at Grantee's own expense during the Term of this Agreement the insurance coverages and requirements set forth in Exhibit "C" attached hereto, which is incorporated in this Agreement (the "**Required Coverages**").

(b) Grantee agrees to have such insurance policies properly endorsed as set forth in Exhibit "C" attached hereto. Anything in this Section 6 to the contrary notwithstanding, if at any time during the Term the waiver of subrogation clause required to be maintained by Grantee is no longer available on terms which are commercially reasonable, then Grantee shall, in good faith, find a mutually acceptable alternative.

(c) The Grantee agrees that it will require any Contractor that is not covered by the Required Coverages to obtain insurance coverages reasonably comparable to the Required Coverages that are reasonably appropriate in their limits and other terms and conditions to the nature of the work to be performed by the Contractor. Such coverages shall insure the interests of the Authority Parties and the Grantee as additional insureds in respect of the applicable work being performed and shall be subject to the same (or comparable) coverage and administrative requirements as are imposed on the Grantee pursuant to this Agreement. When requested to do so by the Authority, the Grantee shall provide or cause to be provided to the Authority certificates of insurance with respect to such insurance coverages or such other evidence of insurance, reasonably acceptable in form and content to the Authority. For purposes of this Agreement, the term "**Contractor**" means any contractor with whom Grantee contracts to perform work or supply materials or labor in relation to the Grantee's Facilities, including any subcontractor of any tier, supplier or materialman directly or indirectly employed pursuant to a subcontract with a Contractor.

Section 4. INDEMNITY AGREEMENT. TO THE EXTENT PERMITTED BY LAW, GRANTEE SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS AUTHORITY AND AUTHORITY'S PORT COMMISSIONERS, DIRECTORS, MANAGERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "**AUTHORITY PARTIES**"), FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, FINES, JUDGMENTS AND OTHER EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES AND EXPENSES AND COSTS OF INVESTIGATION), OF ANY KIND, NATURE OR DESCRIPTION (INCLUDING CLAIMS FOR PERSONAL INJURY, BODILY INJURY, EMOTIONAL DISTRESS, REAL AND PERSONAL PROPERTY DAMAGE AND ECONOMIC LOSS) (ALL OF WHICH ARE COLLECTIVELY REFERRED TO HEREIN AS "**CLAIMS**") WHICH MAY BE BROUGHT, INSTITUTED OR ASSERTED AGAINST THE AUTHORITY PARTIES TO THE EXTENT BASED ON OR ARISING OUT OF ANY OF THE FOLLOWING EVENTS (EACH BEING REFERRED TO IN THIS SUBSECTION AS AN "**INDEMNIFIED EVENT**"):

(A) THE FAILURE ON THE PART OF GRANTEE OR ITS OFFICERS, AGENTS, CONTRACTORS, OR EMPLOYEES (COLLECTIVELY, THE "**GRANTEE PARTIES**") TO COMPLY WITH THIS AGREEMENT OR ANY LAWS OR REGULATIONS APPLICABLE TO THE INSTALLATION, OPERATION, MAINTENANCE, USE OR REMOVAL OF THE FIRE ACCESS ROAD BY THE GRANTEE PARTIES; OR

(B) ANY INJURY TO OR DEATH OF OR CLAIM OF INJURY TO OR DEATH OF ANY PERSON (INCLUDING THE EMPLOYEES OF THE GRANTEE PARTIES) OR ANY DAMAGE TO OR LOSS OF OR CLAIM OF DAMAGE TO OR LOSS OF PROPERTY ARISING OUT OF THE INSTALLATION, OPERATION, MAINTENANCE, USE OR REMOVAL OF THE FIRE ACCESS ROAD BY THE GRANTEE PARTIES.

Notwithstanding anything in this Agreement to the contrary, to the extent the Indemnified Event for which a Claim is made arises out of the joint, concurrent or comparative negligence, causation, responsibility or fault of the Grantee Parties and the Authority Parties, whether negligence, strict liability, breach of warranty, express or implied, or products liability, then Grantee shall defend the Authority Parties against such Claim, but Grantee shall be relieved of its obligation of indemnity with respect to such Claim to the extent, but only to the extent, of the percentage of responsibility attributed to the Authority Parties with respect to causing or contributing to cause the Indemnified Event for which such Claim was made. Furthermore, Grantee shall be relieved of its obligation of indemnity (but not its obligation to defend) with respect to any Claim to the extent, but only to the extent, of the amount actually recovered from one or more insurance carriers and either paid to the Authority Parties or paid for benefit of the Authority Parties in reduction of such Claim. The indemnities contained in Section 3 will not be limited by a limitation on the amount or type of damages owed by Grantee to any employee of Grantee under the Workers' Compensation Act or similar employee benefit acts.

Section 4. No Public Dedication. In no event and under no circumstances of any kind or nature whatsoever shall the Fire Access Road Easement granted be deemed to be a gift or dedication of any portion of the Authority's property for the benefit of the general public or to any governmental entity.

Section 5. Title Exceptions. The Easements are further made subject to any restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement Areas and appearing of record as of the Effective Date in the real property records of Nueces County, Texas, to the extent that said items and matters are in effect and validly enforceable against the Easements.

Section 6. Warranty of Title. Subject to the matters set forth in Section 5, Authority warrants that it has good and indefeasible fee simple title to the Easement Areas, that it has lawful right and authority to grant to Grantee the Easements, and that it will forever warrant and defend the Easements unto Grantee and its successors and assigns against the claims of all persons claiming by, through, or under the Authority, but not otherwise. Authority represents and warrants that there are no liens, leases or purchase options affecting the Easement Areas as of the Effective Date.

Section 7. Notices. Any notice required or permitted under this Agreement shall be in writing with a statement therein to the effect that notice is given pursuant to this Agreement and the same shall be served (i) by hand delivery, (ii) by overnight courier service guaranteeing next business day delivery, (iii) via facsimile transmission to the facsimile number listed below, or (iv) by depositing same in the United States mail, registered or certified mail, return receipt requested, postage prepaid. Any notice given by mail as aforesaid shall be deemed to have been given one (1) day after such notice was deposited in the United States mail, certified and postage prepaid, addressed to the Party to be served. Notice given otherwise shall be deemed given and received if and when actually

received. Notices to the Authority and to Grantee shall be sent to the following address (unless and until change of address information is sent to the other Party):

If to Grantee: MAVERICK TERMINALS CORPUS, LLC
 Attn.: General Counsel
 16211 La Cantera Parkway, Suite 202
 San Antonio, Texas 78256
 Fax: (210) 812-5702

If to Authority: Port of Corpus Christi Authority
 Attn: Chief Executive Officer
 222 Power Street
 P.O. Box 1541
 Corpus Christi, Texas 78403
 Fax: 361-881-5155

Either Party may designate by Notice given to the other Party a new address, facsimile number or person to which Notices hereunder shall thereafter be sent.

Section 8. Exhibits. All Exhibits attached hereto are hereby incorporated herein by this reference and made a part hereof for all purposes.

Section 9. Amendment. The provisions of this Agreement may be amended, modified, enlarged, or otherwise changed in whole or in part only by a written agreement executed by the Authority and Grantee (or its successor).

Section 10. Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED 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 AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

Section 11. Successors; Assignment. This Agreement shall bind, and shall inure to the benefit of, each party and their respective grantees, successors and assigns. Grantee may, without the Authority's consent, assign this Agreement and the Easement granted hereunder to a third party assignee of the Grantee Lease at the time of any such assignment. Except as provided in the preceding sentence, Grantee shall not assign any of the rights herein granted, in whole or in part, without the prior written consent of the Authority, which may be granted or withheld by the Authority in its reasonable discretion.

Section 12. Severability/Interpretation. In case any one or more of the provisions contained in this Agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this Agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

Section 13. Counterparts. This Agreement 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, which may be recorded.

[Signature Page Immediately follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by its duly authorized representative as of the Effective Date.

Authority:

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


By: _____
Sean C. Strawbridge,
Chief Executive Officer

Grantee:

MAVERICK TERMINALS CORPUS, LLC
a Delaware limited liability company

By: Maverick Terminals, LLC, its sole member

By: Howard Midstream Energy Partners, LLC, its sole member

By: 
Frank Van Horn, VP of Right of Way and
Regulatory Compliance

ATTACHMENTS:

- Exhibit A – Legal Description and Plat of Grantee Property
- Exhibit B – Legal Description and Plat Fire Access Road Easement No. 1
- Exhibit C – Grantee’s Insurance Requirements

ACKNOWLEDGMENTS

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on this _____ day of _____, 2018, by Sean C. Strawbridge, as Chief Executive Officer of PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, a navigation district and political subdivision of the State of Texas, on behalf of said navigational district.

Notary Public, State of Texas

My commission expires: _____

Print or Type Name of Notary

THE STATE OF TEXAS §
 §
COUNTY OF Bexar §

This instrument was acknowledged before me on this 29th day of May, 2018, by Frank Van Horn, the V.P. of Rolland Reg. Compliance of Howard Midstream Energy Partners, LLC, sole member of Maverick Terminals, LLC, sole member of Maverick Terminals Corpus, LLC, a Delaware limited liability company on behalf of such Maverick Terminals Corpus, LLC.

[Signature]

Notary Public, State of Texas

My commission expires: 6/19/18

Mark Cramer

Print or Type Name of Notary

AFTER RECORDING RETURN TO:

Maverick Terminals Corpus, LLC
Attn.: General Counsel
16211 La Cantera Parkway, Suite 202
San Antonio, Texas 78256

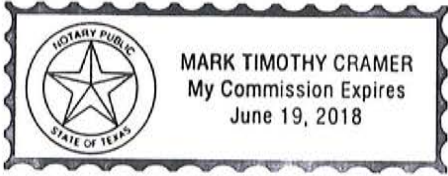


EXHIBIT A**Legal Description of Grantee's Property**

EXHIBIT A – LEGAL DESCRIPTION OF
LEASED PREMISES OR LAND
MAVERICK TERMINALS CORPUS TRACT

STATE OF TEXAS
COUNTY OF NUECES

40.79 ACRES

Field notes of a 40.79 acre tract of land out of the submerged land patented to Nueces County Navigation District No. 1 and referred to by records of the Texas General Land Office (GLO) as Patent 84, recorded in Book 5, Pages 257-260 out of Nueces County Surveyors office, issued to Nueces County Navigation District No. 1, and out of a portion of Patent 381, a 390.56 acre tract issued to Nueces County Navigation District No. 1, recorded in Volume 380, Page 586, deed records of Nueces County, Texas. Said TRACT further described as follows:

Commencing at brass disk monument "CCTA 1992" found at N: 17,190,273.52, E: 1,324,574.58;

Thence S 73°28'36" E, a distance of 195.61' to the **point of beginning** at N: 17,190,217.89, E: 1,324,762.11;

thence S 66°03'00" W a distance of 1281.65';
thence S 10°19'30" W a distance of 555.72';
thence S 63°32'14" W a distance of 304.10';
thence S 26°27'46" E a distance of 125.00';
thence S 63°32'14" W a distance of 400.00';
thence S 26°27'46" E a distance of 175.00';

thence S 63°32'17" W a distance of 1100.00'; parallel and 25 feet northwest of the PCCA North Bulkhead line, to a point at N: 17,188,078.41, E: 1,322,009.82, from which monument "Nikolaus", N: 17,188,397.50, E: 1,322,390.47, bears N 50°01'40" E, a distance of 496.70';

thence N 26°28'43" W a distance of 174.98';
thence N 63°32'14" E a distance of 402.27' to a point for corner, from which the centerline of track #802 bears N 76° E, 15.3';
thence N 16°11'06" W a distance of 56.69';
thence N 09°51'29" W a distance of 45.19';
thence N 05°05'05" W a distance of 60.87';
thence N 01°51'06" W a distance of 76.68' to a point between track #800 and #801;
thence N 00°22'45" E a distance of 280.81';
thence N 06°00'49" E a distance of 87.08';
thence N 10°01'10" E a distance of 51.05';
thence, continuing parallel and between track #800 and #801, with a curve turning to the right with an arc length of 628.94', with a radius of 790.76', with a chord bearing of N 32°48'17" E, with a chord length of 612.49';

thence N 67°32'34" E a distance of 117.10' to a point between tracks #801 and #802;
thence N 66°01'54" E, continuing parallel and between tract #801 and #802 a distance of 1677.06', to a point;

EXHIBIT A – LEGAL DESCRIPTION OF
LEASED PREMISES OR LAND
MAVERICK TERMINALS CORPUS TRACT

STATE OF TEXAS
COUNTY OF NUECES

40.79 ACRES

thence with a curve turning to the right with an arc length of 438.65', with a radius of 1050.00', with a chord bearing of N 77°59'59" E, with a chord length of 435.47', to a point;

thence N 89°58'04" E a distance of 169.15';

thence S 83°09'00" E, crossing railroad track #651, a distance of 141.33', to a point between tracks #650 and #651;

thence N 89°57'46" E, continuing between tracks #650 and #651, a distance of 1299.18' to a point;
thence N 89°35'19" E a distance of 78.38';
thence N 84°22'48" E, crossing track #651, a distance of 88.42';
thence N 85°44'09" E a distance of 80.64';
thence N 87°52'04" E a distance of 11.05';

thence S 02°07'56" E, crossing track #651 east of the switch to track #650, at 6.5' crossing track #650, a total distance of 15.00';

thence S 87°52'04" W a distance of 10.77';
thence S 85°44'09" W a distance of 80.18';
thence S 84°22'48" W a distance of 88.92';
thence S 89°35'20" W a distance of 79.16';
thence S 89°57'46" W a distance of 355.23';
thence S 00°14'52" W a distance of 14.03';
thence S 89°57'46" W a distance of 491.36';
thence N 89°55'18" W a distance of 189.02';
thence N 85°43'43" W a distance of 188.17';
thence S 89°53'37" W a distance of 317.30';

thence S 05°48'49" E a distance of 150.64'; to the **point of beginning**, having an area of 1,756,200 square feet, 40.79 acres, more or less

Bearings and distances are grid, Texas Coordinate System NAD 1983 (2011), South Zone. Reference plat dated July, 2017 for additional information.

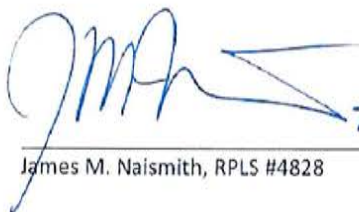


James M. Naismith, RPLS #4828
7/13/2017


EXHIBIT B

Job No. 43187.B8.09
April 12, 2018

0.032 Acre
Fire Access Easement

STATE OF TEXAS
COUNTY OF NUECES

Fieldnotes, for a 0.032 Acre, Fire Access Easement, situated in Survey No. 746A, State of Texas Submerged Land Tracts of Nueces Bay, being out of Survey No. 939, A-2677, Nueces County Navigation District No. 1, as recorded in Book 3, Pages 257-260 at the Nueces County Surveyor's Office, and filed as Patent No. 84, Vol. No. 47-A, File No. Refugio Script 1922, in the Records of the General Land Office of the State of Texas; said Survey No. 939, also recorded in Volume 192, Page 579, Deed Records of Nueces County, Texas; said 0.032 Acre Tract, being more fully described by metes and bounds as follows:

Commencing, at an outer ell corner [*Northing:17190218.06'*, *Easting:1324762.12'*] of a 40.79 Acre Lease Tract between Port of Corpus Christi Authority, as Lessor, and Maverick Terminal Corpus, LLC, as Lessee, referenced as Maverick Terminals Corpus Tract; said 40.79 Acre Lease being situated in Survey No. 706 and 706A, State of Texas Submerged Land Tracts of Nueces Bay, being out of Survey No. 939, A-2677, Nueces County Navigation District No.1, as recorded in Book 3, Pages 257-260 at the Nueces County Surveyor's Office, and filed as Patent No. 84, Vol. No. 47-A, File No. Refugio Script 1922, in the Records of the General Land Office of the State of Texas; said Survey No. 939, also recorded in Volume 192, Page 579, Deed Records of Nueces County, Texas, said 40.79 Acre Lease tract, also being out of Survey No. 980, A-2682, Nueces County Navigation District No.1 as recorded in Book 3, Pages 364-366 at the Nueces County Surveyor's Office, and filed as Patent No. 381, Vol. No. 7-B, File No. Refugio Script 1925, in the Records of the General Land Office of the State of Texas.

Thence, South 66°03'00" West, with the South boundary line of the said 40.79 Acre Lease Tract, 372.10 Feet, to a 1/2 Inch Iron Rod with green plastic cap stamped "URBAN ENGR EASEMENT" Set, for the **Point of Beginning** [*Northing:17190067.02'*, *Easting:1324422.06'*], for the North corner of this Easement, from **Whence**, a Brass Monument "PCCA CCTA 1992" [*Northing:17190273.70'*, *Easting:1324574.58'*] Found, bears North 36°25'36" East, 256.87 Feet;

Thence, South 21°32'20" East, 86.83 Feet, to a 1/2 Inch Iron Rod with green plastic cap stamped "URBAN ENGR EASEMENT" Set, for the East corner of this Easement;

Thence, South 68°27'40" West, 16.00 Feet, to a 1/2 Inch Iron Rod with green plastic cap stamped "URBAN ENGR EASEMENT" Set, for the South corner of this Easement, from **Whence**, a NGS Monument "Nikolaus" Found [*Northing:17188397.58'*, *Easting:1322390.44'*], bears South 52°18'35" West, 2,588.83 Feet;

S:\Surveying\43187\B809\OFFICE\METES AND BOUNDS\EN43187B809_0.032Ac_20180412.Doc Page 1 of 2

OFFICE: (361)854-3101 2725 SWANTNER DR. • CORPUS CHRISTI, TEXAS 78404 FAX (361)854-6001

www.urbaneng.com

TBPE Firm # 145 • TBPLS Firm # 10032400

EXHIBIT B

Thence, North 21°32'20" West, 86.16 Feet, to a 1/2 Inch Iron Rod with green plastic cap stamped "URBAN ENGR EASEMENT" Set, to the South boundary line of the said 40.79 Acre Lease Tract, for the West corner of this Easement;

Thence, North 66°03'00" East, with the South boundary line of the said 40.79 Acre Lease Tract, 16.01 Feet, to the **Point of Beginning**, containing 0.032 Acre (1,384 Sq. Ft) of Land, more or less.

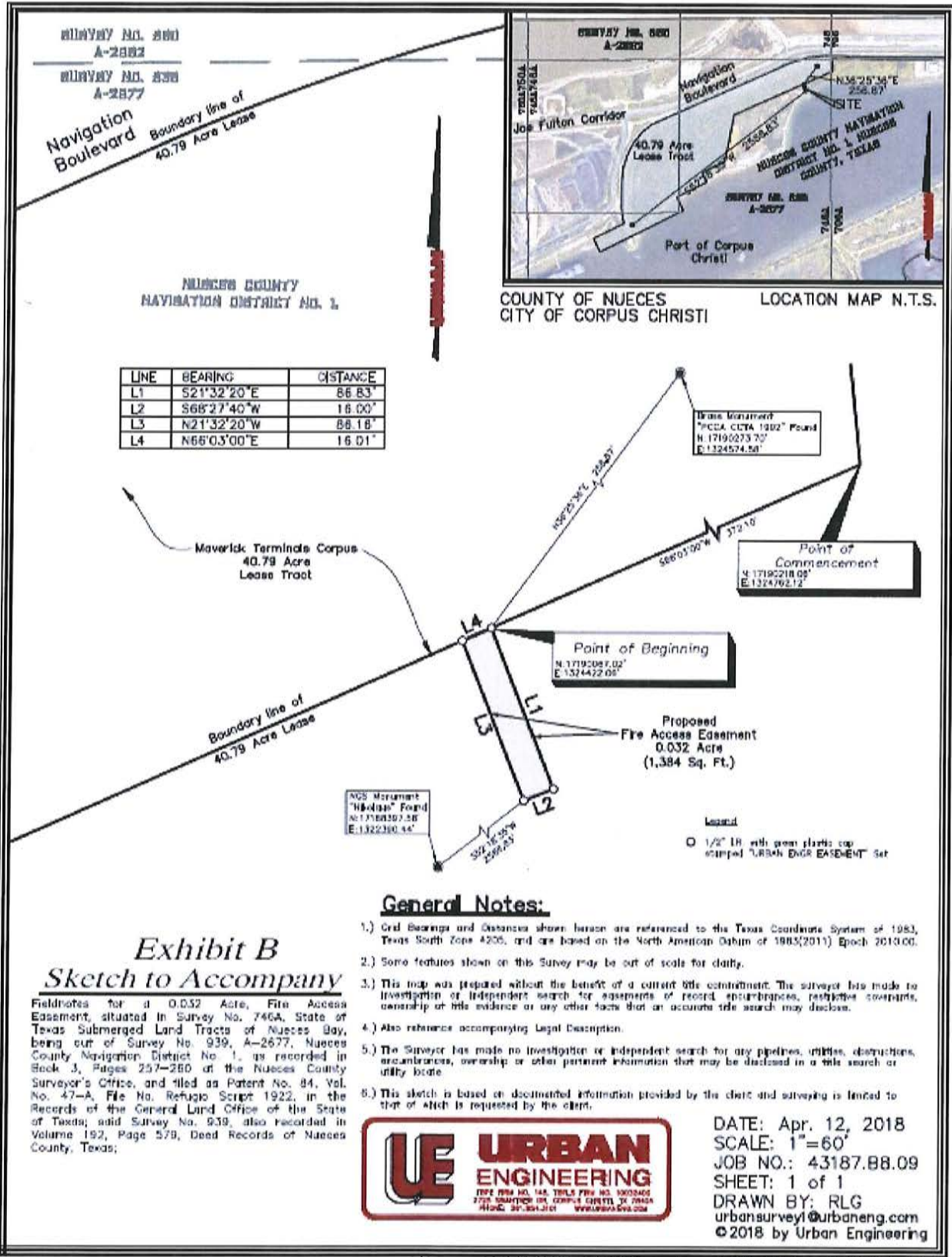
Grid Bearings and Distances shown hereon are referenced to the Texas Coordinate System of 1983, Texas South Zone 4205, and are based on the North American Datum of 1983(2011) Epoch 2010.00.

Unless this fieldnote description, including preamble, seal and signature, appears in its entirety, in its original form, surveyor assumes no responsibility for its accuracy.

The Surveyor has made no investigation or independent search for any pipelines, utilities, obstructions, encumbrances, ownership or other pertinent information that may be disclosed in a title search or utility locate.

Also reference accompanying sketch of Tract described herein.

EXHIBIT B



General Notes:

- 1.) Grid Bearings and Distances shown herein are referenced to the Texas Coordinate System of 1983, Texas South Zone 4205, and are based on the North American Datum of 1983(2011) Epoch 2010.00.
- 2.) Some features shown on this Survey may be out of scale for clarity.
- 3.) This map was prepared without the benefit of a current title commitment. The surveyor has made no investigation or independent search for easements of record, encumbrances, restrictive covenants, ownership or title evidence or any other facts that an accurate title search may disclose.
- 4.) Also reference accompanying Legal Description.
- 5.) The Surveyor has made no investigation or independent search for any pipelines, utilities, obstructions, encumbrances, ownership or other pertinent information that may be disclosed in a title search or utility locate.
- 6.) This sketch is based on documented information provided by the client and surveying is limited to that of which is requested by the client.

**Exhibit B
Sketch to Accompany**

Fieldnotes for a 0.032 Acre, Fire Access Easement, situated in Survey No. 746A, State of Texas Submerged Land Tracts of Nueces Bay, being out of Survey No. 939, A-2677, Nueces County Navigation District No. 1, as recorded in Book 3, Pages 257-260 of the Nueces County Surveyor's Office, and filed as Patent No. 84, Vol. No. 47-A, File No. Refugio Script 1922, in the Records of the General Land Office of the State of Texas; said Survey No. 939, also recorded in Volume 192, Page 579, Dead Records of Nueces County, Texas;



DATE: Apr. 12, 2018
SCALE: 1"=60'
JOB NO.: 43187.88.09
SHEET: 1 of 1
DRAWN BY: RLG
urbansurvey1@urbaneng.com
© 2018 by Urban Engineering

EXHIBIT C

GRANTEE'S INSURANCE REQUIREMENTS

Without limiting the indemnity obligations or liabilities of Grantee or its insurers provided in this Agreement, before commencing any material activities in any of the Easement Areas under this Agreement, Grantee shall procure and maintain at its sole expense during the Term of this Agreement, and during any time period following expiration or termination of this Agreement in which Grantee is required to perform additional work in any of the Easement Areas, the following policies of insurance (sometimes collectively referred to in this Exhibit C as the "*Policies*") and in at least the minimum amounts specified below:

- (1) *Workers' Compensation and Employer's Liability Insurance.* For all its employees engaged in performing work in any of the Easement Areas or on the Grantee's Facilities, workers' compensation insurance for at least the applicable statutory limit required by the Texas Workers' Compensation Code; and Employer's Liability insurance with at least \$1,000,000 limit for each for bodily injury by accident, and at least a \$1,000,000 limit for each employee for bodily injury by disease. Under the Worker's Compensation policy, Grantee shall provide a Waiver of Subrogation in favor of the Authority Parties on the Certificate of Insurance. In the event that the work of Grantee's employees in any of the Easement Areas or on the Grantee's Facilities falls within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, the Grantee shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.
- (2) *Commercial General Liability Insurance.* Commercial General Liability (CGL) insurance coverage, which shall cover or be endorsed to cover bodily injury, personal injury, property damage, operations hazard, owner's protective coverage, contractual liability, products and completed operations liability, with a per occurrence limit of \$1,000,000 and aggregate limits of at least \$2,000,000 and endorsed to name the Authority Parties as additional insureds on a primary, non-contributory basis.
- (3) *Automobile Liability Insurance.* When any motor vehicles (owned, non-owned or hired by Grantee) are used in connection with work being performed in any of the Easement Areas, the Grantee shall provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage.
- (4) *Umbrella Insurance.* Excess or Umbrella liability insurance coverage limits of not less than \$5,000,000 over and above the underlying primary coverage limits stated above with respect to bodily injury to or death of any number of persons in any one accident or occurrence. The policy shall be endorsed to name the Authority Parties as additional insureds, non-contributory basis.
- (5) *Pollution Insurance.* Pollution insurance covering bodily injury, property damage, including cleanup, and other losses caused by pollution conditions occurring during the Term of this

Agreement and arising directly from Grantee's operations in any of the Easement Areas or on the Grantee's Facilities, including pollution of any body of water, with limits of not less than \$10,000,000 per occurrence. Pollution Coverage shall include, but not be limited to, environmental cleanup, remediation and disposal and may be included within the required General Liability and/or Umbrella Insurance.

Grantee shall deliver to Authority, prior to the commencement of any material activity by Grantee in any of the Easement Areas or on the Grantee's Facilities, as proof of the insurance required of Grantee, a certificate or certificates of insurance (and any endorsements required to provide evidence of the insurance coverages required under this Agreement) describing the Policies, which certificates must be in their form and content, reasonably acceptable to the Authority.

In the event that a claim is filed against one or more of the Authority Parties and governed by the terms of this Agreement, the Grantee shall, upon receipt of a written request, deliver to the Authority, true and correct copies of the Policies required hereunder which may be responsive to the claim. In addition, to the extent that during the Term there shall occur any material changes in any of the Policies required hereunder, Grantee shall notify the Authority of such changes.

From time to time during the Term to the extent that the Authority provides written notice to Grantee evidencing reasonable belief (in reasonable detail) that the amounts of coverage required by this **Exhibit C** to be maintained have become insufficient to adequately protect the interests of the Authority, then upon such notice the Parties will commence a dialog in good faith to discuss a possible adjustment to the coverage amounts herein provided, to adequately restore the protection afforded to the interests of the Authority.

Grantee shall deliver to the Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies required to be maintained by the Grantee. The company writing each of the Policies, must possess a Financial Strength Rating of no less than "A-" and a Financial Size Category rating of at least "VI" by A.M. Best Company (or any successor rating agency or entity reasonably selected by Authority if A.M. Best Company discontinues publishing ratings of insurance companies or if the rating system is changed). Grantee shall deliver to Authority a copy of the most recent audited financial statements of Grantee's captive insurance company, which is presented on a consolidated basis with Howard Resource Management Corporation, before commencing any material activities in any of the Easement Areas or on the Grantee's Facilities under this Agreement. Grantee represents and warrants to the Authority that the financial statements of Grantee's captive insurance company are audited annually by a certified public accountant. Grantee shall submit a copy of the audited financial statements of Grantee's captive insurance company to the Authority annually within one hundred eighty (180) days after the close of the captive insurance company's fiscal year.

Notwithstanding the foregoing, Grantee may elect, with Authority's review and consent, to comply with the insurance obligations using self-insurance programs maintained by it or its corporate parent. If Grantee exercises the option to self-insure, then (i) Grantee shall provide written notice of its

intent to self-insure accompanied with details of its self-insurance program; (ii) such self-insurance program must be permitted by applicable law; (iii) the insuring company must maintain a net worth (as shown by its most recent financial statements audited in accordance with generally accepted accounting principles) of not less than One Hundred Million Dollars (\$100,000,000); and (iv) the insuring company must maintain an "Investment Grade" financial rating by Moody's or Standard and Poor's or an equivalent rating service; and as to any of the insurance requirements which Grantee elects to self-insure, Grantee will self-insure Authority in the same manner as an additional insured using self-insurance programs maintained by Grantee or Grantee's corporate parent. If Grantee elects to self-insure or to maintain insurance required herein subject to deductibles and/or retentions exceeding \$500,000, Authority and Grantee shall maintain all rights and obligations between themselves as if Grantee maintained the insurance with a commercial insurer including any additional insured status, primary liability, waivers of rights of recovery, other insurance clauses, and any other extensions of coverage required herein. Grantee or its corporate parent, whichever maintains the self-insurance program, shall pay from its assets the costs, expenses, damages, claims, losses and liabilities, including reasonable attorney's fees and necessary litigation expenses at least to the extent that an insurance company would have been obligated to pay those amounts if Grantee had maintained the insurance pursuant to this **Exhibit C**. Authority shall not be responsible for payment of any deductible or self-insured retention or uninsured amount.

DATE: June 19, 2018
TO: Port Commission
FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve a Leased Property Access Agreement by and between Best Bet Line Handlers, Inc., NuStar Logistics, L.P. and the Port of Corpus Christi Authority Granting NuStar a Non-Exclusive Easement to Best Bet's Leased Premises located North of the Corpus Christi Turning Basin, Nueces County, Texas.

SUMMARY: The east most mooring structure of NuStar Logistics, L.P. (NuStar) Oil Dock 15 is situated on the Leased Premises of Best Bet Line Handlers, Inc. The Leased Property Access Agreement will grant a non-exclusive easement and right-of-way on, over, and across the Best Bet Leased Premises for providing free and uninterrupted ingress and egress to and from the NuStar Leased Premises for the purpose of maintaining and operating Oil Dock 15 while at the same time accommodating Best Bet's operations. The term of the Leased Property Access Agreement will be coterminous with the term of the Best Bet Lease Agreement.

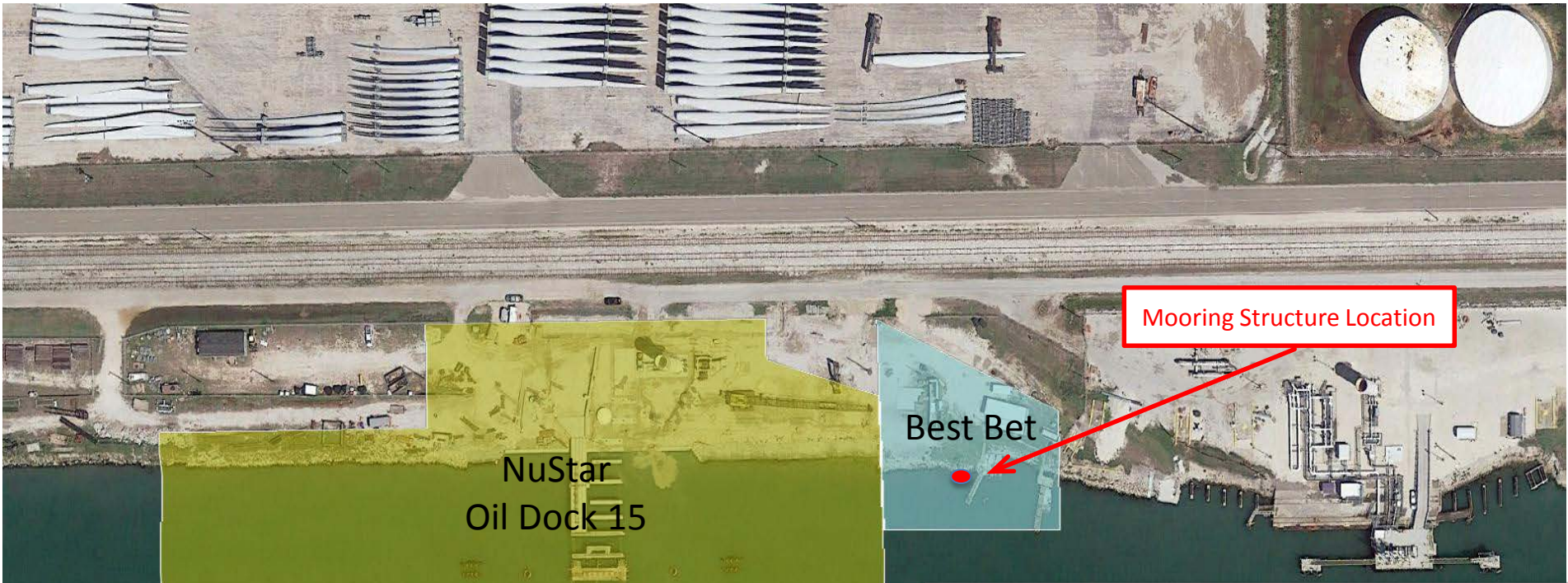
BACKGROUND: On May 17, 2016 the Port Commission approved a Lease Agreement dated effective June 1, 2016, between Martin Operating Partnership L.P. and the PCCA for 4.44 acres of upland and submerged lands for the purpose of constructing Oil Dock 15. Subsequently, the Lease Agreement was assigned to NuStar Logistics, L.P. on December 21, 2016, pursuant to an Assignment of Lease.

On November 10, 2009, the Port Commission approved a Lease Agreement with Best Bet Line Handlers, Inc. for 0.62 acres of land, more or less, of upland and submerged land. The Lease Premises is being impacted by Oil Dock 15. The Best Bet Leased Premises is currently being impacted by Oil Dock 15 and to accommodate the continuing operation of both parties the PCCA has drafted the Leased Property Access Agreement.

ALTERNATIVES: Do not approve and NuStar will not have access to the east most mooring structure.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

Approve a Leased Property Access Agreement by and between Best Bet Line Handlers, Inc., NuStar Logistics, L.P. and the Port of Corpus Christi Authority Granting NuStar a Non-Exclusive Easement to Best Bet's Leased Premises located North of the Corpus Christi Turning Basin, Nueces County, Texas.



LEASED PROPERTY ACCESS AGREEMENT

This **LEASED PROPERTY ACCESS AGREEMENT** is made effective _____, 2018 ("Effective Date") by and between **BEST BET LINE HANDLERS, INC.**, a Texas corporation, whose principal address is P.O. Box 9044, Corpus Christi, Texas 78469-9044, (hereinafter called "Grantor") and **NUSTAR LOGISTICS, L.P.**, a Delaware limited partnership, whose principal address is 19003 IH-10 West, San Antonio, Texas 78257 (hereinafter called "Grantee"). This Leased Property Access Agreement is referred to herein as the ("Agreement"). Grantor, Grantee and Authority (as described below) are sometimes collectively referred to as the "Parties", and individually as a "Party".

Recitals:

WHEREAS, Grantor and the Port of Corpus Christi Authority of Nueces County, Texas, pursuant to authorization by its Port Commissioners, (hereinafter called "Authority") have entered into that certain Lease Agreement, dated November 10, 2009, (the "Best Bet Lease"), wherein Authority, as lessor, leased to Grantor, as lessee, the surface estate of that certain tract of 0.62 acres of land, more or less, of upland and submerged land, which tract is more particularly described on Exhibit "A" attached hereto (the "Best Bet Lease Property").

WHEREAS, Authority and Grantee are parties to that certain Lease Agreement dated effective June 1, 2016, (the "NuStar Lease"), which Lease Agreement was assigned to Grantee as lessee on December 21, 2016, pursuant to that certain Assignment of Lease between Martin Operating Partnership L.P. and Authority for the surface estate of that certain tract of land containing 4.44 acres of land, more or less, of upland and submerged land, which tract is more particularly described on Exhibit "B" attached hereto (the "NuStar Lease Property").

WHEREAS, Grantee has requested from Grantor a non-exclusive easement and right-of-way on, over, and across the Best Bet Lease Property for providing free and uninterrupted ingress and egress to and from the NuStar Lease Property for the purpose of maintaining and operating Oil Dock 15 (the "Easement Purpose").

WHEREAS, Grantor is willing to grant Grantee such non-exclusive easement rights pursuant to the terms and conditions set forth hereunder.

Agreements:

FOR AND IN CONSIDERATION of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby, subject to the terms and conditions of this Agreement, grant, sell, and convey to Grantee and Grantee's successors and assigns, an easement over, on, and across the Best Bet Lease Property for the Easement Purpose and for the benefit of the NuStar Lease Property, together with all and singular the rights and appurtenances thereto in any way belonging (collectively, the "Easement"), to have and to hold the Easement to Grantee and Grantee's successors and assigns. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend the leasehold title to the Easement in Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part thereof, to the extent that such claim arises by, through, or under Grantor but not otherwise.

NOW, THEREFORE, the grant of the Easement and the use thereof by Grantee and its successors and assigns are subject to the following conditions and limitations:

1. CHARACTER OF EASEMENT. The Easement is appurtenant to and runs with all or any portion of the NuStar Lease Property, whether or not the Easement is referenced or described in any conveyance of all or such portion of the NuStar Lease Property. The Easement is for the benefit of Grantee and Grantee's successors, assigns, licensees, customers, employees, agents, contractors and invitees except as provided herein.

2. DURATION OF EASEMENT. It is agreed and understood by Grantor and Grantee that the terms and obligations of the Best Bet Lease Agreement and the NuStar Lease Agreement are and shall remain in full force and effect during the term of this Agreement. The duration of the Easement will automatically terminate on the termination of the earlier of the Best Bet Lease and/or the NuStar Lease (the "Term").

3. DAMAGES. Grantee shall pay Grantor for any and all Claims caused to the Best Bet Lease Property, or to the property, equipment, facilities and/or appurtenances of Grantor on the Best Bet Lease Property, and injuries to people, in each instance to the extent directly caused by Grantee's use of the Easement granted herein. Grantor shall pay Grantee for any and all Claims caused to the property, equipment, facilities and/or appurtenances of Grantee on the Easement, and injuries to people, in each instance to the extent directly caused by Grantor.

4. INSURANCE. (a) Without limiting the indemnity obligations or liabilities of Grantee provided under this Agreement, Grantee shall provide and maintain at Grantee's own expense during the Term of this Agreement the insurance coverages and requirements set forth in the NuStar Lease Agreement. Any capitalized term used in Sections 4 and 5 and not defined herein shall have the meaning given to it in the NuStar Lease.

(b) Grantee agrees to have such insurance policies properly endorsed as set forth in NuStar Lease Agreement. Anything in this Section 4 to the contrary notwithstanding, if at any time during the Term the waiver of subrogation clause required to be maintained by Grantee is no longer available on terms which are commercially reasonable, then Grantee shall, in good faith, find a mutually acceptable alternative.

(c) Grantee agrees that it will require any Contractor that is not covered by the Required Coverages to obtain insurance coverages reasonably comparable to the Required Coverages that are reasonably appropriate in their limits and other terms and conditions to the nature of the work to be performed by the Contractor. Such coverages shall insure the interests of the Authority Parties and Grantor, as additional insureds in respect of the applicable work being performed and shall be subject to the same (or comparable) coverage and administrative requirements as are imposed on Grantee pursuant to this Agreement. When requested to do so, by Authority, Grantee shall provide or cause to be provided to Authority certificates of insurance with respect to such insurance coverages or such other evidence of insurance, reasonably acceptable in form and content to Authority. For purposes of this Agreement, the term "**Contractor**" means any contractor with whom Grantee contracts to perform work or supply materials or labor in relation to the Grantee's Facilities, including any subcontractor of any tier, supplier or materialman directly or indirectly employed pursuant to a subcontract with a Contractor.

5. INDEMNITY AGREEMENT. TO THE EXTENT PERMITTED BY LAW, GRANTEE SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS AUTHORITY AND AUTHORITY'S PORT COMMISSIONERS, DIRECTORS, MANAGERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "**AUTHORITY PARTIES**"), FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, FINES, JUDGMENTS AND OTHER EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES AND EXPENSES AND COSTS OF INVESTIGATION), OF ANY KIND, NATURE OR DESCRIPTION (INCLUDING CLAIMS FOR PERSONAL INJURY, BODILY INJURY, EMOTIONAL DISTRESS, REAL AND PERSONAL

PROPERTY DAMAGE AND ECONOMIC LOSS) (ALL OF WHICH ARE COLLECTIVELY REFERRED TO HEREIN AS "**CLAIMS**") WHICH MAY BE BROUGHT, INSTITUTED OR ASSERTED AGAINST THE AUTHORITY PARTIES TO THE EXTENT DIRECTLY CAUSED BY ANY OF THE FOLLOWING EVENTS (EACH BEING REFERRED TO IN THIS SUBSECTION AS AN "**INDEMNIFIED EVENT**"):

(A) THE FAILURE ON THE PART OF GRANTEE OR ITS OFFICERS, AGENTS, CONTRACTORS, OR EMPLOYEES (COLLECTIVELY, THE "**GRANTEE PARTIES**") TO COMPLY WITH THIS AGREEMENT OR ANY LAWS OR REGULATIONS APPLICABLE TO THE INSTALLATION, OPERATION, MAINTENANCE, USE OR REMOVAL OF THE GRANTEE FACILITIES BY THE GRANTEE PARTIES ON THE EASEMENT; OR

(B) ANY INJURY TO OR DEATH OF OR CLAIM OF INJURY TO OR DEATH OF ANY PERSON (INCLUDING THE EMPLOYEES OF THE GRANTEE PARTIES) OR ANY DAMAGE TO OR LOSS OF OR CLAIM OF DAMAGE TO OR LOSS OF PROPERTY ARISING OUT OF THE INSTALLATION, OPERATION, MAINTENANCE, USE OR REMOVAL OF THE GRANTEE FACILITIES BY THE GRANTEE PARTIES ON THE EASEMENT.

Notwithstanding anything in this Agreement to the contrary, to the extent the Indemnified Event for which a Claim is made arises out of the joint, concurrent or comparative negligence, causation, responsibility or fault of the Grantee Parties and the Authority Parties, whether negligence, strict liability, breach of warranty, express or implied, or products liability, then Grantee shall defend the Authority Parties against such Claim, but Grantee shall be relieved of its obligation of indemnity with respect to such Claim to the extent, but only to the extent, of the percentage of responsibility attributed to the Authority Parties with respect to causing or contributing to cause the Indemnified Event for which such Claim was made. Furthermore, Grantee shall be relieved of its obligation of indemnity (but not its obligation to defend) with respect to any Claim to the extent, but only to the extent, of the amount actually recovered from one or more insurance carriers and either paid to the Authority Parties or paid for benefit of the Authority Parties in reduction of such Claim. The indemnities contained in Section 5 will not be limited by a limitation on the amount or type of damages owed by Grantee to any employee of Grantee under the Workers' Compensation Act or similar employee benefit acts.

6. NO INTERFERENCE. Grantee shall use the Easement used in such a manner so as not to unreasonably interfere with the Grantor's business operations. Grantor shall not use the Best Bet Lease Property for any purpose that will unreasonably interfere with Grantee's business operations. Notwithstanding the foregoing, Grantor and Grantee expressly agree that Grantee's use of the Easement shall take priority over Grantor's use of the Best Bet Property and Grantee may request Grantor to move any property preventing Grantee's unencumbered use of the Easement and Grantor shall promptly remove such property.

7. "AS IS". Grantor conveys this Easement to Grantee and Grantee accepts the Easement "AS IS", and Grantee assumes all risk thereof and acknowledges that except as expressly provided in this Agreement, GRANTOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OF THE EASEMENT, THE BEST BET LEASE PROPERTY, OR ANY PART THEREOF.

8. NOTICE. Any notice required or permitted to be given or served hereunder upon Grantor, Grantee or Authority shall be in writing, and shall be sufficiently served if deposited in the United States Mail, postage prepaid in Certified or Registered, or delivered by regularly established courier service, or hand delivered, addressed to such party at the address specified below:

GRANTOR: Best Bet Line Handlers, Inc.
Attn: Peter S. MacCallum, Jr., President
P.O. Box 9044
Corpus Christi, Texas 78469-9044
Telephone: 361-884-9922
Facsimile: 361-884-1179

GRANTEE: NuStar Logistics, L.P.
19003 IH-10 West
San Antonio, Texas 78257
Attn: Mark Trexler, Vice President – Corporate Development

AUTHORITY: Port of Corpus Christi Authority of Nueces County, Texas
Attn: Director of Real Estate
P.O. Box 1541
Corpus Christi, Texas 78403
Telephone: 361-885-6169
Facsimile: 361-881-5161

or to such other such address which a party may notify in writing to the other parties. Such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

9. VENUE. This Agreement is performable in Nueces County, Texas, and shall be governed by and construed and enforced in accordance with the laws of the State of Texas. Any suit arising from or relating to this Agreement shall be brought in the district court of Nueces County, Texas. Each Party irrevocably agrees to waive its right to a jury trial.

10. COUNTERPARTS. This Agreement may be executed in any number of counterparts. Each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one Agreement. This Agreement may be executed via facsimile or other electronic transmission, and such counterparts shall have the same force and effect as original signatures. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

11. BINDING EFFECT. This Agreement binds and inures to the benefit of the Parties and their respective successors and permitted assigns.

12. AMENDMENT. The provisions of this Agreement may be amended, modified, enlarged, or otherwise changed in whole or in part only by written instrument signed by each of the Parties hereto.

13. SEVERABILITY/INTERPRETATION. In case any one or more of the provisions contained in this Agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this Agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

14. JOINDER IN EXECUTION. Authority joins in the execution of this Agreement for the purpose of providing its consent to the Easement and to verify that each of the leases herein described, same being the Best Bet Lease and the NuStar Lease, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representative as of the Effective Date.

"GRANTOR"

BEST BET LINE HANDLERS, INC.

By: _____
Peter S. MacCallum, Jr.,
President

"GRANTEE"

NUSTAR LOGISTICS, L.P.

By: NuStar GP, Inc., its general partner

By: _____
Mark Trexler,
Senior Vice President

"AUTHORITY"

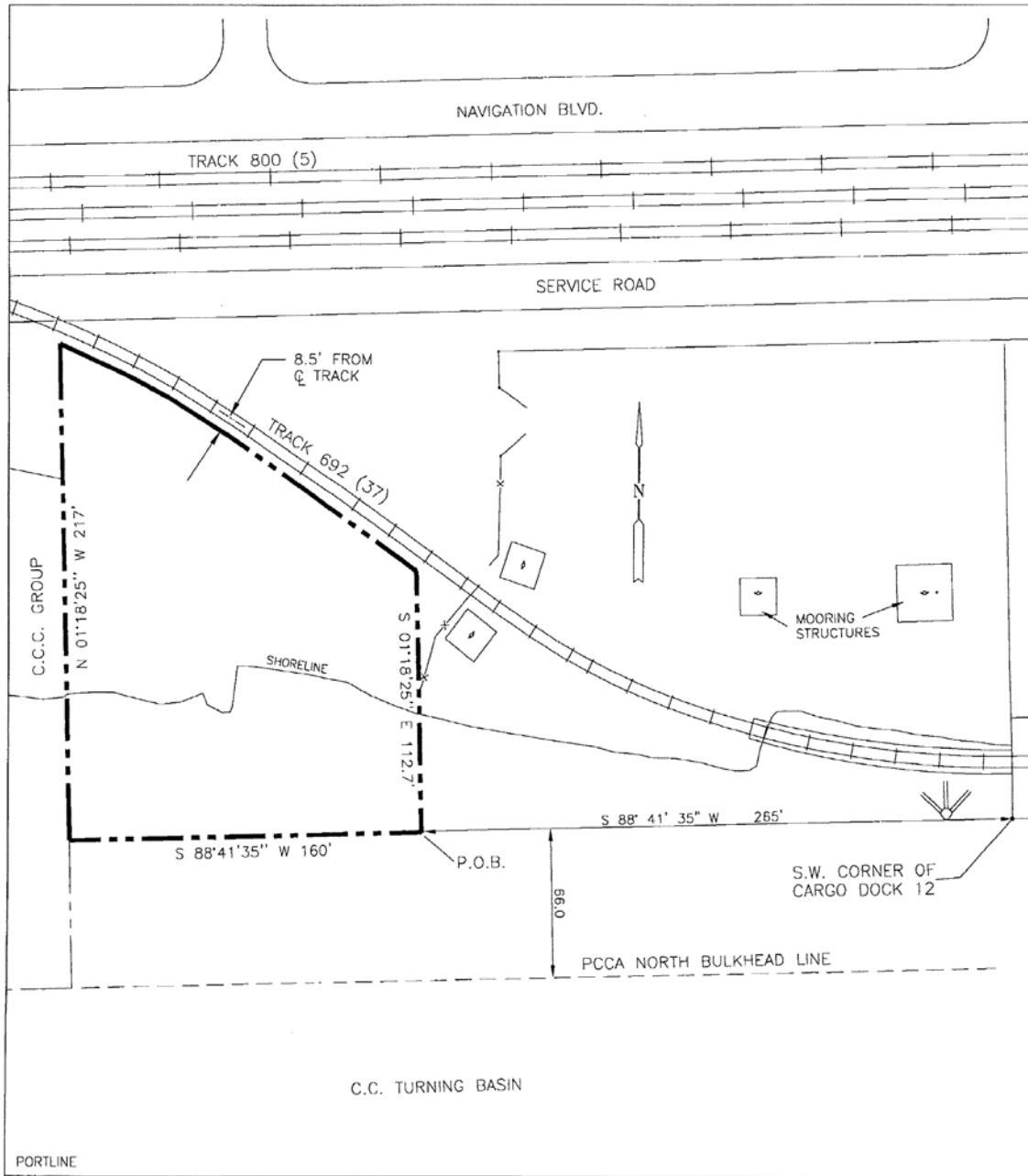
**PORT OR CORPUS CHRISTI
AUTHORITY
OF NUECES COUNTY, TEXAS**

By: _____

Name: _____

Title: _____

EXHIBIT "A"
Best Bet Lease Property



NO.	DATE	REVISION



PORT OF CORPUS CHRISTI AUTHORITY	
BEST BET LINE HANDLER LEASE ± 0.62 ACRES	
SCALE: 1"=60'	DATE: JAN. 2003
DWN. BY: RALPH	EXHIBIT A



DATE: June 19, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
 Sam@pocca.com
 (361) 885-6140

Approve a Third Amendment of Lease Agreement with Gulf Compress, a Texas Cooperative to Change the Termination Date Pertaining to Corpus Christi Liquefaction, LLC 25.47-acre Laydown Site Located in San Patricio County, Texas.

SUMMARY: Gulf Compress, a Texas Cooperative (Gulf Compress) and PCCA staff have negotiated the Third Amendment of Lease to reach a consensus to accommodate Corpus Christi Liquefaction, LLC (CCL) use of a 25.47-acre construction laydown area during the construction of its natural gas liquefaction facility located adjacent to PCCA’s La Quinta Terminal property. The Third Amendment of Lease Agreement with Gulf Compress will change the termination date pertaining to the CCL lease and includes a twelve (12) month opt out provision which begins December 1, 2019 at the end of the original CCL lease agreement.

BACKGROUND On May 13, 2003, the Port Commission approved a 30-year lease agreement with Gulf Compress for 28.78 acres of Port property located at the La Quinta Trade Gateway site. On December 17, 2009, the Lease was amended to provide an option provision to lease an additional 25.47 acres to the east of the Leased Premises. On March 11, 2014, the Lease was amended for Gulf Compress to consent to the PCCA’s lease of the 25.47-acre option area to CCL for a Laydown Lease during the construction of a Liquefied Natural Gas facility.

ALTERNATIVES: Do not approve Third Amendment of Lease Amendment with Gulf Compress.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None

STAFF RECOMMENDATION: Staff recommends approval of the Third Amendment of Lease Amendment with Gulf Compress.

DEPARTMENTAL CLEARANCES:

Originating Department Real Estate Department

Reviewed & Approved Sam Esquivel

Legal Bruce Hawn

Senior Staff Sean Strawbridge
 John LaRue
 Kent Brinton

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Lease Amendment
Lease Summary

Approve a Third Amendment of Lease Agreement with Gulf Compress, a Texas Cooperative to Change the Termination Date Pertaining to Corpus Christi Liquefaction, LLC 25.47 acre Laydown Site Located in San Patricio County, Texas.



25.47 ac Laydown Site



General Location

321



THIRD AMENDMENT OF LEASE

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
 COUNTY OF SAN PATRICIO §

WHEREAS, by instrument ("Lease") dated June 20, 2003, Port of Corpus Christi Authority of Nueces County, Texas ("Authority"), leased to Gulf Compress, a Texas cooperative, whose principal address is 201 N 19th, Corpus Christi, Texas 78408 ("Lessee") a tract of 28.78 acres of land, more or less, situated in San Patricio County, Texas, which tract is particularly described in the Lease ("Leased Premises"). Authority and Lessee may hereinafter be collectively referred to as the "Parties"; and

WHEREAS, the Parties in an AMENDMENT OF LEASE effective December 17, 2009 amended the Lease to extend its primary term to December 16, 2039, and provide for an option granting Lessee an option to lease an additional tract of 25.47 acres (the "25.47 Acre Option Tract") adjacent to the Leased Premises; and

WHEREAS, the Parties in a SECOND AMENDMENT OF LEASE effective March 11, 2014 (the "Second Amendment") amended the Lease to modify the description and term of the leased premises; and amended Lessee's option to lease (the "Option") the "25.47 Acre Option Tract";

WHEREAS, capitalized terms in this Third Amendment Lease ("Amendment") shall have the meanings ascribed to those terms under the provisions of the Lease as previously amended; and

WHEREAS, the Parties desire to modify and clarify the terms of the Option

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the sufficiency and receipt of which is acknowledged by both Parties hereto, and in further consideration of the mutual covenants and obligations contained herein, Authority and Lessee do hereby agree as follows:

The Lease, as amended, is hereby amended to clarify the option (the "Option") as follows:

The Parties hereto acknowledge that the Authority has in fact leased the 25.47 Acre Option Tract to Corpus Christi Liquefaction, LLC ("CCL") as authorized by the Second Amendment (the "CCL Lease"). The Parties hereby agree that the CCL Lease may be amended, and in particular may be amended to extend the term of the CCL Lease, provided: (i) such term is not extended beyond December 31, 2024, and (ii) contains a twelve (12) month termination provision allowing Authority to terminate the CCL Lease any time after January 1, 2020 by giving CCL twelve (12) months prior written notice of lease termination. The parties further agree in the event Lessee exercises the Option, the Authority will have no obligation whatsoever to remove the pad site and the fixtures and appurtenances thereto constructed by CCL upon the 25.47 Acre Option

Tract. It being the intent of the Parties that Lessee upon exercise of the Lease Option takes the 25.47 Acre Option Tract as is where is with all faults, subject to any clean up obligations of CCL required by the terms of the CCL Lease.

The Lease, as amended, is further amended to insert the following paragraph into the Lease:

Notwithstanding anything to the contrary set forth in this Lease, Lessee may at any time on or after January 1, 2020, provided Lessee is not then in default, request in writing that Authority terminate the CCL Lease ("*Lessee's Termination Request*"). Authority agrees within thirty (30) days of Authority's actual receipt of Lessee's Termination Request to send CCL a notice that Authority is exercising its right to terminate the CCL Lease effective midnight on the one-year anniversary date of CCL's receipt of Authority's election to terminate the CCL Lease. Lessee's Termination Request to Authority shall be treated as Lessee's written notice of its exercise of its Option to lease, Lease Area "B" effective as of the date of termination of the CCL Lease; at which time this Lease agreement shall be amended to add Lease Area "B" as part of the Leased Premises and the Annual Rent shall be increased to include Lease Area "B" in accordance with the method for determining annual rent provided for in Section 3.01 of the Lease.

All other terms and conditions of the Lease, as amended, not hereby changed or modified, shall remain the same as written in the Lease, as previously amended.

EXECUTED in duplicate originals effective the ____ day of _____, 2018.

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

By: _____
Sean C. Strawbridge
Chief Executive Officer

"Authority"

GULF COMPRESS

By: Robert Swize
Robert Swize, President

"Lessee"

Attest:

_____, Secretary

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 2018 by SEAN C. STRAWBRIDGE, as Chief Executive Officer of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF Nueces §

This instrument was acknowledged before me on the 14th day of June, 2018, by ROBERT SWIZE, as President of Gulf Compress on behalf of said cooperative.

[Signature]

NOTARY PUBLIC, STATE OF TEXAS





DATE: June 19, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
 Sam@pocca.com
 (361) 885-6140

Approve a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to Extend the Term of the 25.47 acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.

SUMMARY: Corpus Christi Liquefaction, LLC (CCL) and PCCA staff have negotiated the Second Amendment of Lease to extend the term of the 25.47 acre Laydown Construction Lease. The Second Amendment of Lease Agreement with CCL will change the termination date to December 31, 2024 and includes a twelve (12) month opt out provision which begins December 1, 2019 at the end of the original CCL lease agreement.

BACKGROUND: At the March 11, 2014 meeting, the Port Commission approved a Laydown Lease Agreement with CCL, a subsidiary of Cheniere Energy, Inc. CCL is constructing a Liquefied Natural Gas (LNG) facility along the La Quinta Ship Channel adjacent to La Quinta Terminal property owned by the PCCA. As part of the Federal Energy Regulatory Commission process CCL is required to demonstrate that they own or control all of the land to be used in connection with the construction and operation of the terminal facility. This requirement includes the temporary laydown areas and fabrication yards to be used during the construction phase of the project. Since CCL's LNG facility will occupy nearly all the property owned or controlled by CCL, CCL must secure additional land to use as a lay-down and fabrication area during the construction phase of the project.

ALTERNATIVES: Do not approve Lease Amendment with CCL.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: The annual base rent for the five (5) year extension period will increase by 28.47%.

STAFF RECOMMENDATION: Staff recommends approval of the Second Amendment of Lease with Corpus Christi Liquefaction, LLC to extend the term of the 25.47 acre laydown construction Lease to December 31, 2024.

DEPARTMENTAL CLEARANCES:

Originating Department Real Estate Department

Reviewed & Approved Sam Esquivel

Legal Bruce Hawn

Senior Staff Sean Strawbridge
 John LaRue
 Kent Brinton

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Lease Amendment
Lease Summary

Approve a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to Extend the Term of the 25.47 acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.



FIRST AMENDMENT OF LEASE

This **FIRST AMENDMENT OF LEASE** (“**First Amendment**”) is made effective as of the day of _____, 2018 (“**Amendment Date**”) by and between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called “**Authority**”), and **CORPUS CHRISTI LIQUEFACTION, LLC**, a Delaware limited liability company, whose principal address is 700 Milam Street, Suite 1900, Houston, Texas 77002 (hereinafter called “**Lessee**”). Authority and Lessee each herein called a “**Party**” and together the “**Parties**”. This First Amendment includes all Exhibits hereto.

WHEREAS, Authority and Lessee entered into a Lease Agreement dated March 11, 2014 (“**Lease**”), and as evidenced by that one certain Memorandum of Lease Agreement dated August 21, 2014, executed by Authority and Lessee, recorded under Clerk’s File No. 640195, Official Public Records of San Patricio County, Texas, and also recorded under Document No. 2014034142, Official Public Records of Nueces County, Texas; and

WHEREAS, capitalized terms in this First Amendment shall have the meanings ascribed to those terms under the Lease, except as provided herein; and

WHEREAS, Authority and Lessee have mutually agreed to changes to the Lease as more particularly set forth herein; and

NOW THEREFORE, for and in consideration of the agreements set forth herein, effective as of the Amendment Date, the Parties hereby agree as follows:

1. Section 1.02 A. is hereby amended in its entirety to read as follows:
 - A. Unless earlier terminated by either Party under the terms herein provided, the term of this Lease Agreement (“**Term**”) shall commence on March 1, 2014 (the “**Effective Date**”) and shall end on December 31, 2024.
2. Section 1.02 D. is hereby amended in its entirety to read as follows:
 - D. For purposes of this Lease Agreement, “**Lease Year**” means any of the following Lease Years:

<u>Lease Year:</u>	<u>Begins:</u>	<u>Ends:</u>
First	Effective Date	January 31, 2014
Second	February 1, 2014	December 31, 2014
Third	January 1, 2015	December 31, 2015
Fourth	January 1, 2016	December 31, 2016
Fifth	January 1, 2017	December 31, 2017
Sixth	January 1, 2018	December 31, 2018
Seventh	January 1, 2019	December 31, 2019
Eighth	January 1, 2020	December 31, 2020

Ninth	January 1, 2021	December 31, 2021
Tenth	January 1, 2022	December 31, 2022
Eleventh	January 1, 2023	December 31, 2023
Twelfth	January 1, 2024	December 31, 2024

3. Section 1.02 is amended by adding a new subsection E. at the end of such Section as follows:

E. Notwithstanding anything in the Lease, as amended, to the contrary, at any time on or after January 1, 2020, Authority may unilaterally, or at the request of Gulf Compress, a Texas nonprofit corporation (“**Gulf Compress**”), terminate this Lease Agreement upon twelve (12) months’ prior written notice. Should Authority provide any such written notice at any time on or after January 1, 2020, then in such event the Term of this Lease Agreement shall be deemed to have expired by its terms on the twelfth month after the date of Lessee’s receipt of such written notice.

4. The initial paragraph of Section 3.01 is hereby amended in its entirety to read:

Lessee agrees to pay to Authority at its offices in Corpus Christi, Texas, or by wire transfer acceptable to both Parties, a one-time renewal fee in the amount of Twenty-Five Thousand and No/100ths Dollars (\$25,000.00) at the time of execution of this First Amendment; and agrees to pay to Authority at its offices in Corpus Christi, Texas, or by wire transfer acceptable to both Parties a base rent (“**Base Rent**”) for the Leased Premises for each Lease Year during the Term of this Lease. The Base Rent for each Lease Year shall be determined in accordance with this **Section 3.01 as follows:**

Section 3.01 is further hereby amended to add new subsection D. at the end of said Section as follows:

D. The Base Rent for the eighth, ninth, tenth, eleventh, and twelfth Lease Years shall be Two Hundred and Twenty-Five Thousand and No/100ths Dollars (\$225,000.00) per year.

5. Section 4.01. A. (1) is hereby amended in its entirety to read as follows:

(1) For the laydown, assembly, fabrication, testing and storage of equipment and materials to be used in the construction, commissioning and startup of Lessee’s, or its Affiliate’s (as that term is defined in Section 7.01 herein) planned LNG import and export plant and related facilities to be built on Lessee’s or such Affiliate’s nearby property (the “**Construction Project**”).

6. The third paragraph of Section 5.02 is hereby amended in its entirety to read as follows:

Lessee shall, upon the expiration or sooner termination of this Lease Agreement, surrender the Leased Premises to Authority in neat and clean condition, normal wear and tear excepted. Without intending to limit the foregoing, within thirty (30) days before the date of expiration or termination of this Lease Agreement (and in any case no later than December 31, 2024) Lessee, except to the extent otherwise authorized by Authority in writing, shall (a) remove any structures, permanent facilities and other improvements such as concrete slabs or foundations, any hazardous substances (including any hazardous substances in soils or compacting material brought onto the Leased Premises), any underground

improvements such as foundations, cisterns, storage tanks, electrical systems (including all concrete encased portions thereof), and pipelines installed by or for Lessee, and any trash or other surplus material on the Leased Premises, (b) repair any damage caused by such removal and (c) return the Leased Premises to a reasonably graded, compacted, and level condition. Any such improvements not removed, at Authority's election, will become Authority's property; *provided, however*, that Lessee will leave the drainage and storm sewer system as designed and intact; and shall not remove the pad sites, any non-hazardous fill material, non-hazardous stabilization materials, paving materials or limestone base materials which were utilized in constructing pad sites, drainage and storm sewer improvements, parking lots and/or roadways on the Leased Premises. Lessee shall give written notice to Authority at least thirty (30) days prior to vacating the Leased Premises and shall meet with Authority for a joint inspection of the Leased Premises at the time of vacating, but nothing contained herein shall be construed as an extension of the Term or as a consent by Authority to any holding over by Lessee. In the event of Lessee's failure to give such notice or participate in such joint inspection, the Authority's inspection at or after Lessee's vacating the Leased Premises shall conclusively be deemed correct for purposes of determining Lessee's responsibility for further repairs and restoration. If any such repairs or restorations are not performed by Lessee and/or accepted by Authority by the dates herein specified, then Lessee must pay Authority any reasonable expense actually incurred by Authority to perform such repairs or restorations to the Leased Premises, which payment obligation shall expressly survive the expiration or termination of this Lease Agreement.

7. The second paragraph of Section 5.09 is hereby amended in its entirety to read as follows:

Authority has no obligation to protect any personal property of Lessee or Lessee's contractors or subcontractors located on the Leased Premises after the expiration or termination of the Lease Agreement. Without limiting Lessee's obligation to surrender the Leased Premises in the condition specified in Section 5.02, any fixtures not removed, in accordance with Section 5.02, by Lessee when this Lease Agreement expires or terminates shall be considered abandoned by Lessee and will automatically become Authority's property. If any fixture installed by Lessee, which is not expressly authorized by Authority or this Agreement to remain on the Leased Premises, is nevertheless 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 Leased Premises.

8. The first paragraph of Section 7.01 is hereby amended by adding the following sentences to the end of such paragraph:

Notwithstanding the above restrictions on assignments or subletting, Authority's prior consent shall not be required for any assignment or subletting to an Affiliate of Lessee. "Affiliate" is defined as any person or entity controlling, controlled by or under common control of Lessee. No such assignment or subletting by Lessee to an Affiliate shall in any way release Lessee from any past or future covenants and obligations contained in this Lease Agreement.

9. Section 7.02 A (4) is hereby amended in its entirety to read as follows:

(4) Lessee acknowledges and agrees in writing that, notwithstanding the transfer, Lessee remains 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, the Transferee, or both of them, without prior demand upon or proceeding in any way against any other persons.

10. Section 17.04 is hereby amended to change the address of Lessee as follows:

Attention: President, Corpus Christi Liquefaction, LLC, at 700 Milam Street, Suite 1900, Houston, Texas 77002, or at such other address as Lessee shall request in writing.

11. This First Amendment shall be binding on the successors and assigns of the Parties.

12. Except as specifically amended hereby, all terms and conditions of the Lease Agreement shall remain in full force and effect, and the Lease Agreement, as amended, is hereby ratified and confirmed as being in full force and effect between the Parties. In the event of any conflict between the terms and conditions of this First Amendment and the terms and conditions of the Lease Agreement, the terms and conditions of this First Amendment shall control.

13. This First 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 First 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.

[The signature page follows this page.]

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed by their duly authorized offices, as of the dates provided below each signature, to be effective, however, for all purposes, as of the Amendment Date.

AUTHORITY:

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

By: _____
Sean C. Strawbridge
Chief Executive Officer

Date: _____

LESSEE:

CORPUS CHRISTI LIQUEFACTION, LLC

By: Keith Little
Name: Keith Little
Title: VP-Asset Management

Date: June 19, 2018



DATE: June 19, 2018

TO: Port Commission

FROM: Tyler Fuhrken, Director of IT
885-6150
Tyler@pocca.com

Approve a three year renewal of Microsoft Enterprise Agreement for Office 365 email, office applications and server licensing in the total amount of \$130,749.09 with SHI Government Solutions through Texas DIR-TSO-4092.

SUMMARY: Staff requests authority to issue a Purchase Order to SHI Government Solutions in the amount of \$130,749.09 for a three year renewal of Microsoft Enterprise Agreement (EA) for Office 365 email, office applications and server licensing. This purchase is through the Texas Directory of Information Resources (DIR) Cooperative Contracts Program.

BACKGROUND: In June 2015, Port Commission approved a three year Microsoft EA. This agreement covered Microsoft Office 365 email, office applications and server licensing. The existing EA will expire on June 30, 2018.

The new EA will include licensing for 231 email accounts, 162 Office suites, 5 Project Professional, 4 Visio, 1 SQL Server and 184 Server Cores. This licensing is required to operate our pocca.com email services, server infrastructure and desktop licensing for Microsoft Office Suite.

DIR’s Cooperative Contracts Program is a streamlined cooperative purchasing program with over 750 Master Contracts for technology products and services. All Master Contracts awarded by DIR have been competitively bid to meet state purchasing requirements, and all Master Contract terms have been negotiated to comply with state law. PCCA is eligible to buy through DIR as a political subdivision of the state.

ALTERNATIVES: Microsoft EA is required to operate email, servers and desktops. Alternative solutions are available but not recommended for our business environment.

CONFORMITY TO PORT POLICY: PCCA Strategic Goal #3 – Operate the Port’s Facilities in a Safe, Secure and Efficient Manner

EMERGENCY: None.

FINANCIAL IMPACT: This is an annually budgeted item.

STAFF RECOMMENDATION: Staff recommends approval of a three year Enterprise Agreement with Microsoft and a Purchase Order be issued to SHI Government Solutions, in the amount of \$130,749.09 through Texas DIR contract DIR-TSO-2542.

DEPARTMENTAL CLEARANCES:

Originating Department Information Technology

Reviewed & Approved Tyler Fuhrken
 Lynn Angerstein

Legal Dane Bruun
Senior Staff Sean Strawbridge
 Dennis J. DeVries

LIST OF SUPPORTING DOCUMENTS:

SHI Quote
Microsoft Enterprise Agreement



Pricing Proposal
 Quotation #: 15246477
 Reference #: EA# 6435867
 Created On: 4/26/2018
 Valid Until: 4/30/2018

PORT OF CORPUS CHRISTI

Inside Account Manager

Richard Hernandez

PO BOX 1541 AUTH. OF
 NUECES;ATTN:AP
 CORPUS CHRISTI, TX 78403
 United States
 Phone: (361) 885-6105
 Fax: (361) 881-5167
 Email: richardh@pocca.com

Rich Lettiere

1301 S. Mo-Pac Expressway, Suite
 375, Austin TX, 78746
 Send PO to: Texas@shi.com
 Phone: 800-870-6079
 Fax: 512-732-0232
 Email: Richard_Lettiere@SHI.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 AzureMonetaryCommit ShrdSvr ALNG SubsVL MVL Commit Microsoft - Part#: 6QK-00001 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	2	\$1,227.96	\$2,455.92
2 EntMobandSecE3Full ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-10732 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	10	\$91.32	\$913.20
3 O365E3 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-10842 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	162	\$203.40	\$32,950.80
4 O365F1 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: TPA-00001 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	69	\$30.48	\$2,103.12
5 ProjOnInProf ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: 7LS-00002 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	5	\$260.28	\$1,301.40
6 SQLSvrStd ALNG SA MVL Microsoft - Part#: 228-04433 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	1	\$144.07	\$144.07

7	VisioOnInP2 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: N9U-00002 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	3	\$133.56	\$400.68
8	WinSvrSTDCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 9EM-00270 Contract Name: Microsoft Software Volume Licensing Contract #: DIR-TSO-4092 Note: Year 1 of 3	184	\$18.01	\$3,313.84
			Total	\$43,583.03

Additional Comments

Service Level Agreements:

- 1. Quotes:** Quote requests will be acknowledged within 4 business hours of each request. Under normal circumstances, quotes will be provided within 24-48 hours of the initial request. If quotes will take longer than this timeframe, status updates will be provided at reasonable intervals.
- 2. Orders:** All valid orders will be processed within 24 hours.
- 3. Contract Documents:** All submissions will be reviewed and responded to within 24 business hours. Actual processing time will vary based on quality and complexity of the submission.

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.

Enterprise Enrollment

State and Local

Enterprise Enrollment number <i>(Microsoft to complete)</i>	78565513	Framework ID <i>(if applicable)</i>	
Previous Enrollment number <i>(Reseller to complete)</i>	6435867		

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to “anniversary date” refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

“Additional Product” means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

“Community” means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer’s regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

"Volume Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

2. Order requirements.

- a. Minimum order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) Enterprise commitment.** Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).
 - (ii) Enterprise Online Services only.** If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services.
- b. Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.
- c. Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. Resellers.** Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.
- f. Adding Products.**
 - (i) Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

- (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.
- g. **True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
- (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
- (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
- (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retroactively to the month in which they were ordered.
- (iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:
- 1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
 - 2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
 - 3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.
- Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.
- (v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.
- (vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate

may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

- (vii) **Late true-up order.** If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).
- h. **Step-up Licenses.** For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:
 - (i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.
 - (ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.
- i. **Clerical errors.** Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.
- j. **Verifying compliance.** Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. Pricing.

- a. **Price Levels.** For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.
- b. **Setting Prices.** Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. Payment terms.

For the initial or renewal order, Enrolled Affiliate may pay upfront or elect to spread its payments over the applicable Enrollment term. If an upfront payment is elected, Microsoft will invoice Enrolled Affiliate's Reseller in full upon acceptance of this Enrollment. If spread payments are elected, unless indicated otherwise, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. End of Enrollment term and termination.

- a. **General.** At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.

- b. Renewal option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal. Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.
- c. If Enrolled Affiliate elects not to renew.**
- (i) Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.
 - (ii) Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.
 - 1) Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month (“Extended Term”) for up to one year, unless designated in the Product Terms to continue until cancelled, is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.
 - 2) Cancellation during Extended Term.** At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.
 - (iii) Subscription Licenses and Online Services not eligible for an Extended Term.** If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate’s Enterprise must discontinue use. Microsoft may request written certification to verify compliance.
- d. Termination for cause.** Any termination for cause of this Enrollment will be subject to the “Termination for cause” section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.
- e. Early termination.** Any early termination of this Enrollment will be subject to the “Early Termination” Section of the Enterprise Agreement.

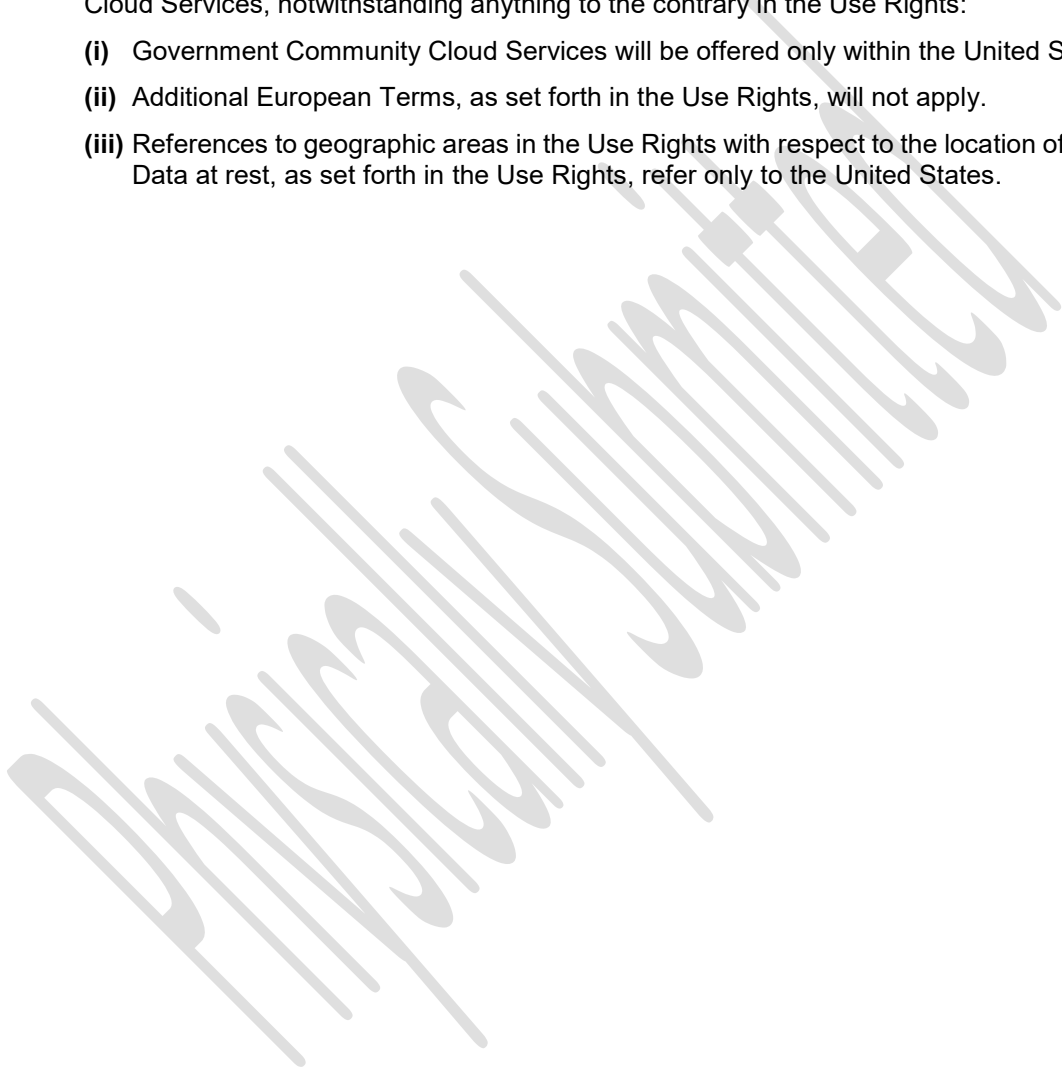
For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. Government Community Cloud.

- a. Community requirements.** If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly

prohibited and could result in termination of Enrolled Affiliate's license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.

- b. All terms and conditions applicable to non-Government Community Cloud Services also apply to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.
- c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.
- d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:
 - (i) Government Community Cloud Services will be offered only within the United States.
 - (ii) Additional European Terms, as set forth in the Use Rights, will not apply.
 - (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.



Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:
- Enrolled Affiliate only
 - Enrolled Affiliate and all Affiliates
 - Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

 - Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:
- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* Port of Corpus Christi Authority

Contact name* First Tyler **Last** Fuhrken

Contact email address* tyler@pocca.com

Street address* 222 Power St.

City* Corpus Christi

State/Province* TX

Postal code* 78401-1529-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 361-885-6150

Tax ID

** indicates required fields*

- b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible Online Services, including adding or reassigning Licenses and stepping-up prior to a true-up order.

Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Tyler Last Fuhrken

Contact email address* tyler@pocca.com

Street address* 222 Power St.

City* Corpus Christi

State/Province* TX

Postal code* 78401-1529-

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 361-885-6150

Language preference. Choose the language for notices. English

This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Tyler Last Fuhrken

Contact email address* tyler@pocca.com

Phone* 361-885-6150

This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* SHI International Corp.

Street address (PO boxes will not be accepted)* 290 Davidson Ave

City* Somerset

State/Province* NJ

Postal code* 08873

Country* United States

Contact name* Amanda Bongiovi

Phone* 88-764-8888

Contact email address* msteam@shi.com

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____

Printed name*

Printed title*

Date*

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the

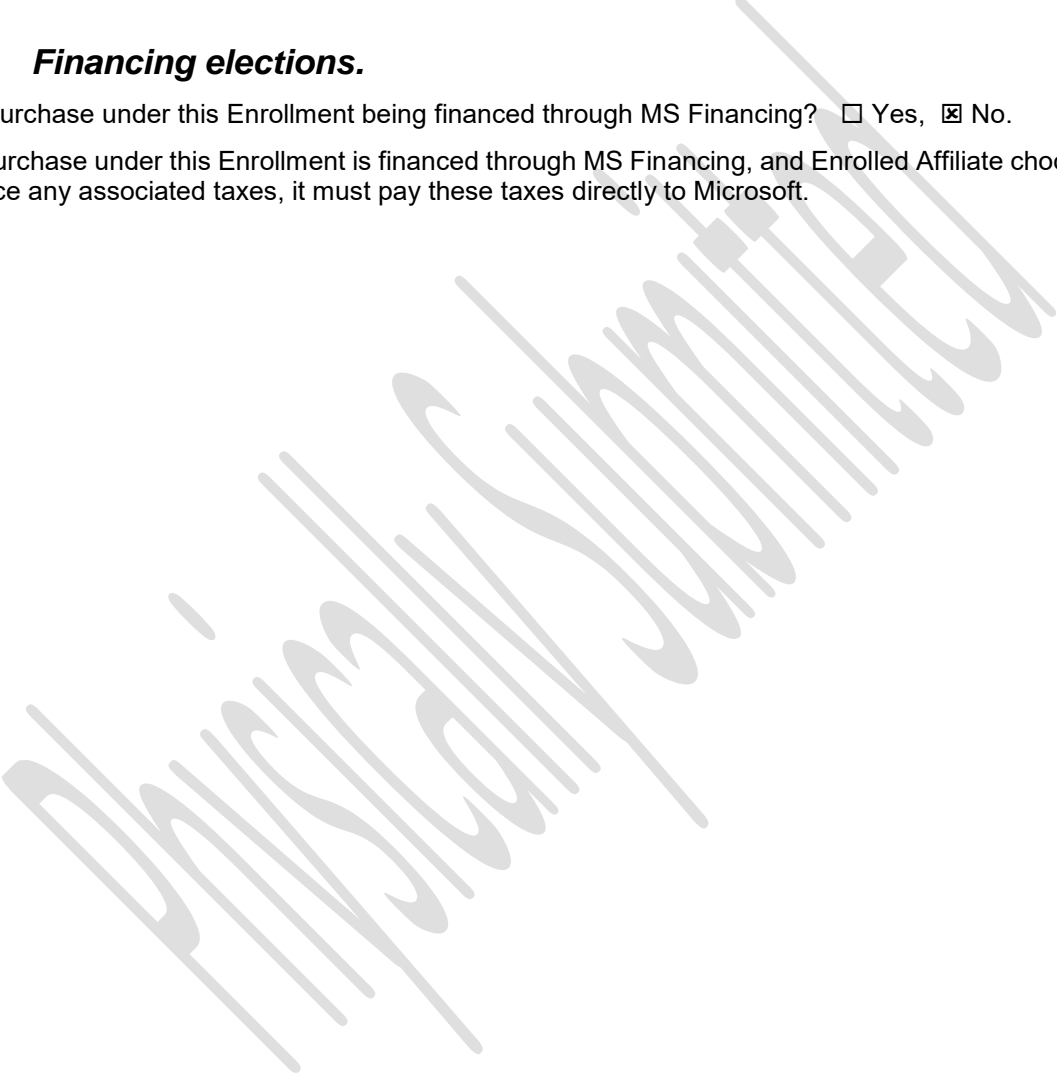
other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*
 - (i) Additional notices contact
 - (ii) Software Assurance manager
 - (iii) Subscriptions manager
 - (iv) Customer Support Manager (CSM) contact

3. *Financing elections.*

Is a purchase under this Enrollment being financed through MS Financing? Yes, No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.





DATE: June 19, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
 Director of Engineering Services
Krams@pocca.com
 (361) 885-6134

ANTICIPATED STAFF PRESENTER: Daniel J. Koesema, P.E.
 Chief of Channel Development

Approve Service Order No. 2 in the Amount of \$199,435 with CH2M HILL Engineers, Inc., under Master Services Agreement No. 18-08, for Design Phase Engineering Services Associated with Raising Levees at Good Hope Dredge Material Placement Area.

SUMMARY: Staff recommends the approval of the attached Service Order No. 2, under Master Services Agreement 18-08, with to CH2M HILL Engineers, Inc. (CH2M) in an amount not to exceed \$199,435 to provide design phase engineering services associated with raising levees at the Good Hope Dredge Material Placement Area.

BACKGROUND: The Good Hope Dredge Material Placement Area (DMPA) consists of two discrete DMPA cells totaling approximately 258 acres owned by the Port of Corpus Christi Authority (PCCA) located generally between State Highway 361 and the La Quinta Ship Channel, east of the Occidental Chemical Corporation facility. While the DMPA has approximately 1,000,000 – 1,500,000 cubic yards of existing capacity between the two cells, recent discussions with PCCA’s customers indicate that there will be a need to place up to 2,500,000 CY of dredge material between now and mid 2019. To accommodate this projected dredge material, a levee raise will be required to create additional capacity. In addition, improvements to the outfall structure will be required and the effluent pipes will need to be replaced, as they are currently inoperable.

Staff negotiated the attached Service Order No. 2 with CH2M to provide engineering design services and contract document preparation for improvements to Good Hope DMPA, Cell I and Cell J. The scope of work generally includes performing surveying, a geotechnical investigation, engineering, design, and preparation of contract documents for improvements to Good Hope DMPA to create approximately 1,000,000 – 2,000,000 CY of additional capacity. The design will also include improvements to the outfall structure and the replacement of effluent pipes.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs).

EMERGENCY: No.

FINANCIAL IMPACT: The Engineering budget did not include funds for this levee raise project. Fees from the next scheduled dredge placement activity (3rd quarter 2018) are expected to cover most of the design and construction costs associated with these improvements. Fees from the next two planned dredge placement activities, anticipated in 2019, will fully fund any remaining construction costs.

STAFF RECOMMENDATION: Staff recommends approval of the attached Service Order No. 2 to CH2M HILL Engineers, Inc., under Master Services Agreement No. 18-08, in an amount not to exceed \$199,435 to provide engineering services associated with the Levee Raise at Good Hope DMPA Project. With the approval of this Service Order No. 2, the amount of awarded Service Orders under Master Services Agreement No. 18-08 will total to \$375,882.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams Dan Koesema
Legal Senior Staff	Used Port's Standard Construction Contract Template John LaRue Sean Strawbridge Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Service Order No. 2
Map Exhibit

Levee Raise at Good Hope Dredge Material Placement Area



**SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-08**

**PROJECT NAME: Levee Raise at Good Hope DMPA
PROJECT NO. 18-040A
SERVICE ORDER NO. 2
COMMENCEMENT DATE: June 19, 2018**

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”) and CH2M Hill Engineers, Inc. (“**Engineer**”). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA’s Master Services Agreement No. 18-08 between PCCA and Engineer, as amended (“**Agreement**”). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

Description of Specific Project:

Under this Service Order, ENGINEER will perform tasks and provide services necessary to produce final designs and construction ready plans and specifications related to PCCA Project No. 18-040A – Levee Raise at Good Hope DMPA.

The Project includes engineering, design, and preparation of contract documents for improvements to Good Hope Dredge Material Placement Area (DMPA) to create approximately 1,000,000 to 2,000,000 cubic yards of additional dredge material placement area capacity.

Services of Engineer (Scope of Services)

The specific services to be provided or furnished by Engineer under this Service Order are set forth in “Part 1—Services” of Exhibit A, “*Engineer’s Services for Service Order*,” modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement.

Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule:

<u>Party</u>	<u>Action</u>	<u>Schedule</u>
Engineer	Furnish 3 review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.	Within 40 working days of the Commencement Date of the Service Order.
Engineer	Furnish 3 copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design deliverables, to PCCA.	Within 20 working days of PCCA’s authorization to proceed with Final Design Phase Services.
Engineer	Furnish 3 copies of the revised final Drawings and Specifications, assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.	Within 5 working days of the receipt of PCCA’s comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer’s schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation:

- Standard Hourly Rates plus reimbursable expenses with a not-to-exceed Ceiling Price.

- B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: N/A. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): N/A.**
- C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is \$192,435.**
- D. If this is an Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:**

Description of Service	Amount
Preliminary Design Phase (<i>A1.01 of Ex. A</i>)	\$ 58,930
Final Design Phase (<i>A1.02 of Ex. A</i>)	\$ 95,395
Geotechnical Investigation and Survey (<i>A1.01.A.1 & A.3 of Ex. A</i>)	\$ 45,110
ESTIMATED TOTAL COMPENSATION	\$ 199,435

E. The terms of payment are set forth in Article 4 of the Agreement.

Consultants retained or that will be retained as of the Commencement Date of the Service Order:

PSI Intertek
Naismith Marine Services

Other Modifications to the Agreement or the Exhibits to the Agreement: N/A

Exhibits or Attachments to this Service Order: N/A

Documents (other than the Agreement) Incorporated by Reference: N/A

Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:

**Port of Corpus Christi Authority
of Nueces County, Texas**

By: _____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed: _____

Address for giving notice:

222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Designated Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361-885-6134

Facsimile Number: 361-881-5161

E-Mail Address: krams@pocca.com

Engineer:

CH2M HILL Engineers, Inc.

By: 

Name: Glen McCabe

Title: Vice President

Date Signed: June 12, 2018

Address for giving notice:

555 N. Carancahua
Tower II, Suite 320
Corpus Christi, Texas 78401

Engineer's Designated Representative:

Sidney A. Faas, P.E.

Title: Vice President

Phone Number: 361-792-2011

Facsimile Number: 361-888-8600

E-Mail Address: Sidney.faas@ch2m.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

PART 1—SERVICES

A1.01 *Preliminary Design Phase*

A. Engineer shall:

Provide professional services necessary to complete Preliminary Design for improvements to Good Hope DMPA to create approximately 1,000,000 to 2,000,000 cubic yards of additional dredge material capacity. The design shall include increasing the levee height of Good Hope DMPA, Cell I and Cell J, and any required training levee, spillway, and effluent pipe improvements to ensure Good Hope DMPA is in condition to receive dredge material. Documents will consist of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Specific Project.

1. Provide necessary field surveys, topographic, and utility maps for Engineer's design purposes.
 - a. Perform a topographic survey of the Good Hope DMPA, Cell I, and Cell J.
 - i. Obtain cross sections every 200 feet including the levee outside toe, outside top, inside top, and top of dredge material.
 - ii. Identify washout areas and any deficiencies of the perimeter levee. The outward limits of survey will be to 100 feet from the toe of the levee.
 - iii. Vertical control will be based on NAVD 88 datum. Horizontal datum will be based on NAD 83 State Plane Coordinate System, Texas South Zone 4205 (U.S. Survey Feet).
 - b. Determine Existing Capacity of Good Hope DMPA.
2. Inspect and document the condition of the outfall structures and effluent pipes.
3. Geotechnical Investigation
 - a. Perform a geotechnical investigation (through subconsultant) including 6 borings, 8 hand auger borings, and 6 Cone Penetrometer Tests (CPTs). Borings and CPTs will be advanced to a depth of 40 feet below original ground. Hand auger borings will be advanced to a depth of 10 feet below original ground.

Preliminary Design Phase deliverables and has met with PCCA to review deliverables.

A1.02 *Final Design Phase*

A. Engineer shall:

Provide professional services necessary to complete final design and preparation of contract documents for improvements to Good Hope Dredge Material Placement Area (DMPA) to create approximately 1,000,000 to 2,000,000 cubic yards of additional dredge material capacity. The design shall include increasing the levee height of Good Hope DMPA, Cell I, and Cell J, and any required training levee, spillway, and effluent pipe improvements to ensure Good Hope DMPA is in condition to receive dredge material. Work shall include but is not limited to:

1. Determine levee height requirements based on the expected dredge quantity, ponding depth, and freeboard requirement.
2. Provide slope stability analyses and recommend a stable side slope(s).
3. Provide seepage analyses and settlement analyses.
4. Identify locations in Good Hope DMPA for acceptable borrow material.
5. Recommend construction sequences and levee cross section requirements.
6. Provide a letter type Design Report including the analyses and results noted above.
7. Prepare details to raise the existing outfall structures and replace effluent pipes.
8. Prepare final Drawings and Specifications including the scope, extent, and character of the Work to be performed and furnished by Contractor. The drawings include:
 - a. Cover Sheet and Drawing Index
 - b. Site Layout
 - c. General Notes and Construction Sequence
 - d. Site Plans and Survey Control
 - e. Earthwork Cross Sections
 - f. Outfall Structure Plan and Sections
 - g. Technical Specifications

- h. Final construction drawings and specifications will be sealed by a Registered Professional Engineer licensed to practice in the State of Texas.
9. Visit the Site as needed to assist in preparing the final Drawings and Specifications.
10. Advise PCCA of any recommended adjustments to the opinion of probable Construction Cost as design progresses.
11. Assist PCCA in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.
12. In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from PCCA, including but not limited to Special Conditions, Bid Form, and Bid Breakdown Form.
13. Prepare a bid scenario that considers a Base Bid of approximately 1,000,000 cubic yards of capacity improvements, as well as an Additive Bid of approximately 1,000,000 additional cubic yards of capacity improvements.
14. Perform post-dredge survey and geotechnical sampling to update final plans and Construction Contract Documents (if required), as directed by PCCA.
15. Pursuant to the Service Order schedule, furnish for review by PCCA, the required number of copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, and review them with PCCA. Within the time required by the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions sealed by Registered Professional Engineer licensed to practice in the State of Texas.
16. Pursuant to the Service Order schedule, revise the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables in accordance with comments and instructions from the PCCA, as appropriate, and submit the required number of final copies of such documents to PCCA after receipt of PCCA's comments and instructions.
17. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to PCCA the revised final Drawings and Specifications, other assembled Construction Contract Documents, bidding-

related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables.

18. Bid Phase Services, including attending pre-bid meeting, preparing addendums, and incorporating addendums into the Issued for Construction drawings.

Information to be provided by the PCCA:

1. Readily available existing utility, pipeline, and drainage easements and maps in Good Hope DMPA area.
2. Readily available DMPA construction and/or as-built plans.
3. Readily available plans of the Access Road to Good Hope DMPA (project currently under construction).



DATE: June 19, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
 (361) 885-6163

Approve a Professional Engineering Services Contract with Wood Environment & Infrastructure Solutions, Inc. For an amount of \$103,400 for Engineering and Consulting Services Related to Environmental Permitting.

SUMMARY: Staff requests approval of a Professional Engineering Services Contract with Wood Environment & Infrastructure Solutions, Inc. for an amount of \$103,400 for engineering and consulting services related to Environmental Permitting.

BACKGROUND: In April 2017 in an effort to provide leadership in our community on obtaining a sustainable water supply, the Port Commission approved a contract with Amec Foster Wheeler Environmental & Infrastructure, Inc. (now Wood Environment & Infrastructure Solutions, LLC) to begin with permitting of two desal plants, one located at the Port’s La Quinta property and one on the Port’s Harbor Island property. The intent was to use the Port resources to aid the City of Corpus Christi in obtaining the permits for a desal plant so that the permits could be used by the City at such time that construction of a plant was warranted. The permit applications were completed in late 2017 but additional coordination with the city and other desal stakeholders continued through early 2018. Finally, in April 2018, the Port submitted the two Texas Commission on Environmental Quality (TCEQ) Texas Pollutant Discharge Elimination System (TPDES) permit applications, one for the Port’s La Quinta property and one for the Port’s Harbor Island property. Additional permitting at the Port’s La Quinta and Harbor Island properties is still needed to fully permit a desal plant for construction by the City at either location. This contract is to develop the remaining details, drawings, and applications necessary for construction.

ALTERNATIVES: An alternative would be to not complete the remaining permit applications and wait for the City of Corpus Christi or another entity to obtain the remaining permits necessary for construction at such time that construction of the desal plant is moved forward.

CONFORMITY TO PORT POLICY: Conforms to the Port’s Procurement Policy. Conforms to Strategic Plan Goal #2 (Provide Facilities & Service to Meet Customer Needs), Strategic Objective 2C (Provide Surface Infrastructure and Services to Support Maritime and Industrial Development, Action item 1 (Support Efforts to Expand Regional



Water Supply Available to Industry). Conforms to Strategic Goal #4 (Foster Compatible Industrial and Maritime Development), Strategic Objective 4A (Proactively Pursue Diversified* Port-related Economic Development Opportunities), Action item 4 (Lead Region in Developing Infrastructure to Attract New Waterborne Commerce & Industrial Development).

EMERGENCY: No. However, the drought conditions already being experienced and status of the regions current water supply necessitate proactive actions.

FINANCIAL IMPACT: The previous contract approved by the Port Commission in April 2017 was \$247,400, for a total amount of \$350,800 for the permitting activities for two (2) sites in the Port area.

STAFF RECOMMENDATION: Staff recommends approval of a Professional Engineering Services Contract with Wood Environment & Infrastructure Solutions, Inc. for an amount of \$103,400 for engineering and consulting services related to Environmental Permitting.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Sarah Garza
Legal	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Professional Engineering Services Contract

PROFESSIONAL ENGINEERING SERVICES CONTRACT

THIS CONTRACT (the “Contract”) is made and entered into effective as of the 19th day of June, 2018 (“Effective Date”) by and between the Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), and Wood Environment & Infrastructure Solutions, Inc. (“Engineer”), each a “Party” and collectively as “Parties”.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. CONTRACT: Authority hereby engages the Engineer and the Engineer hereby accepts its engagement for the purpose of providing to Authority the engineering services (“Services”) as are generally described in the “Scope of Services” set forth in Exhibit A to this Contract which is incorporated herein by reference. Engineering designs, reports, drawings and specifications prepared hereunder will be sealed by a Registered Professional Engineer licensed to practice in the State of Texas and in accordance with applicable provisions of the Texas Engineering Practice Act and Rules of the Texas Board of Professional Engineers.

2. PERIOD OF SERVICE: The Engineer shall complete the Services on or before December 31, 2018(the “Deadline”), unless the Authority agrees to extend the Deadline for good reason; provided, however, that the Authority may terminate this Contract at any time in accordance with Section 14. Time is of the essence in performance of this Contract. There will be no obligation established between Authority and the Engineer for performance of the Services until Authority provides the Engineer with a written notice to proceed which shall be issued upon execution of this Contract and receipt by the Authority of appropriate Certificates of Insurance and other documentation as may be required herein. The term of this Contract (“Term”) shall begin on the Effective Date and shall end on the first to occur of the following: (1) the Deadline, as the same may have been extended by the Authority, (2) the date on which, in the opinion of Authority, all of the Services have been rendered, (3) the date on which this Contract is terminated by the Authority pursuant to Section 14, or (4) the date on which this Contract is terminated by the Engineer pursuant to Section 14.

3. COORDINATION OF SERVICES BY AUTHORITY: Authority shall designate a Project Representative who will, on behalf of Authority, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities with the Project Representative.

For the purposes of this Contract, the Project Representative shall be:

Sarah Garza, Director of Environmental Planning & Compliance
 Port of Corpus Christi Authority
 P.O. Box 1541, Corpus Christi, Texas 78403
 Office (361) 885-6163
 sarah@pocca.com

Authority may change the Project Representative at any time by giving the Engineer written notice of such change.

4. NOTICES: Notices, demands, requests or other formal communication related to the Contract shall be deemed to have been given when received, whether delivered personally or mailed. E-mail communications may be considered as formal notification provided the e-mail message states the message is intended as a formal notice and the receiving Party acknowledges receipt of the message as a formal notification. Notices shall be addressed as follows:

If to the Authority: Sean Strawbridge
Chief Executive Officer
Port of Corpus Christi Authority
222 Power Street
Corpus Christi, Texas 78401
E-mail: sstrawbridge@pocca.com

If to the Engineer: David R. Hoffman, PE, Vice President
Wood Environment & Infrastructure, LLC
17320 Katy Freeway, Houston, Texas 77094
E-mail: david.hoffman@woodplc.com

Either Party may change the mailing or E-mail address for notifications by providing written notice of such change to the other Party.

5. CHANGES: This Contract may be changed or modified at the request of either the Engineer or the Authority, provided both Parties agree to the requested change, and a written amendment or modification of this Contract is prepared and executed by the Parties.

6. ENGINEER'S RESPONSIBILITIES: In addition to all other obligations contained herein, the Engineer agrees, warrants, and represents that:

6.1 The Engineer will furnish all material, equipment, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services, except as otherwise mutually agreed by the Parties;

6.2 The Engineer shall perform the Services with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license;

6.3 The Engineer will comply with the provisions of all federal, state, and local laws, regulations, ordinances, requirements and codes which are applicable to its performance of Services;

6.4 The Engineer is not and will not be bound by any agreement and has not assumed nor will assume any obligation which would, in any way, restrict its ability to perform the Services or be inconsistent with the Services;

6.5 In performing the Services, the Engineer will not use any third party's confidential or propriety information, or infringe the rights of another party, nor will the Engineer disclose to the Authority, or bring onto the Authority's premises, or induce the Authority to use any third party's confidential or proprietary information;

6.6 The Engineer does not have the authority to act for the Authority, bind the Authority in any respect, or incur any debts or liabilities in the name of or on behalf of the Authority, except as otherwise expressly authorized in writing by the Authority;

6.7 Engineer's Opinions of probable cost or other forms of cost estimates will be based on the Engineer's experience, the design, and current market conditions to the extent practicable. Authority hereby acknowledges that Engineer cannot warrant that estimates of probable cost provided by Engineer will not vary from actual market prices obtained by Authority;

6.8 Engineer is an independent contractor for the performance of his duties under this Contract. Accordingly, the Engineer shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Engineer's activities in accordance with this Contract. Engineer is responsible for payment of the compensation, including any withholding, Social Security, or other taxes on such compensation, of any subcontractors retained by Engineer, or Engineer's employees performing work on the Project;

6.9 Engineer has and hereby retains full control of any supervision over the Engineer's obligations hereunder and over any persons employed or subcontracted by the Engineer for performing Services hereunder;

6.10 Engineer will in no way be considered an agent, partner, joint venturer, or employee of Authority at any time during the Term. Engineer will only render advice to Authority and will not undertake to commit Authority to any course of action in relation to a third party unless expressly requested and authorized to do so by the Authority in writing.

6.11 As of the Effective Date and at all times while providing Services hereunder, the Engineer shall possess and maintain in good standing any and all licenses or other authorizations and approvals necessary to perform the Services consistent with its status as an independent contractor and in compliance with all applicable laws and regulations;

6.12 Engineer may, with prior written approval of Authority, use representations of designs or other engineering services provided hereunder for promotional purposes. Authority reserves the right to review and approve, in advance of any publication or use,

promotional materials containing reference to or images related to the work produced under this Contract.

7. COMPENSATION: The compensation to be paid Engineer for providing the Services shall be the compensation described in Exhibit B hereto, which is incorporated herein by reference; provided, however, the total paid to Engineer for the Services shall not exceed One Hundred Three Thousand, Four Hundred Dollars (\$103,400.00). Engineer will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

8. INVOICE PROCEDURE AND PAYMENT: Engineer shall submit invoices monthly to the Authority for work performed during the preceding calendar month. Such invoices shall be due and payable by Authority on or before thirty (30) days from receipt by Authority. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the Fee Schedule included in Exhibit B. Invoices shall also describe any work performed by subcontractors retained by Engineer and reimbursable costs. Subcontractor cost mark-up shall not exceed five percent (5%). Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At the Authority's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by Authority.

9. INSURANCE: Engineer shall procure and maintain at its sole expense, for as long as Engineer is obligated to provide Services under this Contract, the policies of insurance described in Exhibit C attached hereto and in at least the minimum amounts specified in Exhibit C to protect Engineer from claims which may arise out of or result from Engineer's Services pursuant to this Contract, whether such operations be by Engineer, by any subcontractor of Engineer, by anyone directly or indirectly employed by Engineer or Engineer's subcontractor, or by anyone for whose acts Engineer or Engineer's subcontractor may be liable. At least five (5) days prior to execution of this Contract, Engineer will provide to Authority's Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to Authority. The requirement to provide acceptable certificates of insurance is a material condition of this Contract, and work under this Contract will not commence until certificates of insurance have been received, reviewed, and accepted by Authority. The minimum limits of liability and coverage for the insurance required are set forth in Exhibit C attached hereto, which is incorporated herein by reference.

10. INDEMNIFICATION AND RELEASE. Engineer hereby releases and discharges Authority and its agents, servants, representatives, employees, officers, directors, and Port Commissioners (collectively, the "Authority Parties") from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer. Engineer shall defend, indemnify and hold harmless the Authority Parties from and against all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable attorneys' fees and the cost of defense), in connection with any

action, proceeding, demand or claim but only to the extent caused by the negligent acts, errors, or omissions of the Engineer, its employees, agents, or subconsultants, or others for whom the Engineer is legally liable, in the performance of Services under this Contract. The Engineer is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

Engineer shall defend, indemnify and hold harmless the Authority Parties from and against all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable attorneys' fees and the cost of defense), in connection with any action, proceeding, demand or claim arising out of a violation of any environmental law or regulation in effect during the Term of the Contract by the Engineer, its employees, agents, or subconsultants, or others for whom the Engineer is legally liable, in the performance of Services under this Contract. The Engineer is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

Engineer's indemnity obligations under this Section 10 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. The obligations of the Engineer under this Section 10 shall survive the end of the Term of the Contract.

11. LIMITATION OF LIABILITY: Except as otherwise expressly provided herein, neither Party shall be liable or responsible to the other Party for any indirect, incidental or consequential loss or damage of any nature whatsoever (including, but not limited to, contract, negligence or tort liability) of the other Party, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss or any other damages, even if the Party has advance notice of the possibility of such damages.

12. DISCLOSURE OF INTERESTED PARTIES: Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to Authority at the time Engineer submits the signed contract to Authority.

13. ASSIGNMENT: Neither Authority nor Engineer will assign or transfer its interest in this Contract without the written consent of the other.

14. SUSPENSION OR TERMINATION: Authority may suspend or terminate this Contract for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Contract in accordance with this paragraph, Authority will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Contract. **Under no circumstances may Engineer claim or recover consequential damages from Authority.**

In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by Authority. Suspension of the Services for reasons other than the Engineer's negligence or failure to perform shall not affect the Engineer's compensation as provided for in this Contract. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to this Contract to reflect the suspension.

Either Party may terminate this Contract by giving written notice to the other Party if the other Party ("Defaulting Party"): (a) materially breaches any term, condition or provision of this Contract and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

15. DISPUTES: Each Party agrees that any dispute between the Parties relating to this Contract will first be submitted in writing to a panel of two senior executives of the Authority and Engineer, who shall promptly meet and confer in an effort to resolve such dispute through good faith consultation and negotiation. Each Party's executive shall be identified by notice to the other Party, and may be changed at any time thereafter also by notice to the other. Any decisions of the executives will be final and binding on the Parties. In the event the executives are unable to resolve any dispute within thirty (30) days after submission to them, either Party may then refer such dispute to mediation.

If the Parties refer to mediation any controversy or claim arising out of or relating to this Contract or the existence, validity, breach or termination thereof, whether during or after its term, they shall select a mutually acceptable mediator within forty-five (45) days thereafter. Neither Party shall unreasonably withhold consent to the selection of a mediator. The Parties shall share equally the costs of mediation. If the Parties agree, they may substitute other forms of alternative dispute resolution. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available at law or in equity.

16. ATTORNEY'S FEES, DEFAULT: In the event Engineer or Authority breach any of the terms of this Contract and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

17. STAFFING: Engineer will designate in writing to Authority its project representative, and the manner in which it will provide staff support for the project, which must be approved by Authority. Engineer must notify Authority's Project Representative of any change in personnel assigned to perform work under this Contract, and the Authority's Project Representative has the right to reject the person or persons assigned to fill the position or positions. The Authority's Project Representative shall also have the right to require the removal of the Engineer's previously assigned personnel, including Engineer's project representative, provided sufficient cause for such removal exists. The criteria for requesting removal of an

individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position's qualifications, failure to perform, poor attendance, ethics violation, unsafe work habits, or damage to Authority or other property. Upon notice for removal, Engineer shall replace such personnel with personnel substantially equal in ability and qualifications for the positions and shall submit the proposed replacement personnel qualification and abilities to the Authority, in writing, for approval.

18. OWNERSHIP OF WORK PRODUCT: Studies, plans, reports, surveys, drawings, specifications, cost estimates, computations and other information (collectively "Work Product") and documents prepared by the Engineer, subconsultants, and/or suppliers under this Contract will remain the Authority's property upon completion. This provision does not apply to pre-existing proprietary information of Engineer, subconsultants, and/or suppliers.

19. CONFIDENTIAL INFORMATION: It is understood that information developed by or communicated to Engineer in the performance of this Contract, as well as any and all information in whatever form or medium supplied to Engineer in connection herewith which is not generally available to the public is proprietary to the Authority and constitutes confidential information of the Authority. Engineer will make no oral or written disclosure of such information to third parties either during or after the term of this Contract, except as approved in writing by the Authority's Project Representative or as otherwise required by law. In the event the Engineer becomes aware that confidential information must be disclosed under a legal requirement, Engineer will notify Authority of the requirement and the affected information.

20. FORCE MAJEURE: Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is delayed by any cause beyond the reasonable control of the affected Party. In the event of such a delay, the time for performance for the affected Party shall be extended for a period equal to the time lost during the delay, or the Contract may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the Authority.

21. SEVERABILITY and WAIVER: If any part of this Contract is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Contract, and this Contract shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Contract. Further, the failure of either Party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Contract or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms, provisions or options on any future occasion.

22. GOVERNING LAW: This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The Parties agree that venue of all claims and lawsuits arising out of this Contract shall lie in Nueces County, Texas.

23. OPEN RECORDS: The Authority is a governmental body subject to the requirements of the Texas Public Information Act (Texas Government Code, chapter 552), and as such the Authority is required to disclose to the public (upon request) this Contract and certain

other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, the Engineer agrees that the disclosure of this Contract or any other information or materials related to the consummation of the transactions contemplated hereby to the public by the Authority as required by the Texas Public Information Act or any other applicable law will not expose the Authority (or any party acting by, through or under the Authority) to any claim, liability or action by the Engineer.

24. NO ORGANIZATIONAL CONFLICT OF INTEREST: Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. “Organizational Conflict of Interest” means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to Authority or the Engineer’s objectivity in performing the services under this Contract is or might otherwise be impaired. Engineer agrees to immediately notify Authority of any actual or potential Organizational Conflict of Interest that develops during the term of this Contract. Engineer agrees that Authority may terminate this Contract immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Contract.

25. DEFAMATION: The Parties covenant and agree that in no event, and at no time during the Term or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other’s businesses, services, properties or assets, or employees, personnel, agents, or representatives.

26. HEADINGS: All Section headings or other titles used in this Contract are used solely for convenience and shall not affect or be used in connection with the interpretation or construction of this Contract.

27. ENTIRETY OF CONTRACT: This writing embodies the entire Contract and understanding between the Parties hereto, and there are no other contracts or understandings, oral or written, between them with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change, or modification of the terms of this Contract shall be valid unless made in writing and signed by both Parties hereto.

[Signature page follows this page]


IN WITNESS WHEREOF, this Contract is made effective as of the Effective Date.

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

By: _____
Name: Sean Strawbridge
Title: Chief Executive Officer
Date: _____

“Authority”

**WOOD ENVIRONMENT &
INFRASTRUCTURE SOLUTIONS, INC.**

By: 
Name: David R. Hoffman PE
Title: Vice President
Date: 6/7/18

“Engineer”

EXHIBIT A

SERVICES

The Engineer will perform the following services in accordance with the terms and conditions set forth in this Contract:

Scope of Work:

Task 1: Pre-Application Meetings

A pre-application meeting will be scheduled with the TCEQ to review the project and confirm a detailed understanding of the data needs for the Water Rights Permit.

An agenda and PowerPoint presentation will be prepared for the meeting, and following the meeting, meeting minutes will be prepared detailing direction from TCEQ representatives concerning development of the permit applications.

Task 2: Basis of Design (BOD) Packages

A BOD package will be prepared for each intake structure, which is required to fill out Form 10214C of the application. It is assumed that the intakes will be land based units constructed through sheet pile walls, similar in design to the intake at M&G. For this reason, a U.S. Army Corp of Engineer Individual Permit is not expected and therefore, not included in this scope of work.

Two in person meetings with the Authority engineering and environmental staff will be conducted to layout both the sites in a manner that will suit the various stakeholders given the growth occurring and development anticipated for both properties. The layout will also include the intake structure and the discharge structure/diffuser for both locations.

The BOD will conceptually lay out the intake structures and provide the following deliverables:

- Plot plans showing the location and scale of the equipment, dredging requirements, and other site improvements
- Hydraulic design basis and profile
- Technical basis of design
- Process description/ Process flow diagram (PFD) updates
- Preliminary equipment list
- Area maps (GIS)

Task 3: Application

The application process will be completed with the Engineer preparing the required forms for Authority signature and submission to TCEQ.

Task 4: Meetings

Up to three meetings with local stakeholders will be held to obtain concurrence on the project approach. Meetings will be attended by Engineer's project team members, and include the preparation of necessary handouts/presentation, and creation of meeting minutes following the meeting. One of these meetings will occur with TCEQ to present the permit applications.

Task 5: Project Management

This task includes project management support for the duration of this project, including cost and schedule updates and task coordination. Weekly teleconferences will be held with key staff.

Deliverables:

- Basis of Design for Harbor Island and La Quinta which will include plot plans for equipment, dredging, and other relevant site improvements; hydraulic design basis and profile; technical basis of design; process description/PFDs; preliminary equipment list; and area maps.
- Presentations for meetings and meeting minutes.
- TCEQ water rights permit application and related forms.

Schedule:

This project is expected to be completed within three months. An project schedule for deliverables will be developed following the pre-application meeting with the TCEQ.

Project Team:

The Project Team is as noted below and will not be modified without prior approval.

<u>Name</u>	<u>Title</u>
John Webb	Executive Client Sponsor
David Hoffman, PE	Project Manager
John Christiansen, PE	Lead Technical Engineer
Charles Harman, PWS	Biologist
Carl Teinert, PG, CAPM	Technical Specialist

EXHIBIT B

FEE SCHEDULE

The Engineer will perform the Services described in Exhibit A in accordance with the terms and conditions of this Contract on an hourly fee basis; provided, however, that the total fee for services rendered under this Agreement will not to exceed \$103,400.00, without Authority's written approval. Services provided by Engineer will be billed at the hourly rates specified in Exhibit B. These fees will cover all of Engineer's overhead costs, including but not limited to, office rent, long distance telephone charges, postage, payroll and copying charges.

1	Pre-Application Meeting	72	\$15,300
2	Basis of Design	240	\$37,700
3	Application	176	23,600
4	Meetings	88	19,800
5	Project Management	32	\$7,000
	Total	584	\$103,400

The Authority agrees to reimburse the Engineer for certain authorized and approved travel expenses incurred by the Engineer during the Term and directly resulting from the Engineer's performance of the Services under this Contract. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found at: <http://www.defensetravel.dod.mil/site/perdiemCalc.cfml>. Authority will also reimburse the Engineer for document production costs and other direct costs (collectively, "Direct Costs") incurred by the Engineer in performing the Services. The Engineer shall submit proper documentation of any such approved travel expenses and Direct Costs to Authority from time to time, and such costs and expenses shall be billed to Authority at Engineer's actual cost.

Not later than the twentieth (20th) day of each calendar month, Engineer shall submit to Authority detailed invoices for all services performed and Direct Costs incurred, if any, pursuant to this Agreement during the prior calendar month. The invoices shall describe in detail the Services performed during the prior month and shall list the days and hours worked, the hourly rates charged, pre-approved Direct Costs, milestone achievements, tasks performed or completed, and the Services performed during each day of the prior month. Authority shall review the invoices and notify Engineer in writing (including email) within twenty (20) days of any disputed amounts.

Should this Contract be terminated for any reason, the Engineer will be paid all fees earned up to the termination date and any approved direct expenses incurred.

The rates listed below will remain in effect throughout the duration of this contract.

<u>Position Description</u>	<u>Labor Rate</u>
Principal	\$220
Senior Associate	\$210
Senior 2	\$174
Technician 2	\$115
Admin 4	\$82

EXHIBIT C
INSURANCE

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

<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
A. Workers' Compensation	Statutory
B. Employer's Liability	\$1,000,000 per Occurrence \$1,000,000 Aggregate
C. Commercial General Liability	\$1,000,000 per Occurrence \$2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

D. Business Automobile Liability	\$500,000 per Occurrence
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Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

E. Professional Liability	\$1,000,000
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Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Contract caused by any error, omission, or act for which the Engineer is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Contract.

Each policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("Authority Parties"). Additionally, the Authority Parties shall be designated as an Additional Insured either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation, Employer's Liability, and Professional Liability. In the event that the work of Engineer's employees fall within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

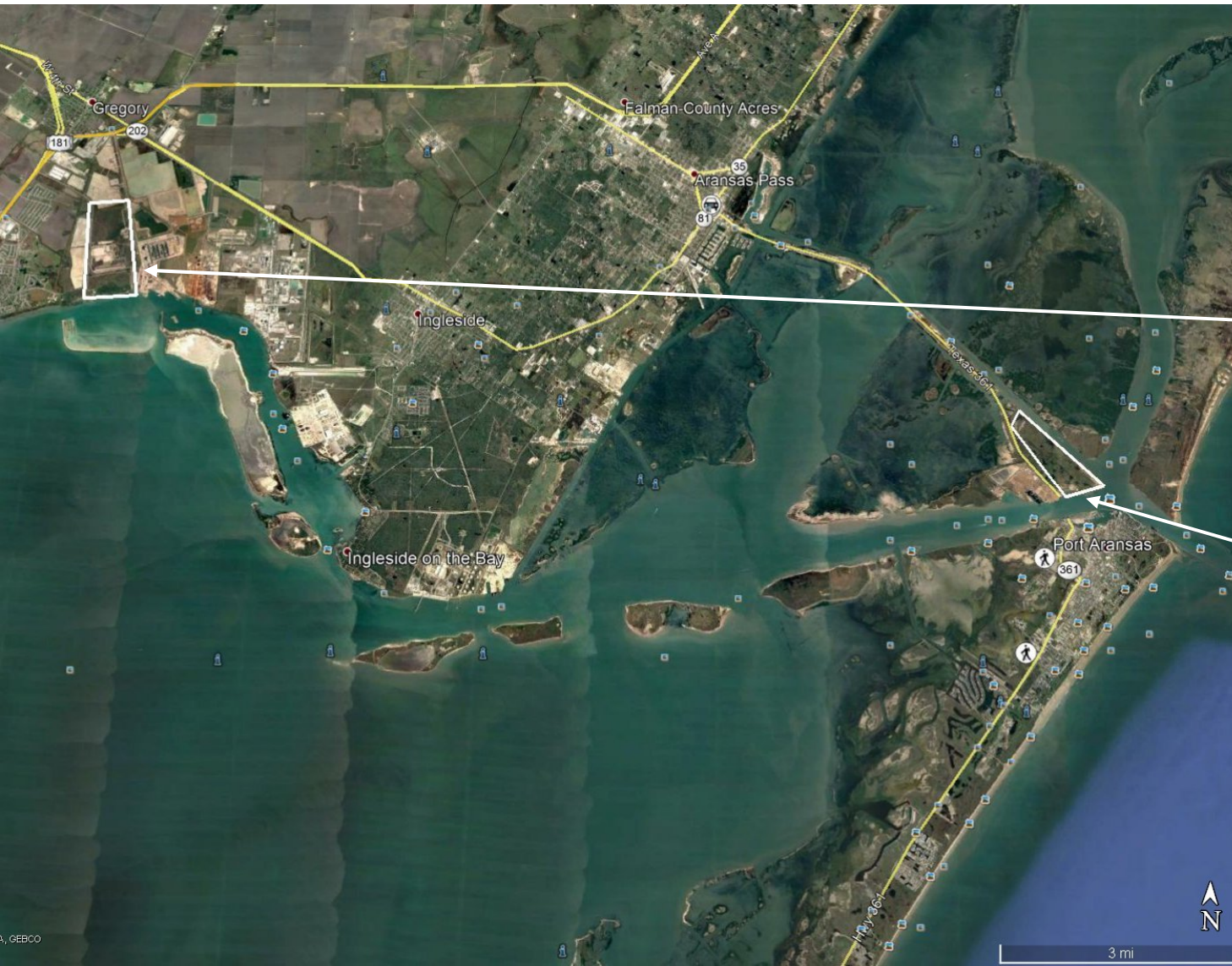
Each policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Contract.

The insurance required as listed above, shall apply to any contractor or subcontractor performing for or on behalf of Engineer, and Engineer shall ensure that any such subcontractor is aware of and is in compliance with the insurance requirements during any period such contractor is performing work under this Contract.

The minimum insurance required may be increased periodically upon request by Authority to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

Engineer's liability shall not be limited to the specified amounts of insurance required herein.

Desalination Permit Locations



DATE: June 19, 2019
TO: Port Commission
FROM: James Haley, Sr. Environmental Specialist
jamesh@pocca.com
(361) 885-6606

Approve Service Order No. 9 in the Amount of \$10,660 with Platinum Environmental Solutions, LLC, Under Professional Services Master Agreement No. 10-16, for Environmental Consulting Services for Tule Lake Associated with the Ongoing Site Investigation.

SUMMARY: Staff requests approval to issue Service Order No. 9 of Master Agreement No. 10-16 with Platinum Environmental Services, LLC to conduct environmental consulting services for a time and materials amount not-to-exceed \$10,660 for preparation of a Reasoned Justification for Tule Lake associated with the ongoing site investigation.

BACKGROUND: In February 2016 soil impacted with hydrocarbons within a pipeline right-of-way was identified on Port Authority property located along Up River Road south of Tule Lake. The impacted soil was identified in a bell hole by contractors associated with installation of the Magellan pipelines. In March 2016, analytical results from soil samples collected by Apex Titan, Inc., indicated that the soil impacts exceeded Texas Commission on Environmental Quality (TCEQ) protective concentration levels. In October 2016, Apex Titan, Inc. conducted additional soil and groundwater sampling activities in an effort to determine the full horizontal and vertical extent of the release. That effort failed to establish the southern extent of contamination along Up River Road as did an additional sampling event conducted by Platinum Environmental Services (PES) in May 2017. An Affected Property Assessment Report (APAR), which was submitted to the TCEQ in June 2017 documented the sampling and analysis results and evaluated the contamination identified at the site with respect to the physical and ecological conditions of the site.

A component of the APAR is a Tier 1: Exclusion Criteria Checklist (checklist), the purpose of which is to determine if ecological exposure pathways exist within extent of the bell hole release. Due to the proximity of the site to Tule Lake, the TCEQ determined that the site failed the checklist and requested that the Authority prepare a reasoned justification to address any potential open ecological exposure pathways.

Port Authority is also actively seeking a responsible party(s) (RP), and notices were sent to potential RPs on May 10, 2018. Additional TCEQ requests that must be addressed by

May 3, 2019, include delineation of soil impacts along Up River Road and selection and implementation of a remedy to address the soil impacts.

ALTERNATIVES: There are no alternatives since this is a regulatory requirement.

CONFORMITY TO PORT POLICY: Conforms to Strategic Plan Goal #5 (Be an Environmental Leader), Strategic Objective 5B (Continue to Meet and Exceed Regulatory Standards), Action Item 2 (Develop and Implement Regulatory Strategy for Future Environmental Regulations).

EMERGENCY: This does not constitute an emergency.

FINANCIAL IMPACT: N/A

STAFF RECOMMENDATION: Staff recommends approval of the Service Order No. 9 with Platinum Environmental Services, LLC, for environmental consulting services in the amount of \$10,660 for preparation of a Reasoned Justification.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed & Approved	Sarah Garza James Haley Ramona Josefczyk
Legal	Used Service Order Template
Senior Staff	John LaRue Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Platinum Environmental Solutions, LLC, Service Order No. 9.

SERVICE ORDER NO. 9
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER AGREEMENT NO. 10-16
PROJECT NO. 16002C

Pursuant to PCCA Master Agreement No. 10-16 between Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”) and Platinum Environmental Solutions, LLC (“ENVIRONMENTAL CONSULTANT”), ENVIRONMENTAL CONSULTANT will provide the Basic and Additional Services set forth in Exhibit A of Master Agreement No. 10-16 in accordance with any additions or deletions to the same or any Services different from those described in the said Exhibit A, in this Service Order. This Service Order modifies or amends PCCA Master Agreement No. 10-16, the provisions of which not specifically amended by this Service Order will remain in effect.

Description of Project:

The Port Authority owns property located south of Tule Lake along Up River Road with multiple historical and active pipeline easements. During installation of Magellan pipelines in February 2016, soil impacted with hydrocarbons was discovered in a bell hole by pipeline contractors and subsequently identified as degraded diesel. Site investigations conducted in 2016 and 2017 resulted in vertical and horizontal delineation of the release in all directions except to the south along Up River Road. An Affected Property Assessment Report (APAR) was prepared by Platinum Environmental Services and submitted to the Texas Commission on Environmental Quality (TCEQ) in September 2017. A component of the APAR is a Tier 1: Exclusion Criteria Checklist, the purpose of which is to determine if ecological exposure pathways exist within the extent of the release. The TCEQ determined that the checklist failed to exclude all pathways based only on the site’s proximity to Tule Lake, and in a January 12, 2018 letter requested the Port Authority to prepare a Reasoned Justification document to validate the termination of the ecological assessment process.

Project Contact for PCCA:

Project Contact for ENVIRONMENTAL CONSULTANT:

Project Manager: James L. Haley

Project Manager: Peter C. Berweiler, P.E., PMP

Phone Number: (361) 885-6606

Phone Number: (281) 890-6140

Scope of Services:

1. Study/Report Phase.

In accordance with Section A-101 of Exhibit A of the Master Agreement, ENVIRONMENTAL CONSULTANT will provide the following services:

ENVIRONMENTAL CONSULTANT will prepare a Reasoned Justification document (RJ) for submittal to TCEQ to terminate the ecological assessment process associated with the failure of the Tier 1: Exclusion Criteria Checklist to eliminate ecological exposure pathways. Regulatory Guidance (RG) 263B, dated January 2017 is the basis of the development of the RJ. Existing data and any new data not provided previously with the APAR will be repackaged for delivery.

2. Preliminary Design Phase.

In accordance with Section A-1.02 of Exhibit A of the Master Agreement, ENVIRONMENTAL CONSULTANT will provide the following services:

None.

3. Final Design Phase.

With concurrence from PCCA on the preliminary design and in accordance with the Basic Services in Section A-1.03, A-1.04, and A-1.05 of Exhibit A of the Master Agreement, ENVIRONMENTAL CONSULTANT will provide the following services:

None.

Service Schedule:

Draft Reasoned Justification APAR Addendum	July 20 , 2018
Final Reasoned Justification APAR Addendum	August 2, 2018

Deliverables:

1. Draft Reasoned Justification APAR Addendum in electronic (word and .pdf) format.
2. Final Reasoned Justification APAR Addendum in electronic (.pdf) format.

Project Team:

The Project team to be used on this project will include the following:

Peter C. Berweiler, P.E., PMP, Principal Engineer
J. C. Simpson, GIS/CAD Specialist

Subcontractors to be used on this project will include the following:

WDIA- Rebecca Heslep, Ecologist
3514 Wellspring Lake
Fulshear, TX 77441

Compensation:

In accordance with Article 4 of Master Agreement No. 10-16 and negotiations between the parties, ENVIRONMENTAL CONSULTANT will be compensated pursuant to this Service Order as follows:

Report & Study Phase	\$ <u>10,660</u>
Preliminary Design Phase	\$ <u>0</u>
Final Design Phase	\$ <u>0</u>
Total Compensation for Services per Exhibit C-4.01 not to exceed	\$ <u>10,660</u>
Contingency (<i>PCCA Approval Required</i>)	\$ <u>0</u>

Reimbursement:

The following applies to expenses reimbursed under this Service Order:

Invoices: ENVIRONMENTAL CONSULTANT will submit invoices to PCCA monthly in accordance with the fee schedule set forth in this Agreement. Requests for payment must be supported by documentation such as invoices, receipts, statements, stubs, tickets, time sheets, and any other documentation that, in the reasonable judgment of PCCA, provides complete substantiation of

Reimbursable Expenses incurred by ENVIRONMENTAL CONSULTANT. All deliverables and reimbursement documents submitted to PCCA must prominently display PCCA Master Agreement No. 10-16, Service Order No. 9.

Termination or Interpretation of Services:

PCCA reserves the right to halt or defer all or any portion of the Services included in the Scope of Services for this Service Order at any time during the performance period. If the Services are halted or deferred, the parties agree that the schedule and budget may require renegotiation.

Amendments to Service Order:

Material changes to this Service Order may be made only by written agreement of the parties to the Agreement. All provisions of PCCA Master Agreement No. 10-16 not specifically amended by this Service Order will remain in force and effect.

Material Changes to Master Agreement:

All provisions of PCCA Master Agreement No. 10-16 are in full force and effect.

Effective on the date executed by the last party to this Service Order.

Port of Corpus Christi Authority of Nueces County, Texas

By: _____

Name: Sarah L. Garza

Title: Director of Environmental Planning & Compliance

Date of Execution: _____

“PCCA”

Platinum Environmental Solutions, LLC

By: 

Name: Peter C. Berweiler, P.E., PMP

Title: Principal Engineer

Date of Execution: _____

“ENVIRONMENTAL CONSULTANT”

DATE: June 5, 2018
TO: Port Commission
FROM: James Haley, Sr. Environmental Specialist
jamesh@pocca.com
(361) 885-6606

Reject bids received June 1, 2018 for Stockpile Management Project.

SUMMARY: Staff recommends the Port Commission reject bids received on June 1, 2018 for the Stockpile Management project.

BACKGROUND: PCCA typically generates routine materials that require hauling and disposal throughout the year. The materials are stockpiled, and based on content, are profiled for transport to an appropriate disposal facility. During the course of the bid process, it became evident that the volume of the stockpile identified as the Bulk Terminal Storm Water Pond Maintenance (BTSWPM) stockpile could not be estimated to an extent suitable for an accurate lump sum bid. The volume of the BTSWPM stockpile was initially based on construction estimates for excavated materials associated with the Bulk Terminal Storm Water Pond Maintenance Project, however, those construction activities were not complete at the time of the bid and resulted in additional volume to the BTSWPM Stockpile. Further analysis of the stockpile for disposal must also be completed prior to bidding for transport to a landfill.

On June 1, 2018, the Port Authority received two bids. ABBA Construction, LLC submitted a lump sum bid for \$443,827.59, and Garrett Construction Co. submitted a lump sum bid for \$735,300.70. (See attached Bid Tabulation).

Given the changing volume and the challenge of that relative to providing a lump sum bid, staff recommends rejecting the bids. A new solicitation for the stockpile management project will be advertised with the intent to award a two-year unit-cost contract for hauling the associated materials on an as-needed basis, instead of a single contract every two or three years.

CONFORMITY TO PORT POLICY: Conforms to Strategic Plan Goal #2 (Provide Facilities & Services to Meet Customer Needs), Overarching Objective: Develop Master Plan and Asset Management Program, Action No. 2c (Determine Criteria and Plan for Maintenance, Replacement or Retrofit of Existing Assets).

FINANCIAL IMPACT: N/A

STAFF RECOMMENDATION: Staff recommends the Port Commission reject bids received on June 1, 2018 for the Stockpile Management project.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Sarah Garza
	Beatriz Rivera
	James Haley
Legal	Dane Bruun
Senior Staff	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation



**BID TABULATION FOR
STOCKPILE MANAGEMENT
PROJECT NO. 18704A
Bid Opening: June 1, 2018 at 3:00 PM**

Company Name	Bid Bond or Check	Base Bid	Addendum 1	Addendum 2	Time of Delivery*
ABBA Construction	Yes	\$443,827.59	Yes	Yes	60
Garrett Construction	Yes	\$735,300.79	Yes	Yes	60
Mako Contracting	NO				60
					60
					60
					60
					60
					60
					60
					60

*Time of Delivery Not to Exceed 60 Calendar Days

Base bid - Lump sum price for loading and hauling the following stockpiled materials to Port of Corpus Christi Authority approved designated disposal facilities: BT Stockpile 1, mixture of off-specification petroleum coke and associated debris generated from PCCA Bulk Terminal street sweeping activities; BT Stockpile 2, a mixture of soil, gravel, weathered asphalt and concrete debris generated from PCCA construction activities; JFITC Stockpile, mixture of soil, gravel and other assorted debris generated from street sweeping activities along the Joe Fulton International Trade Corridor (JFITC); Turner Building Stockpile, mixture of soil, gravel and weathered asphalt generated from PCCA construction activities; Bulk Terminal Storm Water Pond Maintenance Stockpile (BTSWPM), sediments dredged from facility storm water retention pond which have been allowed to dry out; Bulk Terminal Public Pad Stockpile (BTPP), mixture of off-specification ores including met coke, pet coke and barite, iron briquettes, soil, gravel and concrete; and, Avery Point Stockpile, mixture of mainly weathered asphalt with soil and gravel generated from PCCA construction activities.

Read By: Lynn Angerstein

 Tabulated By: James Haley

 Checked & Prepared By: Leslye Cavazos

 Date: April 27, 2018



DATE: June 19, 2018

TO: Port Commission

FROM: David Krams, P.E.
 Director of Engineering Services
Krams@pocca.com
 (361) 885-6134

ANTICIPATED STAFF PRESENTER: Lou G. Donato, E.I.T.
 Associate Project Engineer

Approve an Increase in Contingency in the Amount of \$20,000 and Approve a Change Order with Haas-Anderson Construction Ltd. in the Amount of \$48,332.99 for the Rincon West Storage Area Development Project Associated with Providing 72,600 Square Yards of Prime Coat on the Storage Yard.

SUMMARY: Staff requests approval of an increase in contingency in the amount of \$20,000 and approval of a Change Order in the amount of \$48,332.99 with Haas-Anderson Construction Ltd. for the Rincon West Storage Area Development project, associated with providing 72,600 square yards of prime coat on 15 acres of the 25-acre storage yard.

BACKGROUND: On December 12, 2017, the Port Commission awarded a construction contract to Haas-Anderson Construction Ltd. in the amount of \$4,389,524.65 for the Rincon West Storage Area Development Project to increase the Port of Corpus Christi’s storage yard capacity on the north side of the Inner Harbor by 25-acres.

The project is currently substantially complete and is scheduled to receive its first cargo for storage in mid-to-late June. In anticipation of heavy use, staff recommends providing a prime coat for the storage yard to provide dust and moisture control, which will increase the service life of the yard. Timely application of a prime coat will be the most efficient and cost-effective way to complete the task.

Approximately 10-acres of the 25-acre project site has received a prime coat surface in early June in advance of the storage of wind turbine components, executed through a previous Change Order in the amount of \$33,263.05. This current Change Order proposal is to provide a prime coat surface application on the remaining 15-acres of unoccupied areas of the 25-acre project site. See attached map exhibit.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA’s Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #2 – Upgrade and Maintain Existing Docks and Facilities).



EMERGENCY: While not an emergency, approving will allow the PCCA to maintain its high standards of environmental stewardship and increase the service life of the storage yard.

FINANCIAL IMPACT: This project was included in the 2018 budget with \$4,800,000 budgeted for this year. To date, \$220,767.69 of the previously approved \$252,790.00 contingency has been expended, leaving a balance of \$32,022.31. Therefore, additional contingency will be required to approve the proposed Change Order.

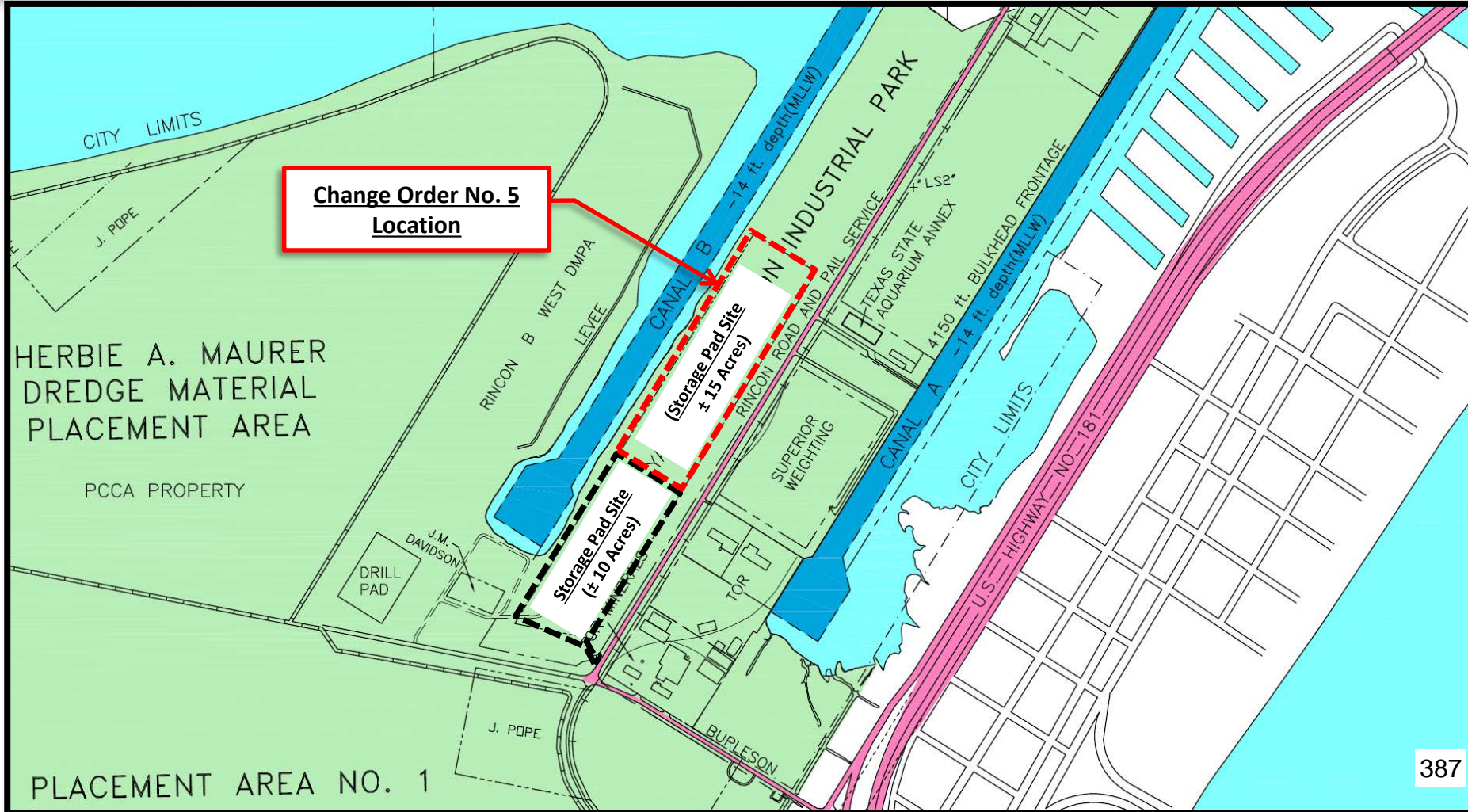
STAFF RECOMMENDATION: Staff requests approval of an increase in contingency in the amount of \$20,000 and approval of a Change Order in the amount of \$48,332.99 with Haas-Anderson Construction Ltd. for work associated with Rincon West Storage Area Development project.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Natasha Fudge
Legal	Used standard Change Order template
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit
Change Order



CHANGE ORDER

Change Order No. 5

Date: May 30, 2018

Page 1 of 1

PROJECT: Rincon West Storage Area Development
PROJECT NUMBER: 17-028C
CONTRACTOR: Haas-Anderson Construction, Ltd.

This contract will be modified to include the changes listed below, and the contract price and/or contract time will be changed to reflect these modifications:

PRIME COAT (15 ACRE AREA): Contractor to provide a MC 30 prime coat for the 15 Acre Storage Pad Area, 72,600 square yards at 0.2 gallons per square yard.

Increase in Contract Price:	\$ 48,332.99
Increase in Contract Time:	2 Days

Original Contract Amount:	\$ 4,389,524.65
Total Amount of Previous Change Orders:	\$ 220,767.69
Amount of this Change Order:	\$ 48,332.99
Revised Contract Amount:	\$ 4,658,625.33

Notice To Proceed Date:	December 26, 2017
Original Contract Time:	300 Days
Previous Changes in Contract Time:	13 Days
Calendar Days for this Change Order:	2 Days
Revised Contract Time:	315 Days
Required Completion Date:	November 06, 2018

The change in contract price incorporates all costs for this Change Order including but not limited to the following—direct and indirect costs, overhead, profit, insurance, bonds, labor, materials, equipment, supervision, and delays. This Change Order is accepted and executed by the Port of Corpus Christi Authority and Haas-Anderson Construction, Ltd., as signed by their duly authorized representatives below.

Port of Corpus Christi Authority

Haas-Anderson Construction, Ltd.

By: _____
 Louis G Donato, EIT
 Associate Project Engineer

By: _____
 Jim Partish
 Project Manager

By: _____
 David L. Krams, P.E.
 Director of Engineering Services

Date: _____

Date: May 30, 2018



DATE: June 19, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
 (361) 885-6163

Approve Service Order No. 9 in the Amount of \$8,200 with Tricord Consulting, LLC, Under Professional Services Master Agreement No. 07-16, for Additional Environmental Consulting Services Related to the Permit By Rule Registration for Bulk Dock 3.

SUMMARY: Staff requests approval to issue Service Order No. 9 of Master Agreement No. 07-16 with Tricord Consulting, LLC (Tricord) for additional environmental consulting services related to the Permit By Rule (PBR) Registration authorizing air emissions for Bulk Dock 3.

BACKGROUND: The Bulk Dock 3 facility which allows the transloading of diesel from barges to railcars and the unloading of barges to tanks at the adjacent Maverick Terminal has been constructed and partially commissioned. A permit by rule authorization was obtained from Texas Commission on Environmental Quality (TCEQ) for these operations. Several changes at the facility after the initial documents were prepared and approved have resulted and require additional coordination and documentation to ensure appropriate approvals with regard to the air permit. Changes include addition of a slop tank and detail to ensure the appropriate monitoring and recordkeeping occur by the operator.

ALTERNATIVES: Not applicable.

CONFORMITY TO PORT POLICY: Conforms to Strategic Plan Goal #5 (Be an Environmental Leader), Strategic Objective 5B (Continue to Meet and Exceed Regulatory Standards), Action Item 2 (Develop and Implement Regulatory Strategy for Future Environmental Regulations).

EMERGENCY: Not applicable.

FINANCIAL IMPACT: The previous Service Order No. 3 was issued to Tricord for an amount of \$30,900, for a total amount of \$39,100 for environmental consulting activities related to the PBR registration, including this Service Order No. 9. Additionally, Service Order No. 7 was approved by the Port Commission on January 16, 2018 for expansion of Bulk Dock 3 which requires a new source review air permit authorization. This Service

Order was for an amount of \$32,800. The total Service Order amount for air permitting consulting activities for Bulk Dock 3 is \$71,900.

STAFF RECOMMENDATION: Staff recommends approval of the Service Order No. 9 with Tricord Consulting, LLC for additional environmental consulting services related to the PBR registration in the amount of \$8,200.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Sarah Garza
Legal	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Service Order No. 9

SERVICE ORDER NO. 9
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER AGREEMENT NO. 07-16
PROJECT NO. 17-033A

Pursuant to PCCA Master Agreement No. 07-16 between Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”) and TRICORD Consulting, LLC (“ENVIRONMENTAL CONSULTANT”), ENVIRONMENTAL CONSULTANT will provide the Basic and Additional Services set forth in Exhibit A of Master Agreement No. 07-16 in accordance with any additions or deletions to the same or any Services different from those described in the said Exhibit A, in this Service Order. This Service Order modifies or amends PCCA Master Agreement No. 07-16, the provisions of which not specifically amended by this Service Order will remain in effect.

Description of Project:

PCCA recently commissioned a new oil dock for transloading diesel to railcars and an adjacent tank farm from barges and loading vessels from the adjacent tank farm. The design has changed from when the original permit by rule was received and clarifications through memos to the file are warranted.

Project Contact for PCCA:

Project Contact for ENVIRONMENTAL CONSULTANT:

Project Manager: Sarah Garza

Project Manager: Joe Ibanez

Phone Number: (361) 885-6163

Phone Number: (888) 900-0746 ext.700

Scope of Services:

1. Study/Report Phase.

In accordance with Section A-101 of Exhibit A of the Master Agreement, ENVIRONMENTAL CONSULTANT will provide the following services:

ENVIRONMENTAL CONSULTANT will provide support on the tasks discussed during the April 3, 2018 meeting regarding the already submitted and approved Permit By Rule (PBR) for the site, including the following:

- a. Development of a PBR note-to-file authorizing the horizontal slop tank and associated emissions to the VCU. The authorization will also include emissions from vacuum trucks that will pick up the slop tank liquids.
- b. Development of a table that outlines the ongoing monitoring and recordkeeping requirements for all PCCA transloading operations.
- c. Calculations of annual allowable material loading rates that will allow PCCA to maintain its minor source status for Title V and PSD purposes.

2. Preliminary Design Phase.

In accordance with Section A-1.02 of Exhibit A of the Master Agreement, ENVIRONMENTAL CONSULTANT will provide the following services:

None.

3. Final Design Phase.

With concurrence from PCCA on the preliminary design and in accordance with the Basic Services in Section A-1.03, A-1.04, and A-1.05 of Exhibit A of the Master Agreement, ENVIRONMENTAL CONSULTANT will provide the following services:

None.

Service Schedule:

The schedule for this task will be completion of all activities by June 30, 2018.

Deliverables:

1. Note-to-file as a PDF.
2. Table outlining ongoing monitoring and recordkeeping requirements as a PDF.
3. Calculations of annual allowable material loading rates as a PDF.

Project Team:

The Project team to be used on this project will include the following:

Primary:

- Joe Ibanez - Senior Regulatory Professional – II
- Shane Dillard - Senior Technical Specialist
- Katherine Wiley – Senior Project Manager
- Anthony Anders - Technical Specialist – III
- Windy Rainey - Administrative Assistant

Additional Staff (as necessary):

- Ryan Atkinson - Senior Regulatory Professional – I
- Jon Brubaker - Senior Technical Specialist
- Matthew Kessing - Technical Specialist – III

Subcontractors to be used on this project will include the following:

None

Compensation:

In accordance with Article 4 of Master Agreement No. 07-16 and negotiations between the parties, ENVIRONMENTAL CONSULTANT will be compensated pursuant to this Service Order as follows:

Report & Study Phase	\$ <u>8,200</u>
Preliminary Design Phase	\$ _____
Final Design Phase	\$ _____

Total Compensation for Services per Exhibit C-4.01 not to exceed \$ 8,200

Reimbursement:

The following applies to expenses reimbursed under this Service Order:

Invoices: ENVIRONMENTAL CONSULTANT will submit invoices to PCCA monthly in accordance with the fee schedule set forth in this Agreement. Requests for payment must be supported by documentation such as invoices, receipts, statements, stubs, tickets, time sheets, and any other documentation that, in the reasonable judgment of PCCA, provides complete substantiation of Reimbursable Expenses incurred by ENVIRONMENTAL CONSULTANT. All deliverables and reimbursement documents submitted to PCCA must prominently display PCCA Master Agreement No. 07-16, Service Order No. 9.

Funding Agency: Not Applicable.

Termination or Interpretation of Services:

PCCA reserves the right to halt or defer all or any portion of the Services included in the Scope of Services for this Service Order at any time during the performance period. If the Services are halted or deferred, the parties agree that the schedule and budget may require renegotiation.

Amendments to Service Order:

Material changes to this Service Order may be made only by written agreement of the parties to the Agreement. All provisions of PCCA Master Agreement No. 07-16 not specifically amended by this Service Order will remain in force and effect.

Material Changes to Master Agreement:

All provisions of PCCA Master Agreement No. 07-16 are in full force and effect.

Effective on the date executed by the last party to this Service Order.

**Port of Corpus Christi Authority of
of Nueces County, Texas**

By: _____

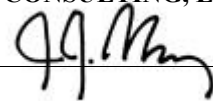
Name: Sarah L. Garza

Title: Director of Environmental Planning & Compliance

Date of Execution: _____

“PCCA”

TRICORD CONSULTING, LLC

By:  _____

Name: Joe J. Ibanez

Title: CRM and Managing Member

Date of Execution: June 11, 2018

“ENVIRONMENTAL CONSULTANT”

DATE: June 19, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electrical Service to Serve the Port of Corpus Christi Authority's Fire Water Pressurization Upgrades to Oil Dock 1, 2, and 15.

SUMMARY: AEP Texas, Inc. (AEP) representatives have requested an Easement and Right of Way Agreement to provide electrical service to serve the Port of Corpus Christi Authority's Fire Water System pressurization upgrades to Oil Dock 1, 2, and 15 as depicted on the attached Exhibit. The term of the easement will be thirty (30) years.

BACKGROUND: In 2014, the PCCA performed a preliminary assessment to determine the feasibility of improving fire protection capability for PCCA public Oil Docks 1, 2, 6, 8, 9, 10, and 12 in the Inner Harbor. The assessment's conclusion was that providing upgrades to Oil Docks 1 and 2, was a priority; that fire system upgrades for the existing pressurized systems at Oil Docks 8, 9, and 10 were suitably functioning; and that upgrades to the dry pipe fire systems at Oil Docks 6 and 12, the two-lesser utilized used public barge docks, were not as critical nor recommended to be performed at that time (improvements to those systems will be scheduled at a later date).

Oil Docks 1 and 2, which are highly utilized ship and barge docks used currently by NuStar and Gavilon, and along with Nustar's newly constructed Oil Dock 15 are located on the north side of the Corpus Christi Ship Channel near the Harbor Bridge. The docks' fire protection system currently consists of a dry pipe system with two fire monitors at each oil dock. There is no on-site water supply or foam capability available at these docks, and fire response relies primarily on the RTFC and the PCCA's fire barge. Recommended improvements at Oil Docks 1 and 2 and new service to Oil Dock 15 include providing a pressurized fire water system consisting of an approximately 300,000-gallon freshwater storage tank and a fire water pump to sufficiently supply approximately two hours of continuous water flow at 2,500 gallons per minute for fire response at any of these three dock facilities.

The scope of work for this project generally includes the construction of a structural steel, auger-cast pile supported water storage tank, supplying and installing a housed pump system, underground piping to Oil Docks 1, 2, and 15's existing or new dry fire water piping systems, a horizontal bore under Navigation Boulevard and the existing railroad

lines for connection to the City water supply, the installation of a back flow preventer, upgrading existing fire nozzles, and installing foam canisters at Oil Docks 1, 2, and 15. In addition, electrical service will require construction of a new AEP approved transformer concrete foundation, and all associated electrical services to the fire pump system.

ALTERNATIVES: None

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for AEP electrical service easements granted to serve the PCCA or its customers.

STAFF RECOMMENDATION: Staff recommends approval of the Easement and Right of Way Agreement with AEP Texas, Inc.

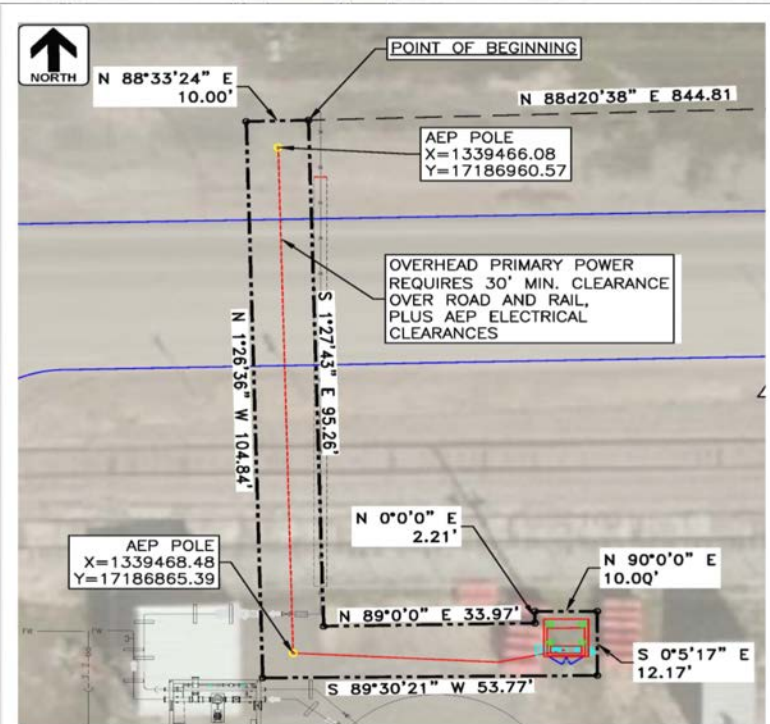
DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate
Reviewed & Approved	Sam Esquivel Kent Britton
Legal	R. Bryan Stone
Senior Staff	Sean Strawbridge John LaRue Jarl Pedersen

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Easement and Right of Way Agreement

Approve an Easement and Right of Way Agreement with AEP Texas, Inc. for Electrical Service to Serve the Port of Corpus Christi Authority's Fire Water Pressurization Upgrades to Oil Dock 1, 2, and 15.



**EASEMENT AND
RIGHT-OF-WAY AGREEMENT**

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for and in consideration of Ten and NO/100 Dollars (\$10.00) and other good and valuable considerations, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has GRANTED AND CONVEYED and by these presents does GRANT AND CONVEY to **AEP TEXAS INC.**, a Delaware Corporation (hereinafter, together with its successor and assigns, called "Grantee"), an easement and right-of-way (hereinafter called the "Easement") over, across and upon the property described in Exhibit "A" attached hereto for the purpose of constructing, operating, reconstructing, enlarging, replacing, upgrading, inspecting, patrolling, repairing, maintaining, and removing electric distribution lines consisting of poles or towers made of wood, metal or other materials, wires, circuits, static wires, communication circuits, crossarms, insulators, guy wires, and all other necessary or desirable appurtenances (the "Distribution Line").

The easement width (i) for the underground utilities shall be the exterior dimensions of the conduit/casing laid, and (ii) the overhead utilities will be an aerial easement based on location of the line as described on Exhibit "A" attached hereto, and which is incorporated herein by reference for all purposes.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for a term of 30 years, and 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, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions, by its acceptance hereof, Grantee covenants and agrees to keep and perform.

This Easement is granted subject to the following:

A. Type of Distribution Line. The Distribution Line shall be electric distribution cables together with conduits, static wires, communication circuits and other appurtenances as deemed appropriate by Grantee. The Distribution Line running underground is to be encased in red concrete. Transitions to above-ground lines shall be at as steep a slope as practical. Grantee shall place caution markers at all transition points of the Distribution Line from above ground to below ground. All electrical conductors shall be installed and operated with a minimum ground level clearance of thirty-six feet (36'). Any damage or disruption of fiber service or other utilities will be corrected immediately at the Grantee's cost and to the satisfaction of the Grantor.

B. Access. The rights of ingress and egress hereinabove referred to given to Grantee shall be confined to the above-described easement area. Grantee shall have the right to cross Authority's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon only if the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld. Except in the case of an emergency, Grantee agrees to notify the Authority not less than 72 hours prior to its employees, agents or contractors entering upon the easement area for construction, maintenance, repairs or other operations.

C. Construction, Maintenance and Use. Grantee shall construct and maintain the Distribution Line in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same, and in accordance with the Grantor's current requirements as detailed in the Port of Corpus Christi Authorities current Project Manual.

Grantee's use of the Easement herein granted and its operations in relation to it shall at all times comply with all laws, statutes, rules and regulations of federal, state and local government.

Grantee shall furnish the Authority upon completion of the installation of the Distribution Line or any modification thereof an as-built drawing of the location of the Distribution Line and any such modification.

Grantee shall be responsible for coordination of its construction and use in the easement area with any other existing users and easement holders near the Easement. Grantee shall promptly restore any portion of the easement area damaged by Grantee to substantially its original condition. All restoration work shall be appropriately tested at Grantee's expense.

Grantee must submit to Authority plans for any proposed improvements on the easement area ("Plans"), and the Plans must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate the Authority's review, two sets of final for-construction plans that clearly define the project must be submitted to Authority along with electronic files 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. Any approval, comments or denial of the Plans by the Authority shall be promptly made to Grantee within 30 Business Days after submittal. Further, Authority shall prepare detailed comments or responses to the Plans in order to direct Grantee on the action needed to have the Plans revised and approved. Within 60 days of the completion of the work depicted on the Plans, Grantee will provide Authority with one set of As-Built or Record Drawings on a standard engineering format (24" x 36" drawings) and in an electronic file format acceptable to the Authority.

D. Reservations and Exceptions. The Easement is further made subject to any restrictions, covenants, easements, rights-of-way, encumbrances, and mineral or royalty reservations or interests affecting the Easement whether or not appearing of record in the Official Public Records of Nueces County, Texas, to the extent that said items and matters are in effect and validly enforceable.

E. Indemnity. GRANTEE HEREBY RELEASES AND DISCHARGES AUTHORITY FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF GRANTEE, AND THE PERSONAL INJURY OR DEATH OR ANY PERSON EMPLOYED BY GRANTEE, AND GRANTEE EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD AUTHORITY, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY GRANTEE'S WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE GRANTEE'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY RELATED TO THIS EASEMENT OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE AUTHORITY, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES IT BEING INTENDED THAT GRANTEE WILL INDEMNIFY AUTHORITY FOR GRANTEE'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD GRANTEE FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN AUTHORITY MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO AUTHORITY'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON GRANTEE WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH GRANTEE AND AUTHORITY, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

TO THE EXTENT PERMITTED BY LAW, AUTHORITY HEREBY RELEASES AND DISCHARGES GRANTEE FROM LIABILITY FOR, AND ASSUMES THE RISK OF LOSS OR DAMAGE TO THE PROPERTY OF AUTHORITY, AND THE PERSONAL INJURY OR DEATH OF ANY PERSON EMPLOYED BY AUTHORITY, AND AUTHORITY EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD GRANTEE, ITS AGENTS, SERVANTS, EMPLOYEES AND COMMISSIONERS, HARMLESS FROM ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES AND LIABILITIES IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY AUTHORITY'S

WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT, BREACH OF WARRANTY, EXPRESS OR IMPLIED, OR BREACH OF ANY TERM OR CONDITION OF THIS EASEMENT, INCLUDING THAT CAUSED BY ANY OF THE AUTHORITY'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, ACTIVITIES DIRECTLY OR INDIRECTLY RELATED TO AUTHORITY'S USE OF THE EASEMENT OR ITS SURROUNDING PROPERTIES AND OCCURRING IN, DURING OR AFTER THE TERM OF THIS EASEMENT, SAVE AND EXCEPT SUCH DAMAGES AS MAY BE CAUSED BY THE NEGLIGENCE OF THE GRANTEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, INVITEES OR LICENSEES, IT BEING INTENDED THAT AUTHORITY WILL INDEMNIFY GRANTEE FOR AUTHORITY'S PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO, NEGLIGENCE, WHICH CAUSES SUCH DAMAGES. IT IS EXPRESSLY AGREED THAT SHOULD AUTHORITY FAIL OR REFUSE TO PARTICIPATE IN THE SETTLEMENT OF A CLAIM FOR DAMAGES, THEN GRANTEE MAY SETTLE WITH THE CLAIMANT WITHOUT PREJUDICE TO GRANTEE'S INDEMNITY RIGHTS SET FORTH HEREIN, IT BEING EXPRESSLY RECOGNIZED THAT A SETTLEMENT AFTER DEMAND ON AUTHORITY WILL CONSTITUTE A SETTLEMENT OF THE PROPORTIONATE FAULT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, OF BOTH AUTHORITY AND GRANTEE, WHICH SETTLEMENT MAY LATER BE APPORTIONED BETWEEN AUTHORITY AND GRANTEE.

EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND LIABILITIES ASSUMED UNDER THE TERMS OF THIS EASEMENT BE WITHOUT MONETARY LIMIT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH APPLIES, WITHOUT LIMITATION, TO ANY VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW IN EFFECT DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSION, AND ANY AND ALL MATTERS ARISING OUT OF ANY ACT, OMISSION, EVENT OR CIRCUMSTANCE EXISTING OR OCCURRING DURING THE TERM OF THIS EASEMENT, INCLUDING ANY EXTENSIONS, REGARDLESS OF WHETHER THE ACT, OMISSION, EVENT OR CIRCUMSTANCE CONSTITUTED A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAW AT THE TIME OF ITS EXISTENCE OR OCCURRENCE.

F. **Assignment.** The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld; if the Authority withholds consent, the Authority will provide written notice within 30 days from date of notice of assignment to third parties by Grantee; failure to provide such written notice within the said 30 days shall constitute acceptance of assignment.

The Authority, however, consents to the assignment of the Easement to any corporation that is an affiliate of and controlled by, Grantee, or to a parent corporation of Grantee or a subsidiary corporation of such parent corporation.

The Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. Assignment in

accordance with this paragraph shall relieve Grantee from liability for the performance of the covenants and indemnities hereof.

G. Relocation. The Authority may require Grantee to remove, lower, raise, or relocate the Distribution Line, equipment, facilities and appurtenances situated in the Easement in the event the Authority wants to use the Easement property for construction of Authority facilities or other Authority uses and the Distribution Line becomes a hindrance or interferes with any such future uses of the property. In such event, the cost of such removal, lowering, raising or relocation shall be paid solely by Grantee. In the event of such removal, lowering, raising, or relocation, the Authority will provide Grantee with an alternate easement, using its best efforts, on Authority land in a location that is reasonably acceptable to Grantee and at no additional cost to Grantee.

H. Compliance with all Laws. The rights and privileges associated with the Easement granted under this agreement shall not be exercised in a manner so as to violate any standards or provisions of any applicable common law or legislation, or the rules, regulations or policies of any regulatory body, whether Federal, State municipal or county, including without limitation, applicable standards, legislation, rules and regulations relating to the protection of the environment.

I. Exhibits. All exhibits attached hereto are hereby incorporated herein by this reference and made a part hereof for all purposes.

J. Notice. Any notice or demand which either party hereto may desire to serve upon the other shall be sufficiently served if deposited in the United States mail, postage prepaid and certified or registered, or delivered by a regularly established courier service, or hand delivered, addressed, in the instances of Authority to:

If to Authority: Port of Corpus Christi Authority
Attn: Executive Director
222 Power Street
P.O. Box 1541
Corpus Christi, Texas 78403
Fax: (361) 881-5155

If to Grantee: AEP Texas Inc.
c/o Distribution Right-of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403

or to such other address which a party may notify in writing to the other. Such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

K. Termination. The Easement herein granted shall terminate if Grantee shall fail to complete the construction of the Distribution Line within three (3) years from the date hereof, or at any time during the term hereof abandon the use of the same for the purposes herein granted

for twelve (12) consecutive months. In addition to the immediate sentence above, this Easement Agreement and all of Grantee's interest hereunder, at the option of Grantor, shall forthwith terminate upon breach by Grantee of any of the covenants or conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written notice from the Grantor to do so. However, if such breach cannot be reasonably remedied within ninety (90) days, this Easement Agreement and Grantee's interest hereunder 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 one hundred twenty (120) days after the termination of this Easement Agreement remove the Distribution Line (including poles, towers and guy wires) in the Easement and shall restore Grantor's lands in the Easement to the condition in which same existed prior to the existence of the Distribution Line. In the event Grantee fails to so remove the Distribution Line, the Grantor may either declare the termination of Grantee's interest in the Distribution Line and all of Grantee's interest therein shall thereupon terminate, or the Grantor may cause the Distribution Line, or any part thereof at Grantor's election, to be removed and the lands of the Grantor restored at the cost of Grantee.

L. Severability/Interpretation. In case any one or more of the provisions contained in this agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Whenever required by the context, as used in this agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

M. Counterparts. This agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

N. Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED 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 AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

The execution of this Easement shall be conclusive of the agreement of the Authority and Grantee to all of the terms and conditions hereof, whereupon the Easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and the Authority, respectively.

[Signature and acknowledgement pages follow this page]

WITNESS this _____ day of _____, 2017.

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

GRANTEE:

AEP TEXAS INC.

By: Thomas M Coak
Name: THOMAS M COAK
Title: V.P., DISTR. REG OPS. A.S.

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of _____, 2018, by John P. LaRue, Executive Director of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: _____

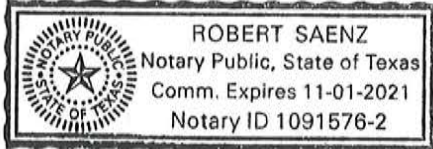
THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the 12 day of June, 2018, by Thomas M. Coad, Vice President of Distribution Region Operations, of AEP Texas Inc., a Delaware corporation, on behalf of the corporation.

Robert Saenz

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires: 11-1-2021





N 88°33'24" E
10.00'

POINT OF BEGINNING

N 88d20'38" E 844.81

AEP POLE
X=1339466.08
Y=17186960.57

OVERHEAD PRIMARY POWER
REQUIRES 30' MIN. CLEARANCE
OVER ROAD AND RAIL,
PLUS AEP ELECTRICAL
CLEARANCES

N 1°26'36" W 104.84'

S 1°27'43" E 95.26'

N 0°0'0" E
2.21'

AEP POLE
X=1339468.48
Y=17186865.39

N 90°0'0" E
10.00'

N 89°0'0" E 33.97'

S 0°5'17" E
12.17'

S 89°30'21" W 53.77'

POINT OF COMMENCEMENT
PCCA "ENTER-3" (2010)
BRASS DISC ON WEST
SIDE OF CULVERT
X=1340315.41
Y=17186990.11

NAVIGATION BLVD.



h:\ben vasquez\drawings & exhibits\lease files\fire water aep easement.dwg



PORT CORPUS CHRISTI

PORT OF CORPUS CHRISTI AUTHORITY

FIRE WATER AEP EASEMENT

SCALE: 1:20
DWN. BY: BEN V

EXHIBIT A

DATE: 2018/04/30
TIME: 11:36:10



DATE: June 19, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
 (361) 885-6163

Authorize Interim Demolition Contracts with up to Five Demolition Companies for the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

SUMMARY: Staff requests authority to enter into interim demolition contracts with up to five different companies to reduce the backlog of the houses pending demolition under the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

BACKGROUND: As part of the Harbor Bridge replacement project and under the terms of the Four-Party Agreement between the Port of Corpus Christi Authority (PCCA), Texas Department of Transportation (TxDOT), City of Corpus Christi and the Corpus Christi Housing Authority, the PCCA initiated the Neighborhood Acquisition and Relocation Program for eligible property owners and residents of the Hillcrest and Washington-Coles neighborhoods. Upon acquisition of a property, the acquired residential structure is boarded up and then prepared for eventual demolition, including abatement of asbestos-containing materials and removal of hazardous wastes.

Approximately, 93 properties have been demolished and cleared to date; however, there is currently a backlog of approximately 50 dwellings to be demolished and properties cleared under the Program. This is likely a result of only having one demolition company with which to coordinate the demolitions and clearing of properties. This backlog of undemolished dwellings poses a potential public health and safety risk to remaining residents due to the break-ins and copper thefts that are occurring at the boarded-up dwellings pending demolition. Staff believe that additional demolition contracts with other demolition companies will result in more timely removal of the structures and clearing of the property thereby eliminating this public health and safety risk.

Staff requests authorization to enter into interim demolition contracts with up to five demolition companies pending the award of one or more long-term demolition contracts for this work. Staff further requests that each of these interim demolition contracts be for an amount not to exceed \$100,000. Counsel has advised that we may enter into these interim contracts without bidding because these contracts are necessary to preserve or protect the public health or safety of the residents. These interim demolition services may

also be acquired through Government Cooperative Purchase Programs but will not exceed \$100,000 per company. Engaging demolition contractors under these interim contracts will also give staff an opportunity to evaluate the work of these contractors.

ALTERNATIVES: An alternative would be to continue under the current demolition contract and attempt to manage the on-going security issues; however, this will require significantly more manpower from our Port Police Department than is currently available.

CONFORMITY TO PORT POLICY: Conforms to the Port's Procurement Policy. Conforms to Strategic Plan Goal #3 (Sustain Productive Stakeholder Relationships), Strategic Objective 3A (Build and Sustain Productive Relationships with all Stakeholders), Action item 4 (Manage Stakeholder Relationships).

EMERGENCY: Timing of these action items to address the potential public health and safety risk is important. The sooner these acquired residences can be demolished the better.

FINANCIAL IMPACT: TxDOT concurs with this proposal and the costs PCCA incurs under these demolition contracts are eligible for reimbursement by TxDOT under the Program.

STAFF RECOMMENDATION: Staff recommends approval to enter into interim demolition contracts with up to five different companies to reduce the backlog of the residences pending demolition under the Program. Each interim contract would have a not to exceed amount of \$100,000. We recommend that the Chief Executive Officer be authorized to execute these interim contracts without further Commission approval upon review and approval by counsel.

DEPARTMENTAL CLEARANCES:

Originating Department
Reviewed By

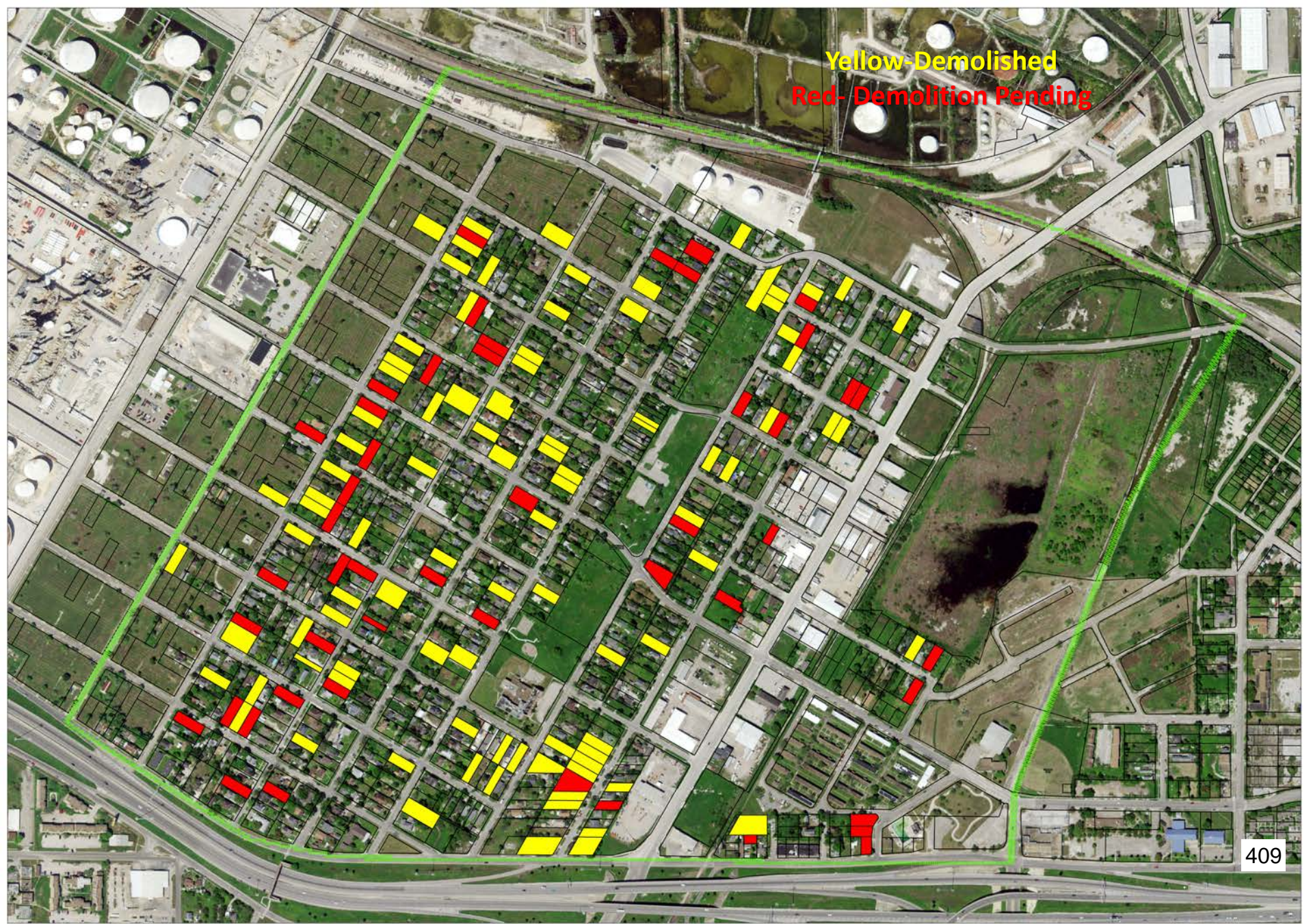
Environmental Planning & Compliance
Sarah Garza
Ramona Josefczyk
Sam Esquivel
Lynn Angerstein
Donna James-Spruce
David Krams
Sonya Lopez-Sosa
Jimmy Welder
John LaRue
Sean Strawbridge

Legal
Senior Staff

LIST OF SUPPORTING DOCUMENTS:

Acquisition Status Map.

Yellow- Demolished
Red- Demolition Pending



409

Not To Scale
State Plane NAD 1983
South Zone FIPS 4205

Generated by
Erin F. Hall
Port of Corpus Christi
Real Estate Department

Acquisition Status

Map Disclaimer:
This product is for informational purposes and
has not been prepared for, or be suitable
for legal, engineering, or surveying purposes.





**EXECUTIVE DIRECTOR
&
CHIEF EXECUTIVE OFFICERS
REPORT**

JUNE 19, 2018

PRESENTED BY: JOHN LARUE
SEAN STRAWBRIDGE

BUSINESS DEVELOPMENT

WIND ENERGY CARGO

- Staff continued regular communications regarding on-going projects with designated carriers, agents and logistics providers towards seamless terminal handling procedures
- Staff attended, reported on and followed up via email and phone conferences with regards to information obtained at American Wind Energy Association (AWEA) Expo, May 7-10:
 - Siemens Gamesa Renewable Energy Nordex Group, Suzlon, Senvion, Goldwind Americas, Vestas
 - Confirmed rail clearances for wind cargo with UP & BNSF and reported back to Nordex Group

DRY BULK CARGO

- Worked with tenant on incoming Cement vessels and dry bulk for CD 9
- Continue to work with Class I on HBI and DRI fines movements out of bulk terminal
- Finalizing details to send out bi-product fines via barge
- Met with tenant on expansion plans and requesting more acreage.
- Continue to work with staff on strategic plan for terminal future growth
- Held conference call with interest on coal exports. Planning site visit.
- Coordinating visit from US Wheat. Visitors from South Africa. Port tour.
- Supporting local company with interest in inbound frac sand over port docks
- Working with aggregate material company on logistics for GCGV

GENERAL CARGO

- Targeting pipe manufacturers and logistic companies on large O/D pipeline looking at imports into PCC for various pipeline projects
- Continue to work alongside Engineering for development of BD 3 to support neighboring terminal. Near completion for Rail loading
- Supporting inbound steel plate cargo to support tank development. Stored in Port warehouses.
- Supported various freight handlers permits
- Continue to support EDC with companies looking at region for possible manufacturing development
- Coordinating inbound steel pipe for major pipeline project.
- Coordinating with staff on military movements via port docks
- Provide port tour for liquid terminal site developers

- Coordinating with local company on outbound scrap via barge
- Attended Iron Steel Tech Conference along with CCREDC.
- Visited with steel pipe importer in Houston on expansion needs in CC

TARIFFS

- Staff collaborated with arrangement for internal department to review financials for Freight Handlers Application and continued with approval process for June Commission Agenda
- Staff concluded research regarding new licensing requirements within Tariff and made attempts to discuss same with legal

GENERAL ACTIVITIES

- Continue to support strategic plan on marketing
- Attended WGMA/TXDOT Seminar in Houston.
- Coordinating with staff on relocation of some tenants due to new bridge
- Attended LLC Roast for Judge Neal
- Continue to support real estate on lease renewals
- Met with LTC Santillo along with Operations and HMO to coordinate future military movements.
- Supporting Nelda on OW/OS information for interested developer
- Staff continued collaboration with various departments towards higher percentage statuses for Strategic Plan Goal 4 a,b,c
- Staff continued collaboration with annual railroad meeting on June 12
- Staff collaborated with Communications Dept regarding various projects, including Expo Carga
- Staff collaborated with External Events Calendar internal team
- Staff attended meeting with potential investors and provided windshield tour to group
- Staff attended ½ day internal seminar regarding best practices
- Staff collaborated with internal departments regarding preferred areas for stevedore equipment and office space
- Staff continued collaboration with PR agency regarding press release and editorial piece
- Staff compiled updated customer database information
- Staff liaised with Texas Cuba Trade Alliance regarding board appointment

FOREIGN TRADE ZONE

FTZ Manager attended NAFTAZ Annual Spring Seminar in Portland, OR on May 20-22, 2018. Customs Border Protection, FTZ Grantees, and other key speakers discussed current Trade Policies, FTZ developments, and regulatory impacting issues. FTZ Board Executive Secretary discussed current FTZ updates.

A meeting with Foreign Trade Zone (FTZ) operators and local Customs and Border Protection (CBP) officers was held on Thursday, May 31, 2018. FTZ Manager shared NAFTAZ conference information and presented "FTZ 101 & FTZ#122 Facts" presentation for new incoming CBP officer and new FTZ Operators.

FTZ Manager continues working with companies that have expressed interest in FTZ benefits.

FTZ Manager continues to work with Superior Weighting Products, LLC. with security requirements and procedure manual to obtain CBP activation for FTZ authorization.

FTZ Manager continues to work with Tex-Isle Supply, Inc. as they complete construction.

ORTIZ CENTER - OVATIONS

The Ortiz Center has had a busy month in May. As we prepare to move into the summer slowdown months, we have minimized booking requests to allow for the A/V and several repairs and maintenance projects to proceed more quickly with less event interruption times to ensure that these projects are completed timely and hopefully derive some savings from the ability to work through without the extensive interruption periods that were originally planned for.

We were proud to partner with LaDeDa Events for their Engagement Party Bridal Bash 2018 event. LDD provided extensive décor for the Ortiz Center along with dozens of our vendor partners for a unique and interactive boutique style show that, just like the Ortiz Center, was unique and very different than the other similar type shows held around the area.

As part of our continued commitment to the community, we are pleased to report that Spectra and the Ortiz International Center provided over \$78,000 in discounts and sponsorships to various non-profit and Community Based Organizations this year. The support given by the Ortiz Center assists these wonderful groups in their ability to generate the resources needed to provide their services throughout the Coastal Bend region.

NOT FOR PUBLIC CONSUMPTION

Below are 2017 totals and final numbers for 2018 activity.

2017	Guest Attendance	Number of Events	Revenue
January	3,712	40	\$152,998
February	5,875	45	\$227,214
March	6,761	56	\$296,571
1st Quarter	16,348	141	\$676,783
April	5,019	42	\$190,831
May	4,998	54	\$187,993
June	6,504	60	\$238,244
2nd Quarter	16,521	156	\$617,068
July	2,172	34	\$90,695
August	3,271	45	\$136,584
September	3,814	37	\$131,282
3rd Quarter	9,257	116	\$358,561
October	6,322	51	\$225,210
November	6,597	61	\$261,936
December	5,864	52	\$290,279
4th Quarter	18,783	164	\$777,425
YTD Total	60,909	577	\$2,429,838

2018	Guest Attendance	Number of Events	Revenue
January	2,480	35	\$100,254
February	5,982	39	\$263,395
March	6,150	60	\$228,114
1st Quarter	14,612	134	\$591,808
April	3,333	39	\$110,446
May	5,743	59	\$217,777
June			
2nd Quarter			
July			
August			
September			
3rd Quarter			
October			
November			
December			
4th Quarter			

PORT OF CORPUS CHRISTI AUTHORITY
2020 STRATEGIC PLAN DASHBOARD

Green = No Issues / On Schedule		Pink = Change in Task Schedule		Yellow = Potential Risk of Date Slip & Impact to Project		Red = Critical Issue; High Potential of Date Slip; Needs Immediate Attention		Blue = Complete	
Goal	Strategic Objective	Team Leader	Action Leader	Tasks	Target Start Date	Target Completion	% Complete	Status	
Strategic Goal #1 Fund Our Vision	Fund Operating Budget, Capital Program and Strategic Opportunities	K Britton	K Britton	Develop Financial Strategy	9/1/14	10/31/17	100%	Complete	
			T Fuhrken	Develop Capital Project Management System	5/1/17	12/31/19	27%	Ongoing	
			T Fuhrken	Develop Performance Dashboard	10/1/17	3/31/19	30%	Ongoing	
			L Ruta	Enhance Management of Revenue and Payments	4/1/15	12/31/18	55%	Ongoing	
	Manage Business and Operational Risks	D James-Spruce	Identify Market Risks	5/1/17	7/6/17	100%	Complete		
Strategic Goal #2 Provide Facilities & Services to Meet Customer Needs	Develop Master Plan and Asset Management Program	D Krams	N Fudge	Develop PCCA Facilities Vision and Master Plan	5/1/15	12/31/18	48%	Ongoing	
			C Martinez	Develop Asset Management Program (AMP)	7/1/15	6/30/19	5%	Ongoing	
	Provide Deepwater and Shallow-Draft Waterways Required to Support Maritime and Industrial Development		D Koesema	Increase Stakeholder Understanding of Benefits and Value in Channel Improvements	9/1/15	9/30/18	79%	Ongoing	
			D Koesema	Develop Funding Plan for Channel Development/DMPAs	9/1/15	9/30/18	97%	Ongoing	
	Provide Public Docks & Support Private Facilities to Facilitate Maritime and Industrial Development		D Koesema	Develop Long-Term Plan for Channel Improvements and Dredge Material Management in Addition to Corps Requirements	6/1/16	12/31/18	72%	Ongoing	
			N Fudge	Develop Facilities Plan with Emphasis on Preserving Flexibility to Respond to Market Demands	6/1/15	12/31/18	87%	Ongoing	
			N Fudge	Upgrade and Maintain Existing Docks and Facilities	9/1/15	6/30/18	93%	Ongoing	
			N Fudge	Plan and Develop New Docks and Mooring Areas	1/1/16	9/30/18	68%	Ongoing	
			C Martinez	Develop Process to Support Private Customer Projects	5/1/15	12/31/18	18%	Ongoing	
	Provide Surface Infrastructure and Services to Support Maritime and Industrial Development		S Garza	Support Efforts to Expand Regional Water Supply Available to Industry	12/7/16	8/31/18	72%	Ongoing	
			N Fudge	Lead Process of Making Utilities Available to Port-Related Properties	7/1/15	8/31/18	73%	Ongoing	
			D Michaelson	Continue Improvement of Rail Access to Support Waterborne Commerce and Port-Related Industry	7/1/15	2/3/17	100%	Complete	
			S Lopez-Sosa	Improve Vehicular Access to Support Waterborne Commerce and Port-Related Industry	7/1/15	9/30/18	97%	Ongoing	
Strategic Goal #3 Sustain Productive Stakeholder Relationships		Build and Sustain Productive Relationships with All Stakeholders	R Collin	Establish Relationship Baseline with Each Stakeholder Group	7/15/15	7/1/18	55%	Ongoing	
	R Collin		Create Climate of Trust, Respect and Ownership	12/15/16	7/1/18	80%	Ongoing		
	P Cardenas		Publicize and Recognize Successes	6/1/15	6/20/17	100%	Complete		
	R Collin		Manage Stakeholders Relationships	6/15/15	7/1/18	88%	Ongoing		
	Operate the Port's Facilities in a Safe, Secure and Efficient Manner	T Mylett	Address Security Priorities Excluding Sensitive Security Information (SSI)	3/25/15	9/26/17	100%	Ongoing		
Strategic Goal #4 Foster Compatible Industrial and Maritime Development	Proactively Pursue Diversified Port-related Economic Development Opportunities	M Turner	M Turner	Develop Multi-year Marketing Plan for Industrial Development and Increase Cargo to/from the Port	9/1/15	10/31/18	84%	Ongoing	
			M Turner	Vigorously assist Port-related industrial prospects in site selection, project planning and development	9/1/15	6/30/18	53%	Ongoing	
			M Turner	Identify and pursue general cargo and dry bulk diversification opportunities	8/10/15	7/31/18	88%	Ongoing	
	Ensure Highest and Best Use of Existing Property and Facilities		D Krams	Lead region in developing infrastructure to attract new waterborne commerce and industrial development	8/1/15	12/31/20	49%	Ongoing	
			M Turner	Develop and agree on criteria for "Highest and Best Use"	9/1/15	6/30/18	63%	Ongoing	
	Acquire and Protect Land for Industrial Development and Port-related Infrastructure		D Aldrich	Develop expanded land use guidance documents	9/1/15	4/1/16	100%	Complete	
			D Aldrich	Develop multi-year plan to acquire and protect properties	6/1/15	12/13/16	100%	Complete	
Strategic Goal #5 Be an Environmental Leader	Define Environmental Standards in Partnership with Customers	S Garza	S Garza	Define environmental standards that PCCA, our tenants, customers, and vendors will adhere to	3/1/16	10/16/18	55%	Ongoing	
			S Garza	Develop implementation program for environmental standards	9/30/15	12/31/18	33%	Ongoing	
			S Garza	Define compliance verification process and create an annual reporting template/program (Tenant Audit Program, EMS Management Review, Construction Documents, Vendor Selection)	7/1/18	12/31/18	0%	Not Started	
	Continue to Meet and Exceed Regulatory Standards		S Garza	Implement environmental standards Port-wide	9/1/18	12/31/18	0%	Not Started	
			S Garza	Develop and implement regulatory strategy for future environmental regulations	1/1/16	12/31/16	100%	Complete	
	Engage Environmental Community Proactively		S Garza	Verify compliance annually	1/1/19	4/30/20	0%	Not Started	
			R Collin	Promote environmental leadership message continuously	6/1/15	6/30/18	75%	Ongoing	
			S Garza	Define template for establishing environmental community engagement by project (existing [Bulk Terminal, dredge material placement for next 100 years] and new projects)	6/1/17	6/30/18	35%	Ongoing	
			S Garza	Active participation in community groups	6/1/15	12/31/15	100%	Complete	
Strategic Goal #6 Grow Our People to Staff the Future	Implement Comprehensive Human Resources Strategy	M Euresti	M Euresti	Recruit, select and retain the best people	3/1/15	8/31/18	84%	Ongoing	
			T Gonzales	Develop people to achieve their potential	5/1/15	12/1/18	83%	Ongoing	
			T Gonzales	Develop succession planning program	9/30/15	12/31/18	83%	Ongoing	
	Foster a Safe and Healthy Workplace		D Hale	Develop/Implement comprehensive Occupational Health & Safety (OH&S) management system	1/1/16	12/31/18	63%	Ongoing	
			A Leyva	Identify and promote Port safety culture	1/1/16	4/18/17	100%	Complete	
			D James-Spruce	Define/Improve incident procedures for employees	7/1/15	3/1/18	100%	Complete	
			M Del Rossi	Take Wellness Program to next level	4/1/15	3/15/17	100%	Complete	

COMMUNICATIONS

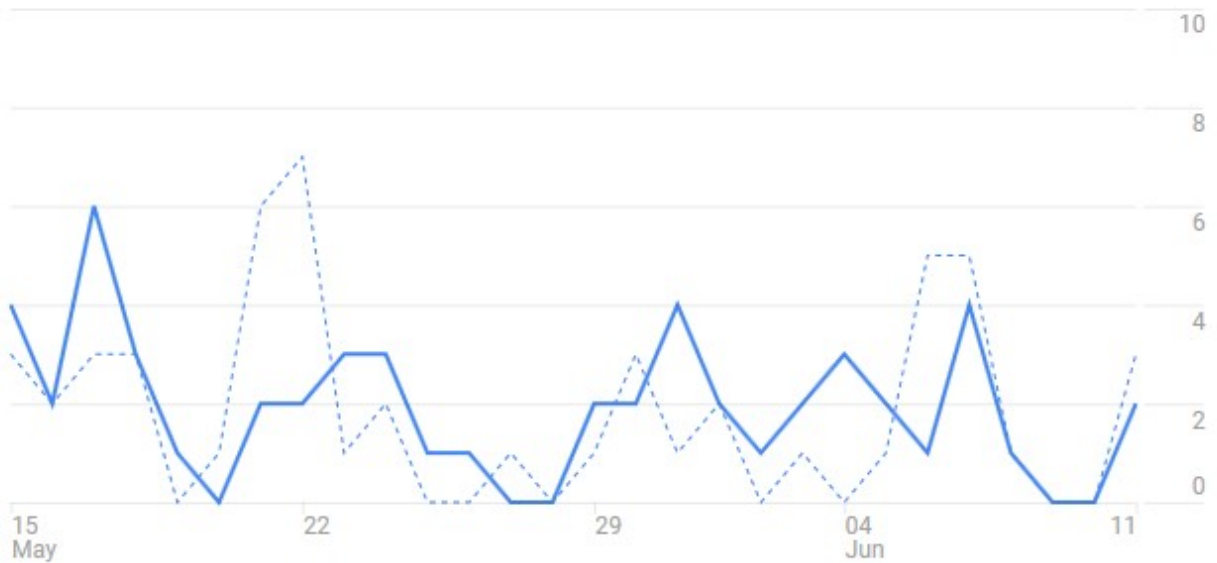
March Staff & Employee

Events:

- Edelman weekly conference call
- Crosswind weekly conference call
- Posting to all social media sites and continuous monitoring Coordinating an Annual Report for PCC
- Port Commission Meeting May 2018 My Port Newsletter
- Coordinating production of new environmental program video Developed & presented staff and commissioner presentations

Website Analytics

Users	Sessions	Bounce Rate	Session Duration
43	62	70.97%	0m 54s
↑4.9%	↑17%	↑1.7%	↓62.6%
vs last 28 days			

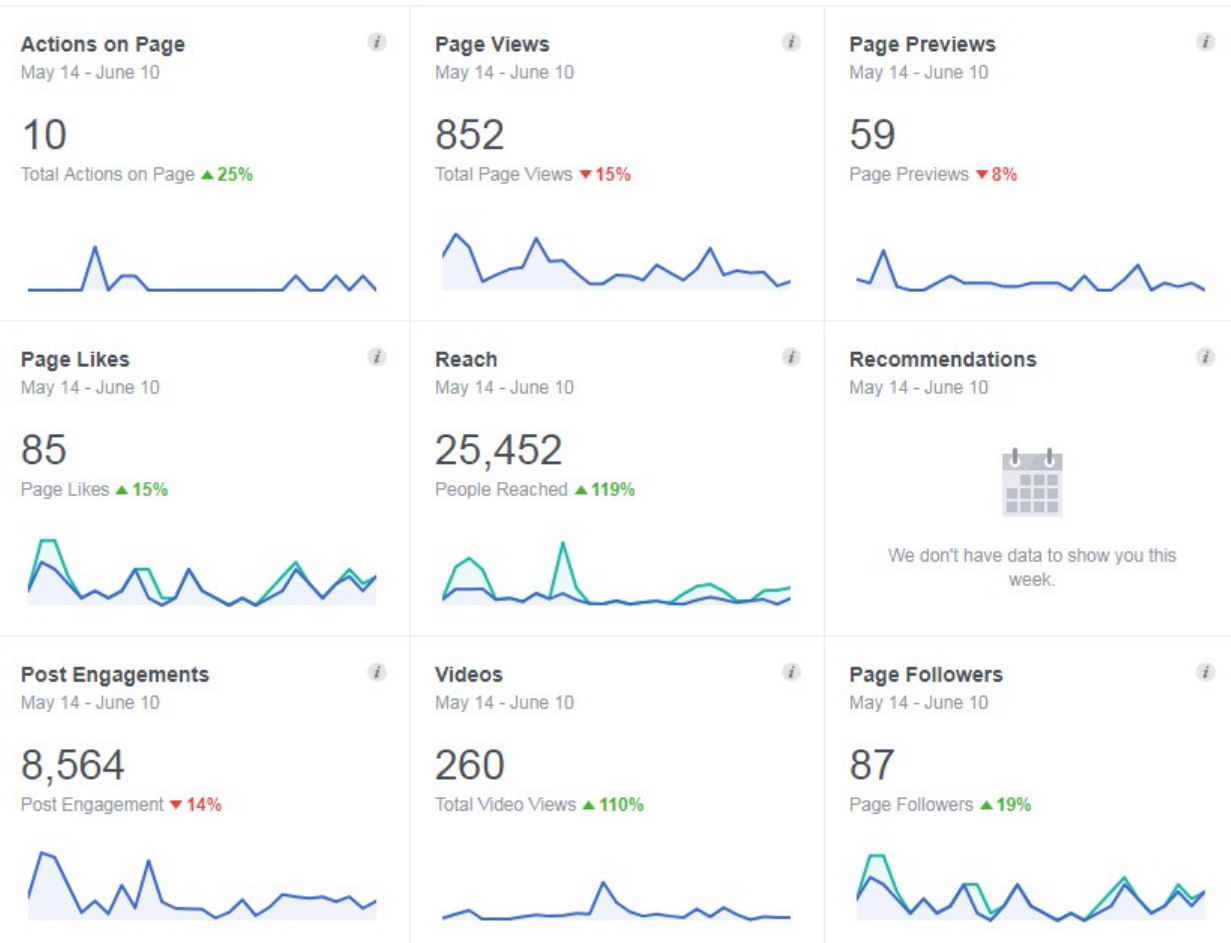


Facebook Reach

Results from May 15, 2018 - Jun 11, 2018

Note: Does not include today's data. Insights activity is reported in the Pacific time zone. Ads activity is reported in the time zone of your ad account.

Organic Paid



LinkedIn Reach

Engagement highlights

263
likes in the last 30 days
▼30% from previous 30 days

7
comments in the last 30 days
▲75% from previous 30 days

51
shares in the last 30 days
▼27% from previous 30 days

243
follows in the last 30 days
▲3% from previous 30 days

Engagement metrics

Impressions

Last 30 days

Organic Sponsored



Update name	Date	Impressions	Clicks	Video views	CTR	Social Actions	Engagement
After decades, The Port of Corpus Christi secures federal funding for... <small>All followers</small>	6/12/2018	2,794	98	-	3.51%	75	6.19%
Port of Corpus Christi: The energy port of the Americas <small>All followers</small>	6/11/2018	2,094	65	-	3.1%	30	4.54%
test <small>All followers</small>	6/8/2018	1,265	28	-	2.21%	15	3.4%
Anne Idsal, EPA Regional Administrator, Sean Strawbridge,... <small>All followers</small>	6/1/2018	2,353	170	-	7.22%	42	9.01%
Port of Corpus Christi Wins Deal of the Year Award at Lloyd's List... <small>All followers</small>	5/25/2018	2,246	57	-	2.54%	29	3.83%
Port of Corpus Christi employees Celebrating Mariners on National... <small>All followers</small>	5/22/2018	2,547	162	-	6.36%	37	7.81%
It's #TimetoBuild #InfrastructureWeek2018 Port CE... <small>All followers</small>	5/18/2018	1,780	29	-	1.63%	30	3.31%
The Port of Corpus Christi honored by Gov. Abbott and legislators on... <small>All followers</small>	5/17/2018	1,948	32	-	1.64%	34	3.39%
News Release: Port of Corpus Christi Honors its Police Force During... <small>All followers</small>	5/15/2018	1,173	24	-	2.05%	12	3.07%
The Port and its families had a great time at the annual Buc Days... <small>All followers</small>	5/7/2018	2,229	41	-	1.84%	38	3.54%

Twitter Reach

28 day summary with change over previous period



Jun 2018 · 11 days so far...

TWEET HIGHLIGHTS

Top Tweet earned 367 impressions

#movingAmericasenergy
twitter.com/gastechinsight...

↻ 2 ♥ 4

View Tweet activity

View all Tweet activity

Top mention earned 202 engagements



Hannah Halepaska

@ItsHannahHalep · Jun 4

Officially official! I am the Communication summer intern for the @PoccaPort! I couldn't be more excited for this awesome opportunity.

Port Stories and News Releases:

- Jun 11th, 2:12 pm [Port of Corpus Christi Secures Funding in the U.S. Army Corps of Engineers' FY2018 Work Plan](#)
- May 25th, 9:29 am [Port of Corpus Christi Wins Deal of the Year Award at Lloyd's List Americas Awards Gala](#)
- May 22nd, 9:25 am [Port of Corpus Christi Celebrates Mariners on National Maritime Day](#)
- May 17th, 3:31 pm [Press Release: Port Corpus Christi Honored by Governor Abbott and Legislators on 2018 Texas Environmental Excellence Awards](#)
- May 15th, 2:42 pm [News Release: Port of Corpus Christi Honors its Police Force During National Police Week](#)

Presentations

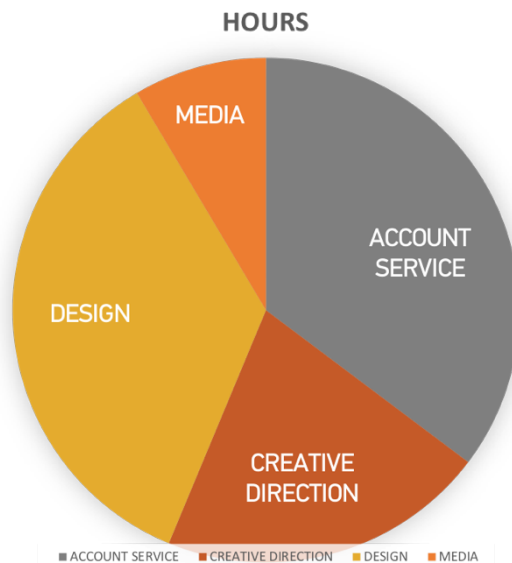
- Turner – Potential Investors, *Laydown yards*. 5-16-18
- Garcia – Northwest Business association, *Update from the Port of Corpus Christi*. 5-17-18
- Garcia – West Oso High, *Opportunities for Local Youth*. 5-18-18
- Strawbridge & Hale – LALB, *Emergency Management*
- Pedersen – Gas Shipping Conference, *Port Corpus Christi & Gas Supply*. 5-22-28
- Martinez & Garcia – Newsy News (DC), *US Energy Renaissance*. 6-6-18
- Pedersen – 4th Mexico Gas Summit, *Port Corpus Christi & Mexico Energy Demand*



PORT CORPUS CHRISTI MAY 2018 REPORT

MDR SERVICES	HOURS
ACCOUNT SERVICES OVERSEES ALL ACCOUNT PROJECTS	56.65 35%
CREATIVE DIRECTION DEFINES THE CREATIVE VISION AND OVERSEES CREATIVE DESIGN	33.69 21%
DESIGN/MOTION THE TEAM THAT EXECUTES THE CREATIVE VISION INTO ART & ANIMATION	56.56 35%
MEDIA THE NEGOTIATING, BUYING, ANALYZING, RECONCILING OF MEDIA	13.66 9%
TOTAL	160.56 100%

MONTHLY RETAINER = \$8500 | MDR STANDARD HOURLY RATE IS \$150
THE ANNUAL REPORT ACCOUNTED FOR 67.04 HOURS IN APRIL.



THE CREATIVE / DESIGN

PIECES FROM THE TEAM

MEXICO GAS SUMMIT PROGRAM ADS – 2 PAGE SPREAD



INSPIRE MAGAZINE
WOMEN OF THE PORT
EVENT BRANDING





THE CREATIVE / DESIGN CONTINUED

SOCIAL MEDIA COVERS



STEEL CARGO FLYER



NATIONAL MARITIME DAY AD



LLOYD'S LIST AWARDS PROGRAM



2017 ANNUAL REPORT





MEDIA

MEDIA PURCHASED BY THE MDR MEDIA TEAM IS NEGOTIATED AND ANALYZED MONTHLY.

APRIL PRINT

THE DEMAND FOR ENERGY NEVER STOPS.

That's why we're here to keep it moving.

Port Corpus Christi provides more advantages for the movement of breakbulk and heavy lift cargo, including dockside rail loading and truck transfer, a 45' deep channel, Class 1 rail carriers and short line railroad, state of the art security and a skilled labor force.

It's these strengths that make us the Energy Port of the Americas.

View all our capabilities at portofcc.com

OVERSIZED COMPONENTS? WE'VE GOT YOU COVERED!

25 ACRES!

Port Corpus Christi provides more advantages for the movement of wind energy components including rail loading and truck transfer, a 47' deep channel, three Class 1 railroads, and now 25 acres of additional space available at the new Rincon West Yard. We are the Energy Port of the Americas.

portofcc.com

Maggie Iglesias-Turner 361-885-6156 maggie@pocca.com



POWER IN PARTNERSHIPS

Working together to keep U.S. trade globally competitive

Port Corpus Christi is proud to partner with the U.S. Army Corps of Engineers on the Corpus Christi Ship Channel Improvement Project. The project will deepen and widen the channel, increasing safety, furthering investment and ensuring that U.S. energy commodities can reach market.

View all our capabilities at portofcc.com

- > \$327 MILLION PROJECT
- > DREDGING 31.6 NAUTICAL MILES FROM GULF OF MEXICO TO INNER HARBOR TO A DEPTH OF 54 FEET
- > WIDENING THE CHANNEL TO 530' FOR INCREASED VESSEL SAFETY
- > CREATING ROOKERIES AND PROTECTED ECOSYSTEMS
- > MAINTAINING AMERICA'S ENERGY FLOWING FROM THE #1 CRUDE OIL EXPORT PORT





APRIL ONLINE



América
economía



EVENTS & MEDIA
Breakbulk
PROJECT CARGO, HEAVY LIFT & RO-RO LOGISTICS



Lloyd's List Intelligence
Maritime intelligence | informa

T21
mx



APRIL ONLINE CONTINUED

**IT'S A CRITICAL YEAR FOR CARGO
-WE'LL TELL YOU WHY.**

Get the Breakbulk Breakdown
with Port Corpus Christi's Sean Strawbridge
Wed 4/18, 11:15-12:15, Salons F-G

**FOR US, BIG
IS NO BIG DEAL.**

Industry leaders in heavy lift,
breakbulk and beyond.

▶ See all capabilities.



Targeted ads at the conference and 30 days after.

MAY MEDIA COSTS AND VALUE

NEGOTIATED (PAID) COST	\$21,896.64
ACTUAL COST	\$48,472.22
MAY SAVINGS	\$26,575.58
SAVINGS YTD	\$101,791.95

PRINT CIRCULATION	182,789
COST PER THOUSAND	\$88.58
TOTAL CIRCULATION YTD	372,065

ONLINE IMPRESSIONS	730,839
COST PER THOUSAND	\$7.81
TOTAL IMPRESSIONS YTD	2,226,511

COMMUNITY RELATIONS

INTERNAL AND COMMUNITY EVENTS/MEETINGS

- PICC Public Affairs Committee meeting
- United Corpus Christi Chamber executive board meeting
- Edelman conference call(s)
- Wellness luncheon
- Crosswinds conference call (s)
- Housing Authority Commission
- Hurricane Preparedness meeting
- Inspire Magazine article in collaboration with Danielle Hale
- Del Mar College Board of Trustees annual meeting
- 2017 Annual Report meeting
- PICC Business Meeting
- Meeting: Hooks
- Photo Op - Police Week (Port PD/Security Officers)
- Meeting with elected officials from Ingleside on the Bay
- TAP Program meeting
- Coordination of PIC Roundtable
- Westside Business Association: Cinco de Mayo
- Correspondence with Natalia Kay on selection of Lloyd's List America's finalist list for Deal of the Year
- Strategic Plan meeting with Business Development
- Staff Meeting (s): Community Relations/Communications
- External Affairs (s)
- Intern interviews
- Hurricane Preparation meeting
- Expo Carga coordination meeting
- Hurricane Messaging Workshop
- Buc Commission: King & Queen Leadership Program Crowning Ceremony
- Review/edit of website and ads
- Islander Athletic Fund Partnership Luncheon
- 2018 Coastal Bend Hurricane Conference & Regional Exercise
- Lloyd's List of Americas Award: 2018
- 2018 Take the Lead - Leadership Breakfast. Keynote Speaker: Dr. Kelly Quintanilla
- VIP Illuminated Night Parade
- CASA Superhero 5K
- Young Life Corpus Christi: Third Coast Fishing Tournament

- Biennial CC Roast & Toast
- Roast and Toast – Judge Loyd Neal
- CCREDC: Senior Executive Breakfast
- USO of South Texas job fair
- SEA Banquet
- Montessori School: Crawfish Boil
- Presentation: Young Business Professionals'
- Portland Chamber of Commerce Hurricane Preparedness breakfast: presentation by Chairman Zahn
- Meeting with CCREDC
- PICC Boat Tour
- Energy Summit

ENGINEERING SERVICES

As of May 31, 2018 (billing through April 30, 2018), the Engineering Department has 118 projects in progress. These projects consist of 64 Capital, 38 Maintenance, and 16 Professional Service projects. During the month of April, \$19,008,242 was invoiced for on-going work with \$12,000,000 of this amount being paid to the U.S. Army Corps of Engineers for the Channel Improvement Project. To date this year, approximately \$31,874,406 has been invoiced for work performed. Below is a table detailing the 2018 budgeted amounts and the expended amount “to date” for capital, maintenance, and professional services projects.

Engineering Services April 2018 Activity Report		
Project Type	2018 Budget Amount	Expended to Date
Capital*	\$113,086,367	\$30,606,542
Maintenance	\$3,855,000	\$1,200,178
Professional Services	\$405,000	\$67,686
Total	\$117,346,367	\$31,874,406

**Total Engineering Budget \$120,035,059 minus \$6,948,692 for Bulk Terminal projects pending assignment.*

UPCOMING BIDS (PROJECTS > \$50,000) / REQUEST FOR PROPOSALS

Project #	Project Title
15-054A	New PCCA Rail Service Facility
17-010A	Replacement of Shiploader Boom Rail and Clips
17-011B	Air Return Modifications at Ortiz Center
18-017A	Purchase & Installation of Conveyor Belts
18-022A	Oil Dock 12 Breasting Structural Upgrades
18-029A	Aransas-Corpus Christi Pilot’s Pier at Harbor Island
18-031A	Armoring of the Nueces Bay Shoreline

MASTER AGREEMENTS AND SERVICE ORDERS**

Listed below are the Master Agreements implemented, including values of Service Orders, Contracts, and Amendments issued per year:

	<u>2017*</u>	<u>2018*</u>
Freese and Nichols, Inc.	\$ 639,299	--
Hanson Professional Services, Inc. (formerly Naismith)	\$ 33,470	\$ 49,120
LJA Engineering, Inc. (16-01)	\$ 30,000	--
Lanier and Associates Consulting Engineers, Inc. (18-01)	--	\$ 79,600
Govind Development, LLC (18-02)	\$ 651,050	\$ 32,200
Mott MacDonald (18-03)	\$ 86,751	\$ 175,000
HDR, Inc. (18-04)	\$ 195,102	\$ 150,000
Cardno (18-05)	--	\$ 554,391
CH2M Hill (18-08)	\$ 713,824	\$ 176,447
AECOM Technical Industries, Inc. (18-10)	--	\$ 5,194,451
Terracon Consultants (18-11)	--	\$ 724,00
Rock Engineering and Testing Laboratory (18-12)	--	\$ 1,488,515

*Includes separate Professional Services Contracts

** as of 5/30/18

ACTIVE ENGINEERING PROJECTS WITH IN-HOUSE STAFF DESIGN

Project Name	Project Manager(s)	Project Status
Bulk Terminal New Pad 6	Lou Donato Natasha Fudge	On hold pending BT study
Bulk Dock 1 Building Demolition and Storage Containers	Lou Donato Natasha Fudge	Completed February 1, 2018
Concrete Paving under Conveyor Belt 2	Lou Donato Natasha Fudge	60% Design
Crane Rail Replacement on Shiploader	Lou Donato Natasha Fudge	100% Design, Under Review
Viola Turning Basin Bulkhead Maintenance	Lou Donato Natasha Fudge	95% Design
Resurfacing of North Side Storage Area	Eileen Mink	On hold to minimize cargo disruption; non-critical area
Cargo Dock 15 Fender Replacement	Bert Perez	Approved at May 15th Commission
Oil Dock 12 Breasting Structure Upgrades	Bert Perez	95% Design
Aransas Corpus Christi Pilots Pier	Carlos Martinez	95% Design

Corpus Christi Ship Channel - Channel Improvement Project (CCSC-CIP)

- Project Elements:
 - Construct ecosystem restoration projects near Port Aransas and Ingleside on the Bay
 - Extend the La Quinta Channel 1.4 miles at -41 feet MLLW
 - Widen and deepen the CCSC to -54 feet MLLW
 - Construct barge lanes on both sides of the ship channel across Corpus Christi Bay
- CCSC-CIP Status:
 - Construction of Ecosystem Restoration Complete (2012)
 - La Quinta Channel Extension Complete (2013)
 - Project Partnership Agreement (PPA) for CCSC Deepening and Widening and Barge Lanes fully executed on September 9, 2017
- CCSC Deepening and Widening and Barge Lanes Construction
 - Contract 1 – Gulf of Mexico to Harbor Island
 - Sediment testing and analysis of dredge material complete. Material deemed satisfactory to place at offshore dredge material disposal site. Final report signed by USACE District Engineer.
 - Design complete
 - Solicitation posted June 1, 2018
 - Bid opening scheduled for July 2, 2018
 - Contract award anticipated July 24, 2018
 - Subsequent Contracts
 - PCCA staff coordinating with USACE in the planning and design of subsequent CCSC construction projects
 - Design of Lower and Upper Bay Reaches underway
 - Geotechnical investigation in Upper and Lower Bay Reaches underway.
 - Anticipated contract award:
 - Lower Bay Reach FY 2019
 - Upper Bay Reach FY 2020

Ongoing Ship Channel and PCCA Dock Slip Maintenance Dredging

- Corpus Christi Ship Channel to Viola Turning Basin/La Quinta Channel
 - Includes performing maintenance dredging in the Upper Bay, Portions of Inner Harbor, Portions of La Quinta and PCCA Oil Docks 1, 2, 4, 7, 8, & 11, Cargo Docks 8 & 9, and Bulk Terminal Dock 2. Contract also includes relocating the Suntime Drainage Ditch and backfilling the old ditch.
 - Schedule:
 - Start Date: December 2016
 - All work completed except for Bulk Terminal Dock 2 maintenance dredging (anticipate summer 2018)
 - Estimated Completion Date: Contract being extended for additional Post Harvey contract modifications.

- \$2 million contract modification awarded by USACE to dredge shoaling caused by Hurricane Harvey in 2017.
 - Upper Bay Reach
 - Lower Bay Reach
 - La Quinta Channel
- Additional contract modifications anticipated in FY 2018 (pending release of FY 2018 Work Plan).

**Department of Engineering Services
Project Design & Construction Status Report
DESIGN PROJECTS**

Project No.	Project Title	Project Manager	% Completed
<u>Capital</u>			
14-061A	Maintenance Building Relocation	BF	10
15-047A	Chiller Replacement at Ortiz Center	BP	
18-022A	Oil Dock 12 Barge Breasting Structure Upgrades	BP	90
18-029A	Aransas Corpus Christi Pilots Pier	CM	90
18-021A	Oil Dock 1 Mooring Improvements	EM	
17-016A	Escape Route at Oil Dock 4	JEM	50
14-030B	Improvements to Pad 6 at the Bulk Terminal	LGD	10
15-040A	Concrete Paving Under Conveyor Belt 2	LGD	50
15-041A	Improvements to Fire Protection Systems at Oil Docks 4, 7, 11	NEF	50
15-054A	New CCTR Facilities	NEF	90
17-019A	New North Bank Cargo Dock	NEF	10
14-036A	New Port Office Building	SLS	20
<u>Maintenance</u>			
17-018A	Viola Turning Basin Bulkhead Maintenance	CM	90
14-024A	Structural Repairs and Cathodic Protection at Oil Dock 7	JEM	60
17-008A	Electrical Upgrades at Various Public Oil Docks	JEM	60
17-016B	Structural Repairs and Cathodic Protection at Oil Dock 4	JEM	60

**Department of Engineering Services
Project Design & Construction Status Report
CONSTRUCTION PROJECTS**

Project No.	Project Title	Project Manager	% Completed
<u>Capital</u>			
09-019A	New Access Road to Good Hope DMPA	BP	80
13-043A	Nueces River Rail Yard Phase - II	BP	80
14-023A	Fire Pressurization Upgrades at Oil Docks 1, 2 & 15	BP	60
15-050A	Mike Carrell Road Construction	BP	90
16-033A	New Public Oil Dock 15	BP	100
15-061E	15-061C Security Grant 15 - Bulk Terminal Fencing - Additional Fencing	CM	30
16-038A	Increase DMPA Capacity for Federal, PCCA, and Third Party Use	DJK	20
07-046C	Tule Lake Foundation Removal	EM	90
15-061D	Security Grant 15 - Security Lighting along Fulton Corridor (25/75)	EM	10
16-018A	Roadway and Parking Lot Repairs (2016)	EM	30
16-035A	Viola Barge Basin Bulkhead Addition	JEM	90
15-046A	Storm Water System Quality Improvements – Bulk Terminal	LGD	30
<u>Maintenance</u>			
16-015M	Cargo Dock 15 Fender Replacement	BP	100
16-019A	Inner and Outer Harbor Landing Management (2016)	BP	90
16-032A	General Improvements to Cargo Dock 9 Transfer Facility	BP	90
15-039B	Marine Improvements at Oil Dock 2	JEM	90
16-023A	Main Water Line Vault Valves (\$100,000) Replacement at Ortiz Center	JEM	30

Environmental Planning and Compliance Monthly Report

Environmental Stewardship Measurements

Program Area	April 2018
Monthly Electrical Consumption – Green Energy Sources	3,452,205 KWH
Spent Liquids Recycled	154 gallons
Materials Recycled	7,724 lbs
Components Recycled	1,514 components
Regional Air Quality (EPA Standard of 70 ppb)	~62ppb
Community Complaints Regarding Port Operations	0
Notice of Violations Against Port Operations	0
Tenant Audits Completed	24
Bulk Terminal Air Monitoring Alerts (North Network-Bulk Terminal)	43
Bulk Terminal Air Monitoring Alerts (South Network-Dona Park)	5

Port staff accompanied Port Commission Charlie Zahn to Austin on May 15 and 16 to receive the Texas Commission on Environmental Quality (TCEQ) Texas Environmental Excellence Award. In addition, the State Representatives and their staff from the region, recognized us along with TCEQ Commissioner Toby Baker on the House Floor for the same. Finally, there was a reception with Governor Abbott for the award as well.

During the week of May 21-26, Port staff and Commissioner Barbara Canales accompanied a German American delegation to the Ports of Hamburg, Bremerhaven, and Bremen for a tour of Ports already incorporating sustainability best practices in the movement of goods. The trip was hosted by our friends at the German Atlantic Chamber of Commerce. A memo outlining the best practices observed and their possible applicability to Port operations is attached.

The Port hosted the US Environmental Protection Agency Region 6 Regional Administrator Anne Idsal for a meeting on Port activities and key projects and then hosted a lunch meeting with Port Commissioners and Industry. The meeting topics included a review of the Port delegation to Germany, Channel Improvement Projects, support for the beneficial reuse of dredge material, potable water through desal. and rail projects.

On May 17, 2018, the Port desal permit Notice of Intent for La Quinta from the TCEQ was published in the San Patricio News in Portland, Texas and the Corpus Christi Caller Times. Prior to the publication the media incorrectly reported that the Port was to construct a desal plant and staff worked to clear the record that it was only permitting for the future facilities. The TCEQ has not yet issued the administrative clearance for the Harbor Island permit but it is expected in the very near future and will be published shortly thereafter.

Environmental Initiatives Dashboard

Listed below are the environmental initiatives planned or underway and the status of each:

Program	Description of Activities	Target Completion Date	% Complete	Status
Environmental Management System	Development of updated EMS video.	8/31//2018	75%	Ongoing
	ISO 14001 Certification: Surveillance Audit	7/25/2018	20%	Started
	Green Marine Self Evaluation	3/15/2018	100%	Completed
Tenant Audit Program	Conduct routine annual audits of all leases on PCCA facilities.	12/31/2018	15%	Started
	Conduct routine lease-ending audits of terminated or completed lease agreements.	12/31/2018	50%	Ongoing
	Conduct baseline assessments of properties as applicable for new lease agreements.	12/31/2018	20%	Ongoing
Storm Water	Conduct routine inspections and monitoring and sampling in accordance with applicable permits.	12/31/2018	50%	Ongoing
	Complete annual reports for previous year in accordance with applicable permits.	1/30/2018	100%	Completed
Ozone Advance	Participation in Air Quality Committee and Ozone Advance Working Groups.	12/31/2018	50%	Ongoing
	Provide input to Annual Ozone Advance Report.	4/30/2018	100%	Completed

Environmental Projects Dashboard

Listed below are the budgeted capital, maintenance and professional services projects and the status of each:

<u>Project Description</u> (Proj. #)	<u>Consultant Agreement</u> Type	<u>Description of Activities</u>	<u>Target Completion Date</u>	<u>% Complete</u>	<u>Status</u>
Purchase of Software for EMS Recordkeeping (15-057A)	MA 05-14 E2 ManageTech, SO#4,5,6	RFP for software vendors.	1/29/2016	100%	Completed
		Vendor demonstrations.	3/11/2017	100%	Completed
		Negotiations with Successful Vendor.	4/15/2016	100%	Completed
		Commission approval of software purchase and implementation contract with successful vendor.	6/21/2016	100%	Completed
		Purchase/implementation of EMIS software.	12/31/2018	45%	Ongoing
General Electrical Consumption Reduction Projects (13-013A/16-704A)	Not Applicable – Completing In House	Negotiating project scope with electrical engineering firm.	03/31/2016	NA	Cancelled – Not Needed
		Preparation of design build electrical consumption reduction improvements.	3/31/2018	75%	Started
		Advertise RFQ for design-build.	3/1/2018	0%	Not Started
		Award contract.	5/31/2018	0%	Not Started
		Construction of project.	12/31/2018	0%	Not Started
Investigation and Remediation of Contamination from La Quinta Pipeline Removal/Relocation (14-002B)	MA –Platinum Environmental Solutions, LLC, SO# 1	Prepare and submit Groundwater Classification and Drinking Water Survey Reports to TCEQ.	3/7/2016	100%	Completed
		Prepare and submit APAR to TCEQ.	01/31/2017	100%	Completed
		Receive and respond to TCEQ comments.	9/7/2017	100%	Completed
		Submit Response Action Plan	2/28/2018	50%	Delayed; Identifying RP and Putting on Notice
		Response Action Implementation	9/7/2019	0%	Not Started
		Case closure with TCEQ.	12/31/2019	0%	Not Started
		Additional fieldwork to collect groundwater samples and verification soil samples.	3/28/2016	100%	Completed

NOT FOR PUBLIC CONSUMPTION

Project Description (Proj. #)	Consultant Agreement Type	Description of Activities	Target Completion Date	% Complete	Status
Investigation of Property Near Lift Bridge (14-002C)	MA – 06-14 Apex TITAN, SO# 1,2,3	Prepare and submit APAR to TCEQ.	5/31/2016	100%	Completed
		Respond to TCEQ comments.	9/22/2017	100%	Completed
		Case closure with TCEQ.	6/1/2018	90%	Ongoing
Sampling to Support OD-3 Expansion Plans (14-058A)	MA 04-14 RSA, SO# 8	Fieldwork to conduct upland sampling per sampling plan.	10/1/2016	100%	Completed
		Prepare final report including recommendations for management of upland soils during construction project.	12/31/2016	100%	Completed
		Conduct source investigation/delineation of hot spots.	6/30/2016	5%	Placed On Hold
		Develop final report summarizing source investigation and delineation of hot spots.	7/31/2016	0%	Placed On Hold
Bulk Terminal Storm Water Quality Improvements (15-046A)	MA 14-01 LAN, SO# 3,7	95% Design submittal for Task 1a and Task 2	02/26/2016	100%	Completed
		100% design submittal and contract documents for advertisement for Task 1a and Task 2.	5/4/2017	100%	Ongoing
		Advertise for bid.	5/15/2017	100%	Completed
		Commission approval for construction.	7/18/2017	100%	Completed
		Construction completed.	8/31/2018	35%	Ongoing
Bulk Dock 2 Air Permit (16-030A)	MA 07-16, SO#1, #8 - Tricord	Negotiate Master Agreement and Service Order.	3/15/2016	100%	Completed
		Prepare and submit air permit authorization for salt at Bulk Dock 1.	5/31/2016	100%	Completed
		Prepare technical memo regarding removal/lowering of moisture content from existing permits.	6/30/2017	100%	Completed
		Support Master Planning activities at the Bulk Terminal.	2/28/2018	100%	Completed
		Prepare and submit permit application for new crane and improvements planned for Bulk Terminal.	05/31/2018	85%	Ongoing
Desal Permit Application Preparation for La Quinta and Harbor Island (17-711A)	Professional Engineering Services Agreement - Cardno	Prepare draft applications and submit to TCEQ	2/28/2018	100%	Completed
		TCEQ Administrative Review	5/7/2018	100%	Completed
		Public Notice	5/31/2018	50%	Started
		Coordination with TCEQ regarding draft permits	10/31/2018	0%	Not Started
		Issuance of permits by TCEQ	12/31/2018	0%	Not Started
Magellan Bell Hole Tule Lake Property Investigation (16-002C)	Professional Engineering Services Agreement – Platinum Environmental	Investigation and onsite assessment of extent of contamination	9/30/2017	100%	Completed
		Prepare APAR and submit for TCEQ review	11/30/2017	100%	Completed
		Prepare Tier 1 Ecological Checklist and submit to TCEQ for review	4/12/2018	10%	Started / Identifying RP and Putting on Notice
		Delineate impacts to City of CC ROW, prepare APAR Amendment and submit to TCEQ	6/30/2018	0%	Not Started
Stabilization of Permian Yard (17-708A)	Not Applicable – In House	Complete construction.	5/31/2018	99%	Ongoing
Storm Water Improvements at	Under Negotiation	Negotiate project scope with engineering firm and obtain Commission approval.	06/30/2018	25%	Started

NOT FOR PUBLIC CONSUMPTION

<u>Project Description</u> <u>(Proj. #)</u>	<u>Consultant Agreement</u> <u>Type</u>	<u>Description of Activities</u>	<u>Target Completion</u> <u>Date</u>	<u>% Complete</u>	<u>Status</u>
Bulk Terminal - Phase II		Complete 100% design and final bid documents for advertisement.	11/30/2019	0%	Not Started
		Advertise construction project for bid.	12/31/2018	0%	Not Started
		Award contract.	1/15/2019	0%	Not Started
		Construct project.	12/31/2019	0%	Not Started
Automated Water System at Bulk Terminal	Under Negotiation	Negotiate project scope with engineering firm and obtain Commission approval.	06/30/2018	15%	Started
		Complete 100% design and final bid documents for advertisement.	9/30/2018	0%	Not Started
		Advertise construction project for bid.	11/30/2018	0%	Not Started
		Award contract.	12/31/2018	0%	Not Started
		Construct project.	12/31/2019	0%	Not Started
Harbor Island Master Plan	MA #. , Service Order No. 1 - Wood	Kick-off Meeting	06/15/2018	100%	Completed
		Data Collection	06/15/2018	100%	Completed
		Master Plan Draft	07/15/2018	5%	Started
		Master Plan Final	08/15/2018	0%	Not Started

Environmental Consultant Master Agreements and Service Orders

Listed below are the Environmental Consultant Master Agreements and associated Service Order values


<i>Consultant (MA#)</i>	<i>2017 Service Order Amounts</i>	<i>2018 Service Order Amounts</i>
RPS, Inc. (02-14)	\$3,690	\$0
Trinity Consultants (03-14)	\$0	\$0
Rosengarten Smith and Associates, Inc. (04-14)	\$49,783	\$0
E2 ManageTech Inc. (05-14)	\$0	\$0
Apex TITAN, Inc. (06-14)	\$0	\$0
TRICORD Consulting, LLC (07-16)	\$30,900	\$67,800
Alan Plummer Associates, Inc. (08-16)	\$29,800	\$0
Cardno (09-16)	\$0	\$0
Platinum Environmental Solutions, LLC (10-16)	\$110,844	\$11,000
Total MA's	\$269,807	\$78,800



MEMORANDUM
Port of Corpus Christi Authority
Department of Environmental Planning & Compliance

TO: Sean Strawbridge

CC: Cmr. Barbara Canales

FROM: Sarah Garza 

DATE: June 1, 2018

SUBJECT: Sustainability and Green Port Tour in Germany

This memo provides a summary of the tour of the German Ports on May 21-25, 2018 that Commissioner Barbara Canales and I participated in recently with the German American Chamber of Commerce. This was a Business Delegation to Germany for a transatlantic dialogue on sustainable mobility in logistics – the future of smart and green ports. It included several presentations and terminal tours at the Ports of Hamburg, Bremerhaven, and Bremen.

The Port of Hamburg was first up and included a city tour, presentations from Fraunhofer CML, Hamburg Port Authority, and Hamburg Port Consultant, and a tour of HHLA Container Terminal Altenwerder. The Port of Bremerhaven was toured next and included presentation from Bremenports and a tour of the Eurogate Container Terminal. Finally, the visit continued to the Port of Bremen and included a tour of City Hall, presentations from representatives at dbh Logistics, and Institute of Shipping Economics and Logistics. The visits to each port/terminal primarily focused on container and ro-ro facilities for container and project cargo.

The following are the best practices observed that also had possible application here at the Port of Corpus Christi (Port) and a discussion of similarities and range of application.

1. Considerations for the contribution of greenhouse gases and other air emissions from port operations even when air quality is not currently compromised. The applicability is for the evaluation of air emissions from port operations and the implementation of best practices to mitigate or minimize air emissions. Best practices included green power, cold ironing, optimizing operations, and automation. The green power is currently implemented at the PCCA. Cold ironing is an expensive undertaking at PCCA since the docks aren't currently equipped for shore power with the exception of the public cargo docks that have previously been used for berthing military vessels and are equipped to cold iron military vessels. An international standard for cold ironing is currently under development by the

Memo
Sean Strawbridge
June 1, 2018

- IEEE. Shore power for bulk liquid transfers is complicated due to the risk from the explosive potential created by plugging the vessel in during cargo transfers.
2. Port Technology Center in use and including software for review of vessel, rail and truck traffic. The combination of the vessel, rail and truck coordination allowed for the efficient timing of the operations from all perspectives. With the development of the proposed Truck Queing Facility and the waterway study underway at Port, this best practice could be implemented now as the Port is growing. It would be easier to implement this best practice now than trying to coordinate after extensive growth.
 3. Pilot test program and test center for demonstrating and testing new technology prototypes prior to full implementation. This provides for an atmosphere of innovation and creative problem solving where new technology or best practices are not readily available. The application at Port is broad for the reasons stated. One display was a table sized ipad that allowed presentation of the Port's GIS with multiple layers for planning purposes. This type of display would be ideal in an Emergency Operations Center and could be used in both response and planning scenarios.
 4. Cargo consolidation areas was a concept used in optimizing operations and reducing congestion, especially where multiple modes of transportation are utilized. This would be a good practice to be applied when cargo is unloaded to ground prior to further transport by rail or truck. The key is to move the cargo as quick as possible to a staging area outside the Port area and then coordinate the remaining logistics efficiently. This best practice needs consideration in planning and design and opens up the waterfront property for highest and best use and quick turn of vessels.
 5. Vegetative barrier around bulk material handling areas combined with an automated watering system. The barrier serves two purposes protective barrier for wind blown dust and an aesthetic barrier. This isn't a straight application at Port because South Texas isn't conducive to growth of tall trees but a layer of plant species could provide the same benefits.
 6. Office spaces were optimal for employee productivity and took full advantage of orientation, natural light, and productive work spaces. This ties in with the cultural changes that are occurring with regard to leadership and SEAPORT values at the Port and the current design build RFP that is underway for the new Port office building.

Memo
Sean Strawbridge
June 1, 2018

7. Use of drone and/or other remote control or program devices for purposes of asset management. The application for the Port would be in use of security and evaluation of assets for inspection and maintenance and to reduce labor demand. One such application is to control trucker activity when queing along Joe Fulton Corridor during harvest season.

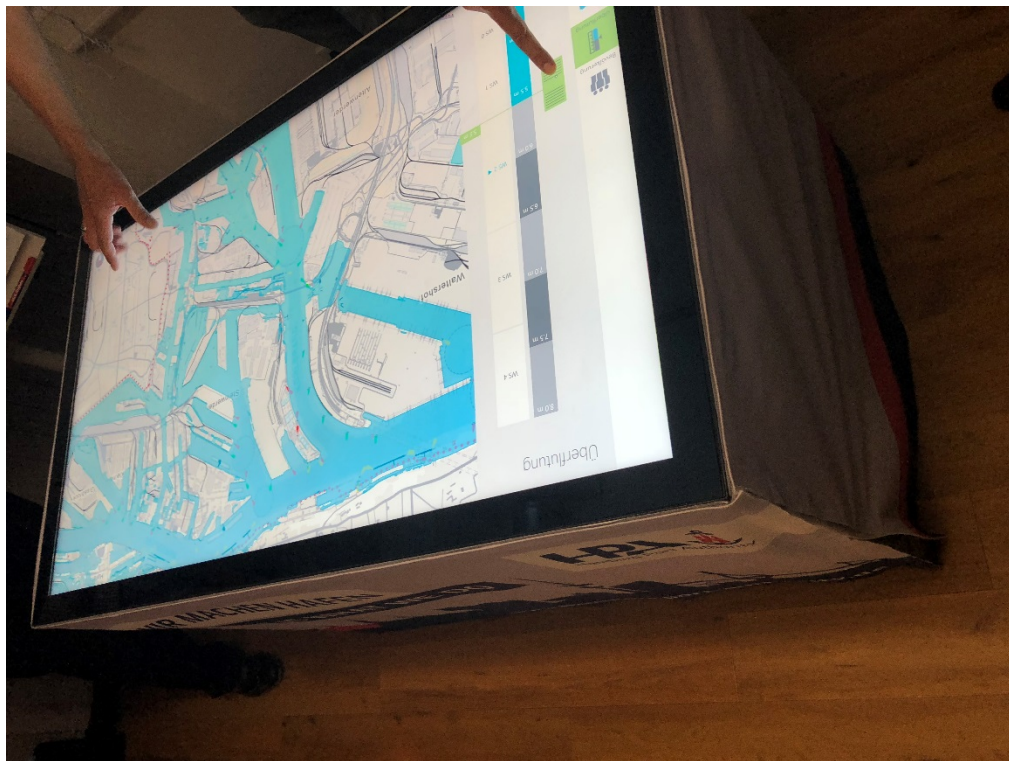
Other notable observations were the use of consultants with extensive experience and maritime expertise for modeling and simulation of a variety of operational, environmental, and social aspects of planned developments and for marketing purposes and the integration of industrial and residential areas. The later included public tours of port areas, consideration for aesthetics and use of buffer zones, and implementation of proactive measures to mitigate community concerns. The Consultants used a number of modeling and simulation software to evaluate impacts of growth and operation and then mitigate for potential issues.

Several representative photographs of the best practices observed are attached in Exhibit A of this memo.

Photograph Log for Sustainability and Green Port Tour in Germany
May 21-25, 2018



Port of Hamburg – Modeling software used for simulation of cargo movements through the congested or problematic areas of the ship channel. Used for increasing operational efficiency.



Port of Hamburg – Technology center and utilization of a table top for planning exercises.

Photograph Log for Sustainability and Green Port Tour in Germany
May 21-25, 2018



Port of Hamburg – Port Technology Center utilized to test new technology that will aid in the Port running more efficiently.

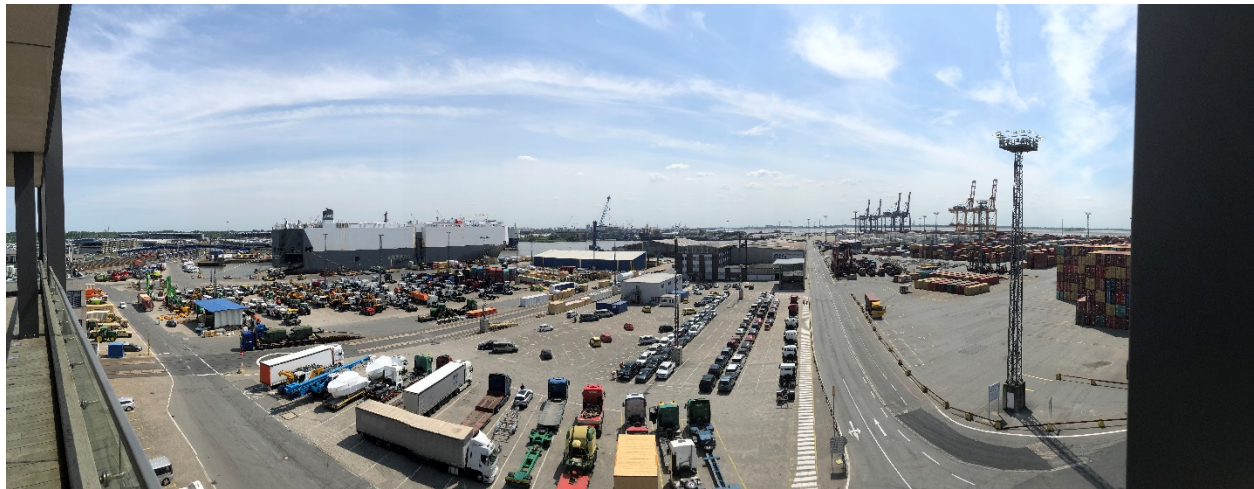


Port of Hamburg Coal Terminal – Vegetative barrier around terminal and automated water system.

Photograph Log for Sustainability and Green Port Tour in Germany
May 21-25, 2018

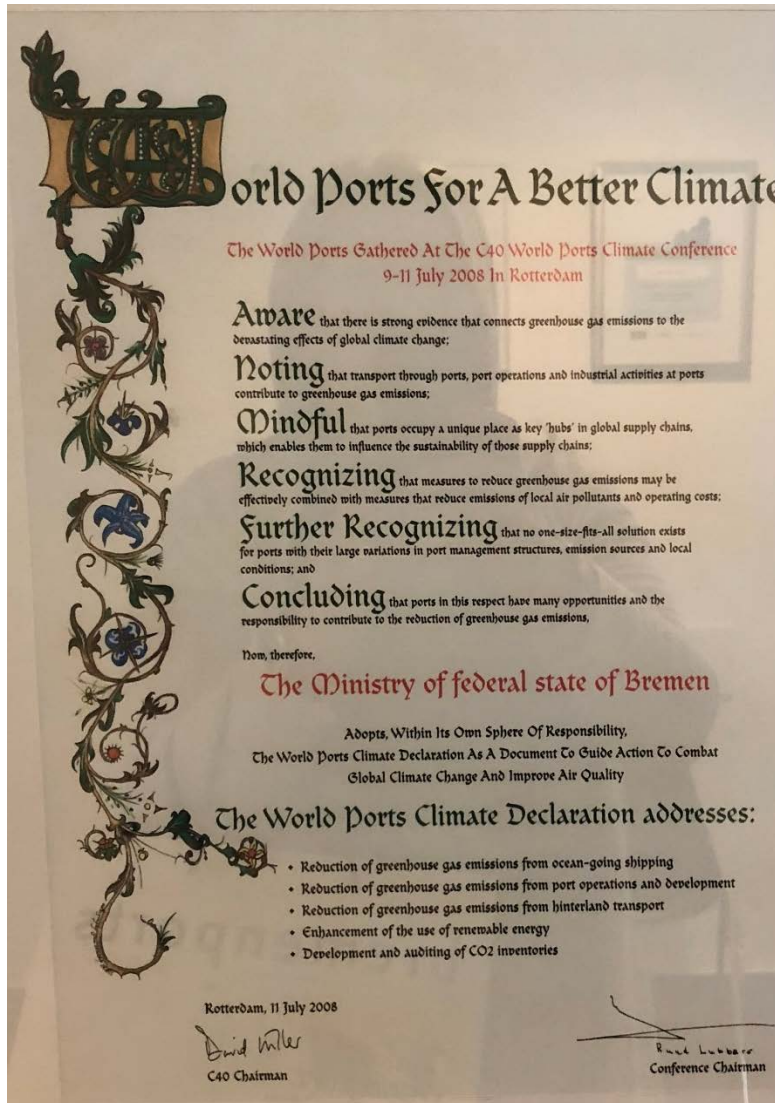


Port of Bremerhaven – View of ship channel commingled with residential area.



Port of Bremerhaven – View of consolidated cargo areas including RO-RO operations, wind cargo operations, and container operations.

Photograph Log for Sustainability and Green Port Tour in Germany
May 21-25, 2018



Port of Bremerhaven – Commitment to maintain air quality.

Photograph Log for Sustainability and Green Port Tour in Germany
May 21-25, 2018



Port of Bremen – Office building with sustainable design.



Port of Bremen - U.S. Delegation that participated in the Germany Port Tours.

GOVERNMENT AFFAIRS

LOCAL

- Attended United Chamber Government Affairs committee meeting
- Attended PICC Public/Government Affairs committee meeting and port tour for elected officials
- Meeting with Mayor of Ingleside on the Bay and San Patricio County Commissioner
- Attended San Patricio EDC/PICC business update
- Attended Rebuilding After Harvey Symposium
- Attended TCEQ-GCGV permit public hearing

STATE

- Attended TCEQ awards banquet, recognition of Port Chairman and staff by House and Senate members at State Capitol, meetings with state legislators
- Meeting with Governor Abbott's staff
- Monitored interim hearing charges of interest to the Port

FEDERAL

- The US Army Corps of Engineers FY2018 Work Plan included \$28 million for the Corpus Christi Ship Channel Project.
- Outreach to congressional members regarding USACE FY2018 Work Plan funding and FY2019 programs as such TIGER (now BUILD), Port Security Grant Program, Diesel Emissions Reduction Act, etc. Congress has been working on the FY2019 Appropriation bills.
- The U.S. House of Representatives passed H.R. 8, The Water Resources Development Act (WRDA) of 2018. Included is language benefiting the Port that would allow non-federal sponsors to construct projects without having to obtain additional duplicative permits or approvals. The Senate is expected to vote on its version this summer.
- Worked with Edelman Public Relations on communications and media outreach relating to the Corpus Christi Ship Channel Improvement Project.
- Government Affairs will be monitoring FY2019 budget, trade issues, EPA, port security grant program, US Coast Guard funding, National Estuary Program funding, infrastructure plan, WRDA and Harbor Maintenance Tax reform, INFRA, etc.
- Attended luncheon with Congressman Cuellar, Port Commission and staff
-



The Senate of The State of Texas

SENATE PROCLAMATION NO. 572

WHEREAS, The Senate of the State of Texas is pleased to recognize the Port of Corpus Christi Authority, which is being honored with a 2018 Texas Environmental Excellence Award from the Texas Commission on Environmental Quality; and

WHEREAS, The Texas Environmental Excellence Awards program honors citizens, communities, businesses, and organizations that have taken innovative steps to protect and preserve the environment; and

WHEREAS, The Port of Corpus Christi Authority is being honored in the category of Pollution Prevention; the authority was the first port in Texas to receive Green Marine Certification, and it is the first in the United States to have its environmental management system certified to meet the newest internationally recognized environmental standards; and

WHEREAS, The port authority's environmental management system identifies five key precepts that are considered when evaluating operations; they are air quality, water quality, soils and sediments, wildlife habitats, and environmental sustainability; the organization has recycled almost one million pounds of materials since 2006, and it has reduced energy consumption by nearly 50 percent since 2007; and

WHEREAS, The Port of Corpus Christi Authority serves as an environmental steward by prioritizing education, training, and outreach components and by requiring customers to implement effective on-site environmental management systems of their own; the authority is truly deserving of recognition for its exemplary environmental protection efforts; now, therefore, be it

S.P. No. 572

PROCLAIMED, That the Senate of the State of Texas hereby commend all associated with the Port of Corpus Christi Authority for helping to implement and maintain excellent standards for environmental stewardship and congratulate the authority on receiving a 2018 Texas Environmental Excellence Award from the Texas Commission on Environmental Quality; and, be it further

PROCLAIMED, That a copy of this Proclamation be prepared for the authority as an expression of esteem from the Texas Senate.

Kolkhorst, Hinojosa
Lucio, Zaffirini

L. W. Kolkhorst

Member, Texas Senate

J. J. Hinojosa

Member, Texas Senate

José Lucio, Jr.

Member, Texas Senate

Judith Zaffirini

Member, Texas Senate

I hereby certify that the above Proclamation was adopted.

Patsy Spaw

Secretary of the Senate





MEMORANDUM

To: Nelda Olivo
From: Hugo Berlanga
Re: May Report
Date: June 6, 2018

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:

Governor Gregg Abbott announced the appointment of former State Rep. Larry Phillips (R-Sherman) to the State District Court Judge in Grayson County. Abbott also announced that the election to replace Phillips for his legislative seat will be held on November 6th.

Governor Abbott appointed former Rep. Tommy Williams (R-The Woodlands) to be in charge of the Health and Human Services Commission on an interim basis, after Charles Smith retired abruptly over contracting issues at the commission.

Rep. Eric Johnson (D-Dallas) formally announced he will be running for Speaker of the Texas House.

Texas Land Commissioner George P. Bush announced the filing of a State Action Plan in response to Hurricane Harvey. The Plan filed with the U.S. Department of Housing and Urban Development (HUD) outlines the use of \$5 billion in community development block grant funds. As of the Plan's filing, HUD has up to 45 days to review and act on the plan.

In runoff election news, Lupe Valdez defeated Andrew White in the Democratic primary for Governor. Longtime State Rep. Rene Oliveira (D-Brownsville) lost to Alex Dominguez for his District 37 seat.

In the seven Republican primary runoffs for House seats, six of the more moderate candidates won, over the more conservative or Tea Party candidates. The outcome mirrors what occurred in the Republican primary, as more moderate Republicans defeated Tea Party candidates. Most notable of the moderate Republican primary runoff election victories was Steve Allison, who succeeds retiring Speaker Joe Straus in San Antonio. The lone Tea Party candidate victory belonged to Deanna Maria Metzger in Dallas County. Metzger will

face Democratic incumbent Rep. Victoria Neave in the November general election. In the Congressional runoff election to replace Blake Farenthold, Michael Cloud defeated Bech Bruun. Of the six Republican congressional runoffs, five are in deeply Republican districts, meaning most will also win in the November general elections.

- Attended the First Annual Coastal Bend Industrial Active Shooter Conference with the PORT at the Ortiz center on May 8, 2018;
- Attended a reception for Congressman Henry Cuellar on May 5, 2018;
- Attended the PORT Board Meeting on May 15, 2018;
- 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.



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(512) 472-1682

**Memorandum for Nelda Olivo
Director of Government Affairs, Port of Corpus Christi Authority**

From: Brian Yarbrough, Janiece Crenwelge, and Ashley Morgan
Date: May 31, 2018
Re: Activities on behalf of Port Corpus Christi during May 2018

May 1: Plan and discuss logistics for House Chamber presentation honoring POCCA; coordinate legislative meetings for POCCA officials in Austin and communicate with legislative offices regarding the Texas Commission on Environmental Quality (TCEQ) Environmental Excellence Awards. Monitor for POCCA issues a Senate Business & Commerce Committee hearing on the Texas electric market.

May 2-4: Communicate with members and legislative staff to organize POCCA activities related to the TCEQ awards banquet. Coordinate meetings with legislative offices for POCCA officials.

May 4: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

May 8: Review resolution prepared by the San Antonio Chamber of Commerce related to eminent domain and principles to consider in any eminent domain legislation that may be filed by other interested parties in the 2019 session.

May 8-11: Finalize details and attendees for the House Chamber presentation including Corpus-area legislative members/staff, TCEQ Commissioner and staff, and Governor's office representatives. Finalize legislative meetings and attendees for TCEQ award banquet.

May 10: Attend and monitor for Port issues a House County Affairs Committee meeting. The Committee is studying how emergency response activities are organized, funded, and coordinated. The committee is charged with identifying any deficiencies in authority for the most populous counties related to infrastructure planning, emergency response, and recovery. The committee is also studying the relationship between the state, counties, non-governmental organizations, and churches in preparing for and responding to Hurricane Harvey.

May 11: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

May 15: Meeting with Rep. Joe Deshotel (D - Beaumont), Chair of the House Select Committee on Texas Ports, Innovation and Infrastructure.

Attend and monitor for POCCA issues the TCEQ Environmental Trade Fair to hear presentations and discuss Texas Emissions Reduction Plan opportunities and the pending Volkswagen Settlement Plan relating to air attainment and emission reductions.

Meeting with POCCA staff in the Office of Rep. Todd Hunter. Visit the Texas House Chamber with Chairman Zahn, Nelda Olivo, Sarah Garza, Rep. Todd Hunter, and staff from Port delegation offices to receive proclamations from Rep. Hunter and Sen. Lois Kolkhorst (R - Brenham) recognizing the Port for its receipt of the 2018 Texas Environmental Excellence Award in Pollution Prevention from the TCEQ. TCEQ Commissioner Toby Baker attended the presentation as well as representatives from the Office of the Governor.

May 16: Photo with Governor Greg Abbott, TCEQ Commissioners, and Port staff. Meetings with staff in the offices of Sen. Brandon Creighton (R - Conroe), Chair of the Senate Select Committee on Texas Ports; Rep. Drew Darby (R - San Angelo), Chair of the House Energy Resources Committee; and Sen. Lois Kolkhorst, member of the Senate Transportation Committee.

Attend and represent POCCA at the Texas Environmental Excellence Awards with Port staff and staff from the TCEQ, the Lieutenant Governor's office, and House and Senate offices, including the offices of Rep. Herrero, Rep. Drew Darby, Rep. John Wray (R - Waxahachie), Rep. Justin Holland (R - Rockwall), Sen. Hinojosa, Sen. Judith Zaffirini (D - Laredo), and Sen. Robert Nichols (R - Jacksonville).

May 17: Follow-up with meeting and banquet attendees to share appreciation for their time, interest, and support of the Port. Extend invitation to TCEQ Commissioners Jon Niermann and Toby Baker to tour Port facilities.

May 18: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

May 21: Review and transmittal of House committee interim charges to Port staff. Meeting with the office of Sen. Judith Zaffirini regarding Port issues and interim activities.

May 22: Meeting with Railroad Commissioner Wayne Christian and follow-up with Railroad Commission staff regarding prior invitation to tour the Port.

May 24: Attend and monitor for Port issues a meeting of the House Appropriations Committee. The committee is studying appropriations made to the Texas Emissions Reduction Plan (TERP) and the current fund balance available for TERP. Tom Tagliabue, Director of Intergovernmental Relations for the City of Corpus Christi, testified to the need to restore TERP funding for near non-attainment communities like Corpus Christi. Meeting with Sen. Hinojosa regarding Port issues and interim activities.

Meeting with the Office of the Governor Texas Economic Development & Tourism Division Director regarding Port activities and interest in future Port tour.

May 25: Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

May 29: Set conference call with Port staff for Friday, June 1, to discuss the Port's 2019 legislative agenda.

May 30: Research and review current TERP uses and request related phone call with Port staff. Research, prepare, and transmit to Port staff the results of county and municipal elections in Nueces, San Patricio, and surrounding counties.

May 1-31: Conferences with the offices of Sen. Hinojosa, Reps. Hunter, Herrero, and Lozano regarding Port issues. Conduct review of and legal research on legislation enacted by the 85th Texas Legislature of interest to Port of Corpus Christi activities and operations. Weekly transmission of relevant rulemakings and public notices to Sean Strawbridge and Nelda Olivo.

BORSKI ASSOCIATES, LLC

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Arlington, VA 22209
(202) 459-0804 (Office)

MEMO

To: Port of Corpus Christi
From: Borski Associates
Date: June 5, 2018
Re: Monthly Report

FY18 Army Corps Work Plan

The Army Corps was directed to submit an FY18 Work Plan to Congress by May 23rd per instructions contained in the FY18 Omnibus Appropriations Bill. However, the Army Corps missed this deadline due to difficulties associated with budgeting disaster relief projects and how such intersect with other planned projects.

FY19 Appropriations

Both the House and Senate marked up their respective versions of the Energy and Water Appropriations Bill. Both bills included the President's request of \$13 million for the CCSCIP. Additionally, the House bill included an additional \$525 million for navigation construction, while the Senate bill included \$500 million.

As of this writing, it does not appear that any appropriations bills will become law before September 30th. Consideration of appropriations bills takes an enormous amount of Senate floor time and presents opportunities for difficult votes. As such, Senate leaders have routinely punted on their consideration. We anticipate that while the Senate may consider certain defense and homeland security bills on the floor, the others will likely wait until after the elections when the House and Senate will reach an agreement on them.

Water Resources Development Act

Both the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee marked up their respective versions of the Water Resources Development Act. The House will likely consider its version of the bill in June. Senate Majority Leader

McConnell has not made any commitments to scheduling Senate floor time on its bill, but most observers believe it could be considered in September, if at all.

The House bill included language modifying Section 204 to allow non-federal sponsors to construct projects without duplicating required federal permits.

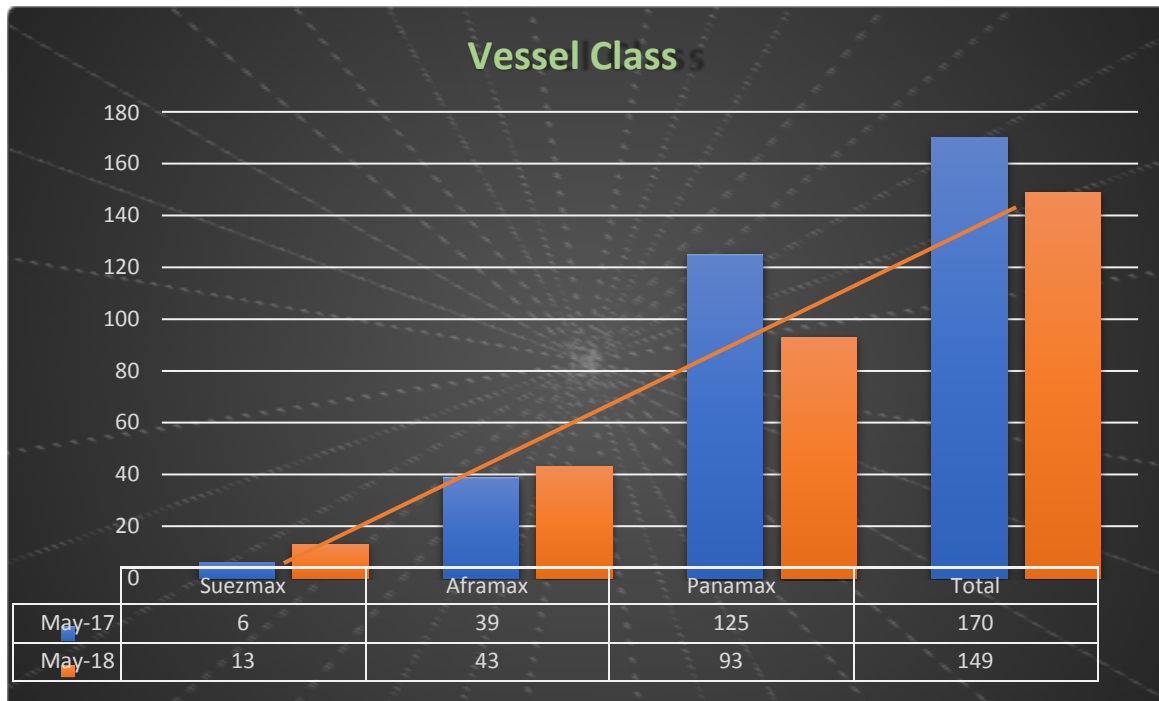
BUILD Grants

USDOT announced a new round of BUILD (formerly TIGER) grants. Congress provided \$1.5 billion for this round, but has made it clear that a significant amount will be awarded to rural projects (Congress mandated that at least 30 percent of funds go to such and it appears the Administration intends to go beyond this requirement). Applications are due on July 18th. We provided POCCA with an outline of the Notice of Funding Availability.

OPERATIONS

Harbor Master

For May 2018, Suez class vessels increased from 6 arrivals in 2017 to 13 in 2018. Aframax vessels increased from 39 in 2017 to 43 in 2018.



May 2nd and 3rd: HMO personnel attended the Coastal Bend Hurricane Conference. **May 22nd:** The Port hosted a meeting between AECOM, the engineering company conducting the Waterway Planning Study of the Corpus Christi Ship Channel and members of the South Texas Waterway Advisory Committee. **May 30th:** HMO participated in a tour of Cheniere’s facility. **May 31st:** The Harbormaster’s office held a meeting with the users to discuss the prohibition against the heating of barges at public oil docks. It was agreed by all parties that further consultation with the USCG would be beneficial. After the Port consults with the USCG, the group will reconvene to recommend a course of action. **May 31st:** The Harbormaster’s office held a meeting with the users to discuss the implementation of the Automated Notification for Vessel Movements. Areas for improvement were identified and changes were enacted. The roll out date for full implementation is July 2nd 2018.

Safety and Emergency Management

Participated in the Buc Days Illuminated Night Parade, KEDT Auction Fundraiser, Go

Red American Heart Association Luncheon, and Career Day at George Evans Elementary. Various Departments participated in the 8th annual Coast Bend Hurricane Conference & Regional Exercise. Port PD and IT showcased the Mobile Surveillance Vehicle while others manned an informational booth. Danielle Hale presented on Hurricane Harvey Lessons Learned and facilitated the Transportation group during the regional exercise. Danielle Hale and CEO Sean Strawbridge presented on the Harvey Lessons Learned during a joint presentation in Los Angeles with the US Coast Guard Sector Corpus Christi Deputy Commander Capt. Jason Smith.

Docks & Rail

Railroad traffic slow in May, HBI looking to add another train set at BMD. 842nd cargo next move June and mid July.

Wharfinger

In May 2018, there were 5 Damage Reports for PCCA properties, which 3 have been resolved. There are 7 outstanding Damage Reports from prior months.

Maintenance

Julio Marin end of employment with PCCA 5-4-2018. Ramon Ramos end of employment with PCCA 5-15-2018. Prepared parade float and assisted in the 5 de Mayo parade. New Hire, Allen Cooper started with the Port's Maintenance Janitorial crew 5-29-18.

Bulk Terminal

Traveled to Miami to meet with Liebherr and conduct contract discussion. Bulk Dock 1 Level II Inspections and Structural Analysis. Bulk Terminal Storm Water Project Ongoing, Bulk Terminal Dock 3 construction continues, Maverick Terminals loaded first unit train of diesel. Department wide hurricane planning discussion. Bulk Terminal Paving Project Ongoing. Storage Pad Operator Agreement RFP being developed.

**Harbormaster's
Office May 2018**

Ship Arrivals	Tankers	Freighters	Year to Date Ships
May 2018	125	24	736
May 2017	131	39	801

Ocean Going Barge Arrivals	Ocean Going Tank Barges	Ocean Going Freight Barges
April 2018	21	0
April 2017	33	10

Barge Arrivals	Tank Barges	Freight Barges	Year to Date All Barge Types
May 2018	349	22	1949
May 2017	309	27	1997

Shifting	Tankers	Freighters	Ocean Going Tank Barges	Ocean Going Freight Barges	Tank Barges	Freight Barges
May 2018	19	1	6	0	864	7
May 2017	23	7	19	2	882	18

	Average Daily Ship Arrivals	Average Daily Barge Arrivals
May 2018	4.81	12.65
May 2017	5.48	12.23

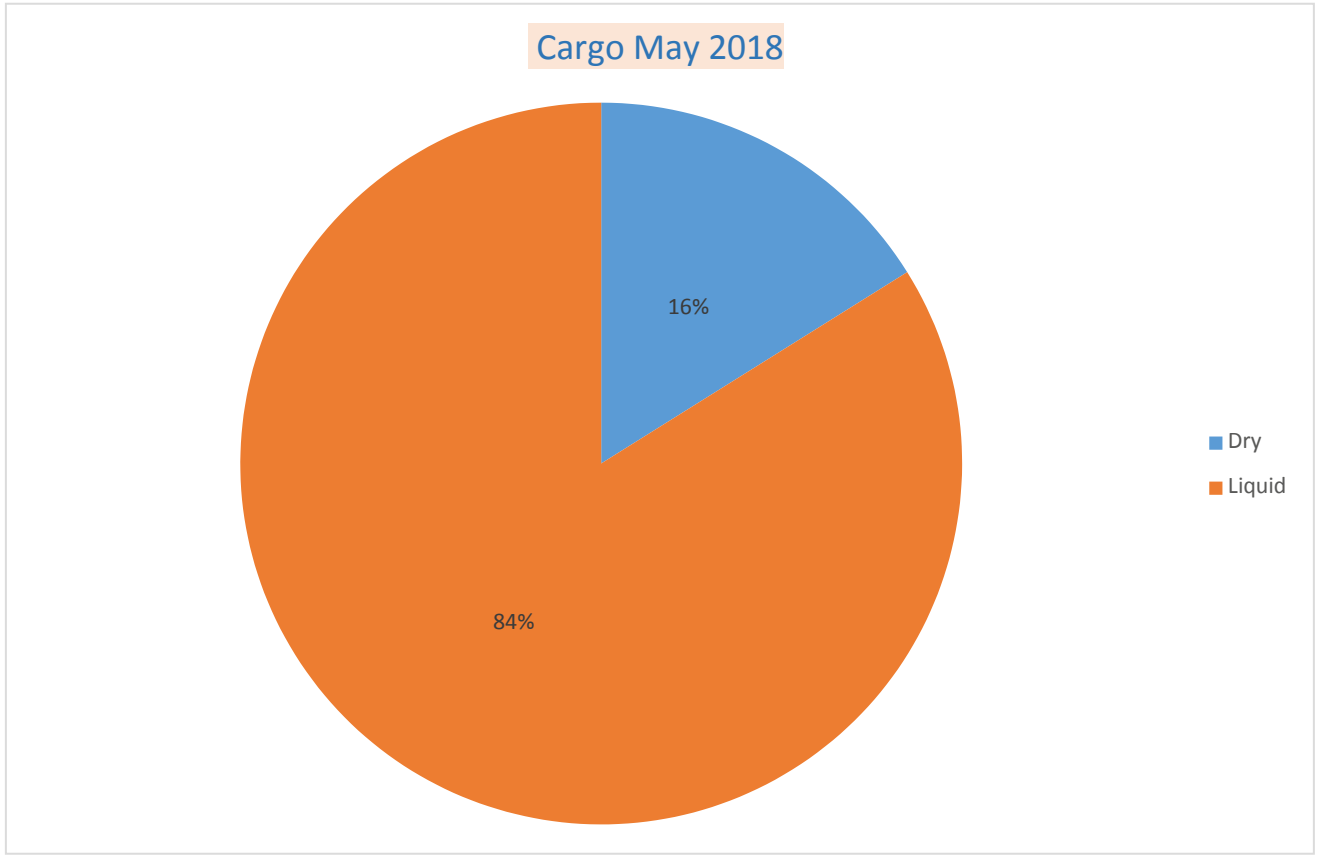
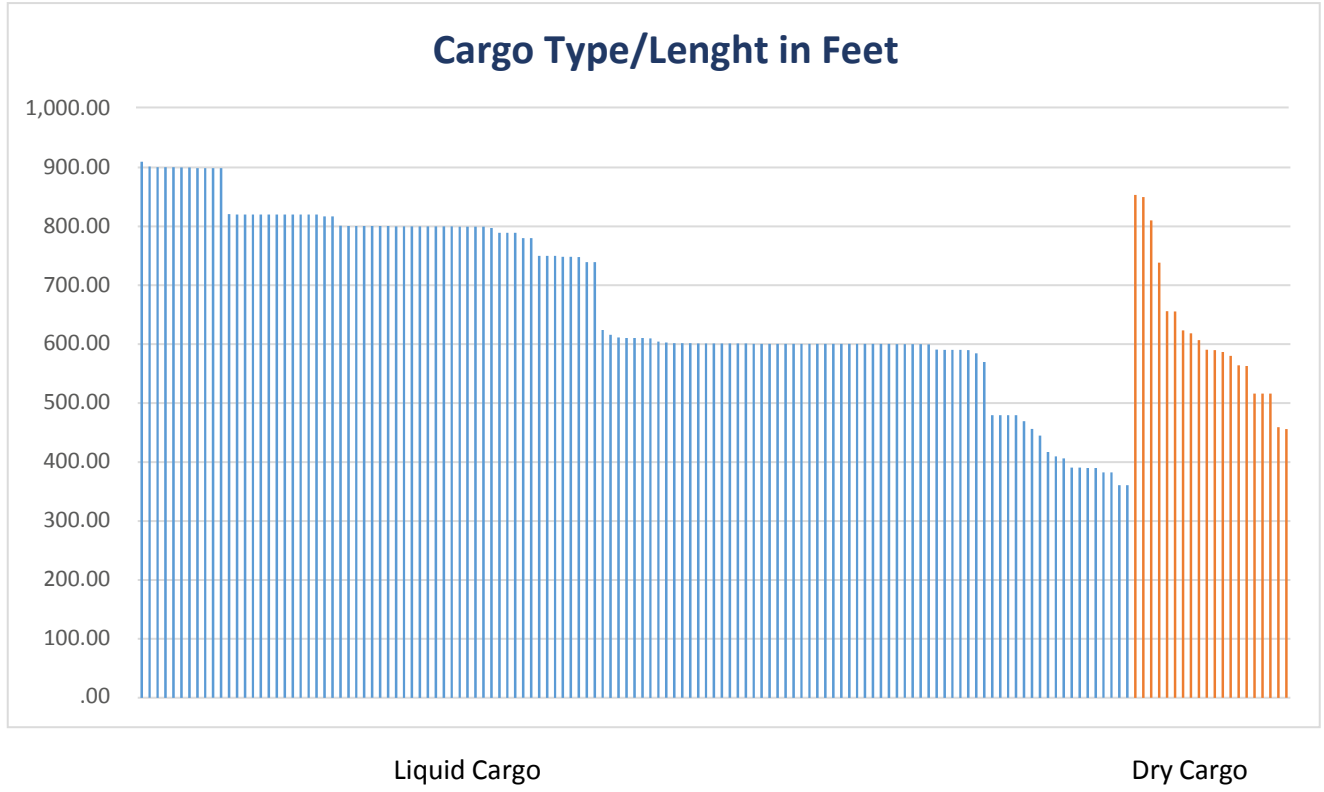
Channel Disruptions

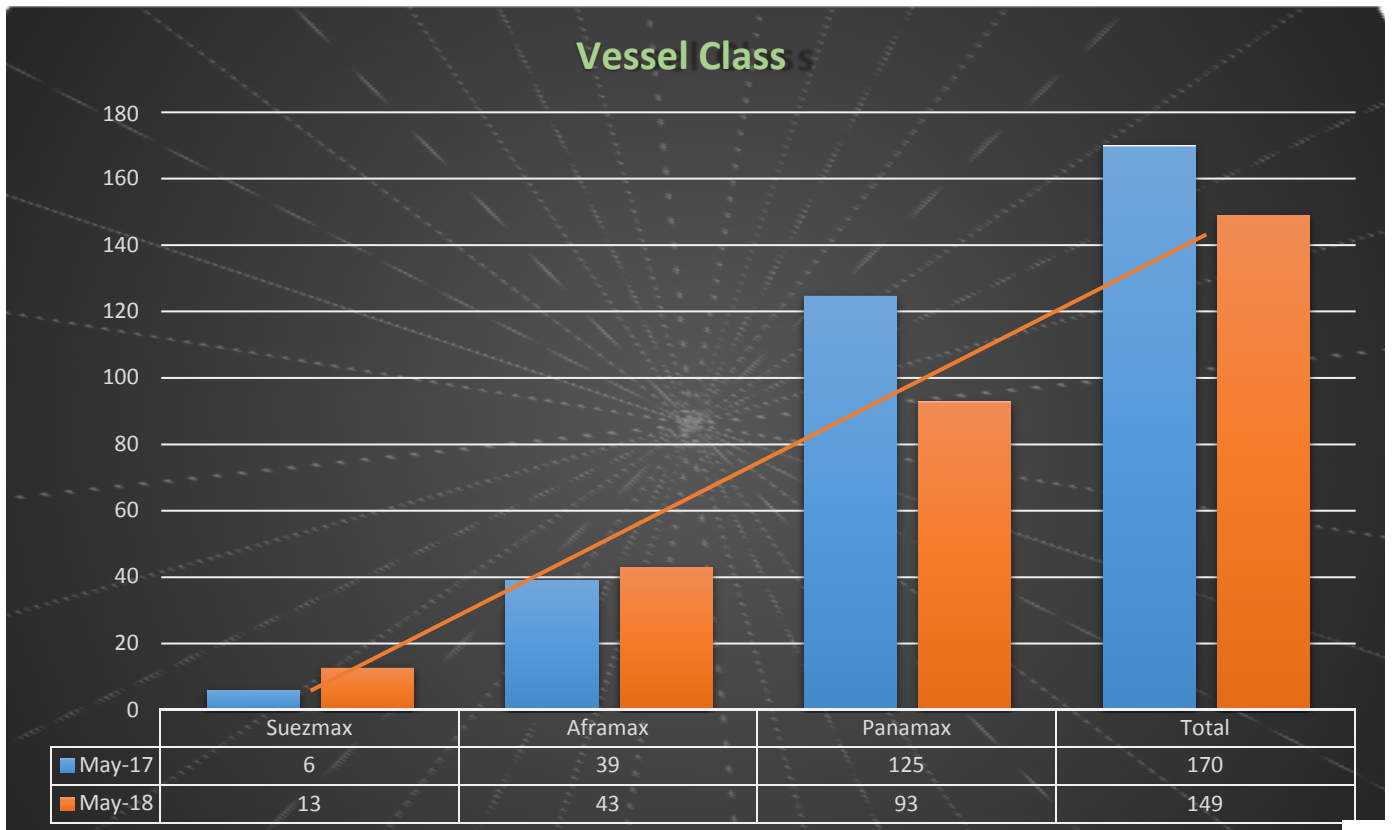
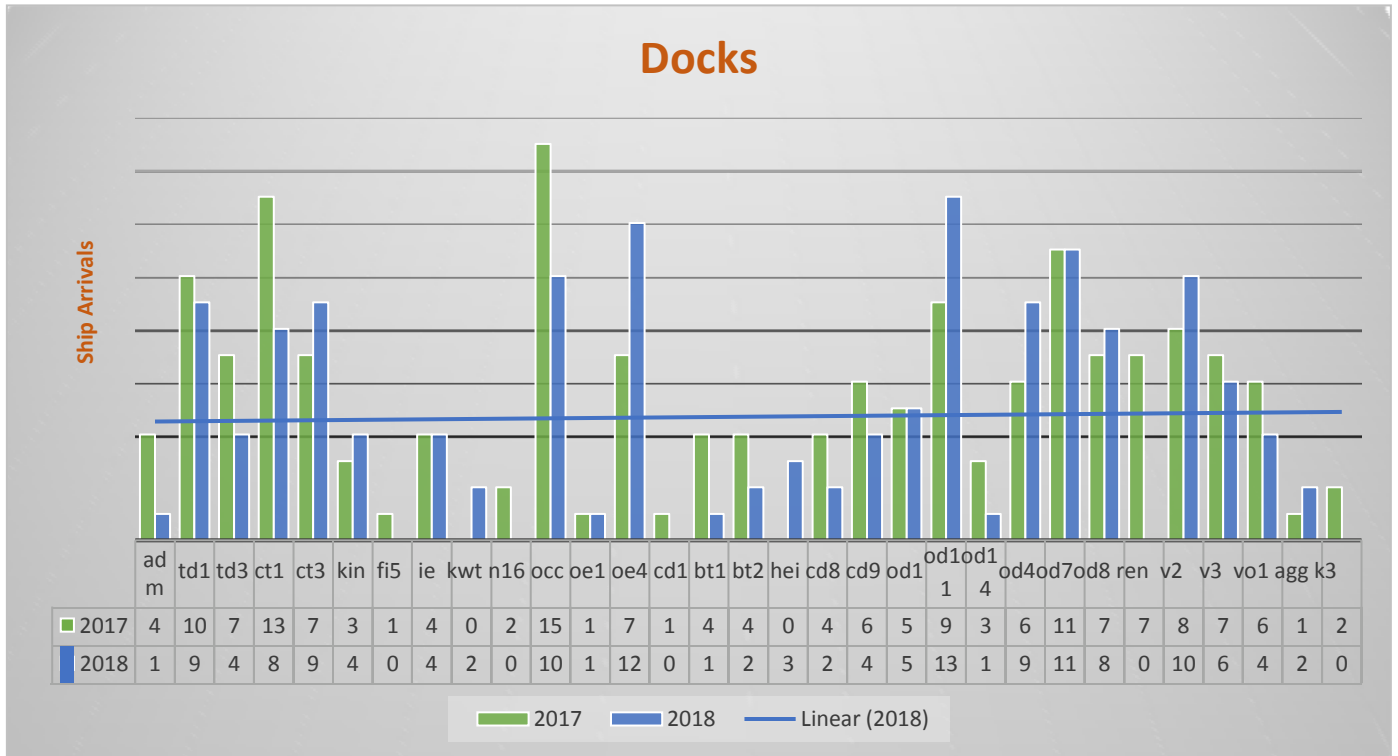
May 2018

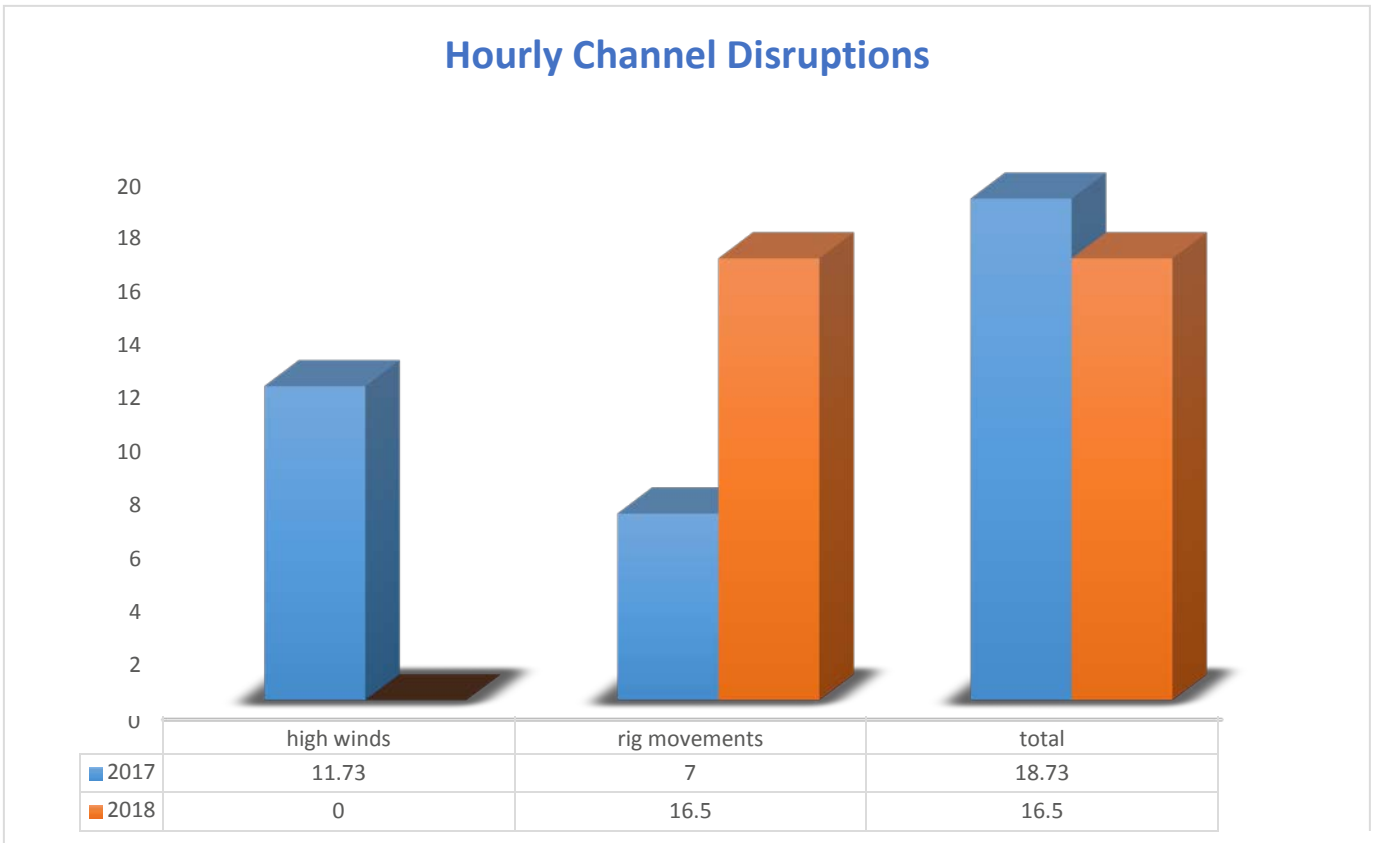
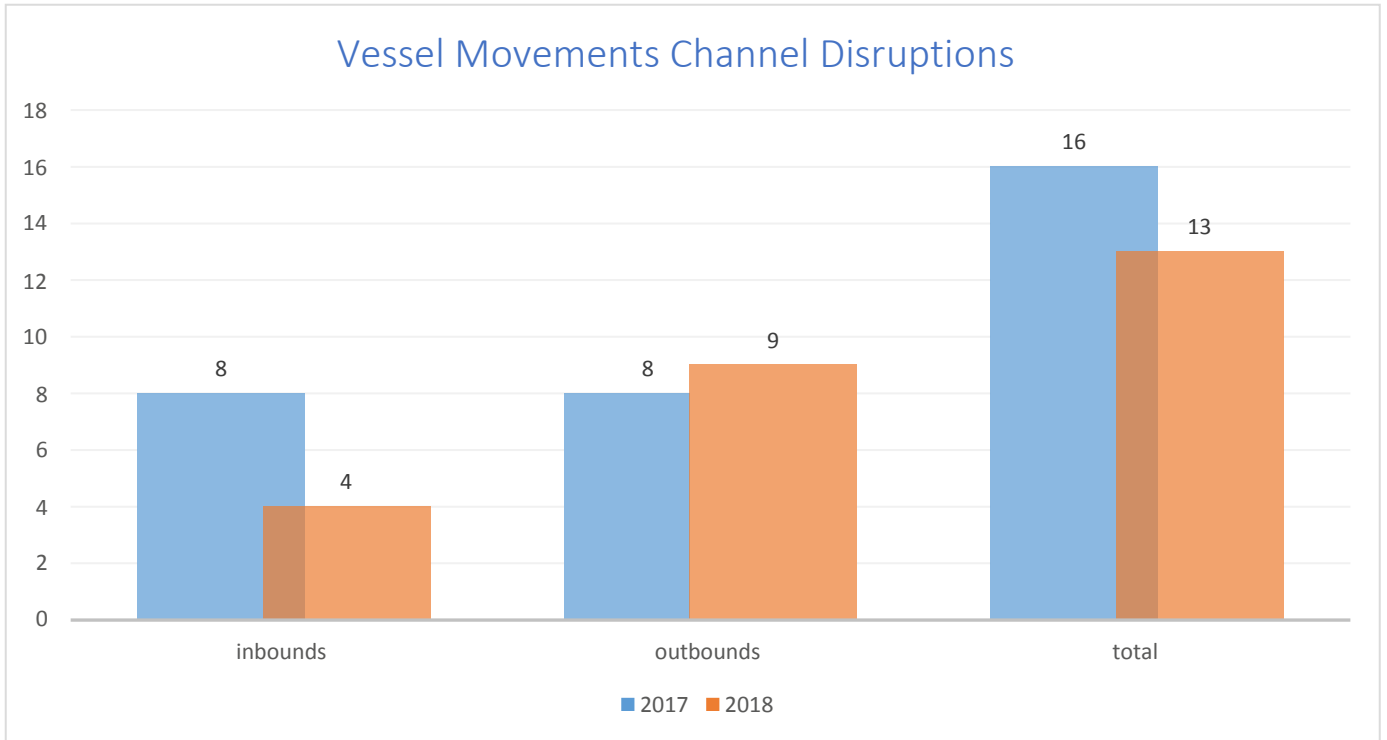
There was 16.15 hours of disruption in May due to Rig Movement. These disruptions caused 4 inbound and 9 outbound vessels to be delayed.

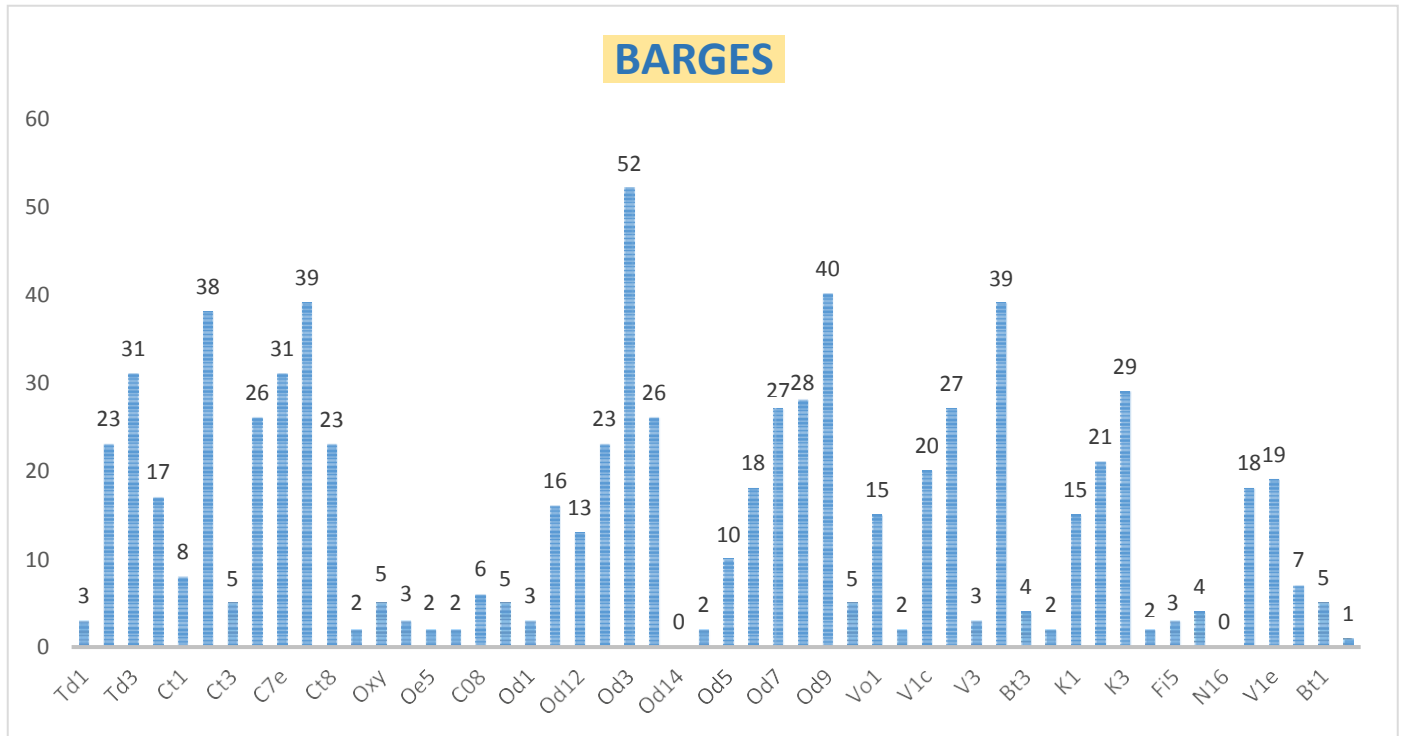
May 2017

There was 18.73 hours of disruption in May. 11.73 hours for high winds and 7 hours for rig movements. These disruptions caused 8 inbound and 8 outbound vessels to be delayed.









SAFETY & EMERGENCY MANAGEMENT

Planning, Organization, Equipment, Training, Exercises (POETE)

Planning

- Port of Los Angeles tour included Police Department, Marine Unit, Fire Boat, Training Academy, Marine Exchange, Cyber Security Operations Center
- Assisting with development of pre-disaster contracts in cooperation with various departments and Procurement
- Continued coordination with Coastal Plain LEPC Public Information & Awareness Subcommittee on development of Non-Emergency Notification System
- EnSafe Consulting Services Agreement– Continued coordination of tasks
 - In Progress:
 - OHSMS Information Reporting
 - OHSMS Program
 - OHSMS Manual
 - Electrical Safety Program
 - Industrial Hygiene Exposure Control
 - Complete:
 - Gap Analysis
 - OHSMS Implementation Plan
 - OHSMS Implementation Training
 - Fall Protection
 - Machine Energy Control
 - Marching Guarding Program
 - Confined Space Entry Program
 - Incident Investigation Training
 - Risk Assessment Training
- Harvey Recovery - Continued coordination of the Recovery Team activities including:
 - Weekly Progress Meetings
 - Site Inspections & Repairs
 - Debris Removal
 - FEMA Program Delivery
 - Hazard Mitigation Grants
 - FEMA Public Assistance Grant Management Services- Tetra Tech
- Documents in Progress:
 - Disaster Finance Plan
 - See EnSafe above
- Documents Complete:
 - 2018 Hurricane Readiness Plan

Organization

- Port Industries of Corpus Christi Port Security & Emergency Response Roundtable
- Strategic Plan Team 6 Coordination
- Committees/Boards Attended:
 - City of Corpus Christi-Nueces County LEPC General Membership

- PCCA Long Range Planning Committee
- Master Mind Committee
- Coastal Bend Disaster Recovery Group Board
- Safety Exchange
- South Texas Exploration & Production Safety Network
- Coastal Plain LEPC General Membership
- Employee Led Safety Committee
 - Committee Meeting – May 9
 - Safety Suggestion Review Subcommittee – May 9
 - Safety Lunch & Learn – July 10 (upcoming)

Equipment

- Fall Protection – Continued participation in cross-department meetings to develop suitable fall protection strategies and purchase equipment for use on Annex & Admin. buildings. Current purchases in progress:
 - WeightAnka – IT for use on Annex to access antenna/camera mounts
 - EasiDec – Maintenance for use on Annex to access air conditioning units and generators
- Satellite Phones & Data – Established deployment methodology for 2018 hurricane season and discussed 2019 budget needs with Information Technology
- Government Emergency Telecommunications Service – validated existing users and added additional users

Training

- Hurricane Harvey Lessons Learned for Ports of Los Angeles & Long Beach – May 23
- Hurricane Season Briefings for Managers & Directors (2 deliveries) – May 24 & 25
- Hurricane Season Briefings for all employees (8 deliveries) – May 24 – May 3
- NIMS Implementation - New hire and IMT training in progress
- Electrical Safety Specialist - All electricians, journeymen and master electricians will attend in class and hands on training in July. Scheduling ongoing with Bulk Terminal and Maintenance Departments.
- Attended:
 - Coastal Bend Hurricane Conference – May 2-3
 - Industry Active Shooter Workshop – May 8
 - Texas Emergency Management Conference – May 15-17
 - Smart Coaching Session One

Exercises

- Coastal Bend Regional Hurricane Exercise- May 3
- Area Maritime Security Training & Exercise Program (AMSTEP) Mid Planning Meeting – May 9

Incident Coordination

- Weather Potential/Awareness - 1
- Tropical/Hurricane - 1

Safety & Emergency Management in the Community

- Buc Days Illuminated Night Parade
- KEDT Auction Fundraiser
- Go Red American Heart Association Luncheon
- Career Day at George Evans Elementary



Various Departments participated in the 8th annual Coastal Bend Hurricane Conference & Regional Exercise. Port PD and IT showcased the Mobile Surveillance Vehicle while others manned an informational booth. Danielle Hale presented on Hurricane Harvey Lessons Learned and facilitated the Transportation group during the regional exercise.



Danielle Hale and CEO Sean Strawbridge presented on the Harvey Lessons Learned during a joint presentation in Los Angeles with the US Coast Guard Sector Corpus Christi Deputy Commander Capt. Jason Smith.



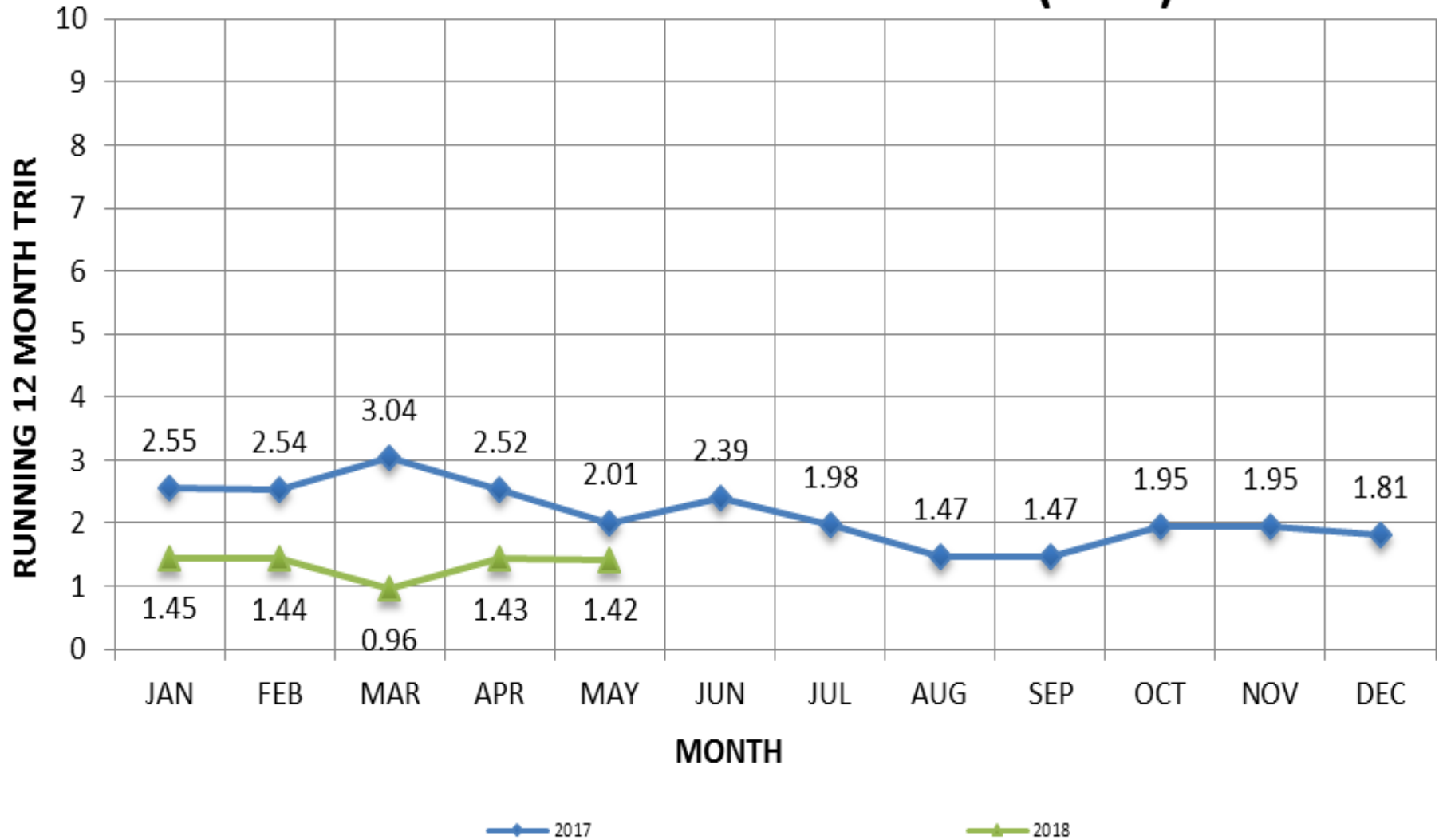
Port of Corpus Christi Authority

Monthly Safety Data Report

May 2018

Safety	POCCA Employees Total		BMD Personnel		Maintenance Personnel		PD Personnel		Admin. & Annex Personnel		
	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD	
	Number of Employees	218		22		43		46		107	
Work Hours	33,379	162,121	3,966	19,612	6,603	31,299	7,438	36,651	15,372	74,560	
First Aid Cases	0	1	0	0	0	0	0	1	0	0	
Recordable Injuries	0	1	0	0	0	1	0	0	0	0	
Recordable Illnesses	0	0	0	0	0	0	0	0	0	0	
Lost Time Cases	0	1	0	0	0	1	0	0	0	0	
Number of Days Lost	0	5	0	0	0	5	0	0	0	0	
Restricted Cases	0	3	0	0	0	1	0	2	0	0	
Number of Days Restricted	0	65	0	0	0	11	0	54	0	0	
TOTAL RECORDABLES	0	1	0	0	0	1	0	0	0	0	
INCIDENT RATE (YTD)		1.23		0.00		6.39		0.00		0.00	
Types of Injuries											
Slips/Trips/Falls	0	1	0	0	0	0	0	0	0	0	
Struck By	0	1	0	0	0	0	0	1	0	0	
Strains/Sprains	0	0	0	0	0	0	0	0	0	0	
Cuts/Lacerations/Punctures	0	0	0	0	0	0	0	0	0	0	
Back Injuries	0	0	0	0	0	0	0	0	0	0	
Heat Stress	0	0	0	0	0	0	0	0	0	0	
Insect Bites	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	0	0	
TOTAL	0	2	0	0	0	0	0	1	0	0	
Days Since Last Lost Time Case	Hours Since Last Lost Time Case		Days Since Last Recordable Injury/Illness			Hours Since Last Recordable Injury/Illness					
38	304		44			352					
Date of Last Lost Time Case	Date of Last Recordable		12 Month Rolling Average								
Tuesday, April 24, 2018	Wednesday, April 18, 2018		June 2017 - May 2018:				420,754	Manhours Worked			
Total Recordable Incident Rate (TRIR):						1.42					

12 MONTH AVG Total Recordable Incident Rate (TRIR)





SAFETY COMMUNICATIONS



Asbestos-Potential Exposures

Safety Suggestions

Exposure to asbestos can occur when asbestos-containing material (man-made or natural) is disturbed which then releases asbestos fibers into the air. Asbestos that is embedded or contained in undisturbed solid materials presents little risk of exposure.

Asbestos is a known human carcinogen and can cause chronic lung disease as well as lung and other cancers.

Exposure to asbestos typically occurs during manufacturing of asbestos-containing products; performing brake or clutch repairs; renovating or demolishing buildings or ships; or cleanup from these activities; contact with deteriorating asbestos-containing materials and during cleanup after natural disasters.

Some materials are presumed to contain asbestos if installed before 1981. Examples of these materials, as well as other presumed asbestos-containing materials are:

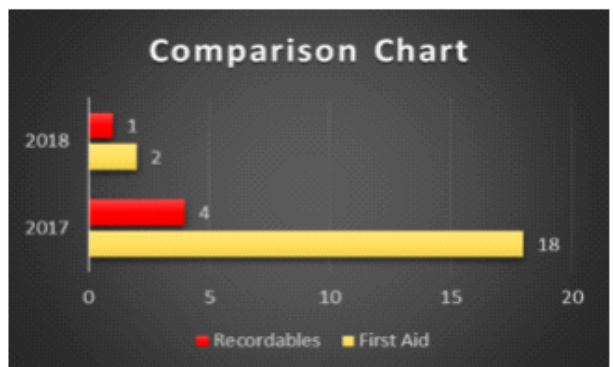
- Thermal system insulation
- Roofing and siding shingles
- Vinyl floor tiles
- Plaster, cement, putties and caulk
- Ceiling tiles and spray-on coatings
- Industrial pipe wrapping
- Heat-resistant textiles
- Automobile brake linings and clutch pads

The locations that asbestos is likely present in the Port area is in the older buildings where repair, remodeling or demolition may occur. Brake pads in Port vehicles and equipment are of ceramic material and not asbestos-containing. Surveys have been done in Port buildings but not behind constructed walls or under flooring. **If employees will be conducting repairs, remodeling or demolition in any Port buildings, coordination with the environmental department is an important step in the planning process. In some cases, where asbestos-containing materials have already been identified, a sign is posted alerting of the presence of asbestos. As long as the materials are not cut, ground, or graded exposure to asbestos-containing materials does not exist.**

An employee's best protection against exposure to asbestos is to conduct thorough prior planning including coordination with the appropriate departments to fully understand the conditions that exist. If asbestos-containing materials are found to be present, abatement of the asbestos-containing materials will be conducted using a qualified third party with appropriate air monitoring to ensure compliance with all applicable rules and regulations.

- **Striping on Joe Fulton needs to be repainted.**
 - ◆ Status: Complete
 - ◆ This project will be started by end of 2018 and expected to be complete by beginning of 2019.
- **SDS sheets online—Internet /Intellex**
 - ◆ Status: In Progress
 - ◆ POC: Safety & Environmental
- **The Right to know - Asbestos warning at every exit**
 - ◆ Status: Complete
 - ◆ When working in or near exposed area employee/s must report to Environmental prior to starting work. See description attached in safety communication.
- **Update Vehicle & Inspection Form**
 - ◆ Status: Complete (After further review the Safety committee has decided that this is not a safety concern).
 - ◆ POC: Environmental
- **Assign a floor leader for evacuation plan per floor**
 - ◆ Status: In Progress
 - ◆ POC: Safety
- **Have a sharps container at every location.**
 - ◆ Status: In Progress
 - ◆ POC: Safety
- **Both shop welding areas need better guarding while welding is taking place**
 - ◆ Status: In Progress
 - ◆ POC: Maintenance - Maintenance to provide screens to shield the area off.
- **To provide a boot cleaner stand at Maintenance to prevent mud tracks in lunch room. (slips/trips/falls)**
 - ◆ Status: Complete
 - ◆ POC: Maintenance

MAY Port TRIR: 1.42
 2018 Injuries:
 Slips/Trips/Falls = 1
 Struck By = 1
 Strain/Sprain = 0
 Cuts/Lacerations = 0
 Other = 1



Docks & Rail May 2018

Railroad traffic slow in May, HBI looking to add another train set at BMD.

842nd cargo next move June and mid-July.

- Rail traffic at ADM falling to **223** railcars of milo in May, Milo run to China stopped due to Tariff rates
- Maverick Terminal loaded **79** car unit train of diesel to Mexico, Maverick Terminal rail construction and alignment ongoing.
- 842nd SDDC offloaded **74** car military cargo train south side yard
- AHMSA/UPRR
HBI to rail at BMD **164** cars loaded May
- **862** total revenue rail cars in May 2018 compared to **3624** revenue cars in May 2017
- (Restated CCPN 1997 Joint Operating) with Welder, Strawbridge and Class 1 RR's in Port legal review
- North Bank storage yard wind components departing by truck
- North Storage yard project cargo and wind cargo departing by trucks Siemen's tower sections still in yard, departure date unknown
- CC Polymers cargo in CD14, Southside warehouse, BMD and Rincon have cargo for CC Polymers,
- South side yard – Al Speight yard clear for military, yard by CD 8 temporary pipe laydown
– - TXDOT ROW established in yard –
- South side laydown yard TXDOT ROW has fence installed, laydown space affected.
- CCPN track maintenance ongoing both North and South side to be completed in June

Cargo Docks

- CD 10 - warehouse foundation TXDOT contractor fenced off ROW
- CD 8 – **06** vessels arrived May
- CD 9 – **10** vessels arrived May

May 2018

WHARFINGER

In May 2018, there were 5 Damage Reports for PCCA properties, which 3 have been resolved. There are 7 outstanding Damage Reports from prior months.

Damage Reports:

May Damage Reports

- OD 1 – underground cable damaged; repairs have been completed.
- CD 9 – warehouse rollup door damaged by Stevedore forklift; Engineering is contracting for repair.
- CD 9 – laydown next to the warehouse has a damaged utility junction box; Engineering is contracting for repair.
- Gate 92 – cable gate was damaged; repairs have been completed.
- Suntime Road/JFITC – damaged rail road electrical meter box; repairs have been completed.

Outstanding Issues

- OD4 – roadway/parking area damaged by a crane; Engineering is contracting for repair.
- Good Hope DMPA – dredge material re-entered the LaQuinta Ship Channel; Engineering is coordinating with the responsible party to have the material dredged out.
- JFITC – damaged drainage structure headwall; contractor is repairing.
- Navigation Blvd. – damaged fiber optics boxes at Maverick Terminal; Maverick Terminal to contract repairs with PCCA oversight.
- JFITC – damaged fence from vehicle; contract has been awarded to repair.
- JFITC - damaged fence in front of NRRY; contract has been awarded to repair.
- JFITC gate – damage to eye bolt.

Hurricane Harvey Repairs:

- BT conveyor covers – covers are being shipped and are scheduled to be delivered to BT on June 1st.
- Overhead doors at CD 14 and Transfer Warehouse – doors are being fabricated and Procurement is working with the contractor for a delivery and installation date(s).
- Roofs – Procurement having to separate out the contracts and then rebid.
- Metal Siding Repairs – Procurement to award contract for repairs.

Other:

A second Asset Management meeting with PCCA staff is scheduled for June 1st. The Asset Management meeting will review draft forms to inspect Docks (Oil and Cargo) and a guidebook, which explains how to use the forms.

Was an observer on the team that selected the New North Bank Cargo Dock design-build builder. Continue to assist Risk Management on damage claim monitoring.

MAY 2018 MONTHLY WORK REPORT

Ortiz center;

- Purchased fire rated door and relocated in banquet manager's office
- Troubleshoot and repaired kitchen wall outlets, installed new wires for additional outlets
- Attempted repairs to storm drain by parking lot, passed on to Environmental Dept for contract
- Conducted annual back flow preventer inspections and submitted paper work to city of C.C
- Met with Powerhouse Energy and ROMCO Rentals to get preliminary information of size of generator needed for emergency needs
- Mowed grounds, trimmed trees and disposed limbs at landfill
- Repaired leaking toilet spud connection and Sloan flush valve in lady's restroom
- Replaced 2- 20A GFI outlets in pavilion area
- Repaired kitchen waste lift station pump underneath the dock
- Commence with inventory and gathering materials to patch wall where racoons are entering HVAC room
- Replaced toilet seat in men's ballroom restroom

Commissioners Court:

- Set up and tear down stage

Guard houses;

- Removed paper towels that was clogging the lift station pump at Ave F
- Repaired area pole light at BMD guardhouse
- Replaced window blinds and adjusted door at OD 6 guardhouse
- Troubleshoot and repair door open limit chain and built new entrance steps at BMD guardhouse
- Gathered power supply needs for each guardhouse to size generator
- Replaced door kick stand and adjusted closer at Avery guardhouse
- Replaced burnt out restroom lamps at Stroman guardhouse
- Replaced ballast and lamps at Viola guardhouse

Administration building;

- Installed TV mount, electrical outlet and TV in Sean Strawbridge's office
- Repaired various irrigation sprinkler leaks
- Replaced lighting fixture at main entrance
- Assist with office furniture moves and hanging pictures, maps, etc.
- Replaced contractor coil on ice machine on 1st floor kitchenette

- Replaced lamps in elevator cart
- Installed updated Port maps in all conference rooms

Annex building;

- Removed and replaced 8 maps throughout Admin and Annex conference rooms
- Assist IT department in connecting grounding wires for surge protectors at HMO
- Troubleshoot rear entrance door and ordered repair materials
- Assist with installation of Port lighted sign
- Assist with annual boiler inspections
- Replaced 4 batteries in fire control panels
- Assist with office furniture moves and hanging pictures, maps, etc.
- Assisted Safeguard with fire alarm inspections
- Disposed of broken microwave and fan from 3rd floor kitchen
- Installed updated Port maps in all conference rooms

Port Security/PD;

- Order materials to replace East access door
- Fabricated metal stand for a/c condenser unit
- Prepared door in evidence room to install electric strike lock set
- Repaired irrigation sprinkler leak
- Installed new lift motors on the boat lifts, returned bad motors for warranty
- Installed updated Port map
- Completed installation of A/C unit and all its components for chief's office

BMD;

- Replaced fender panel chains and shackles at BMD 2
- Replaced automatic flush valve in urinal using existing warranty got new valve at no cost
- Conducted annual back flow preventer inspections at BMD 1 and East Pad and submitted paper work to city of C.C
- Replaced bull rail timber and bolts at BMD 1
- Purchased and installed lever handle and repaired panic device on electrical room door
- Repaired ice machine in the lunchroom

Cargo Docks;

- Assist contractors by removing electrical wires and conduit to allow access for panel replacement at CD 9
- Conducted annual back flow preventer inspections and submitted paper work to city of C.C for Cargo docks 1, 8, 9, 10 and 15
- Replaced chain and shackles on fenders at CD 8
- Installed barricades in North West corner cave in at CD 9
- Delivered trapezoid fenders to CD 15 for Russell Marine to install
- Repaired back flow preventer at CD 1

- Assist procurement department with lift equipment for roof inspection at CD 15
- Pressure washed restrooms at CD 14 and 15

Oil Docks;

- Assist with delivery of dock fenders and inspection of dock after repairs at OD 4
- Installed blank covers in electrical panel at OD 1
- Greased and lubricated gears and chains in automatic gate at BD3
- Repaired telephone wires damaged by contractors during excavations at OD 1
- Conducted annual back flow preventer inspections at Oil Docks 3, 4, 7, 11 and BD3
- Treated and painted fire monitors at OD 3
- Treated and painted fire line piping and pipe stands at Avery point
- Checked condition and operation of Cathodic Protection at Avery point
- Installed emergency shower and eye wash station at BD3
- Cut concrete to fit new A/C unit housing, installed and tested new A/C units at OD 8 and 10
- Traced electrical short to faulty 60A breaker, ordered breaker and installed at OD 4

Fire Barge;

- One fire alarm pull station was replaced on stbd side inside deck house
- Co2 system was brought up to date and all hydro dates are current
- Annual was also conducted on the fire alarm panel
- All hoses on dry chemical skid were removed and replaced with new ones

Fire Boat;

- Fabricated pipe and flanges to repair leaks on 8" fire water aluminum pipe
- All lube oils and filters were changed in main engines, transmission, generators and air compressors.
- All belts were replaced on both port and stbd generators as well as port and stbd air compressors
- All fuel oil filters on port and stbd main engine and generators have been changed.
- All engine zincs were checked all in good condition
- All used oil was disposed of in the fire barge oily bilge tank and will be pumped off later
- Purchased hose and nozzle to transfer Diesel Fuel from trailer to boat

Gates, Fences, signs and Roads;

- Reinstalled stop, curve and do not pass signs at Joe Fulton Corridor
- Reinstalled downed speed limit signs and no trespassing sign at KBH road at la Quinta
- Installed weld on hinges on gate #10 to prevent dragging
- Fabricated and installed replacement gate #91
- Replaced roller wheel on gate #23

- Applied base (caliche) to fill potholes at KBH Road, West Yard road, Viola entrance road, South side laydown yard, Rincon road, BMD entrance and entrance to OD 14

Maintenance shops;

- Serviced a/c unit in Management's office
- Treated and painted CNG pump for corrosion control

Property - Other

- Rewired light poles and purchased and installed lighting contactor at North Bank Storage area to eliminate electrical short
- Repaired gates and storm drain grating at North observation tower
- Replaced damaged traffic dome post at West fishing area, drilled and installed cables
- Serviced A/C unit at Water taxi restrooms
- Assist Business Development by providing driver for a Port tour
- Commence gathering materials to begin replacement of water pipe hangers at Pavilion
- Replaced U.S, Texas and Port flags at Admin, Annex and Ortiz
- Labeled breakers to corresponding light poles at Ave F area lights
- Replaced lamps and photo cells at Nueces Rail River Yard area lighting
- Replaced damaged electric meter can at Vulcan Rd and Joe Fulton Corridor affecting rail road arm function

Maintenance Routine:

- Monthly Irrigation sprinkler test and inspections at Annex, Admin, PD and Ortiz
- Conduct weekly departmental Safety Meetings
- Conduct Monthly EMS meetings
- Monthly emergency generator test and inspections at Annex, Admin, PD, Stroman, La Quinta and Harbor Island
- Conduct monthly test and inspections of sanitary sewer lift stations Port wide
- Conduct monthly inspections, flush and test all potable water ship outlets
- Conduct monthly test and inspections of fire alarms at CD 9, CD 14 and CD 15
- Attain monthly potable water sub meter readings
- Conduct weekly inspections, tests and repairs of all PCCA area lighting
- Routine daily maintenance and PM's of equipment and vehicles
- Routine daily Janitorial services to all PCCA facilities
- Conduct daily mowing operations throughout Port facilities

PORT OPERATIONS MAINTENANCE

Significant activities;

- Julio Marin end of employment with PCCA 5-4-2018
- Ramon Ramos end of employment with PCCA 5-15-2018
- Prepared parade float and assisted in the 5 de Mayo parade
- New Hire, Allen Cooper started with the Port's Maintenance Janitorial crew 5-29-18

Monthly Review

May 2018

Bulk Dock 1 (Unload)

All tonnages are shown in Short Tons

Commodity	# of Vessels	Total Tonnage
Barite	*6	15,558
Bentonite	1	1,873

2018 Month Total	17,431
2017 Month Total	77,174
Difference	(59,743)

2018 Annual Total	193,030
2017 Annual Total	209,875
Difference	(16,845)

Bulk Dock 2 (Load)

Commodity	# of Vessels	Total Tonnage
Petcoke	2	92,326

2018 Month Total	92,326
2017 Month Total	103,444
Difference	(11,119)

2018 Annual Total	509,128
2017 Annual Total	623,909
Difference	(114,781)

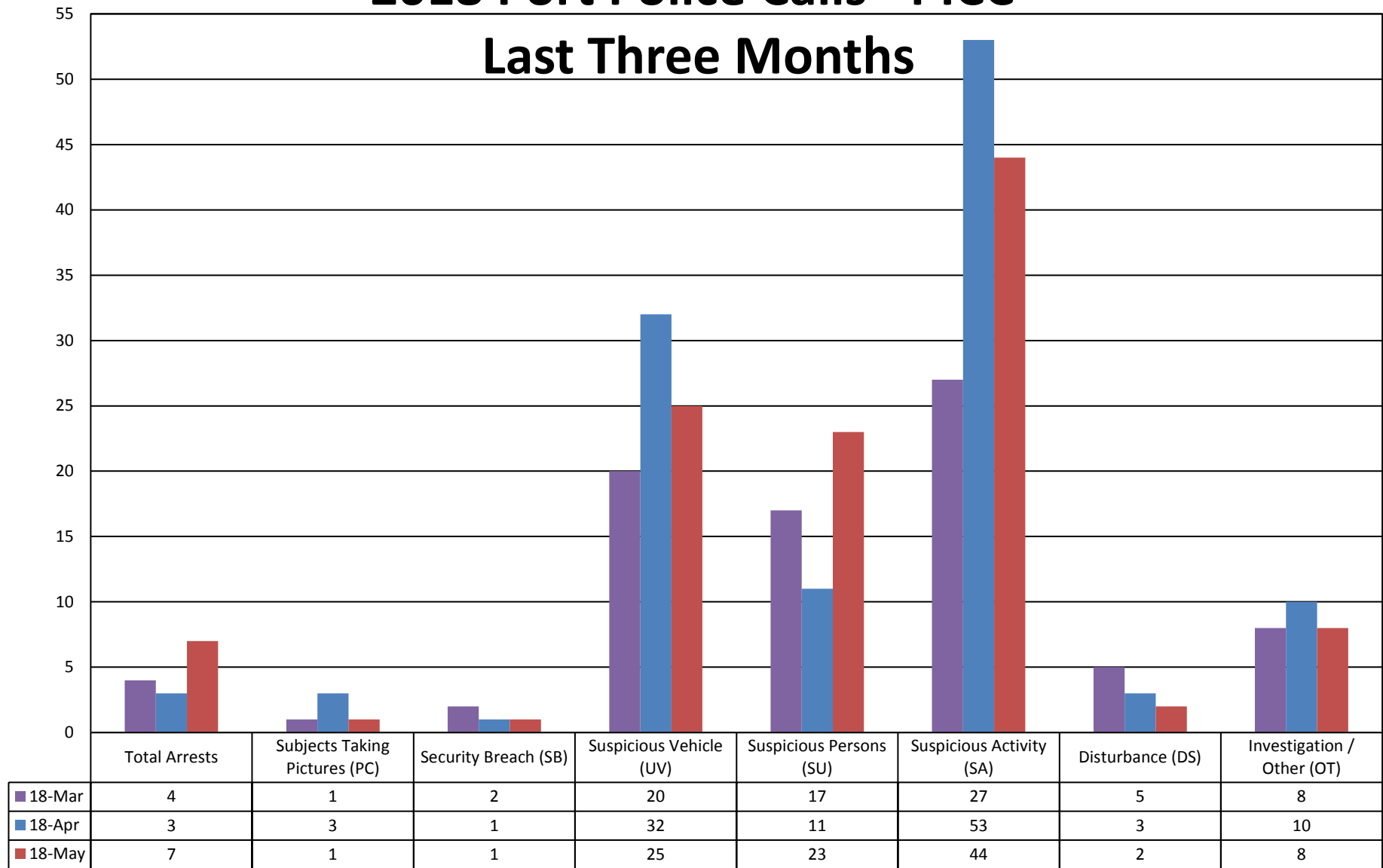
Improvement Projects/Key Points

- Traveled to Miami to meet with Liebherr to conduct contract discussion for Bulk Dock 1 Level II Inspections and Structural Analysis
- Bulk Terminal Storm Water Project Ongoing
- Bulk Terminal Dock 3 construction continues
- Maverick Terminals loaded first unit train of diesel
- Department wide hurricane planning discussion
- Bulk Terminal Paving Project Ongoing
- Storage Pad Operator Agreement RFP being developed

****Includes 3 April barges. Tonnage not available at time of April EDR Report.***

2018 Port Police Calls - PICC

Last Three Months

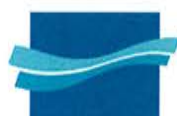


Port of Corpus Christi Authority

MONTHLY FINANCIAL RESULTS

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April 2018



PORT CORPUS CHRISTI™

PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

KEY METRICS

OPERATING REVENUES	OPERATING EXPENSES	NET INCOME(LOSS)	TONNAGE	SHIPS AND BARGES	CAPITAL PROJECTS
\$ 31,036,231	\$ 18,832,521	\$ 5,142,519	34,579,244	2,155	\$ 45,297,156
↑ 5% Actual	↓ -3% Actual	↓ -20% Actual	↑ 1% Actual	↓ -4% Actual	
↓ -8% Budget	↓ -9% Budget	↑ 11% Budget			↑ 52% Budget

ALL METRICS

METRIC	YTD 2018 ACTUAL	YTD 2017 ACTUAL	% CHANGE	YTD 2018 BUDGET	% CHANGE
ASSETS	\$ 729,344,561	\$ 688,020,588	↑ 6%		
CASH & INVESTMENTS	\$ 143,966,253	\$ 184,278,345	↓ -22%		
ACCOUNTS RECEIVABLE	\$ 25,986,101	\$ 26,046,933	↓ 0%		
RESTRICTED ASSETS	\$ 39,633,488	\$ 69,408,083	↓ -43%		
LIABILITIES	\$ 169,379,409	\$ 162,598,323	↑ 4%		
NET POSITION	\$ 563,991,855	\$ 530,770,514	↑ 6%		
OPERATING REVENUES	\$ 31,036,231	\$ 29,588,348	↑ 5%	\$ 33,898,175	↓ -8%
OPERATING EXPENSES	\$ 18,832,521	\$ 19,448,036	↓ -3%	\$ 20,755,510	↓ -9%
NET OPERATING INCOME (LOSS)	\$ 12,203,710	\$ 10,140,312	↑ 20%	\$ 13,142,665	↓ -7%
NON OPERATING REVENUE (EXPENSES)	\$ (7,061,191)	\$ (3,728,612)	↓ -89%	\$ (8,511,132)	↓ -17%
NET INCOME (LOSS)	\$ 5,142,519	\$ 6,411,700	↓ -20%	\$ 4,631,533	↑ 11%
TONNAGE	34,579,244	34,174,258	↑ 1%		
SHIPS	585	626	↓ -7%		
BARGES	1,570	1,611	↓ -3%		
SHIPS & BARGES	2,155	2,237	↓ -4%		
RAIL CARS	14,777	12,930	↑ 14%		
CAPITAL PROJECTS	\$ 45,297,156			\$ 29,816,214	↑ 52%

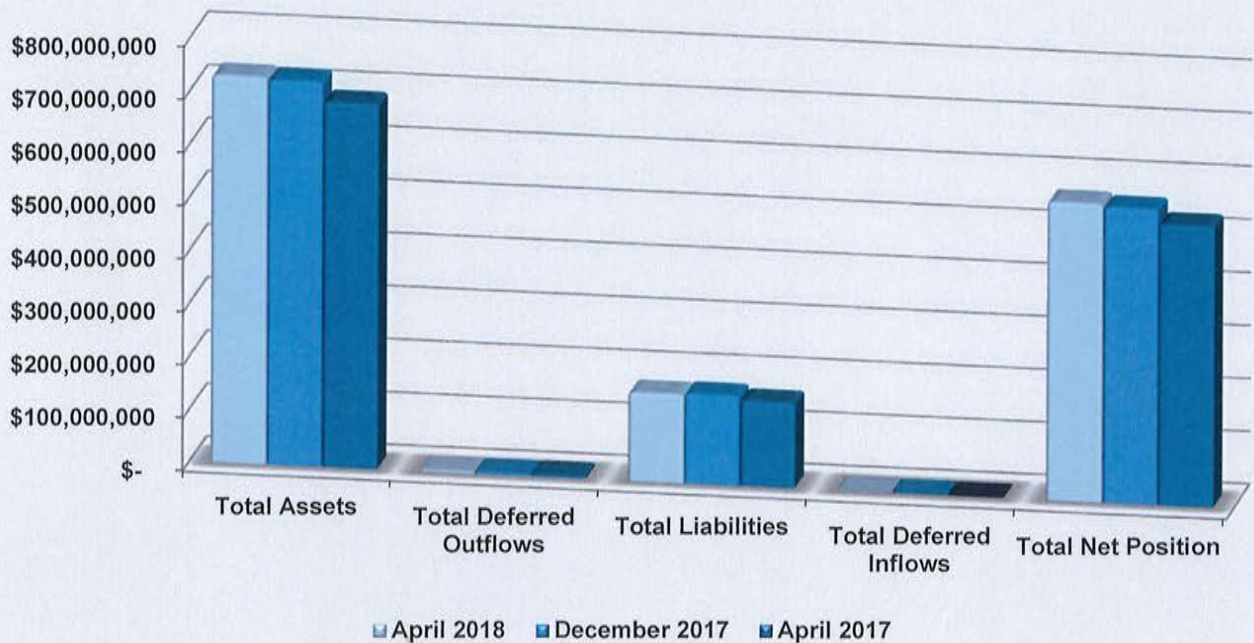
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

STATEMENT OF NET POSITION

	April	December	Annual Change	%	April	Year-Over-Year Change	%
	2018	2017			2017		
Cash/ Investments	\$ 143,966,253	\$ 173,736,158	\$ (29,769,905)	-17%	\$ 184,278,345	\$ (40,312,092)	-22%
A/R	\$ 25,986,101	\$ 29,681,899	\$ (3,695,798)	-12%	\$ 26,046,933	\$ (60,832)	0%
Restricted Assets	\$ 39,633,488	\$ 43,168,645	\$ (3,535,157)	-8%	\$ 69,408,083	\$ (29,774,595)	-43%
P P & E, net	\$ 516,965,656	\$ 476,150,213	\$ 40,815,443	9%	\$ 405,924,500	\$ 111,041,156	27%
Other	\$ 2,793,063	\$ 2,043,409	\$ 749,654	37%	\$ 2,362,727	\$ 430,336	18%
Total Assets	\$ 729,344,561	\$ 724,780,324	\$ 4,564,237	1%	\$ 688,020,588	\$ 41,323,973	6%
Deferred Outflows-Pension	\$ 4,705,309	\$ 4,705,309	\$ -	0%	\$ 5,529,207	\$ (823,898)	-15%
Total Deferred Outflows	\$ 4,705,309	\$ 4,705,309	\$ -	0%	\$ 5,529,207	\$ (823,898)	-15%
Current Liabilities	\$ 13,027,594	\$ 14,007,145	\$ (979,551)	-7%	\$ 11,981,502	\$ 1,046,092	9%
Unearned Income	\$ 44,608,997	\$ 44,859,794	\$ (250,797)	-1%	\$ 34,222,627	\$ 10,386,370	30%
Long-term Debt	\$ 106,245,000	\$ 106,245,000	\$ -	0%	\$ 110,640,000	\$ (4,395,000)	-4%
Other	\$ 5,497,818	\$ 5,694,702	\$ (196,884)	-3%	\$ 5,754,194	\$ (256,376)	-4%
Total Liabilities	\$ 169,379,409	\$ 170,806,641	\$ (1,427,232)	-1%	\$ 162,598,323	\$ 6,781,086	4%
Deferred Inflows-Pension	\$ 678,606	\$ 678,606	\$ -	0%	\$ 180,958	\$ 497,648	100%
Total Deferred Inflows	\$ 678,606	\$ 678,606	\$ -	0%	\$ 180,958	\$ 497,648	100%
Investment in Net Assets	\$ 421,535,147	\$ 384,104,593	\$ 37,430,554	10%	\$ 319,884,259	\$ 101,650,888	32%
Restricted Net Position	\$ 21,224,178	\$ 21,222,100	\$ 2,078	0%	\$ 36,756,465	\$ (15,532,287)	-42%
Unrestricted Net Position	\$ 121,232,530	\$ 152,673,693	\$ (31,441,163)	-21%	\$ 174,129,790	\$ (52,897,260)	-30%
Total Net Position	\$ 563,991,855	\$ 558,000,386	\$ 5,991,469	1%	\$ 530,770,514	\$ 33,221,341	6%

Statement of Net Position



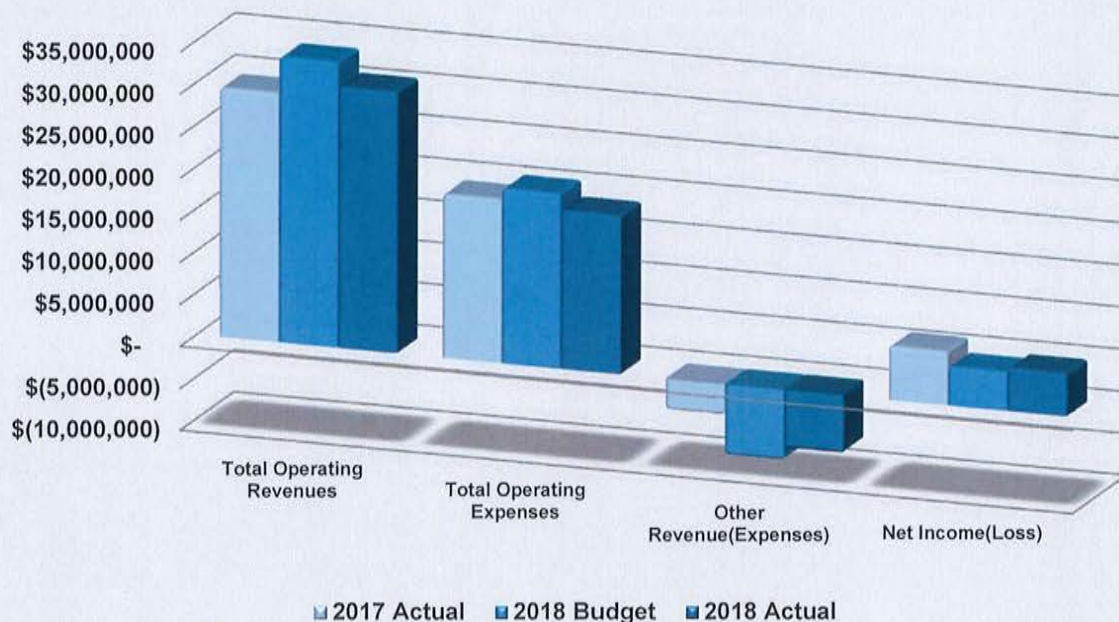
PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

STATEMENT OF REVENUES AND EXPENSES

	April YTD			Change			
	2018		2017	Budget	%	Actual	%
	Actual	Budget	Actual				
Wharfage	\$ 15,490,300	\$ 17,705,927	\$ 15,544,027	\$ (2,215,627)	-13%	\$ (53,727)	0%
Dockage	\$ 4,608,293	\$ 4,504,524	\$ 4,502,414	\$ 103,769	2%	\$ 105,879	2%
Security	\$ 2,678,732	\$ 3,092,885	\$ 2,234,813	\$ (414,153)	-13%	\$ 443,919	20%
Other Shipping Services	\$ 3,313,127	\$ 3,434,176	\$ 3,255,230	\$ (121,049)	-4%	\$ 57,897	2%
Building and Land Rental	\$ 4,945,779	\$ 5,160,663	\$ 4,051,864	\$ (214,884)	-4%	\$ 893,915	22%
Total Operating Revenues	\$ 31,036,231	\$ 33,898,175	\$ 29,588,348	\$ (2,861,944)	-8%	\$ 1,447,883	5%
Employee Services	\$ 7,924,162	\$ 8,969,546	\$ 7,435,713	\$ (1,045,384)	-12%	\$ 488,449	7%
Maintenance	\$ 1,076,434	\$ 2,191,178	\$ 3,012,025	\$ (1,114,744)	-51%	\$ (1,935,591)	-64%
Utilities/ Telephone	\$ 432,951	\$ 430,367	\$ 471,942	\$ 2,584	1%	\$ (38,991)	-8%
Insurance	\$ 494,710	\$ 496,798	\$ 504,579	\$ (2,088)	0%	\$ (9,869)	-2%
Prof/ Contracted Services	\$ 2,286,879	\$ 2,562,777	\$ 1,892,178	\$ (275,898)	-11%	\$ 394,701	21%
Operator/ Event Expenses	\$ 539,754	\$ 523,122	\$ 597,042	\$ 16,632	3%	\$ (57,288)	-10%
Admin/Trade Dvlp/Other	\$ 1,596,322	\$ 1,387,776	\$ 1,349,835	\$ 208,546	15%	\$ 246,487	18%
Depreciation	\$ 4,481,309	\$ 4,193,946	\$ 4,184,722	\$ 287,363	7%	\$ 296,587	7%
Total Operating Expenses	\$ 18,832,521	\$ 20,755,510	\$ 19,448,036	\$ (1,922,989)	-9%	\$ (615,515)	-3%
Net Operating Income(Loss)	\$ 12,203,710	\$ 13,142,665	\$ 10,140,312	\$ (938,955)	-7%	\$ 2,063,398	20%
Interest Income	\$ 1,455,230	\$ 920,372	\$ 1,468,431	\$ 534,858	58%	\$ (13,201)	-1%
Other Revenue	\$ 95,821	\$ 67,724	\$ 50,101	\$ 28,097	41%	\$ 45,720	91%
Gain(Loss) Disposal of Assets	\$ 6,084	\$ -	\$ (9,091)	\$ 6,084	-100%	\$ 15,175	-100%
Interest/Bond Expense	\$ (1,372,881)	\$ (1,354,428)	\$ (1,371,479)	\$ (18,453)	1%	\$ (1,402)	0%
Other Expense	\$ (7,245,445)	\$ (8,144,800)	\$ (3,866,574)	\$ 899,355	-11%	\$ (3,378,871)	87%
Other Revenue(Expenses)	\$ (7,061,191)	\$ (8,511,132)	\$ (3,728,612)	\$ 1,449,941	17%	\$ (3,332,579)	-89%
Net Income(Loss)	\$ 5,142,519	\$ 4,631,533	\$ 6,411,700	\$ 510,986	11%	\$ (1,269,181)	-20%

Statement of Revenues & Expenses



PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

<u>Public Oil Docks</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 9,472,134	\$ 8,897,960	\$ 574,174
Operating Expenses	\$ (1,136,583)	\$ (909,118)	\$ (227,465)
Net Operating Income(Loss)	\$ 8,335,551	\$ 7,988,842	\$ 346,709
Other Revenue(Expenses)	\$ (328,784)	\$ (328,784)	\$ -
Net Income(Loss)	\$ 8,006,767	\$ 7,660,058	\$ 346,709

<u>Private Oil Docks</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 6,719,354	\$ 8,142,436	\$ (1,423,082)
Operating Expenses	\$ (13,708)	\$ (15,740)	\$ 2,032
Net Operating Income(Loss)	\$ 6,705,646	\$ 8,126,696	\$ (1,421,050)
Other Revenue(Expenses)	\$ -	\$ -	\$ -
Net Income(Loss)	\$ 6,705,646	\$ 8,126,696	\$ (1,421,050)

<u>Dry Cargo Docks</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 2,833,242	\$ 2,937,002	\$ (103,760)
Operating Expenses	\$ (835,719)	\$ (1,288,589)	\$ 452,870
Net Operating Income(Loss)	\$ 1,997,523	\$ 1,648,413	\$ 349,110
Other Revenue(Expenses)	\$ -	\$ -	\$ -
Net Income(Loss)	\$ 1,997,523	\$ 1,648,413	\$ 349,110

<u>Bulk Terminal</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 3,244,911	\$ 3,262,903	\$ (17,992)
Operating Expenses	\$ (1,820,052)	\$ (2,137,512)	\$ 317,460
Net Operating Income(Loss)	\$ 1,424,859	\$ 1,125,391	\$ 299,468
Other Revenue(Expenses)	\$ 5,147	\$ -	\$ 5,147
Net Income(Loss)	\$ 1,430,006	\$ 1,125,391	\$ 304,615

<u>Conference Center</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 724,393	\$ 774,483	\$ (50,090)
Operating Expenses	\$ (818,003)	\$ (850,642)	\$ 32,639
Net Operating Income(Loss)	\$ (93,610)	\$ (76,159)	\$ (17,451)
Other Revenue(Expenses)	\$ 2,769	\$ 2,164	\$ 605
Net Income(Loss)	\$ (90,841)	\$ (73,995)	\$ (16,846)

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<u>Property and Buildings</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 3,299,984	\$ 3,600,063	\$ (300,079)
Operating Expenses	\$ (1,362,473)	\$ (1,725,008)	\$ 362,535
Net Operating Income(Loss)	\$ 1,937,511	\$ 1,875,055	\$ 62,456
Other Revenue(Expenses)	\$ (4,773,820)	\$ (5,687,081)	\$ 913,261
Net Income(Loss)	\$ (2,836,309)	\$ (3,812,026)	\$ 975,717

<u>Other Facilities</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 1,669,885	\$ 2,821,423	\$ (1,151,538)
Operating Expenses	\$ (507,474)	\$ (652,114)	\$ 144,640
Net Operating Income(Loss)	\$ 1,162,411	\$ 2,169,309	\$ (1,006,898)
Other Revenue(Expenses)	\$ (3,484,722)	\$ (3,479,296)	\$ (5,426)
Net Income(Loss)	\$ (2,322,311)	\$ (1,309,987)	\$ (1,012,324)

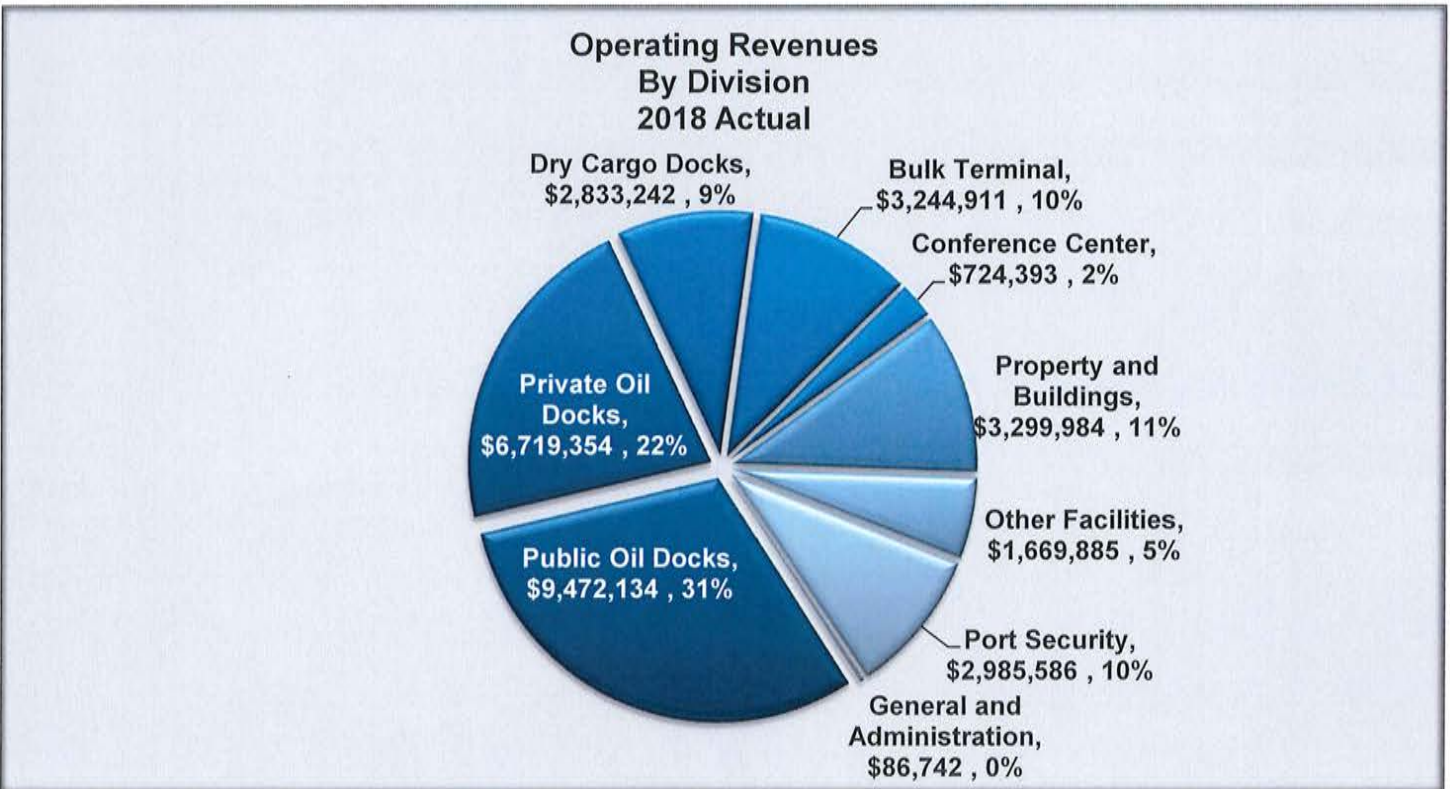
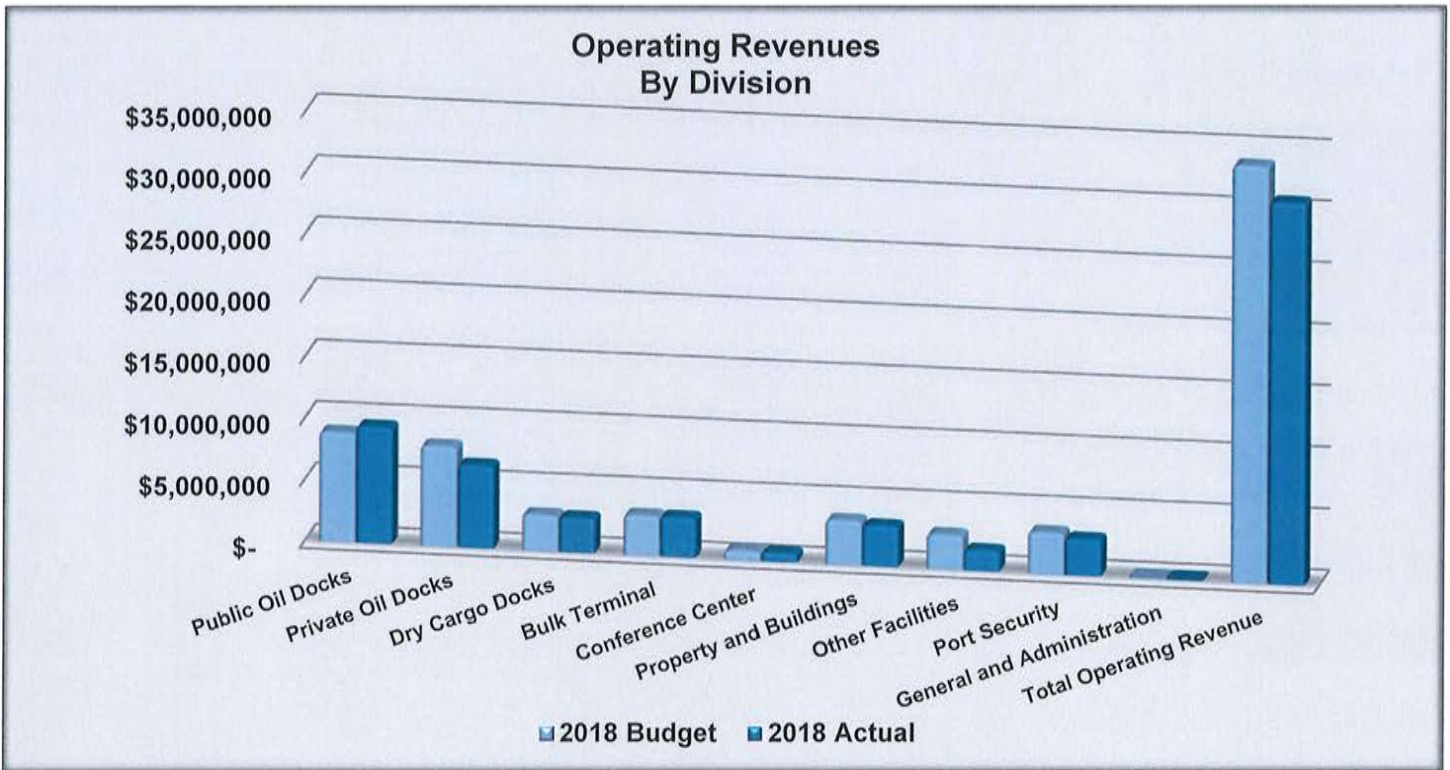
<u>Port Security</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 2,985,586	\$ 3,380,585	\$ (394,999)
Operating Expenses	\$ (3,492,703)	\$ (3,634,018)	\$ 141,315
Net Operating Income(Loss)	\$ (507,117)	\$ (253,433)	\$ (253,684)
Other Revenue(Expenses)	\$ (1,576)	\$ -	\$ (1,576)
Net Income(Loss)	\$ (508,693)	\$ (253,433)	\$ (255,260)

<u>General and Administration</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 86,742	\$ 81,320	\$ 5,422
Operating Expenses	\$ (8,845,806)	\$ (9,542,769)	\$ 696,963
Net Operating Income(Loss)	\$ (8,759,064)	\$ (9,461,449)	\$ 702,385
Other Revenue(Expenses)	\$ 1,519,795	\$ 981,865	\$ 537,930
Net Income(Loss)	\$ (7,239,269)	\$ (8,479,584)	\$ 1,240,315

<u>Total</u>	April YTD		
	2018		Variance
	Actual	Budget	
Operating Revenues	\$ 31,036,231	\$ 33,898,175	\$ (2,861,944)
Operating Expenses	\$ (18,832,521)	\$ (20,755,510)	\$ 1,922,989
Net Operating Income(Loss)	\$ 12,203,710	\$ 13,142,665	\$ (938,955)
Other Revenue(Expenses)	\$ (7,061,191)	\$ (8,511,132)	\$ 1,449,941
Net Income(Loss)	\$ 5,142,519	\$ 4,631,533	\$ 510,986

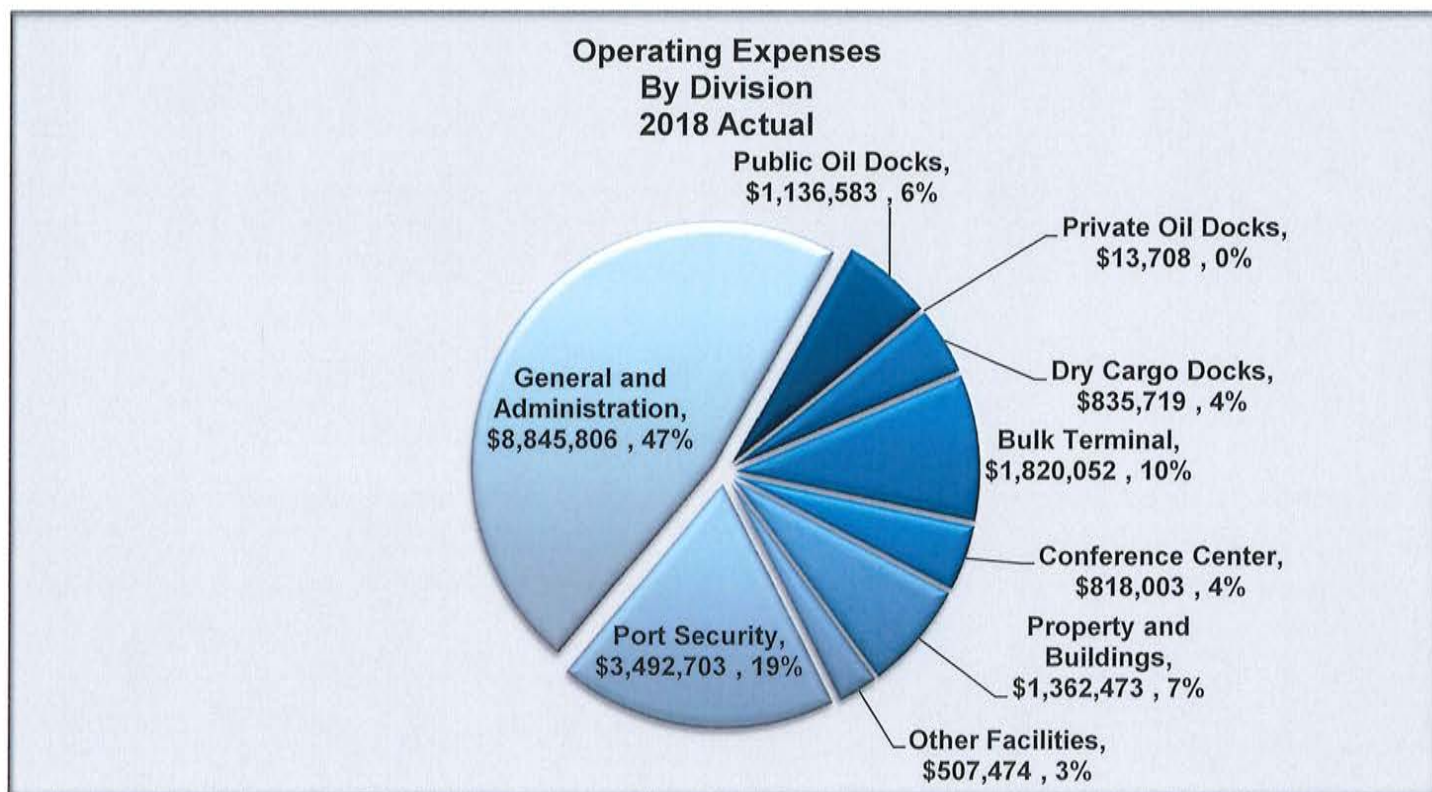
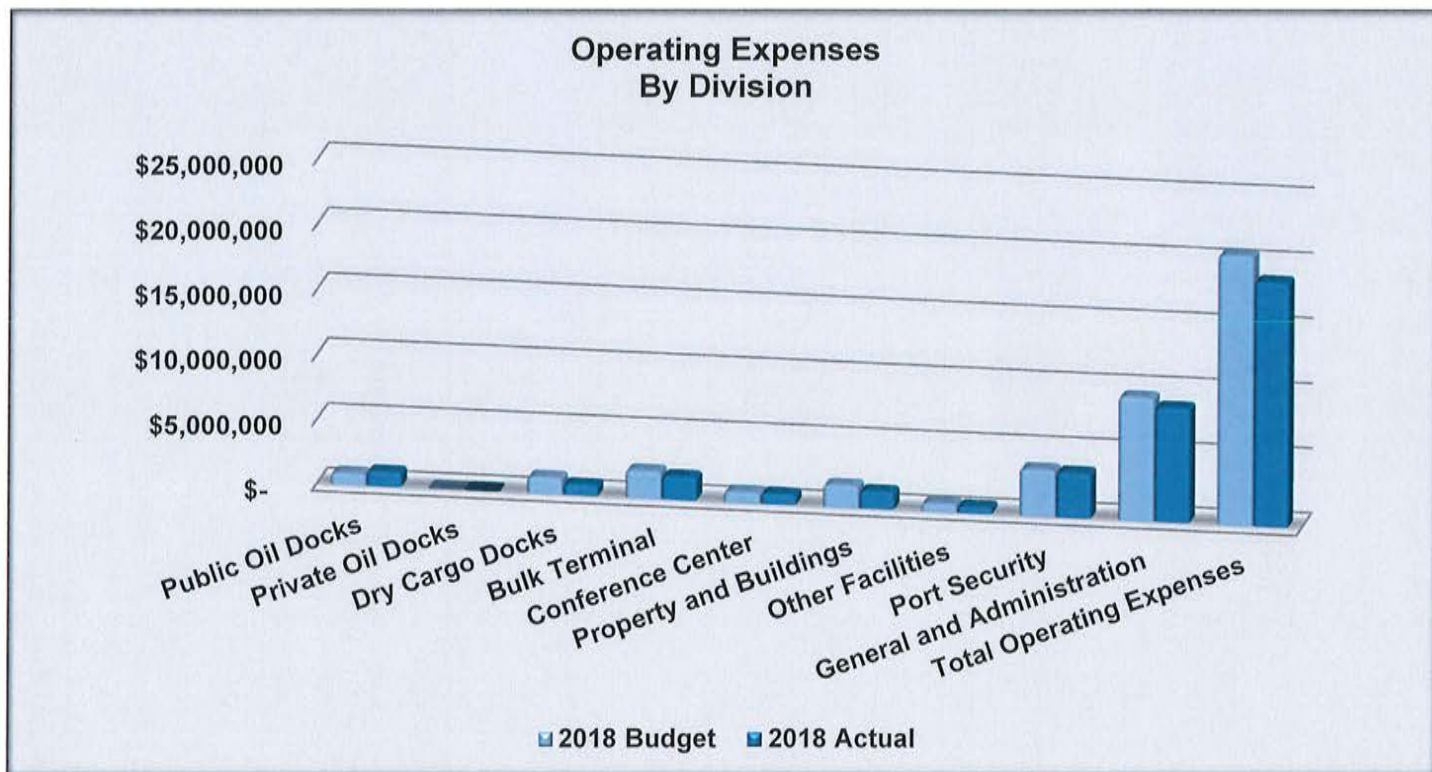
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FINANCIAL RESULTS



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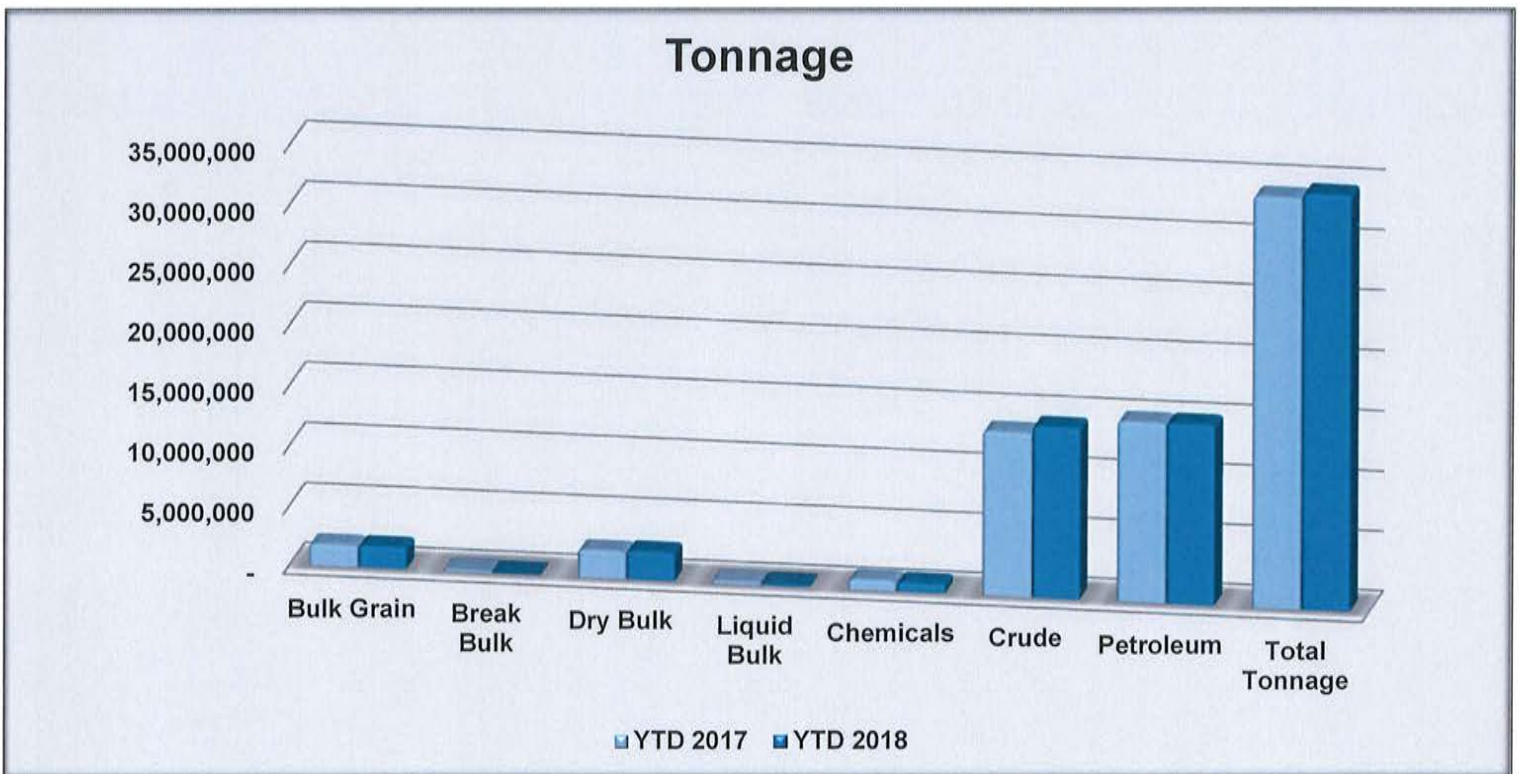


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FINANCIAL RESULTS

TONNAGE

	April		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2018	2017			2018	2017		
Bulk Grain	333,741	361,414	(27,673)	-8%	1,819,695	1,813,627	6,068	0%
Break Bulk	36,664	77,228	(40,564)	-53%	76,052	206,730	(130,678)	-63%
Dry Bulk	428,419	680,531	(252,112)	-37%	2,400,581	2,316,561	84,020	4%
Liquid Bulk	30,736	44,203	(13,467)	-30%	179,132	255,984	(76,852)	-30%
Chemicals	155,289	186,527	(31,238)	-17%	765,587	839,013	(73,426)	-9%
Crude	3,562,473	3,532,992	29,481	1%	14,291,533	13,711,259	580,274	4%
Petroleum	3,668,152	3,605,034	63,118	2%	15,046,664	15,031,084	15,580	0%
Total Tonnage	8,215,474	8,487,929	(272,455)	-3%	34,579,244	34,174,258	404,986	1%



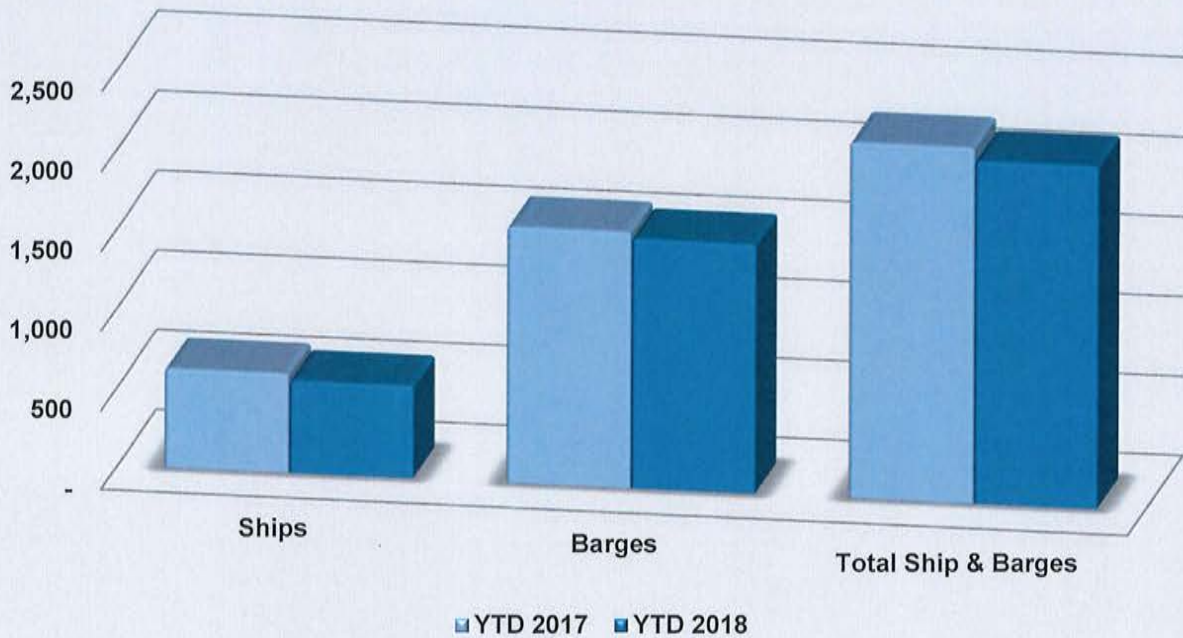
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FINANCIAL RESULTS

SHIP & BARGE MOVEMENTS

	April		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2018	2017			2018	2017		
Ships	150	160	(10)	-6%	585	626	(41)	-7%
Barges	407	399	8	2%	1,570	1,611	(41)	-3%
Total Ship & Barges	557	559	(2)	0%	2,155	2,237	(82)	-4%

Ships & Barges

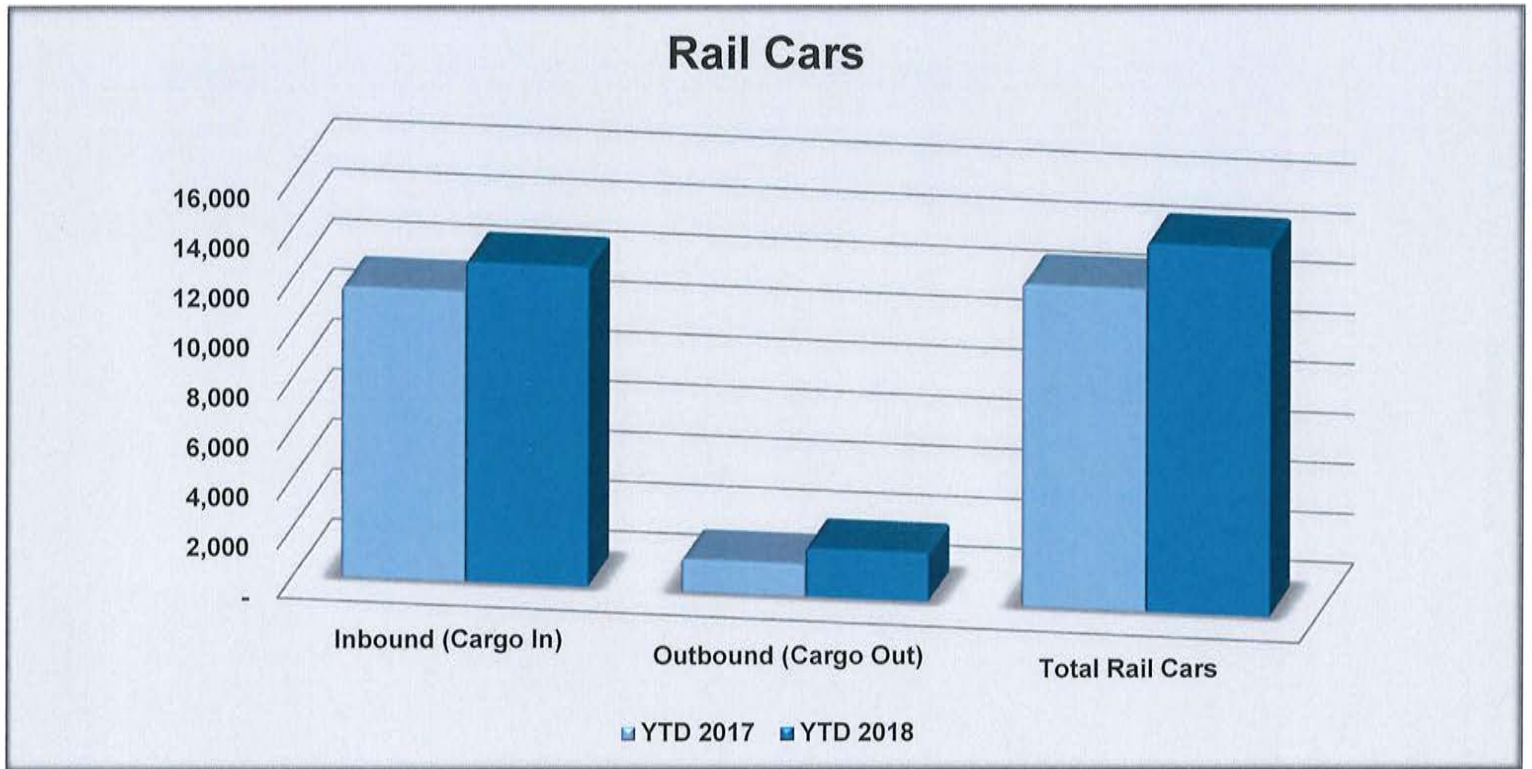


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FINANCIAL RESULTS

RAIL CARS

	April		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2018	2017			2018	2017		
Inbound (Cargo In)	2,564	2,441	123	5%	12,816	11,628	1,188	10%
Outbound (Cargo Out)	346	398	(52)	-13%	1,961	1,302	659	51%
Total Rail Cars	2,910	2,839	71	3%	14,777	12,930	1,847	14%

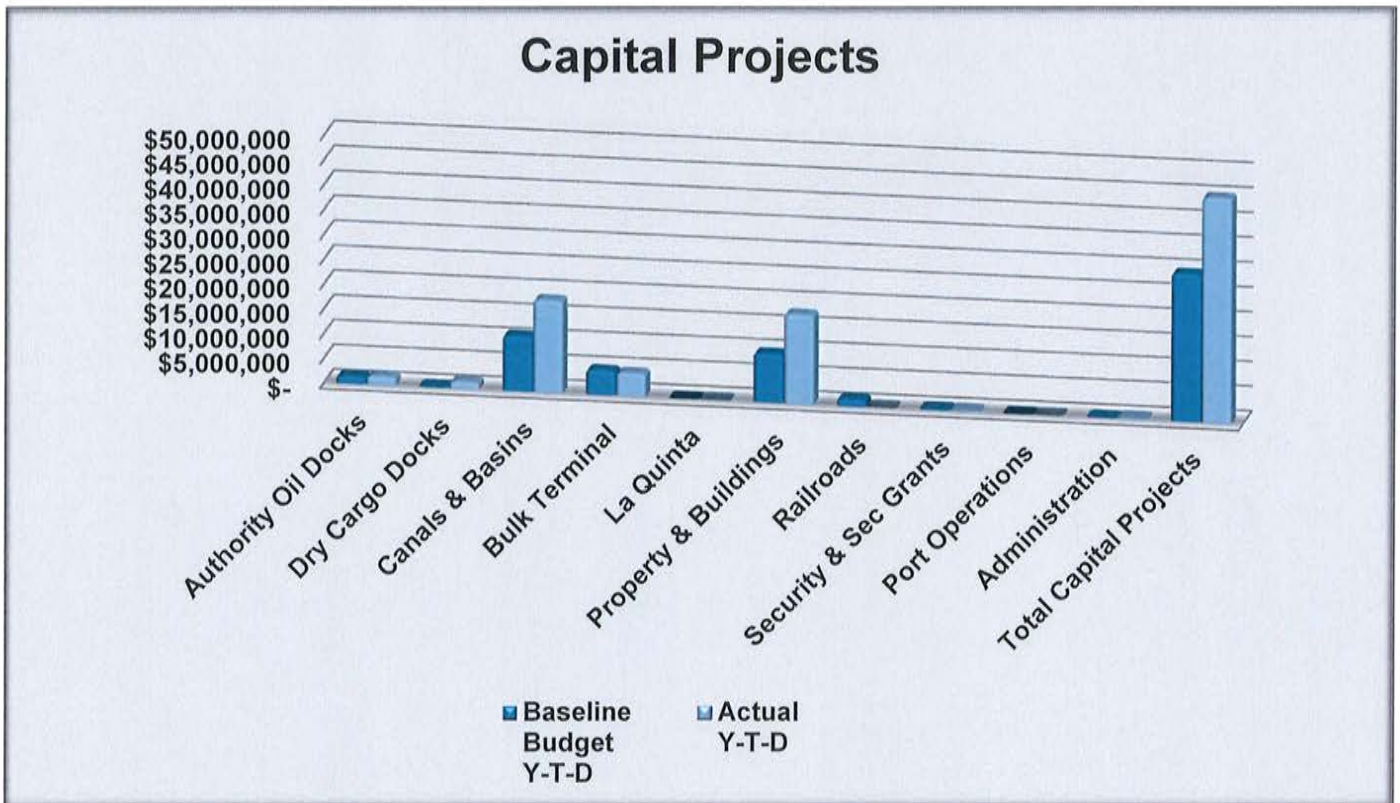


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FINANCIAL RESULTS

CAPITAL PROJECTS

	Annual Budget	Actual Y-T-D	Balance Remaining	Baseline Budget Y-T-D	Actual Y-T-D	Variance
Authority Oil Docks	\$ 8,960,000	\$ 1,760,036	\$ 7,199,964	\$ 1,537,500	\$ 1,760,036	\$ 222,536
Dry Cargo Docks	\$ 14,500,000	\$ 1,447,001	\$ 13,052,999	\$ 210,000	\$ 1,447,001	\$ 1,237,001
Canals & Basins	\$ 58,375,000	\$ 18,641,144	\$ 39,733,856	\$ 11,183,000	\$ 18,641,144	\$ 7,458,144
Bulk Terminal	\$ 18,692,972	\$ 4,713,890	\$ 13,979,082	\$ 4,988,816	\$ 4,713,890	\$ (274,926)
La Quinta	\$ 20,000	\$ 4,110	\$ 15,890	\$ -	\$ 4,110	\$ 4,110
Property & Buildings	\$ 32,018,520	\$ 18,078,726	\$ 13,939,794	\$ 9,947,732	\$ 18,078,726	\$ 8,130,994
Railroads	\$ 5,162,000	\$ 31,761	\$ 5,130,239	\$ 1,510,000	\$ 31,761	\$ (1,478,239)
Security & Sec Grants	\$ 481,647	\$ 301,859	\$ 179,788	\$ 324,166	\$ 301,859	\$ (22,307)
Port Operations	\$ 688,600	\$ 31,334	\$ 657,266	\$ 35,000	\$ 31,334	\$ (3,666)
Administration	\$ 2,360,387	\$ 287,295	\$ 2,073,092	\$ 80,000	\$ 287,295	\$ 207,295
Total Capital Projects	\$ 141,259,126	\$ 45,297,156	\$ 95,961,970	\$ 29,816,214	\$ 45,297,156	\$ 15,480,942



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FINANCIAL RESULTS

BOND PROJECT PROCEEDS - (As of April, 2018)

	Bond Project Proceeds	Bond Issuance Expenses	Net Bond Project Proceeds	Bond Project Expenditures	Transfer Remaining Proceeds on Closed Projects	Remaining Bond Project Proceeds
Land	\$ 34,960,000	\$ (346,544)	\$ 34,613,456	\$ (35,075,365)	\$ 461,909	\$ -
Oil Dock 14	\$ 28,000,000	\$ (277,552)	\$ 27,722,448	\$ (27,722,448)	\$ -	\$ -
Access Road & Rail	\$ 10,000,000	\$ (99,126)	\$ 9,900,874	\$ (6,778)	\$ -	\$ 9,894,096
Tule Lift Bridge	\$ 18,000,000	\$ (178,426)	\$ 17,821,574	\$ (13,023,479)	\$ 321,467	\$ 5,119,562
West Barge Mooring Area	\$ 7,280,000	\$ (72,164)	\$ 7,207,836	\$ (6,745,927)	\$ (461,909)	\$ -
NRRY Phase II	\$ 6,000,000	\$ (59,475)	\$ 5,940,525	\$ (5,940,525)	\$ -	\$ -
La Quinta-Aquatic Habitat	\$ 4,020,000	\$ (39,849)	\$ 3,980,151	\$ (3,658,684)	\$ (321,467)	\$ -
La Quinta-Mitigation Buffer	\$ 3,940,000	\$ (39,055)	\$ 3,900,945	\$ (562,505)	\$ -	\$ 3,338,440
La Quinta Dock	\$ 2,800,000	\$ (27,755)	\$ 2,772,245	\$ (2,715,033)	\$ -	\$ 57,212
Total Bond Projects	\$ 115,000,000	\$ (1,139,946)	\$ 113,860,054	\$ (95,450,744)	\$ -	\$ 18,409,310

Bond Project Proceeds (As of April, 2018)

