



## NOTICE OF PORT COMMISSION MEETING

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The Port Commission ("Commission") of the Port of Corpus Christi Authority ("PCCA") of Nueces County, Texas, will hold a Regular Session Meeting on Tuesday, May 17, 2016, at 8:30 a.m., at the Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas.

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

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

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

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

The agenda for the meeting is as follows:

1. Call meeting to order:
  - A. Safety Briefing
  - B. Pledge of Allegiance
  - C. Invocation
  - D. Receive Conflict of Interest Affidavits.
2. Approve the minutes of the April 19, 2016 Commission meeting.
3. Presentation of an AmTryke to Brandon Quintanilla through the National American Business Club (AMBUCS) Wish List program.
4. Receive comments from the public. (Each speaker is limited to three minutes.)
5. Receive committee reports from the following Commission committees:
  - A. Security
  - B. Audit
  - C. Long-Range Planning
6. Review and Approve first quarter Financial Report for 2016.
7. Review and approve first quarter Investment Report for 2016.

8. Receive progress report from Del Richardson & Associates on the Hillcrest Voluntary Real Estate Acquisition and Relocation Program.
9. Authorize staff to issue a Request for Proposals for temporary staffing needs related to the Hillcrest Voluntary Real Estate Acquisition and Relocation Program in an amount estimated to be \$210,000.
10. **Consent Agenda.** The Port Commissioners have been furnished with supporting documentation and staff's recommendation for each of the following items. All Consent Agenda items will be approved, in accordance with the respective staff recommendations, by one vote without being discussed separately unless a Port Commissioner requests otherwise.
  - A. Approve Engagement with Husch Blackwell, LLP, on Sherwin Bankruptcy Advisory Work from Lynn Butler, Esq.
  - B. Approve the Purchase of Six Vehicles in the Total Amount of \$178,572 using Government Pricing from the State of Texas Buy Board Cooperative Program.
  - C. Approve Professional Services Master Agreement No. 09-16 and Service Order No. 1 with Cardno GS Inc. in the amount of \$49,343 for environmental services related to Environmental Management System (EMS) workshops for stevedores.
  - D. Approve an Amendment to a Pipeline Easement with Cheniere Corpus Christi Pipeline, L.P., to partially release the southern portion of an existing easement and to amend the eastern terminus of the easement located at the La Quinta Terminal site in San Patricio County.
  - E. Approve an Amendment to a Professional Services Contract with Two Guns Consulting and Construction, LLC, in the amount of \$20,240 for continued construction inspection services related to and reimbursable by Magellan Pipeline Holdings, L.P., for pipeline construction project within the Inner Harbor.
  - F. Award a Construction Contract to JE Construction Services, the lowest and best bidder, based on bids received on April 22, 2016, in the amount of \$303,510.70 for roadway improvements at the Bulk Terminal, Avery Point and Rincon Road.
  - G. Approve an increase in the Additive Bid Item allowance and approve a Change Order in the amount of \$73,150 to PCCA's Construction Contract with Garrett Construction Co. for resurfacing of the South Side Storage Yard project.



- H. Approve purchase of one Flir Ranger III LR thermal camera from Anixter Inc. in the amount of \$57,750 with a PCCA match of \$14,437.50 as part of security equipment upkeep project (Security Grant 14).
11. Receive report from the Executive Director 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.
12. Receive comments from Port Commissioners on any of the agenda items for this meeting, the PCCA's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.
13. Approve Lease Agreement with Martin Operating Partnership, LP, for land on the north side of the Corpus Christi Turning Basin in the Inner Harbor. The Commission may go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code prior to taking action on this agenda item in open session.
14. The Commission will go into executive session pursuant to §551.071 and §551.072 of the Texas Government Code to deliberate the purchase and value of certain real property in the vicinity on the La Quinta Channel and to receive legal advice from PCCA counsel regarding the acquisition of this property. The Commission may authorize the purchase of this property and related personal property in open session.
15. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate (i) leasing certain PCCA real property on the north side of the Inner Harbor, and (ii) offering financial or other incentives to a business prospect that PCCA seeks to have expand on the north side of the Inner Harbor and with which PCCA is conducting economic development negotiations.
16. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate (i) leasing certain PCCA real property to a new business prospect that PCCA seeks to have locate on the north side of the Inner Harbor and with which PCCA is conducting economic development negotiations, and (ii) offering financial or other incentives to this business prospect.

17. The Commission will go into executive session pursuant to §551.087 of the Texas Government Code to evaluate easements and real property right of way, and may deliberate purchase and value of certain real property accessible in the outer harbor. The Commission may authorize the acquisition of this property in open session.
18. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate the purchase and value of certain real property on the south side of the Inner Harbor.
19. The Commission will go into executive session pursuant to §552.071 of the Texas Government Code to receive legal advice on the Harbor Bridge Replacement Project Four-Party Agreement between the Port of Corpus Christi Authority; the Texas Department of Transportation; the City of Corpus Christi, Texas; and the Corpus Christi Housing Authority.
20. Adjourn.

***AGENDA ITEM NO. 1***

**Call Meeting to Order**

**NO ATTACHMENT**

**OFFICIAL MINUTES OF PORT COMMISSION MEETING  
APRIL 19, 2016**

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, April 19, 2016, at 9:00 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. Jarl Pedersen  
Mr. Darrin Aldrich  
Ms. Patricia Cardenas  
Ms. Rosie Collin  
Mr. Dennis DeVries  
Ms. Sarah Garza  
Mr. David Krams  
Ms. Sandra Terrell-Davis  
Ms. Nelda Olivo  
Mr. Tom Mylett  
Ms. Lynn Angerstein  
Ms. Audre Debler  
Mr. Brett Flint  
Ms. Donna James-Spruce  
Mr. Dan Koesema  
Ms. Angela Leyva  
Ms. Sonya Lopez  
Mr. Dave Michaelson  
Ms. Maggie Turner  
Mr. Eddie Martinez  
Mr. Bennie Benavides  
Ms. Sonya Budilo  
Ms. Natasha Fudge  
Ms. Peggy Mettlen  
Mr. Jesse Samu

**Others Present:**

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

**Others Present:**

Mr. John Pauling  
CARDNO  
Mr. Eric Trejo  
LNV  
Mr. John Shepherd  
Collier, Johnson & Wood  
Mr. William Goldston  
WRGCON  
Mr. Thurman Black  
Cobb Fendley/DRA  
Mr. Jeff Taylor  
Overland Pacific & Cotler  
Mr. Don Rodman  
Rodman Co.  
Mr. Matt McCarter  
Mr. Joseph Briones  
Mr. Randall Groned  
Ms. Carol Luschen  
TxDot  
Ms. Del Richardson  
Mr. Dionisio Marquez  
DRA  
Mr. Chris Ramirez  
Caller-Times  
Mr. Darrell Chambers  
Ms. Lorette Williams  
Mr. Marcos Gonzalez  
Flatiron-Dragados LLC  
Mr. Gregory McLurry  
Testengeer Engineering  
Ms. Carol Scott  
Kailo  
Mr. Will Nichols  
Ms. Pat Outrim  
Cheniere  
Mr. Terry Arnold  
Consultant  
Commissioner Fred Nardini  
San Patricio County  
Mr. Xavier Valverde  
G&H Towing  
Ms. Jalyn Stineman  
USCG

Capt. Louis Adams  
Aransas/CC Pilots  
Mr. Herman Rodriguez  
City of Robstown  
Mr. David Fields  
Gulf Compress  
Ms. Nancy Loayza  
Ingleside on the Bay  
Mr. Juan Hernandez  
Division 16 Construction  
Mr. John Muir  
Baker Wotring  
Mr. Joe Harrington  
Valero  
Mr. David Cave  
CITGO  
Mr. Tom Moore  
Consultant  
Mr. Joe Guzman  
Robstown Area Economic Dev. Corp  
Mr. Foster Edwards  
San Patricio EDC  
Mr. Bill McCord  
WKMC Architects  
Mr. Scott Harris  
LAH, Inc.  
Mr. Jesus Leija  
The Leija Group  
Mr. Bob Paulison  
Port Industries

**I.**

Chair Zahn called the meeting to order and asked for conflict of interest affidavits to be submitted. None were submitted.

**II.**

On motion made by Mr. Valls and seconded by Mr. Engel, the Commission approved the minutes of March 15 and March 29, 2016, Commission meetings in the form presented to the meeting.

**III.**

The Chair asked for comments from the public. Chief Robert Rocha with the Corpus Christi Fire Department recognized Tony Alejandro upon his retirement and thanked him for his dedicated service.

**IV.**

The Commission received committee reports from the following Commission committees: a) Security; b) Audit; and (c) Long-Range Planning.

**V.**

On motion made by Mr. Engel and seconded by Mr. Valls, the Commission approved and accepted in the form presented to the meeting, PCCA's Comprehensive Annual Financial Report for the years ended December 31, 2015 and 2014, including the independent auditor's reports on Collier, Johnson and Woods PC contained therein.

**VI.**

The Commission received a presentation from Flatiron-Dragados on the status of the Corpus Christi Harbor Bridge Replacement Project.

**VII.**

The Commission received a report from Del Richardson & Associates Inc. on the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

**VIII.**

Having determined that the RFP method of procurement would provide the best value for PCCA in this instance, on motion made by Mr. Valls and seconded by Ms. Canales, the Commission authorized staff to issue a Request for Proposals for the demolition and clearing of properties acquired by the PCCA under the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program.

**IX.**

The Commission received a presentation from staff on the status of rail movement through the port.

**X.**

The Commission received a presentation from Cheniere on the status of the Corpus Christi LNG Liquefaction project.



**XI.**

Having determined that the RFP method of procurement would provide the best value for PCCA in this instance, on motion made by Ms. Canales and seconded by Mr. Valls, the Commission authorized staff to issue a Request for Proposals for a Dry Bulk Commodity Market Study for potential use in the development of a Master Plan for the Bulk Terminal. All proposals are to be vetted by the Long Range Planning Committee which will recommend the next step in the planning process to the full Commission for consideration.

**XII.**

On motion made by Mr. Valls and seconded by Ms. Canales, the Commission approved the termination of the existing 2016 Development Services Agreement with Robstown Area Development Commission and approved, in the form presented to the meeting, a Development Services Agreement with Robstown Improvement Development Corporation for the remainder of 2016.

**XIII.**

On motion made by Mr. Bowers and seconded by Mr. Squires, the Commission awarded a contract to Division 16 Construction Corporation in the amount of \$647,399.01 [\$466,312.76 for the Base Bid; \$19,622.23 for Additive Bid Item 1; and \$161,462.02 for Additive Bid Item 2] and granted the Director of Engineering Services a 4% contingency allowance for change orders under the contract in accordance with the PCCA's standard contingency guidelines for general construction projects. This is a Security Grant FY 2014 Project and 75% of PCCA's construction costs will be reimbursed with federal grant money.

**XIV.**

Staff recommended that the Commission approve a Professional Engineering Services Agreement with Moffatt & Nichol in an amount not to exceed \$337,000 for engineering services associated with Aids-to-Navigation at the La Quinta Ship Channel extension. After considerable discussion, the Commission determined that the design-build method of procurement would provide the best value for PCCA for this work. Then, on motion made by Mr. Hoskins and seconded by Mr. Squires, the Commission rejected staff's recommendation and authorized staff to proceed with the design-build method for the Aids-to Navigation at the La Quinta Ship Channel extension.

**XV.**

On motion made by Mr. Engel and seconded by Ms. Canales, the Commission approved the purchase of a 72.476-acre tract of land in San Patricio County, Texas, from ELDT Investments, Ltd., for a purchase price, including all closing costs, not to exceed \$5.9 million, and authorized staff to proceed with the closing on that basis.

**XVI.**

Items **B** was removed from the Consent Agenda to be acted upon separately. Staff removed Item **D** from the Consent Agenda before any discussion of this item. Then, on motion made by Mr. Squires and seconded by Ms. Canales, Items **A and C** on the Consent Agenda were approved by one vote, in accordance with the respective staff recommendations furnished to the Commission at the meeting. These items were as follows:

- A.** Award a contract to JE Construction Services, the lowest and best bidder, based on bids received on March 22, 2016, in the amount of \$145,289 for repairs to the PCCA Bridge at Oil Dock 11.
- C.** Award a contract in an amount not to exceed \$150,000 and 24 months to J.M. Davidson, Ltd., the lowest and best bidder based on bids received on April 1, 2016, for corrosion protection of equipment and buildings at the Bulk Terminal.

Item **B** on the Consent Agenda was to award a contract, based on bids received on April 4, 2016, for the following work at Oil Dock 2: (a) Base Bid -- replace approximately 220 linear feet of existing buried 8-inch fire line at the dock with new cement lined ductile iron pipe; (b) Additive Bid Item 1 -- marine maintenance and repair work at the dock; and (c) Additive Bid Item 2 -- standby charges for when the contractor is prevented from working at least 14 days in any calendar month due to commercial use of the dock. Upon motion made by Mr. Valls and seconded by Mr. Squires, the Commission (1) rejected Staff's recommendation to award a contract to J.M. Davidson, Ltd., in the amount of \$317,657.56 [\$140,444 for the Base Bid and \$177,213.56 for Additive Bid Item 1] with standby charges of \$3,200 per day, and (2) awarded a contract to Russell Marine, LLC, in the amount of \$105,130 [for the Base Bid], with standby charges of \$5,000 per day. Staff was also instructed to rebid Additive Bid Item 1.

**XVII.**

The Executive Director submitted his report 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.

**XVIII.**

Mr. Zahn asked for comments from Port Commissioners.

***At 11:19 a.m., Mr. Zahn announced that the Commission would go into executive session pursuant to §551.071, §551.072 and §551.087 of the Texas Government Code to deliberate agenda items 19, 20, 21, 22, 23, 24 and 25.***

***At 12:58 p.m. the Commission reconvened into open session.***

**XIX.**

In executive session, the Commission deliberated leasing certain PCCA real property on the north side of the Inner Harbor to Martin Operating Partnership, Ltd. No action was taken on this agenda item in open session.

**XX.**

The Commission received legal advice in executive session regarding the bankruptcy of Sherwin Alumina Company LLC and deliberated the purchase and value of part of Sherwin's real property on the La Quinta Channel. In open session, on motion made by Ms. Canales and seconded by Mr. Valls, the Commission approved the two bids submitted by PCCA on April 18, 2016 for the purchase of certain real property and equipment owned by Sherwin, and authorized PCCA's representatives to submit additional bids at an auction for Sherwin's assets in New York City on April 20, 2016.

**XXI.**

This item was for executive session only: Deliberate offering financial or other incentives to a business prospect that PCCA seeks to have locate in San Patricio County and with which PCCA is conducting economic development negotiations.

**XXII.**

This item was for executive session only: Deliberate (i) leasing certain PCCA real property on the north side of the Inner Harbor, and (ii) offering financial or other incentives to a business prospect that PCCA seeks to have locate or expand on the north side of the Inner Harbor and with which PCCA is conducting economic development negotiations.

**XXIII.**

This item was for executive session only: Deliberate offering financial or other incentives to a business prospect that PCCA seeks to have locate or expand on the La

## **AGENDA ITEM NO. 2**

Quinta Channel and with which PCCA is conducting economic development negotiations.

### **XXIV.**

This item was for executive session only: Deliberate the purchase and value of certain real property located on the La Quinta Channel in San Patricio County, Texas.

### **XXV.**

This item was for executive session only: Receive legal advice regarding a breach of contract claim.

### **XXVI.**

There being no further business, the meeting adjourned at 1:00 p.m.

**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** John LaRue, Executive Director  
(361) 885-6189  
[john@pocca.com](mailto:john@pocca.com)

**AGENDA ITEM NO. 3**

**Presentation of an AmTryke to Brandon Quintanilla through the National American Business Club (AMBUCS) Wish List Program**

**SUMMARY:** Presentation of a new AmTryke to Brandon Quintanilla, a seven-year old boy from Corpus Christi who has Cerebral Palsy. The only way Brandon can ride a bike is by using an AmTryke.

**BACKGROUND:** Grapevine AMBUCS is a chapter of the American Business Club located in Grapevine, Texas. Their mission is to raise funds to purchase, assemble and donate AmTrykes to handicapped children and wounded veterans. In 2016, the chapter reached out for corporate sponsors in order to increase their number of Amtryke donations. The Port of Corpus Christi responded and worked with Driscoll Children's Hospital to identify an eligible local Corpus Christi recipient. Grapevine AMBUCS will present this AmTryke to Brandon Quintanilla to give him more mobility in his life. Currently, Grapevine AMBUCS donates about 130 AmTrykes annually in addition to rebuilding returned AmTrykes for reuse.

**ALTERNATIVES:** N/A

**CONFORMITY TO PORT POLICY:** Conforms to Port's Sponsorship Policy.

**EMERGENCY:** No.

**FINANCIAL IMPACT:** Total cost is \$1,250.000 provided by AMBUCS and the PCCA.

**STAFF RECOMMENDATION:** N/A

**DEPARTMENTAL CLEARANCES:**

Originating Department  
Reviewed & Approved

Executive Director  
John LaRue  
Rosie Collin

**LIST OF SUPPORTING DOCUMENTS:**

Information Sheet  
Picture of Brandon Quintanilla

## Get to know us and get involved!

National AMBUCS is a non-profit service organization whose mission is to help create mobility and independence for children and adults with disabilities. Currently, there are more than 5,500 AMBUCS members spread throughout more than 130 chapters in over 30 states - and we're growing!



Grapevine AMBUCS has donated over 1,000 AmTrykes<sup>®</sup> since the program's inception.

Grapevine AMBUCS, a United Way partner, is an active participant in multiple City of Grapevine/Grapevine Convention and Visitors Bureau supported activities and other venues. These events attract over 500,000 people annually.

We provide 125-135 AmTrykes per year to children and veterans in need.

We support a network of over 100 Physical and Occupational Therapists working through Our Children's House – Baylor Health Network, Cook Children Rehabilitation Network, Scottish Rite Children Hospital, ten independent community therapy centers and eight Independent School Districts in the Dallas/Ft. Worth Metropolitan area.

### ABOUT AMBUCS

The first AMBUCS chapter was founded in Birmingham, AL in 1922 by William L. White. The name AMBUCS originally was used as an acronym for "American Business Clubs". In 1961, the acronym AMBUCS was officially entered into use by the organization. The Grapevine AMBUCS chapter was proudly formed in 1980 to serve the DFW area.

Grapevine AMBUCS  
A registered 501(c)(3) not-for-profit organization

☎ (877) AMTRYKE  
✉ [grapevineamtryke@gmail.com](mailto:grapevineamtryke@gmail.com)  
🌐 [www.grapevineambucs.org](http://www.grapevineambucs.org)





An annual sponsorship for Grapevine AMBUCS is bigger than you may think.

Have your brand seen by over 500,000 people every year at AMBUCS-participating fundraising events.



Supporting AMBUCS helps people in need all year long and exposes your brand to over 500,000 people every year..

Your company logo displayed on the sponsorship banner on the AMBUCS catering truck for all events!  
Your company listed on the AMBUCS web site  
...and much more!

#### GrapeFest

The Largest Consumer Judged Wine Competition in the Nation".  
More than 250,000 people attend this four day event.

#### MainStreetFest

The largest Craft Brew Experience in Texas with over 150,000 attendees annually.

#### Annual Charity Bowling Trournament

150 plus players competing and raising funds.

#### Grapeyard Halloween

A family friendly event over two days, with attendance by over 4,000 annually.

#### Butterfly Flutter By/Fall Round Up

A family event for all ages which includes the annual Dog and Children costume parade. Between 3,000 and 4,000 people attend annually.

#### Spring Into Nash Farm

A family event for all ages with 2,500 - 3,000 attending.

#### Rise Adventure

A day out on the lake with multiple events for attendees, supporting people with a disability and their families. Attended by over 700 people annually.

#### REGISTRATION INFORMATION

Name

Billing Address

City, State, Zip

Phone / Fax

Email

☐ Visa ☐ MC ☐ Amex ☐ Discover

Credit Card Number

Expiration Date  Security Code

Authorized Signature

Gift to be matched by (Company, Family, Foundation)

Please use the following name in all gift acknowledgements

Please mail payment to:

Grapevine AMBUCS, Bank of the West c/o K. Temple,  
108 W. Northwest Highway, Grapevine, TX 76051



Brandon Quintanilla





***AGENDA ITEM NO. 4***

**Comments from the Public**

**NO ATTACHMENT**

***AGENDA ITEM NO. 5***

**Committee Reports**

**NO ATTACHMENT**



**PORT CORPUS CHRISTI®**

Moving America's Energy

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- **Ship and Barges**
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- **Bond Project Summary**

# Net Position

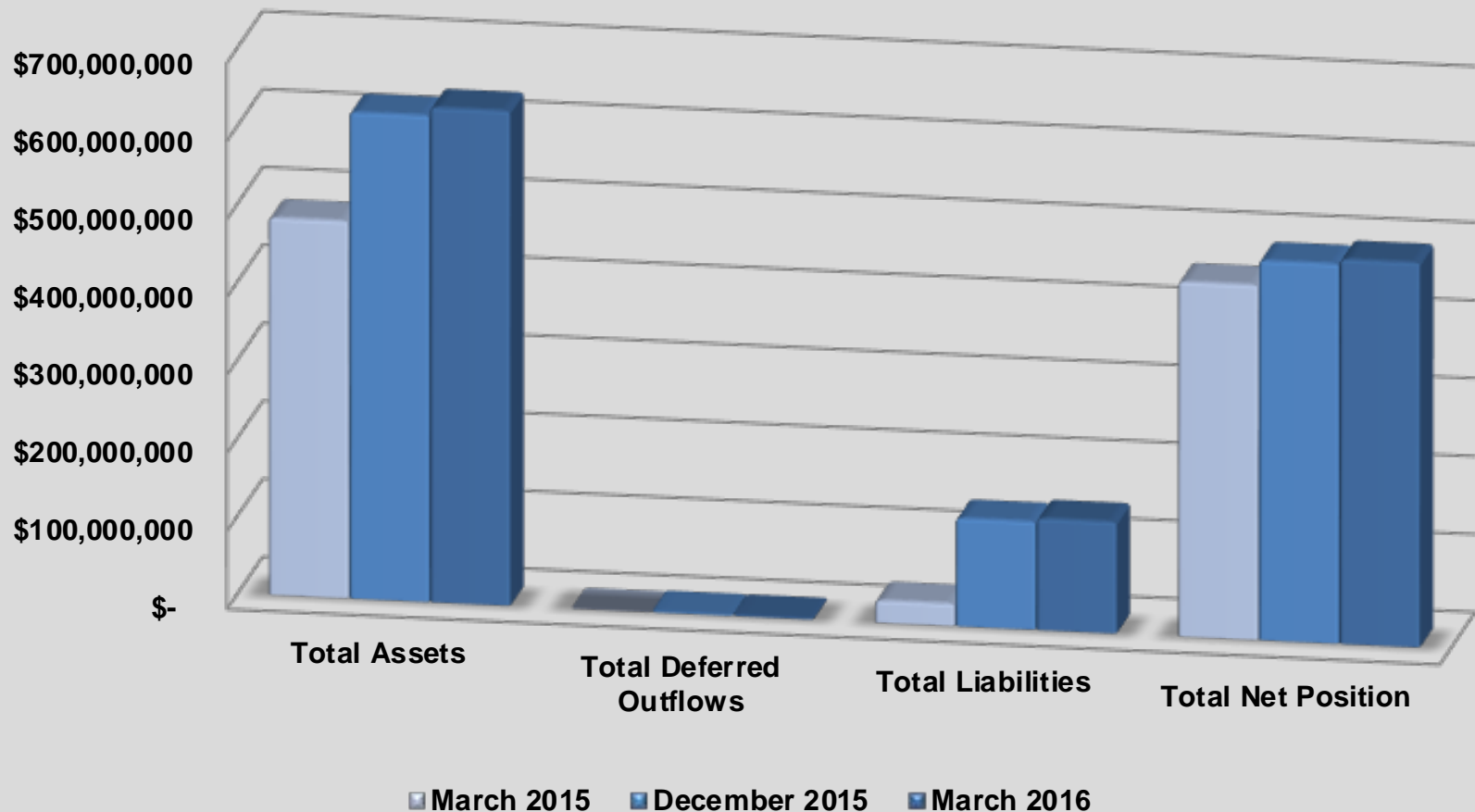
## STATEMENT OF NET POSITION

	March	December	Annual Change	%	March	Year-Over-Year Change	%
	2016	2015			2015		
Cash/ Investments	\$ 166,914,814	\$ 155,618,723	\$ 11,296,091	7%	\$ 163,876,120	\$ 3,038,694	2%
A/R	\$ 14,555,442	\$ 17,592,762	\$ (3,037,320)	-17%	\$ 10,831,491	\$ 3,723,951	34%
Restricted Assets	\$ 87,989,792	\$ 90,967,295	\$ (2,977,503)	-3%	\$ 35,525	\$ 87,954,267	247,584%
P P & E, net	\$ 361,693,387	\$ 355,995,268	\$ 5,698,119	2%	\$ 300,648,598	\$ 61,044,789	20%
Other	\$ 3,610,113	\$ 3,967,987	\$ (357,874)	-9%	\$ 8,664,409	\$ (5,054,296)	-58%
<b>Total Assets</b>	<b>\$ 634,763,548</b>	<b>\$ 624,142,035</b>	<b>\$ 10,621,513</b>	<b>2%</b>	<b>\$ 484,056,143</b>	<b>\$ 150,707,405</b>	<b>31%</b>
Deferred Outflows-Pension	\$ 1,958,889	\$ 1,958,889	\$ -	0%	\$ -	\$ 1,958,889	100%
<b>Total Deferred Outflows</b>	<b>\$ 1,958,889</b>	<b>\$ 1,958,889</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>\$ 1,958,889</b>	<b>100%</b>
Current Liabilities	\$ 10,997,963	\$ 7,241,469	\$ 3,756,494	52%	\$ 6,608,107	\$ 4,389,856	66%
Unearned Income	\$ 12,833,505	\$ 12,401,441	\$ 432,064	3%	\$ 18,143,714	\$ (5,310,209)	-29%
Long-term Debt	\$ 115,000,000	\$ 115,000,000	\$ -	-	\$ -	\$ 115,000,000	100%
Other	\$ 4,456,297	\$ 4,347,870	\$ 108,427	2%	\$ 4,093,853	\$ 362,444	9%
<b>Total Liabilities</b>	<b>\$ 143,287,765</b>	<b>\$ 138,990,780</b>	<b>\$ 4,296,985</b>	<b>3%</b>	<b>\$ 28,845,674</b>	<b>\$ 114,442,091</b>	<b>397%</b>
Investment in Net Assets	\$ 290,093,226	\$ 287,147,608	\$ 2,945,618	1%	\$ 291,644,572	\$ (1,551,346)	-1%
Restricted Net Position	\$ 36,042,967	\$ 36,153,709	\$ (110,742)	0%	\$ 35,525	\$ 36,007,442	101,358%
Unrestricted Net Position	\$ 167,298,479	\$ 163,808,827	\$ 3,489,652	2%	\$ 163,530,372	\$ 3,768,107	2%
<b>Total Net Position</b>	<b>\$ 493,434,672</b>	<b>\$ 487,110,144</b>	<b>\$ 6,324,528</b>	<b>1%</b>	<b>\$ 455,210,469</b>	<b>\$ 38,224,203</b>	<b>8%</b>



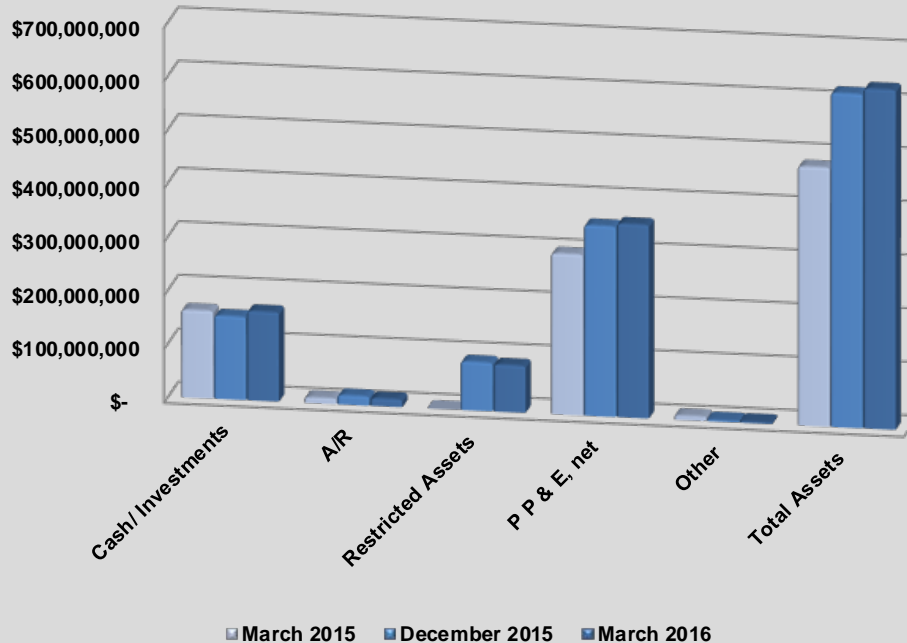
# Net Position

## Statement of Net Position



# Assets

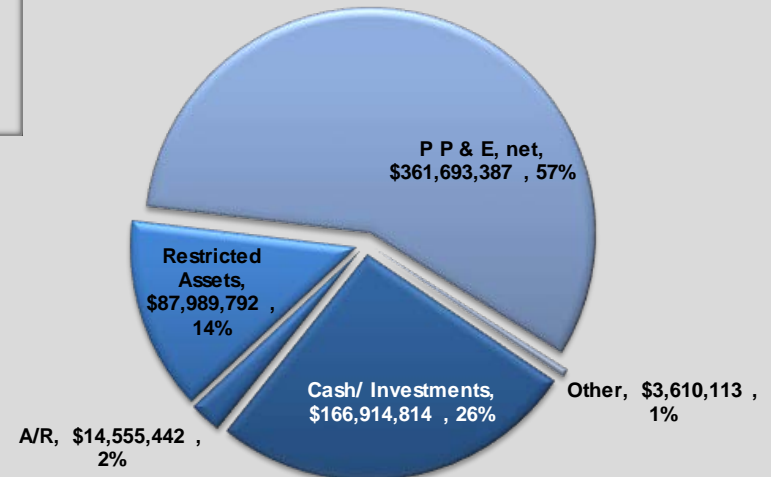
## Assets



## ASSETS

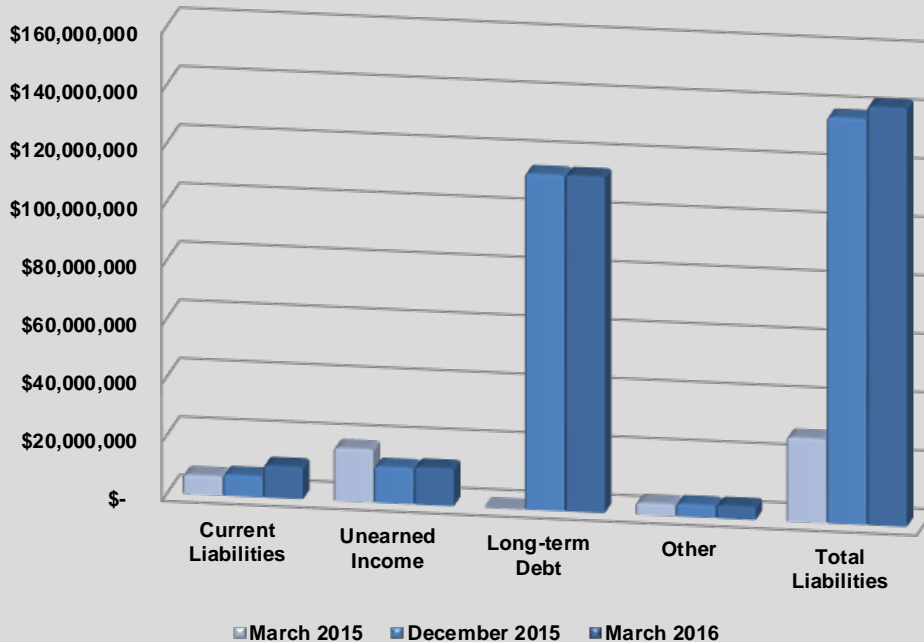
	March	December	March
	2016	2015	2015
Cash	\$ 166,914,814	\$ 155,618,723	\$ 163,876,120
A/R	\$ 14,555,442	\$ 17,592,762	\$ 10,831,491
Restricted Assets	\$ 87,989,792	\$ 90,967,295	\$ 35,525
P P & E, net	\$ 361,693,387	\$ 355,995,268	\$ 300,648,598
Other	\$ 3,610,113	\$ 3,967,987	\$ 8,664,409
<b>Total Assets</b>	<b>\$ 634,763,548</b>	<b>\$ 624,142,035</b>	<b>\$ 484,056,143</b>

## Assets 2016

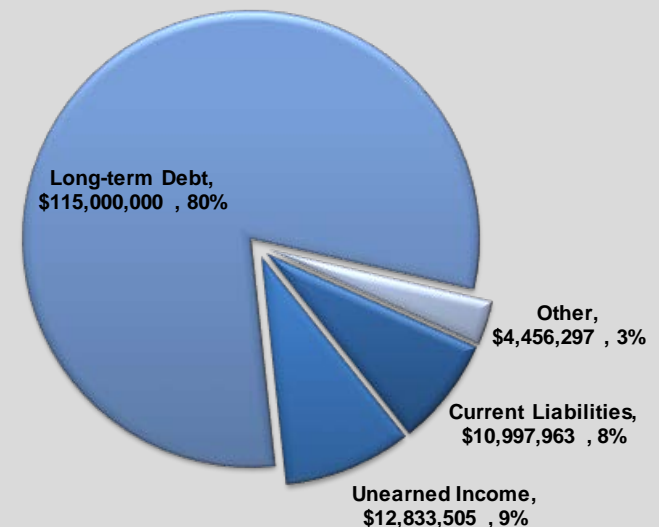


# Liabilities

## Liabilities



## Liabilities 2016



## LIABILITIES

	March	December	March
	2016	2015	2015
Current Liabilities	\$ 10,997,963	\$ 7,241,469	\$ 6,608,107
Unearned Income	\$ 12,833,505	\$ 12,401,441	\$ 18,143,714
Long-term Debt	\$ 115,000,000	\$ 115,000,000	\$ -
Other	\$ 4,456,297	\$ 4,347,870	\$ 26,993,853
<b>Total Liabilities</b>	<b>\$ 143,287,765</b>	<b>\$ 138,990,780</b>	<b>\$ 28,845,674</b>

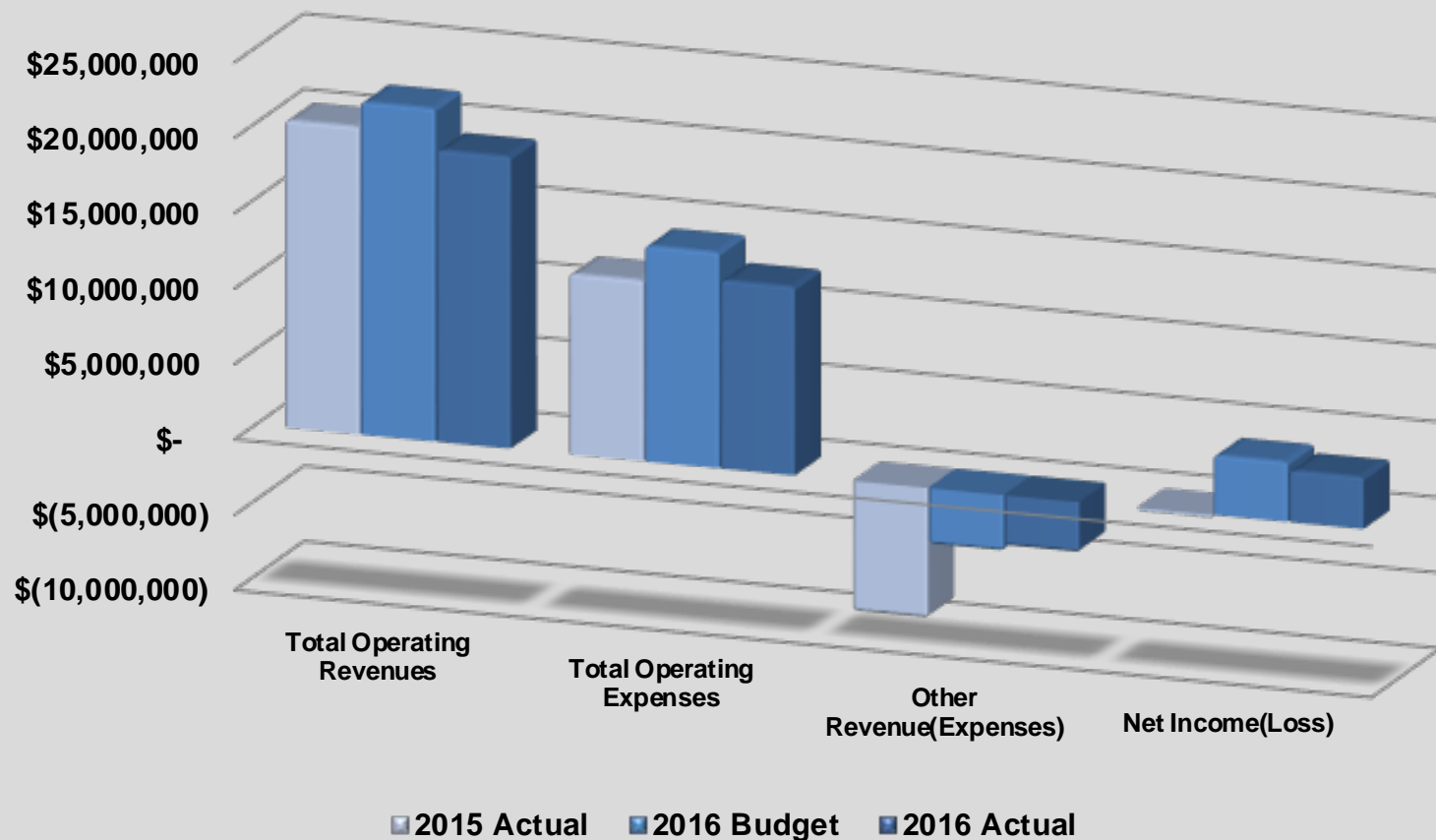
# Revenues & Expenses

## STATEMENT OF REVENUES AND EXPENSES

	March			Change			
	2016		2015	Budget	%	Actual	%
	Actual	Budget	Actual				
Wharfage	\$ 10,272,229	\$ 11,694,278	\$ 11,190,001	\$ (1,422,049)	-12%	\$ (917,772)	-8%
Dockage	\$ 2,990,271	\$ 3,867,491	\$ 3,618,779	\$ (877,220)	-23%	\$ (628,508)	-17%
Security	\$ 1,493,788	\$ 1,783,130	\$ 1,636,538	\$ (289,342)	-16%	\$ (142,750)	-9%
Other Shipping Services	\$ 1,736,731	\$ 2,370,053	\$ 1,828,376	\$ (633,322)	-27%	\$ (91,645)	-5%
Building and Land Rental	\$ 2,864,043	\$ 2,367,649	\$ 2,133,505	\$ 496,394	21%	\$ 730,538	34%
<b>Total Operating Revenues</b>	<b>\$ 19,357,062</b>	<b>\$ 22,082,601</b>	<b>\$ 20,407,199</b>	<b>\$ (2,725,539)</b>	<b>-12%</b>	<b>\$ (1,050,137)</b>	<b>-5%</b>
Employee Services	\$ 4,507,425	\$ 5,112,157	\$ 4,438,775	\$ (604,732)	-12%	\$ 68,650	2%
Maintenance	\$ 1,086,614	\$ 1,710,558	\$ 1,035,616	\$ (623,944)	-36%	\$ 50,998	5%
Utilities/ Telephone	\$ 381,343	\$ 329,000	\$ 375,167	\$ 52,343	16%	\$ 6,176	2%
Insurance	\$ 444,535	\$ 522,127	\$ 495,793	\$ (77,592)	-15%	\$ (51,258)	-10%
Prof/ Contracted Services	\$ 1,419,634	\$ 1,765,733	\$ 1,366,652	\$ (346,099)	-20%	\$ 52,982	4%
Operator/ Event Expenses	\$ 383,548	\$ 325,173	\$ 330,159	\$ 58,375	18%	\$ 53,389	16%
Admin/Trade Dmp/Other	\$ 990,459	\$ 1,081,013	\$ 891,568	\$ (90,554)	-8%	\$ 98,891	11%
Depreciation	\$ 3,287,742	\$ 3,470,463	\$ 3,058,870	\$ (182,721)	-5%	\$ 228,872	7%
<b>Total Operating Expenses</b>	<b>\$ 12,501,300</b>	<b>\$ 14,316,224</b>	<b>\$ 11,992,600</b>	<b>\$ (1,814,924)</b>	<b>-13%</b>	<b>\$ 508,700</b>	<b>4%</b>
<b>Net Operating Income(Loss)</b>	<b>\$ 6,855,762</b>	<b>\$ 7,766,377</b>	<b>\$ 8,414,599</b>	<b>\$ (910,615)</b>	<b>-12%</b>	<b>\$ (1,558,837)</b>	<b>-19%</b>
Interest Income	\$ 595,971	\$ 178,479	\$ 184,751	\$ 417,492	234%	\$ 411,220	223%
Other Revenue	\$ 15,579	\$ 62,704	\$ 17,621	\$ (47,125)	-75%	\$ (2,042)	-12%
Gain(Loss) Disposal of Assets	\$ -	\$ -	\$ (5,900,777)	\$ -	-	\$ 5,900,777	-100%
Interest/Bond Expense	\$ (1,037,194)	\$ (1,034,988)	\$ (261)	\$ (2,206)	0%	\$ (1,036,933)	397,292%
Other Expense	\$ (3,000,000)	\$ (3,000,000)	\$ (3,000,051)	\$ -	-	\$ 51	-
<b>Other Revenue(Expenses)</b>	<b>\$ (3,425,644)</b>	<b>\$ (3,793,805)</b>	<b>\$ (8,698,717)</b>	<b>\$ 368,161</b>	<b>-10%</b>	<b>\$ 5,273,073</b>	<b>-61%</b>
<b>Net Income(Loss)</b>	<b>\$ 3,430,118</b>	<b>\$ 3,972,572</b>	<b>\$ (284,118)</b>	<b>\$ (542,454)</b>	<b>-14%</b>	<b>\$ 3,714,236</b>	<b>1,307%</b>

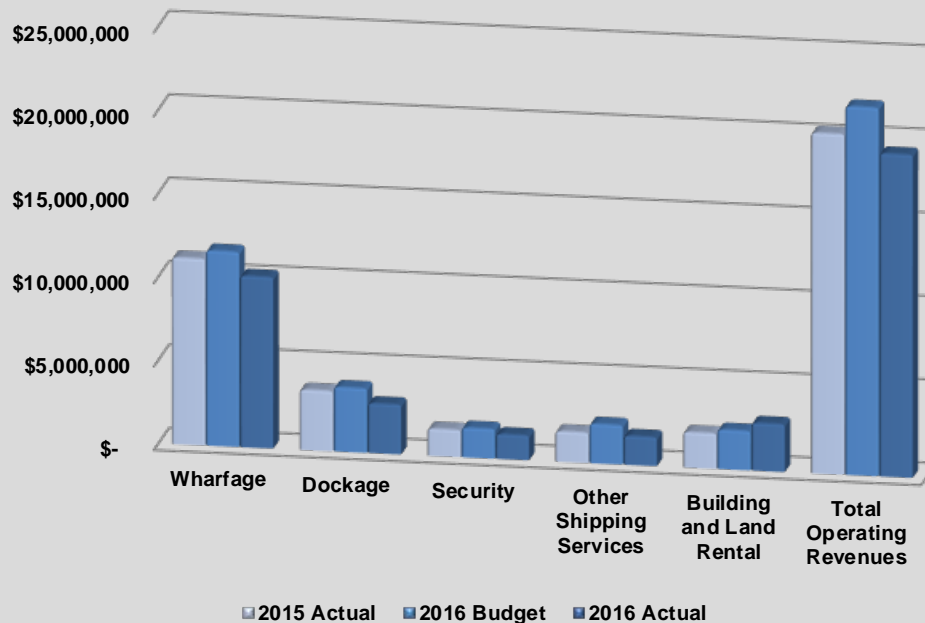
# Revenues and Expenses

## Statement of Revenues & Expenses

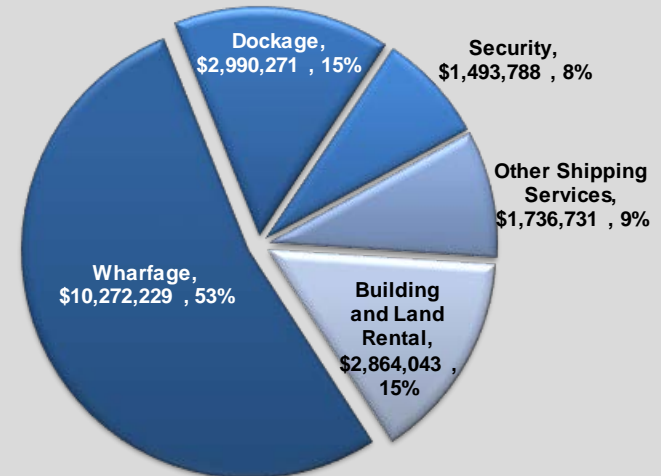


# Revenues

## Operating Revenues



## Operating Revenues 2016 Actual



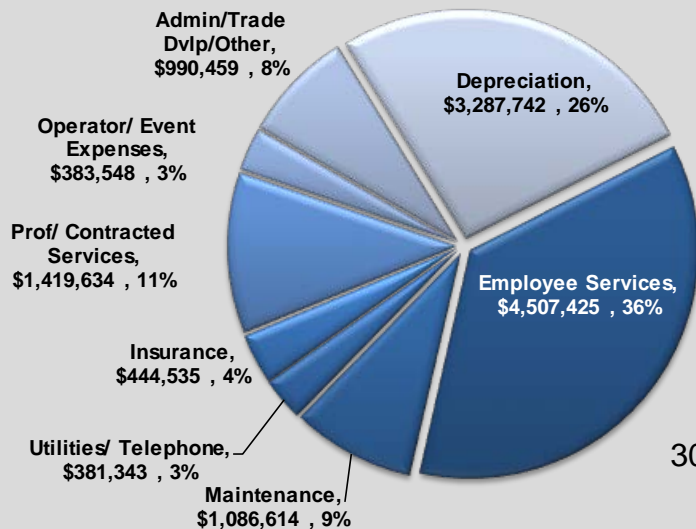
## OPERATING REVENUES

	March		
	2016		2015
	Actual	Budget	Actual
Wharfage	\$ 10,272,229	\$ 11,694,278	\$ 11,190,001
Dockage	\$ 2,990,271	\$ 3,867,491	\$ 3,618,779
Security	\$ 1,493,788	\$ 1,783,130	\$ 1,636,538
Other Shipping Services	\$ 1,736,731	\$ 2,370,053	\$ 1,828,376
Building and Land Rental	\$ 2,864,043	\$ 2,367,649	\$ 2,864,043
<b>Operating Revenues</b>	<b>\$ 19,357,062</b>	<b>\$ 22,082,601</b>	<b>\$ 20,407,199</b>

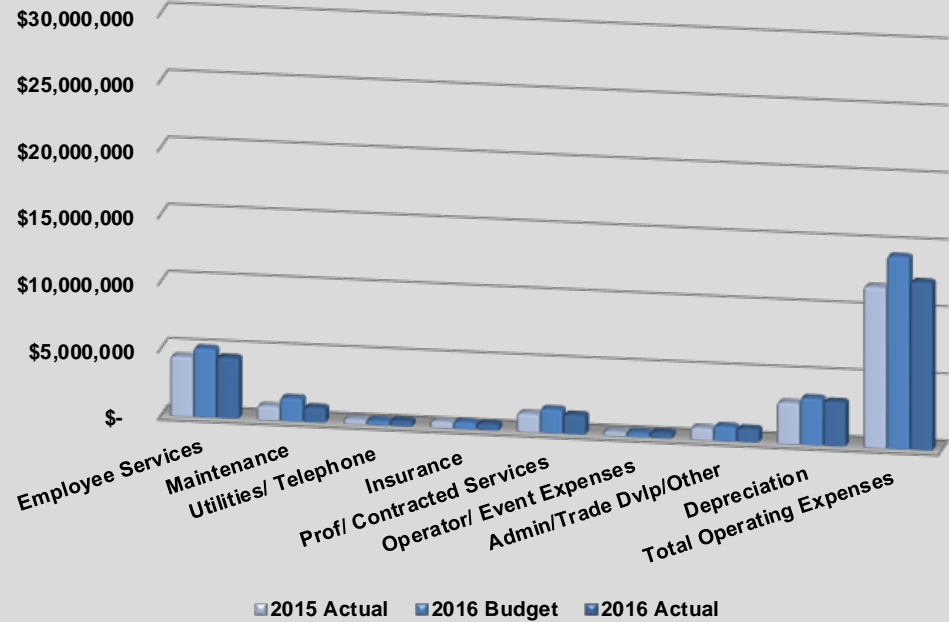
# Expenses

OPERATING EXPENSES			
	March		
	2016		2015
	Actual	Budget	Actual
Employee Services	\$ 4,507,425	\$ 5,112,157	\$ 4,438,775
Maintenance	\$ 1,086,614	\$ 1,710,558	\$ 1,035,616
Utilities/ Telephone	\$ 381,343	\$ 329,000	\$ 375,167
Insurance	\$ 444,535	\$ 522,127	\$ 495,793
Prof/ Contracted Services	\$ 1,419,634	\$ 1,765,733	\$ 1,366,652
Operator/ Event Expenses	\$ 383,548	\$ 325,173	\$ 330,159
Admin/Trade Dvlp/Other	\$ 990,459	\$ 1,081,013	\$ 891,568
Depreciation	\$ 3,287,742	\$ 3,470,463	\$ 3,058,870
<b>Operating Expenses</b>	<b>\$ 12,501,300</b>	<b>\$ 14,316,224</b>	<b>\$ 11,992,600</b>

**Operating Expenses  
2016 Actual**



**Operating Expenses**





# Tonnage/Ships & Barges

## TONNAGE

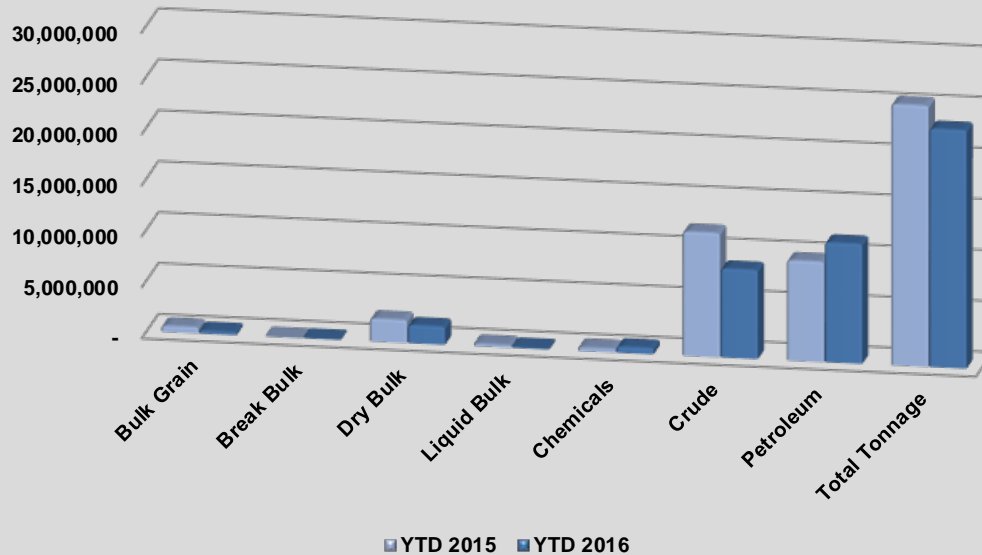
	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2016	2015			2016	2015		
Bulk Grain	270,880	128,873	142,007	110%	328,313	621,038	(292,725)	-47%
Break Bulk	16,995	10,525	6,470	61%	57,028	36,177	20,851	58%
Dry Bulk	499,577	760,487	(260,910)	-34%	1,774,196	2,258,941	(484,745)	-21%
Liquid Bulk	40,851	123,333	(82,482)	-67%	115,232	293,076	(177,844)	-61%
Chemicals	267,435	163,456	103,979	64%	612,571	387,472	225,099	58%
Crude	2,977,480	3,965,576	(988,096)	-25%	8,732,888	12,187,186	(3,454,298)	-28%
Petroleum	3,949,239	3,435,259	513,980	15%	11,762,840	9,843,175	1,919,665	20%
<b>Total Tonnage</b>	<b>8,022,457</b>	<b>8,587,509</b>	<b>(565,052)</b>	<b>-7%</b>	<b>23,383,068</b>	<b>25,627,065</b>	<b>(2,243,997)</b>	<b>-9%</b>

## SHIP & BARGE MOVEMENTS

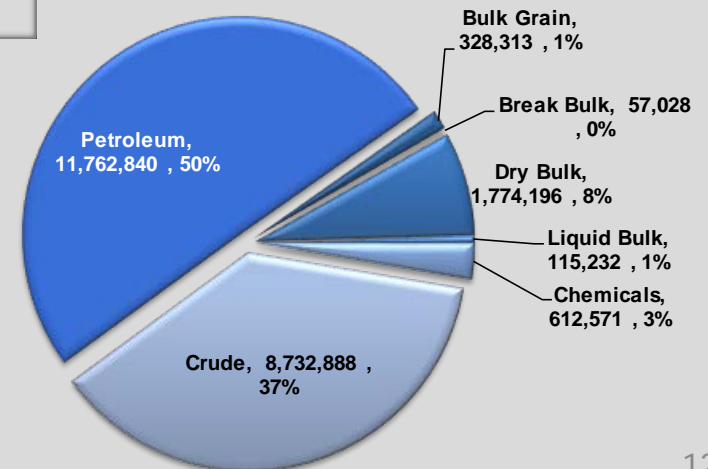
	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2016	2015			2016	2015		
Ships	139	144	(5)	-3%	407	408	(1)	0%
Barges	393	528	(135)	-26%	1,244	1,562	(318)	-20%
<b>Total Ship &amp; Barges</b>	<b>532</b>	<b>672</b>	<b>(140)</b>	<b>-21%</b>	<b>1,651</b>	<b>1,970</b>	<b>(319)</b>	<b>-16%</b>

# Tonnage

**Tonnage**



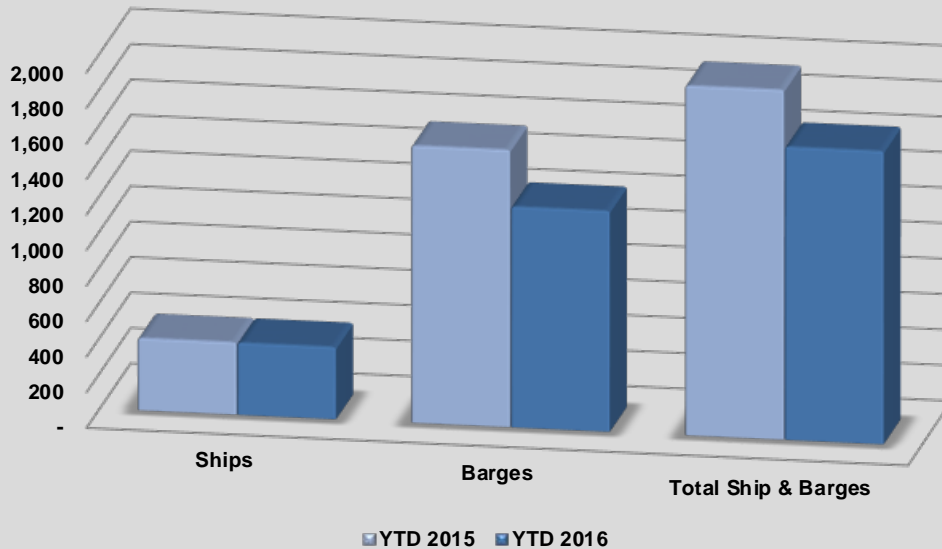
**Tonnage 2016**



TONNAGE			
	March		Year Over Year Change
	2016	2015	
Bulk Grain	328,313	621,038	(292,725)
Break Bulk	57,028	36,177	20,851
Dry Bulk	1,774,196	2,258,941	(484,745)
Liquid Bulk	115,232	293,076	(177,844)
Chemicals	612,571	387,472	225,099
Crude	8,732,888	12,187,186	(3,454,298)
Petroleum	11,762,840	9,843,175	1,919,665
<b>Total Tonnage</b>	<b>23,383,068</b>	<b>25,627,065</b>	<b>(2,243,997)</b>

# Ships and Barges

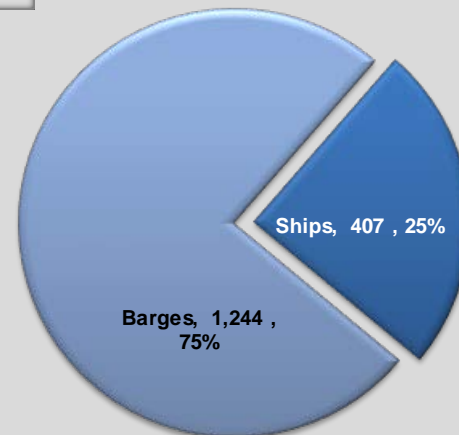
**Ships & Barges**



**SHIP & BARGE MOVEMENTS**

	March		Year Over Year Change
	2016	2015	
Ships	407	408	(1)
Barges	1,244	1,562	(318)
<b>Total Ship &amp; Barges</b>	<b>1,651</b>	<b>1,970</b>	<b>(319)</b>

**Ships & Barges 2016**

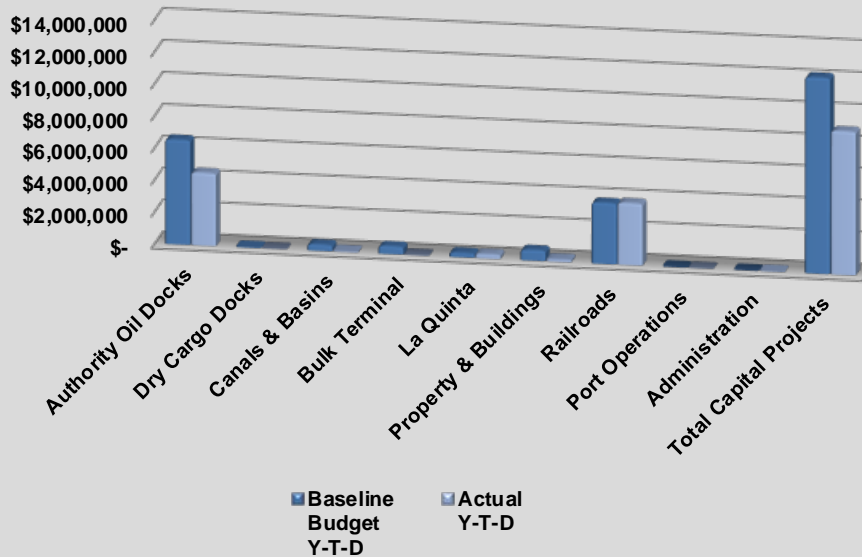


# Capital Projects

CAPITAL PROJECTS						
	Annual Budget	Actual Y-T-D	Balance Remaining	Baseline Budget Y-T-D	Actual Y-T-D	Variance
Authority Oil Docks	\$ 13,530,000	\$ 4,553,441	\$ 8,976,559	\$ 6,550,000	\$ 4,553,441	\$ (1,996,559)
Dry Cargo Docks	\$ 1,200,000	\$ -	\$ 1,200,000	\$ 30,000	\$ -	\$ (30,000)
Canals & Basins	\$ 23,996,321	\$ 60,256	\$ 23,936,065	\$ 402,700	\$ 60,256	\$ (342,444)
Bulk Terminal	\$ 5,397,500	\$ 4,807	\$ 5,392,693	\$ 500,000	\$ 4,807	\$ (495,193)
La Quinta	\$ 9,637,500	\$ 284,915	\$ 9,352,585	\$ 285,000	\$ 284,915	\$ (85)
Property & Buildings	\$ 36,196,305	\$ 175,345	\$ 36,020,960	\$ 670,000	\$ 175,345	\$ (494,655)
Railroads	\$ 17,110,000	\$ 3,879,236	\$ 13,230,764	\$ 3,825,000	\$ 3,879,236	\$ 54,236
Port Operations	\$ 1,086,000	\$ 6,200	\$ 1,079,800	\$ -	\$ 6,200	\$ 6,200
Administration	\$ 1,355,000	\$ 21,660	\$ 1,333,340	\$ -	\$ 21,660	\$ 21,660
<b>Total Capital Projects</b>	<b>\$ 109,508,626</b>	<b>\$ 8,985,860</b>	<b>\$ 100,522,766</b>	<b>\$ 12,262,700</b>	<b>\$ 8,985,860</b>	<b>\$ (3,276,840)</b>

# Capital Projects

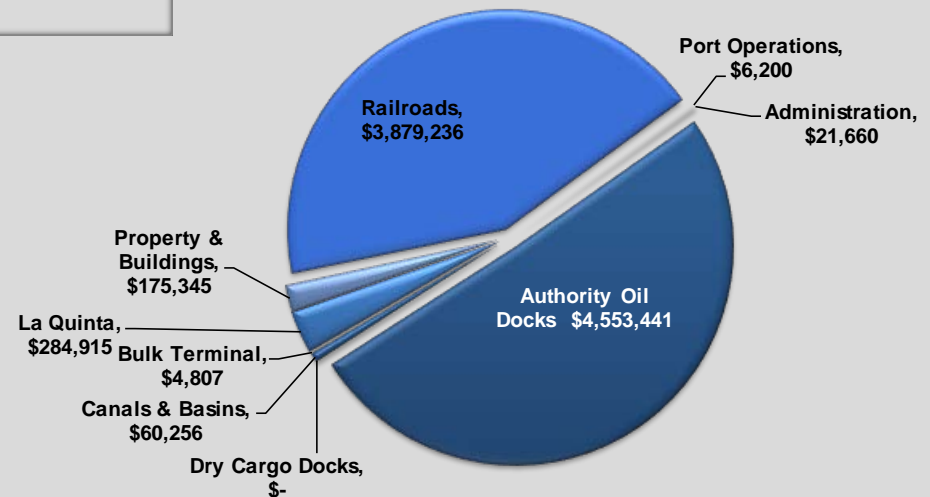
## Capital Projects



## CAPITAL PROJECTS

	Baseline Budget Y-T-D	Actual Y-T-D	Variance
Authority Oil Docks	\$ 6,550,000	\$ 4,553,441	\$ (1,996,559)
Dry Cargo Docks	\$ 30,000	\$ -	\$ (30,000)
Canals & Basins	\$ 402,700	\$ 60,256	\$ (342,444)
Bulk Terminal	\$ 500,000	\$ 4,807	\$ (495,193)
La Quinta	\$ 285,000	\$ 284,915	\$ (85)
Property & Buildings	\$ 670,000	\$ 175,345	\$ (494,655)
Railroads	\$ 3,825,000	\$ 3,879,236	\$ 54,236
Port Operations	\$ -	\$ 6,200	\$ 35,204
Administration	\$ -	\$ 21,660	\$ 21,660
<b>Total Capital Projects</b>	<b>\$ 12,262,700</b>	<b>\$ 8,985,860</b>	<b>\$ (3,276,840)</b>

## Capital Project Expenditures 2016



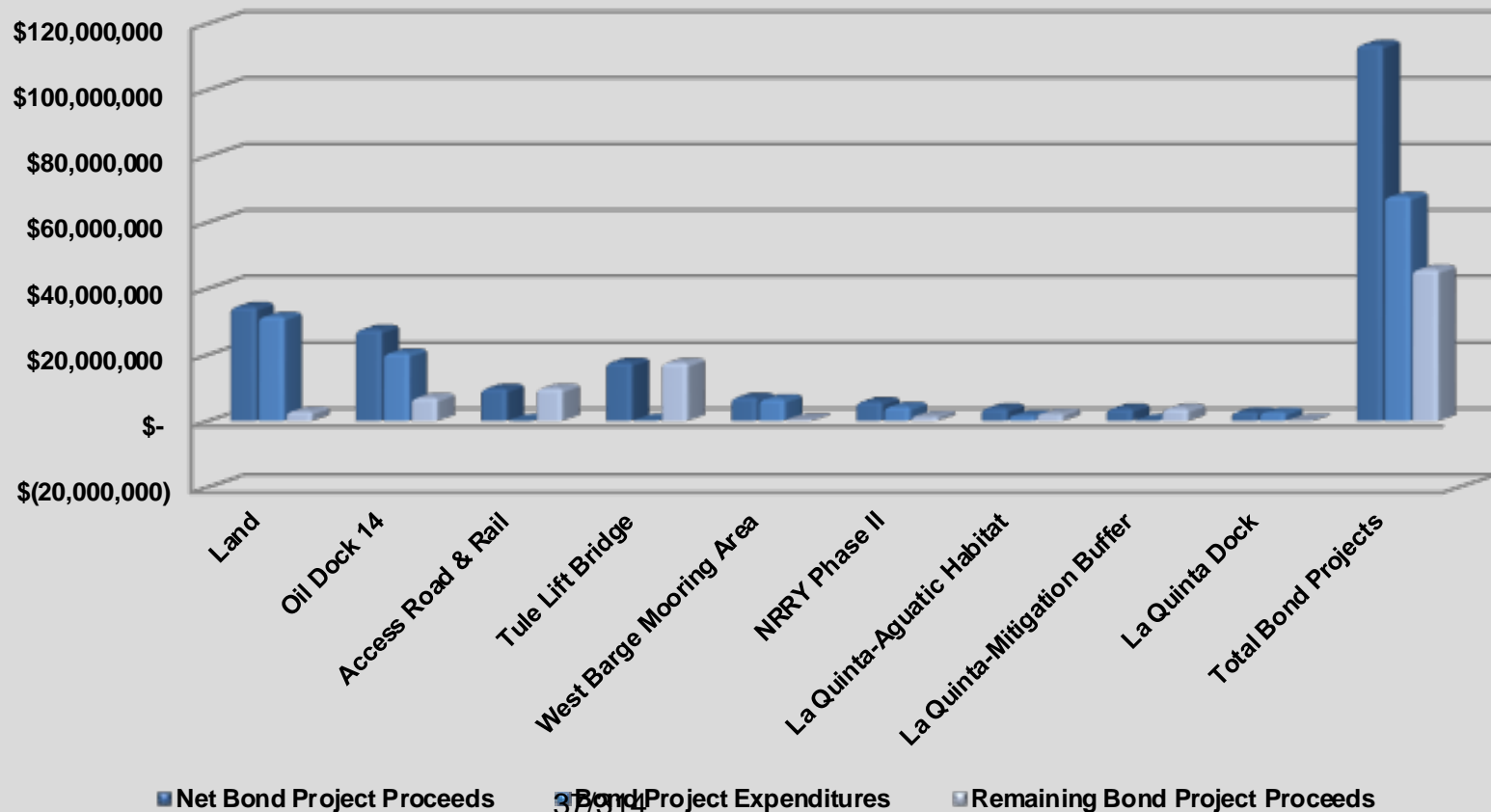
# Bond Projects

## BOND PROJECT PROCEEDS - (As of March 2016)

	Bond Project Proceeds	Bond Issuance Expenses	Net Bond Project Proceeds	Bond Project Expenditures	Remaining Bond Project Proceeds
Land	\$ 34,960,000	\$ 349,499	\$ 34,610,501	\$ <b>31,642,940</b>	\$ 2,967,561
Oil Dock 14	\$ 28,000,000	\$ 279,919	\$ 27,720,081	\$ <b>20,602,236</b>	\$ 7,117,845
Access Road & Rail	\$ 10,000,000	\$ 99,126	\$ 9,900,874	\$ <b>(13,456)</b>	\$ 9,914,330
Tule Lift Bridge	\$ 18,000,000	\$ 179,948	\$ 17,820,052	\$ <b>142,002</b>	\$ 17,678,050
West Barge Mooring Area	\$ 7,280,000	\$ 72,779	\$ 7,207,221	\$ <b>6,745,456</b>	\$ 461,765
NRRY Phase II	\$ 6,000,000	\$ 59,983	\$ 5,940,017	\$ <b>4,469,724</b>	\$ 1,470,293
La Quinta-Aquatic Habitat	\$ 4,020,000	\$ 40,188	\$ 3,979,812	\$ <b>1,686,229</b>	\$ 2,293,583
La Quinta-Mitigation Buffer	\$ 3,940,000	\$ 39,388	\$ 3,900,612	\$ <b>20,872</b>	\$ 3,879,740
La Quinta Dock	\$ 2,800,000	\$ 27,992	\$ 2,772,008	\$ <b>2,669,863</b>	\$ 102,145
<b>Total Bond Projects</b>	<b>\$ 115,000,000</b>	<b>\$ 1,148,822</b>	<b>\$ 113,851,178</b>	<b>\$ 67,965,865</b>	<b>\$ 45,885,313</b>

# Bond Projects

**Bond Project Proceeds  
(As of March 2016)**





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**Thank You**





# INVESTMENT REPORT

For the Quarter Ended March 31, 2016



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# Table of Contents

- **Compliance Statement**
- **Executive Summary**
- **Investment Values and Yield Returns**
- **Allocation Analysis**
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- **Weighed Average Maturities (WAM)**
- **Rates**
- **Benchmarks**
- **Appendix**
  - ❖ **Investment Portfolio Report**
  - ❖ **Investment Transactions**



# Compliance Statement

**We believe the investment information presented for the quarter ending March 31, 2016, is accurate in all material respects, and is presented in a manner that fairly sets forth the investment standing of the Port of Corpus Christi Authority (Authority).**

**This report was prepared in compliance with the Authority's Investment Policy, Investment Strategy, and the Public Funds Investment Act of the State of Texas (Texas Government Code 2256.023).**

**Dennis J. DeVries**  
**Director of Finance**

**Audre Debler**  
**Chief Accountant**



# Executive Summary

The accompanying quarterly investment report lists in summary form and in detail the investment positions of the Port of Corpus Christi Authority's (Authority) operating funds as of March 31, 2016. As of that date, the Authority had a total of approximately \$255.6 million invested in a local government investment pools, money market accounts, agencies, certificates of deposit, and municipal securities.

The goal of the Authority is to ensure the safety of all funds entrusted to the Authority, the availability of those funds for the payment of all necessary obligations of the Authority, and to provide for the investment of all funds, not immediately required, in securities earning a reasonable market yield. The safety of principal and liquidity shall always be the primary concern. The Authority's intention is to hold investments to maturity while receiving the highest reasonable market yield in accordance with its objectives at the date of investment. It is not the intent to devote substantial efforts to earn profit on investment market fluctuations. Investments will be purchased because of their interest yield expectations over their remaining life rather than for speculative purposes.

All investments in the portfolio are fully secured and will return 100% of par value if held to maturity. The Authority's investments are usually held to maturity, and any gains (losses) in market value will be reflected in market prices created by changes in interest rates during the quarter.

## QUARTERLY SUMMARY:

### December 31, 2015

Beginning Book	\$ 248,347,878
Beginning Market	\$ 248,147,902
Unrealized Gain/(Loss)	\$ (199,976)
WAM	219 Days
Net Quarterly Yield	0.345%
Yield at End of Quarter	0.407%
Benchmark for Quarter	0.470%
Earnings for Quarter	\$ 194,506

### March 31, 2016

Ending Book	\$ 255,569,297
Ending Market	\$ 255,736,572
Unrealized Gain/(Loss)	\$ 167,274
WAM	294 Days
Net Quarterly Yield	0.679%
Yield at End of Quarter	0.659%
Benchmark for Quarter	0.580%
Earnings for Quarter	\$ 397,690




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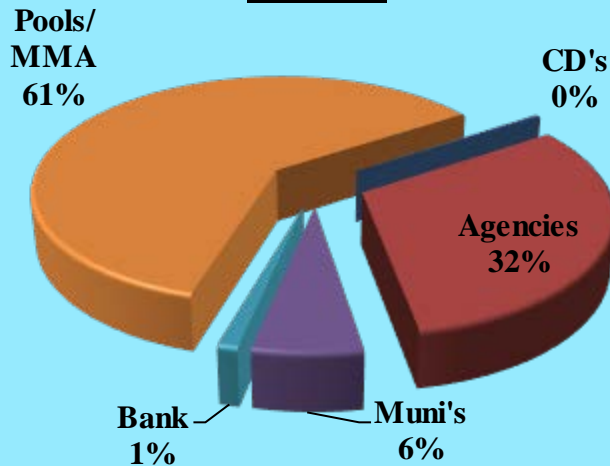
# Investment Values and Yield Returns

	Values	Yields
<b>Bank</b>	<b>\$ 32,719,144</b>	<b>0.095%</b>
<b>Texpool</b>	<b>\$ 51,946,825</b>	<b>0.327%</b>
<b>Texpool Prime</b>	<b>\$ 40,647,721</b>	<b>0.514%</b>
<b>Money Market Account</b>	<b>\$ 246,654</b>	<b>0.350%</b>
<b>Certificates of Deposit</b>	<b>\$ 490,000</b>	<b>0.875%</b>
<b>Federal Agencies</b>	<b>\$ 102,890,876</b>	<b>1.051%</b>
<b>Treasuries</b>	<b>\$ 14,983,180</b>	<b>0.708%</b>
<b>Municipal Bonds</b>	<b>\$ 11,644,897</b>	<b>0.706%</b>
<b>Total</b>	<b>\$ 255,569,297</b>	<b>0.659%</b>

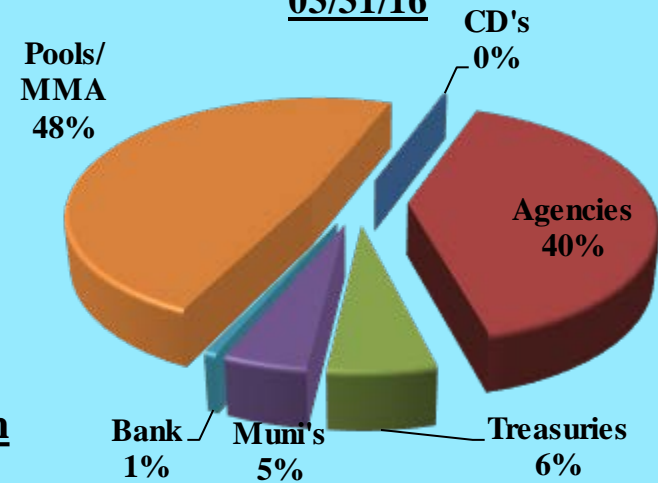
# Allocation Analysis

## Asset Allocation

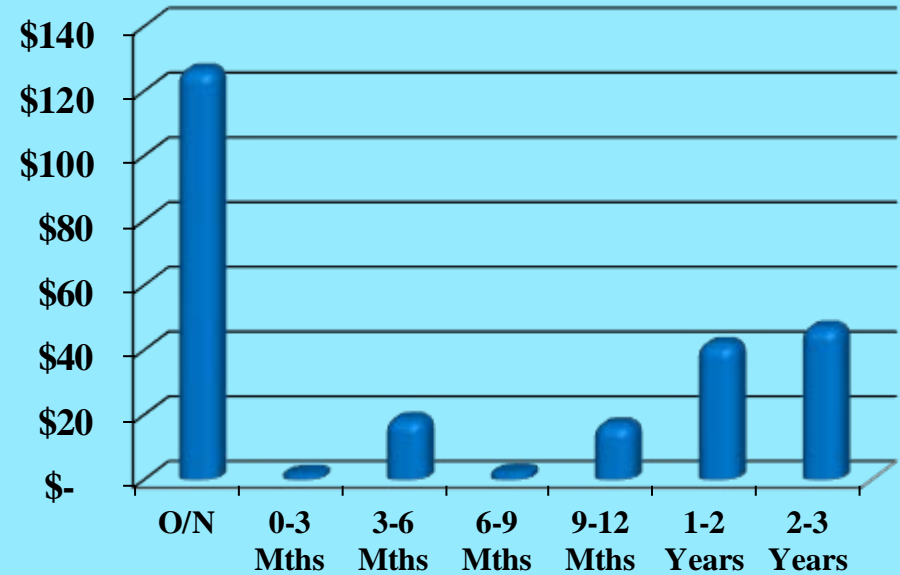
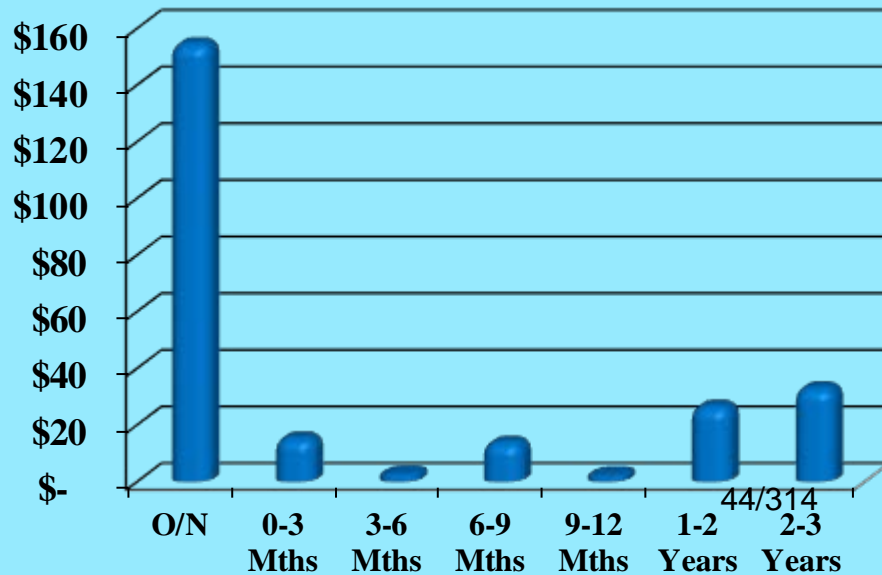
12/31/15



03/31/16

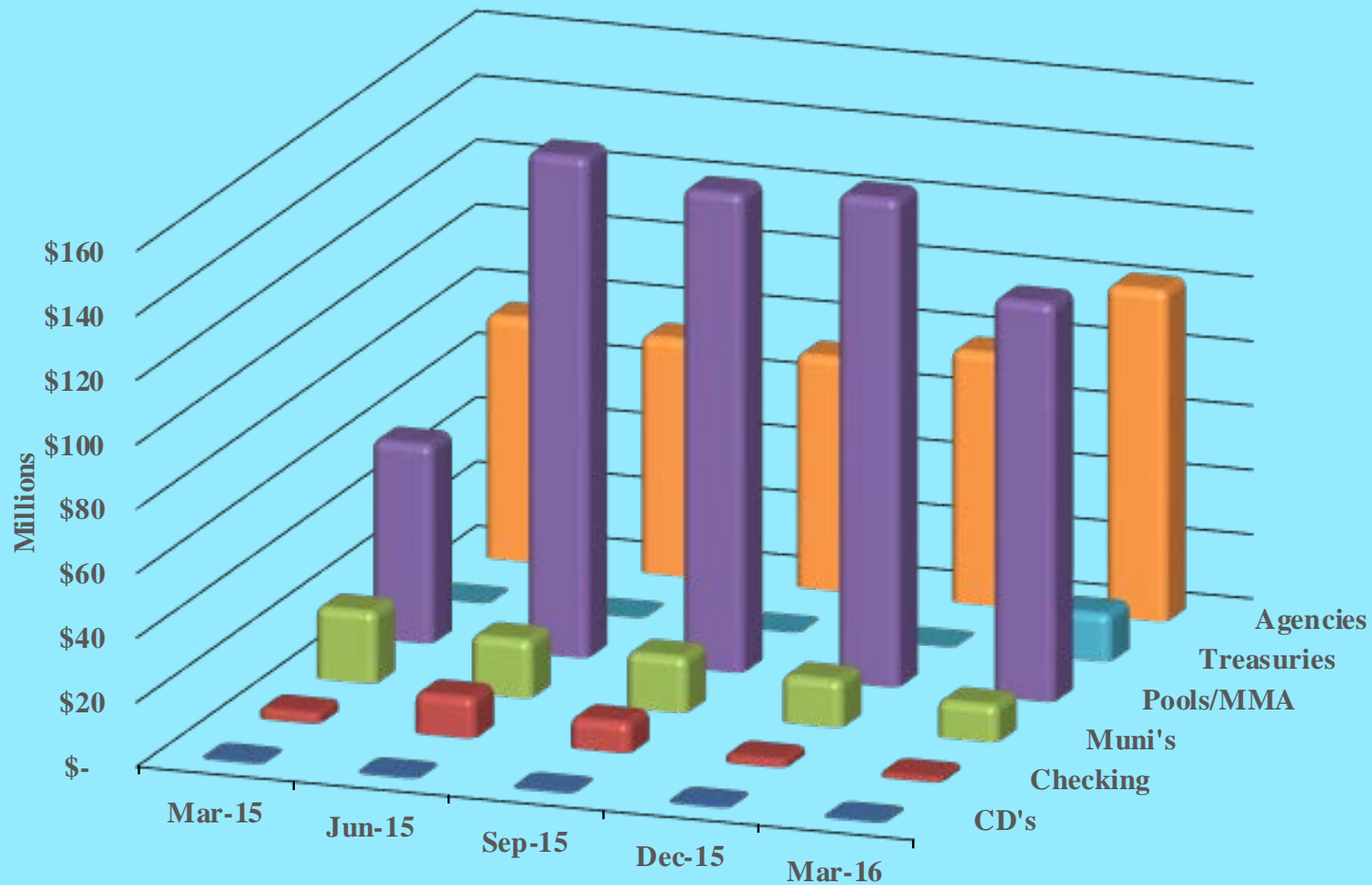


## Maturity Allocation (in Millions)



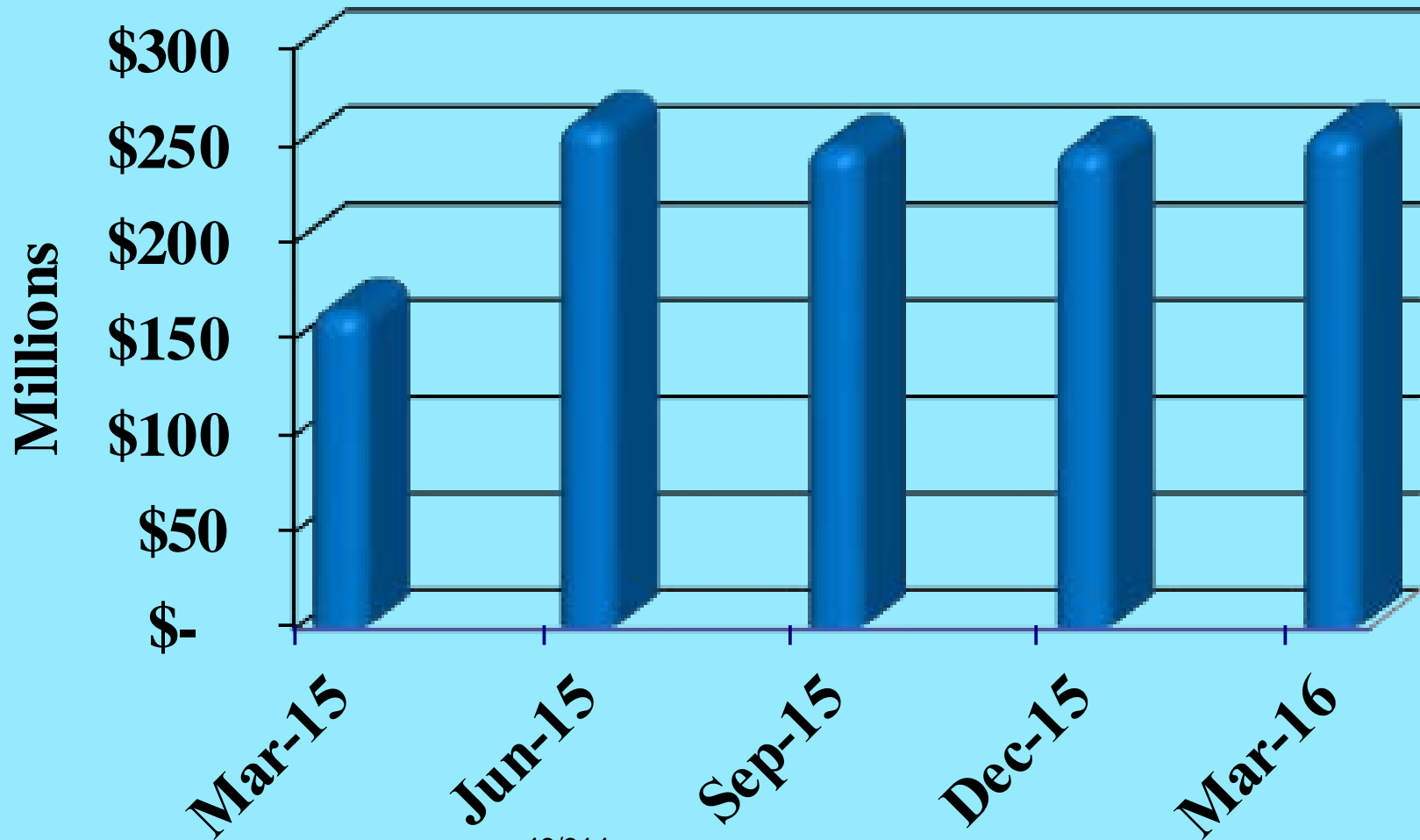
# Allocation Analysis

## Quarterly Asset Allocation



45/314

# Portfolio Balances

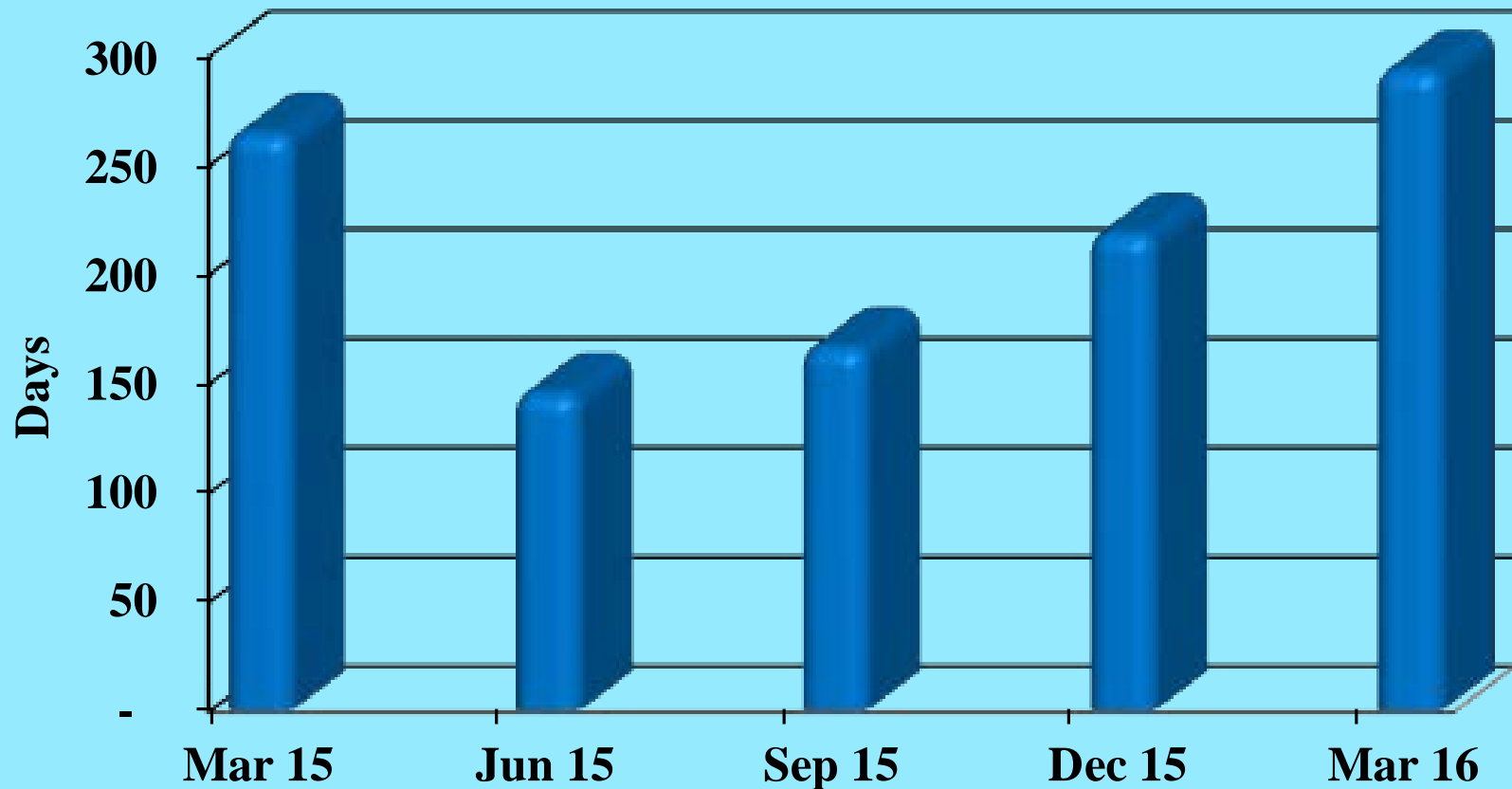




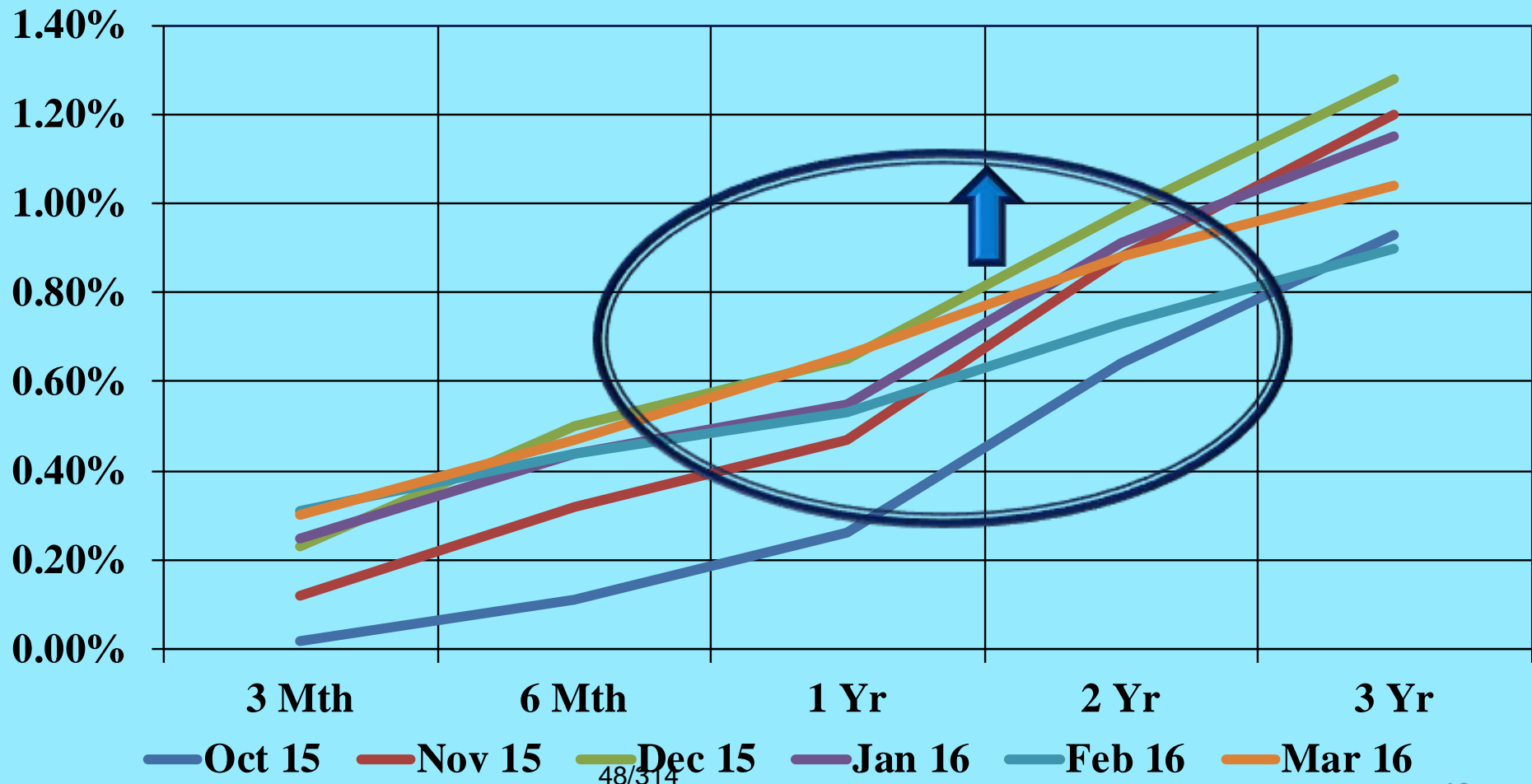
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# Weighted Average Maturity (WAM)



47/314

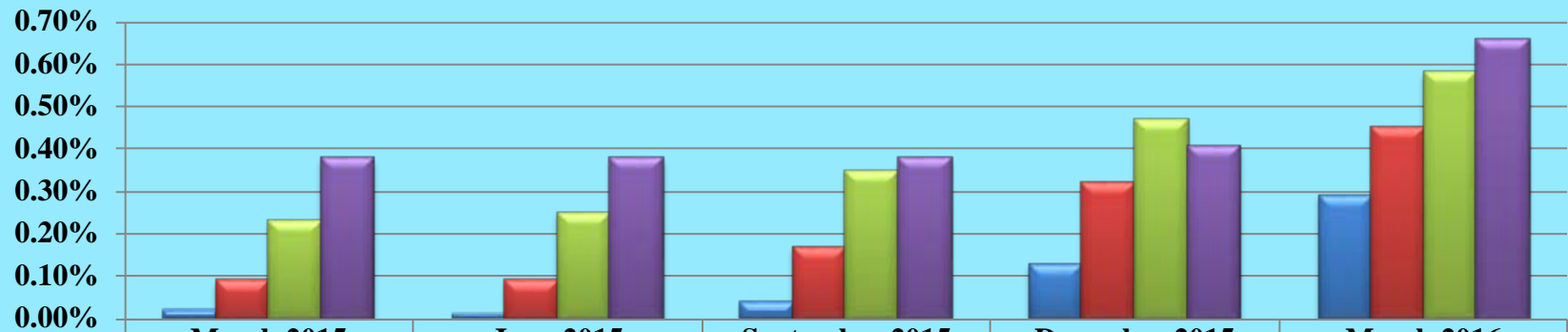




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# Benchmarks



	March 2015	June 2015	September 2015	December 2015	March 2016
3 Month Treasury	0.020%	0.010%	0.040%	0.130%	0.290%
6 Month Treasury	0.090%	0.090%	0.170%	0.320%	0.450%
1 Year Treasury	0.230%	0.250%	0.350%	0.470%	0.580%
Portfolio Yield	0.379%	0.379%	0.379%	0.407%	0.659%

■ 3 Month Treasury  
 ■ 6 Month Treasury  
 ■ 1 Year Treasury  
 ■ Portfolio Yield

# Benchmark Review

	<b>Q1-2016</b>	<b>\$ Impact</b>
<b>Investment Portfolio</b>	<b>0.679%</b>	
<b>3 Mth Treasury Bill</b>	<b>0.290%</b>	<b>\$245,030</b>
<b>6 Mth Treasury Bill</b>	<b>0.450%</b>	<b>\$144,246</b>
<b>12 Mth Treasury Bill</b>	<b>0.580%</b>	<b>\$62,360</b>



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# Appendix

# Investment Portfolio

Purchase Date	Type	Maturity Date	Days to Maturity at Purchase	Remaining Days to Maturity	Coupon/Rate	Book Yield (%)	Par Value	Book Value	Market Value	Unrealized Gain(Loss)	Quarterly Accrued Interest
03/31/2016	Operating Fund	04/01/2016	1	1	0.000%	0.000%	\$ 918,154	\$ 918,154	\$ 918,154	\$ -	\$ -
03/31/2016	Vendor Fund	04/01/2016	1	1	0.000%	0.000%	\$ 758,016	\$ 758,016	\$ 758,016	\$ -	\$ -
03/31/2016	Payroll Fund	04/01/2016	1	1	0.000%	0.000%	\$ 10,158	\$ 10,158	\$ 10,158	\$ -	\$ -
03/31/2016	Asset Forfeiture Fund	04/01/2016	1	1	0.045%	0.045%	\$ 25,287	\$ 25,287	\$ 25,287	\$ -	\$ 3
<b>Total Bank</b>							\$ 1,711,615	\$ 1,711,615	\$ 1,711,615	\$ -	\$ 3
03/31/2016	TEXPOOL	04/01/2016	1	1	0.327%	0.327%	\$ 51,946,825	\$ 51,946,825	\$ 51,946,825	\$ -	\$ 39,213
03/31/2016	TEXPOOL-Prime	04/01/2016	1	1	0.514%	0.514%	\$ 40,647,721	\$ 40,647,721	\$ 40,647,721	\$ -	\$ 36,247
03/31/2016	Wells Fargo MMMF	04/01/2016	1	1	0.100%	0.100%	\$ 31,007,529	\$ 31,007,529	\$ 31,007,529	\$ -	\$ 7,529
03/31/2016	East West Bank - MMA	04/01/2016	1	1	0.350%	0.350%	\$ 246,654	\$ 246,654	\$ 246,654	\$ -	\$ 188
<b>Total Pools/MMA</b>							\$ 123,848,729	\$ 123,848,729	\$ 123,848,729	\$ -	\$ 83,177
10/18/2015	Certificate of Deposit-1st Community	10/18/2016	366	200	1.250%	1.250%	\$ 245,000	\$ 245,000	\$ 245,000	\$ -	\$ 764
11/05/2015	Certificate of Deposit-Prosperity	11/05/2016	366	218	0.500%	0.500%	\$ 245,000	\$ 245,000	\$ 245,000	\$ -	\$ 305
<b>Total Certificate of Deposits</b>							\$ 490,000	\$ 490,000	\$ 490,000	\$ -	\$ 1,069
07/29/2014	FHLB Note	01/25/2016	545	0	0.340%	0.340%	\$ -	\$ -	\$ -	\$ -	\$ 1,133
11/21/2014	FHLB Note	05/06/2016	532	35	0.375%	0.375%	\$ 2,000,000	\$ 1,999,980	\$ 2,000,104	\$ 124	\$ 1,926
11/21/2014	FHLB Note	09/09/2016	658	161	2.000%	0.746%	\$ 5,000,000	\$ 5,031,637	\$ 5,034,255	\$ 2,618	\$ 6,979
01/07/2016	US Treasury Note	02/28/2017	418	334	0.500%	0.825%	\$ 10,000,000	\$ 9,970,524	\$ 9,989,450	\$ 18,926	\$ 19,152
01/07/2016	FHLMC	02/23/2018	778	694	1.030%	1.164%	\$ 4,400,000	\$ 4,400,000	\$ 4,400,906	\$ 906	\$ 22,895
04/10/2015	FHLB	11/01/2016	571	214	0.750%	0.552%	\$ 2,000,000	\$ 2,001,198	\$ 2,000,686	\$ (512)	\$ 2,612
01/07/2016	FFCB	04/21/2017	470	386	0.500%	0.885%	\$ 5,000,000	\$ 4,979,833	\$ 4,987,910	\$ 8,077	\$ 10,291
04/28/2015	FNMA	07/05/2016	434	95	0.375%	0.344%	\$ 5,000,000	\$ 5,000,329	\$ 4,998,710	\$ (1,619)	\$ 4,372
01/07/2016	FFCB	03/23/2018	806	722	1.220%	1.245%	\$ 6,000,000	\$ 6,000,000	\$ 6,000,072	\$ 72	\$ 20,380
01/07/2016	US Treasury Note	06/30/2016	175	91	1.500%	0.474%	\$ 5,000,000	\$ 5,012,656	\$ 5,014,745	\$ 2,089	\$ 5,561
01/27/2016	FHLB	07/27/2018	912	848	1.375%	1.375%	\$ 10,000,000	\$ 10,000,000	\$ 10,002,680	\$ 2,680	\$ 24,444
05/12/2015	FHLMC	05/12/2017	731	406	0.800%	0.794%	\$ 5,000,000	\$ 5,000,000	\$ 5,000,095	\$ 95	\$ 10,000
01/29/2016	FHLB	01/29/2019	1,096	1,034	1.600%	1.600%	\$ 10,000,000	\$ 10,000,000	\$ 10,006,010	\$ 6,010	\$ 27,556
09/08/2015	FHLMC	09/08/2017	731	525	1.000%	0.986%	\$ 2,500,000	\$ 2,500,000	\$ 2,503,388	\$ 3,388	\$ 6,250
09/15/2015	FHLMC	06/15/2018	1,004	805	1.250%	1.233%	\$ -	\$ -	\$ -	\$ -	\$ 2,569
09/28/2015	FHLMC	09/28/2017	731	545	1.000%	0.986%	\$ 1,000,000	\$ 1,000,000	\$ 1,000,485	\$ 485	\$ 2,500
09/29/2015	FHLMC	09/28/2018	1,095	910	0.625%	0.629%	\$ 5,000,000	\$ 5,000,000	\$ 5,005,885	\$ 5,885	\$ 7,813
10/29/2015	FHLMC	10/29/2018	1,096	941	1.160%	1.160%	\$ 7,000,000	\$ 7,000,000	\$ 7,000,910	\$ 910	\$ 20,300
10/30/2015	FNMA Step-Up	10/29/2018	1,095	941	0.750%	0.750%	\$ 5,000,000	\$ 5,000,000	\$ 5,000,320	\$ 320	\$ 9,375
07/14/2015	FHLMC	07/14/2017	731	469	0.900%	0.887%	\$ 3,000,000	\$ 3,000,000	\$ 3,017,958	\$ 17,958	\$ 6,750
11/23/2015	FHLB	06/09/2017	564	434	1.000%	0.809%	\$ 5,000,000	\$ 5,011,254	\$ 5,018,725	\$ 7,471	\$ 10,133
11/24/2015	FNMA	05/21/2018	909	780	0.875%	1.165%	\$ 5,000,000	\$ 4,969,526	\$ 5,006,145	\$ 36,619	\$ 14,499
11/24/2015	FHLB	11/17/2017	724	595	0.940%	0.990%	\$ 5,000,000	\$ 4,995,973	\$ 5,013,850	\$ 17,877	\$ 12,369
11/24/2015	FFCB	11/19/2018	1,091	962	1.290%	1.281%	\$ 5,000,000	\$ 5,001,146	\$ 5,046,170	\$ 45,024	\$ 16,016
12/29/2015	FHLMC	12/29/2017	731	637	1.050%	1.050%	\$ 5,000,000	\$ 5,000,000	\$ 5,002,095	\$ 2,095	\$ 13,125
12/28/2015	FHLMC	12/28/2018	1,096	1,001	1.450%	1.450%	\$ -	\$ -	\$ -	\$ -	\$ 17,521
<b>Total Treasuries/Agencies</b>							\$ 117,900,000	\$ 117,874,057	\$ 118,051,554	\$ 177,497	\$ 296,521





# Investment Portfolio

Purchase Date	Type	Maturity Date	Days to Maturity at Purchase	Remaining Days to Maturity	Coupon/Rate	Book Yield (%)	Par Value	Book Value	Market Value	Unrealized Gain(Loss)	Quarterly Accrued Interest
03/24/2016	Town of Guttenberg NJ	03/16/2017	357	350	2.000%	0.770%	\$ 7,000,000	\$ 7,081,849	\$ 7,074,480	\$ (7,369)	\$ 1,062
10/16/2014	Waco TX	02/01/2016	473	0	4.000%	0.296%	\$ -	\$ -	\$ -	\$ -	\$ 259
10/21/2014	Bemidji MD ISD	04/01/2016	528	0	4.000%	0.345%	\$ 885,000	\$ 885,000	\$ 885,000	\$ -	\$ 802
11/13/2014	Randolph MA	09/01/2016	658	153	2.000%	0.691%	\$ 1,245,000	\$ 1,251,686	\$ 1,251,387	\$ (299)	\$ 2,213
12/04/2014	Richland County SD	03/01/2016	453	(1)	4.000%	0.314%	\$ -	\$ -	\$ -	\$ -	\$ 2,340
06/02/2015	Nassau County NY	03/15/2016	287	(1)	2.000%	0.592%	\$ -	\$ -	\$ -	\$ -	\$ 6,239
08/20/2015	Hamden CT	08/18/2016	364	139	3.000%	0.642%	\$ 2,405,000	\$ 2,426,361	\$ 2,423,807	\$ (2,554)	\$ 4,005
Total Municipal Securities							\$ 11,535,000	\$ 11,644,897	\$ 11,634,674	\$ (10,223)	\$ 16,920
Total Investments							\$ 255,485,344	\$ 255,569,297	\$ 255,736,572	\$ 167,274	\$ 397,690

SUMMARY:	Total	Bank	Pools/MMA	CD's	Treasuries/ Agencies	Municipal Securities
Valuation Date:	03/31/2016					
Book Value:	\$ 255,569,297	\$ 1,711,615	\$ 123,848,729	\$ 490,000	\$ 117,874,057	\$ 11,644,897
% of Portfolio	100.00%	0.67%	48.46%	0.19%	46.12%	4.56%
Average Maturity:	294 Days	1 Days	1 Days	209 Days	610 Days	258 Days

# Investment Transactions

Transaction Date	Purchase Date	Description	Coupon	Yield	Maturity Date	Par Value	Transaction Price	Total Cost
<b><u>Purchases:</u></b>								
01/07/2016	01/07/2016	US Treasury Note	0.500%	0.825%	02/28/2017	\$ 10,000,000	99.630	\$ 9,963,000
01/07/2016	01/07/2016	FHLMC	1.030%	1.164%	02/23/2018	\$ 4,400,000	99.720	\$ 4,387,680
01/07/2016	01/07/2016	FFCB	0.500%	0.885%	04/21/2017	\$ 5,000,000	99.508	\$ 4,975,375
01/07/2016	01/07/2016	FFCB	1.220%	1.245%	03/23/2018	\$ 6,000,000	99.945	\$ 5,996,700
01/07/2016	01/07/2016	US Treasury Note	1.500%	0.474%	06/30/2016	\$ 5,000,000	100.492	\$ 5,024,609
01/27/2016	01/27/2016	FHLB	1.375%	1.375%	07/27/2018	\$ 10,000,000	100.000	\$ 10,000,000
01/29/2016	01/29/2016	FHLB	1.600%	1.600%	01/29/2019	\$ 10,000,000	100.000	\$ 10,000,000
03/24/2016	03/24/2016	Town of Guttenberg NJ	2.000%	0.770%	03/16/2017	\$ 7,000,000	101.193	\$ 7,083,510
<b>Total Purchases</b>						\$ 57,400,000		\$ 57,430,874
KS								
Transaction Date	Purchase Date	Description	Coupon	Yield	Maturity Date	Par Value	Transaction Price	Total Cost
<b><u>Maturities:</u></b>								
01/25/2016	07/29/2014	FHLB Note	0.340%	0.340%	01/25/2016	\$ 5,000,000	100.00	\$ 5,000,000
02/01/2016	10/16/2014	Waco TX	4.000%	0.296%	02/01/2016	\$ 1,000,000	100.00	\$ 1,000,000
03/01/2016	12/04/2014	Richland County SD	4.000%	0.314%	03/01/2016	\$ 4,245,000	100.00	\$ 4,245,000
03/15/2016	09/15/2016	FHLMC	1.250%	1.233%	06/15/2018	\$ 1,000,000	100.00	\$ 1,000,000
03/15/2016	06/02/2015	Nassau County NY	2.000%	0.592%	03/15/2016	\$ 5,000,000	100.00	\$ 5,000,000
03/28/2016	12/28/2015	FHLMC	1.450%	1.450%	12/28/2018	\$ 5,000,000	100.00	\$ 5,000,000
<b>Total Maturities</b>						\$ 21,245,000		\$ 21,245,000
<b>Total Net Transactions</b>						\$ 36,155,000		\$ 36,185,874



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Moving America's Energy

**Thank You**

***AGENDA ITEM NO. 8***

**Hillcrest Report**

**NO ATTACHMENT**

**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** Lynn Angerstein  
[lynn@pocca.com](mailto:lynn@pocca.com)  
(361) 885-6142

**AGENDA ITEM NO. 9**

**Authorize Staff to Issue a Request for Proposals for  
Temporary Staffing Needs Related to the Hillcrest Voluntary Real Estate  
Acquisition and Relocation Program in an Amount Estimated to be \$210,000**

**SUMMARY:** Staff is seeking commission approval for a Request for Proposal (RFP) for Temporary Employment Services in the estimated annual amount of \$ 210,000.00.

**BACKGROUND:** In continuation of the PCCA's Strategic Plan development process, a Procurement department has been created resulting in relocation of three (3) PCCA employees to staff procurement positions which in turn left their previous positions recently vacant. As PCCA continues to make further organizational changes and/or grow, supplemental temporary employees may be needed from time to time. Furthermore, the Real Estate Department may require temporary employment services up to three (3) years for the Hillcrest relocation project. Staff is requesting Port Commission approval to seek an RFP from qualified and experienced Temporary Employee Agencies to provide qualified and competent temporary personnel upon request by PCCA for employee absence, temporary skill shortage, seasonal workload or special assignment or project. The successful proposer may result in an agreement for a period up to three (3) years.

**ALTERNATIVES:** None.

**CONFORMITY TO PORT POLICY:** Yes.

**EMERGENCY:** No.

**FINANCIAL IMPACT:** N/A

**STAFF RECOMMENDATION:** Staff recommends a Request for Proposal for Temporary Employment Services.

**DEPARTMENTAL CLEARANCES:**

Originating Department	Procurement
Reviewed & Approved	Lynn Angerstein Dennis DeVries
Legal	Jimmy Welder
Senior Staff	John LaRue Sean Strawbridge Jarl Pederson

**LIST OF SUPPORTING DOCUMENTS:** None.



**DATE:** May 17, 2016

**TO:** Port Commission

**FROM:** Sean Strawbridge, COO  
361-885-6133  
sstrawbridge@pocca.com

***AGENDA ITEM NO. 10-A***

**Approve Engagement with Husch Blackwell, LLP, on Sherwin Bankruptcy  
Advisory Work from Lynn Butler, Esq.**

**SUMMARY:** The Port of Corpus Christi Authority has interest in certain Sherwin Alumina assets that are currently being auctioned in the 5<sup>th</sup> Circuit Bankruptcy Court in Corpus Christi. To assist in the process of developing a bid and navigating the bankruptcy process, Staff has engaged Lynn Butler, Esq., of the law firm Husch & Blackwell, LLP in Austin, TX. Staff requests Commission approval of the Engagement Letter between the PCCA and Husch Blackwell for the retention of Lynn Butler, Esq.

**BACKGROUND:** Sherwin Alumina filed for Chapter 11 Bankruptcy protection in January 2016 and a notice of auction with the Court in March, 2016. In an effort to support on-going operations of the plant, PCCA desires certain port-related assets as outlined in a bid submitted to the Bankruptcy Court on April 14, 2016. Supporting PCCA's diligence efforts and Court filings, as well as on-going discussions with the main Creditor is Lynn Butler, a qualified and experienced bankruptcy attorney in Austin, Texas. PCCA wishes to continue to pursue discussions with the Creditor(s) and the Court and seeks approval of the continued use of Lynn Butler, Esq., until such time as the Sherwin bankruptcy proceedings have concluded.

**ALTERNATIVES:** Hire another bankruptcy attorney

**CONFORMITY TO PORT POLICY:** Yes

**EMERGENCY:** No

**FINANCIAL IMPACT:** The attached Engagement Letter from Husch Blackwell, LLP outlines the rate/fee structure for Husch Blackwell, LLP, and Lynn Butler, Esq.

**STAFF RECOMMENDATION:** Staff recommends approval of the attached Engagement Letter.

**DEPARTMENTAL CLEARANCES:**

Originating Department	COO Office
Supporting Department	Legal Counsel
Reviewed & Approved	Sean Strawbridge
Legal	Jimmy Welder
Senior Staff	John LaRue
	Sean Strawbridge

**LIST OF SUPPORTING DOCUMENTS:**

Husch Blackwell, LLP Engagement Letter

**HUSCH BLACKWELL**

May 11, 2016

Sean C. Strawbridge  
Chief Operating Officer  
Port of Corpus Christi Authority  
222 Power Street  
Corpus Christi, Texas 78401

Re: Agreement For Legal Services  
Sherwin Alumina Bankruptcy

Dear Mr. Strawbridge,

Thank you for selecting Husch Blackwell LLP to provide legal services in the representation of the Port of Corpus Christi Authority of Nueces County, Texas (the "Port") in the possible purchase of assets from the Sherwin Alumina bankruptcy. This letter is to confirm our discussion about the engagement and to set forth the terms under which we will provide the requested services.

**Client and Scope of Representation.** Our client for this engagement will be the Port. It is understood that, in the absence of written agreement to the contrary, our work in connection with this engagement shall not be considered to create an attorney-client relationship between us and any other persons or entities related to the Port, including parents, subsidiaries, shareholders, partners, members, or other affiliates, and thus our sole client for this engagement shall be the Port. We will not consider entities affiliated with the Port as our clients for the purpose of checking future conflicts of interest.

We are being retained to advise the Port on the possible acquisition of assets from the Sherwin Alumina bankruptcy and representation within that bankruptcy case. The effective date of our engagement is April 9, 2016. In the event that we are asked to provide additional services, we will confirm such engagement in writing. Absent specific modification, any additional services will be governed by the terms and conditions of this agreement.

**HUSCH BLACKWELL**

**Conflicts.** Husch Blackwell LLP has offices in a number of cities, and we represent many clients on a regional or national basis. It is possible that some of our present or future clients will have disputes with the Port during the time we are providing legal services. Therefore, as a condition to our undertaking this engagement, you have agreed that our firm may continue to represent or undertake in the future to represent existing or new clients whose interests are adverse to yours in matters, including litigation matters, that are not substantially related to the matters as to which we are representing you. You have agreed that the validity and enforceability of this unrelated matter conflict waiver is an essential condition to the firm's willingness to accept this engagement, and the firm would not have accepted the engagement but for this waiver. Accordingly, you agree that, if the validity or enforceability of this waiver is ever challenged or revoked, we may withdraw from representing you and continue to represent our other clients even in matters directly adverse to the Port. We agree, however, that your prospective consent to conflicting representation shall not apply in any matter substantially related to a matter in which we have provided legal services to the Port.

**Fees and Expenses.** Our fees are based on the amount of time we devote to a project. Any estimates of fees that we may give from time to time are based on judgment of the circumstances at a given time, and actual fees may be more or less than the estimated amount. Any estimate of fees or costs we provide thus may not be considered as a minimum, maximum, or fixed fee quotation.

I will be the responsible attorney for this engagement but other attorneys and legal assistants may assist with the engagement. My hourly rate is \$525.00. The rate is a reduction from the Texas rate of \$545.00 an hour and my national rate of \$620.00. We ask that you agree that we may use such personnel as is appropriate in our professional judgment, after requesting consent from you to do so. We strive to place work with the appropriate personnel at the lowest rate where feasible to increase the efficiency of our work.

Our hourly rates for attorneys range from \$290 to \$770 for partners of the firm and \$160 to \$450 for associates. The Firm also employs legal assistants and other professionals in a variety of specialties, and their rates range from \$115 to \$295. Other professionals employed in certain specialty areas have rates that range from \$235 to \$645. Our hourly rates are reviewed and adjusted periodically. Adjusted rates will be applicable to any work done after the effective date of the adjustment.

In litigation and other matters involving computerized documents or voluminous evidentiary material, the firm may also use the services of its Practice Support Group to meet the demands of electronic discovery and document management using the latest technological tools. The services provided by the firm's Practice Support Group require technical expertise, and include the development, evidentiary matters, coordination of the production of documents from electronic databases, and the preparation and presentation of electronic evidentiary materials at trial. The hourly rates for these individuals range from \$120-\$260. Additionally, it is the firm's policy to bill for providing responses to audit letter requests. Should this type of work materialize, we charge a flat rate of \$250 - \$2,000 based on the complexity of the request and the resources required to respond to the request.

**HUSCH BLACKWELL**

We will bill on a monthly basis for our professional fees and for reimbursement of expenses incurred in connection with this engagement. A schedule of our charges for various services and incidental items is attached. We will generally not pay the fees and expenses of other service providers, such as consultants, local counsel, deposition reporters, experts, and the like, but will forward those bills directly to you for payment.

Payment shall be due upon receipt of our statement. If we do not receive comment about the statement within thirty days of the date it is mailed, we will assume you have reviewed the statement and find it acceptable. Statements not paid within sixty days of mailing will be subject to a late charge of 1% per month on the unpaid balance, commencing from the date of the statement and continuing until paid. If a statement remains unpaid for more than ninety days, we may, consistent with our ethical obligations and judicial requirements, cease performing services for you until arrangements satisfactory to us have been made for payment of arrearages and future fees. You agree that, in such an event, we have the right to withdraw as your attorneys from any matter or proceeding in which we may be engaged.

**Deposit.** It is our standard practice to require an advance deposit from a new client and for each new significant matter. In connection with this engagement, we do not request a deposit to be kept in a trust account at this time given the municipal nature of the Port, but reserve the right to request one in the future. You have agreed to pay our monthly invoices on a current basis, and the deposit shall be applied to the outstanding balance upon the conclusion of our representation or, at our option, to satisfy delinquent monthly statements. We reserve the right to request further reasonable deposits if the initial payment is used to satisfy prior invoices. Any unused portion of the deposit will be refunded at the conclusion of the representation.

**Communications.** We understand that we are to report to and take direction from you for this engagement. If you should prefer that we report to some other person, please let us know. We understand that you have approved the use of internet e-mail for communications concerning this matter. Our state ethics rules suggest that we remind you that the internet does not provide a totally secure method of communication, and e-mail may be copied and held by any computer through which it passes. Persons not participating in the communication may intercept e-mails, and e-mails stored on computers may be accessed by unauthorized parties. If you would prefer that we not communicate with you via e-mail, please advise me immediately.

**Marketing Materials.** Periodically, our firm prepares marketing materials in which we include the names and corporate logos of selected clients and sometimes a brief description of a significant project on which we worked. You agree that we may do so with regard to you and any matters we handle for you at this time or in the future. If we include our representation of you in these materials, we will not include information about any specific transaction that is not otherwise publicly available without your prior approval.

**Document Retention.** Some materials related to our representation of you (e.g. administrative records, time and expense reports, personnel materials, and credit and accounting records) belong to us and will be handled in accordance with our document retention policy. Other materials (i.e. documents provided to us by you and the final version of documents that

## HUSCH BLACKWELL

you retain us to create) are considered client files and belong to you. We will retain your client file for ten years or such longer period as required by statute or our firm's document retention policy. At your request, we will return your file to you or any other person designated by you. If, at your request, we retain your client files beyond their normal period of retention, such long-term storage will be at your cost. If you have not requested that we return your file or made arrangements for long-term storage, we may destroy or otherwise dispose of your client files after the retention period.

**Conclusion of Representation.** Our relationship with you will be concluded when we have completed our agreed-upon services. In addition, and without limiting the preceding sentence, in the event we have performed no work for you on your behalf for six consecutive months, you agree that our attorney–client relationship with you will be terminated.

It is understood that the terms of this letter and its enclosures constitute the terms under which we will undertake this representation. If you find the proposed engagement terms acceptable, please execute and return a copy of this letter for our file. If you do not agree to any of the terms of this letter and its enclosures, please call me as soon as possible within the next ten days to discuss. If I do not hear from you, it is understood that these are the terms of our representation.

Thank you again for selecting us for this engagement. We look forward to working with you.

Very truly yours,

HUSCH BLACKWELL LLP

By: \_\_\_\_\_  
Lynn Hamilton Butler

LHB/cd



**HUSCH BLACKWELL**

AGREED:

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Dated:\_\_\_\_\_

# HUSCH BLACKWELL

## SCHEDULE OF CHARGES FOR INCIDENTAL SERVICES

Effective 1/1/2016

This schedule identifies charges that will be added to our invoices for incidental services we provide and costs we incur in connection with our legal services. If we have reached a separate written agreement with you concerning any of these charges, the terms of that separate agreement will prevail over any conflicting provisions of this schedule.

### **Document Processing Services**

Paper (Black and White)

\$0.15 per page

Paper (Color)

\$0.25 per page

No charges for paper documents  
under 20 pages

### **Computer Legal Research Costs**

Online research may be charged at  
up to 95% of the vendor's  
transactional/retail rates, when  
applicable

### **Postage, Couriers and Delivery Services**

Large mailings, certified or express  
delivery services are billed to client  
at actual costs

### **Internal Messengers Services**

In-House Messengers charges are  
billed at \$60 per hour, in 6 minute  
increments

### **Video Conferencing**

Husch Blackwell initiated; 2 locations

\$100 per hour/per location: prorated  
based on actual minutes used

Husch Blackwell initiated; each additional location

\$100 per hour/per location: prorated  
based on actual minutes used

Non Husch Blackwell initiated; each additional location

No Charge

**HUSCH BLACKWELL****SCHEDULE OF CHARGES FOR PRACTICE SUPPORT SERVICES****Effective 1/1/2016**

This schedule identifies charges that will be added to our invoices for services we provide for practice support and costs we incur in connection with those services. If we have reached a separate written agreement with you concerning any of these charges, the terms of that separate agreement will prevail over any conflicting provisions of this schedule. Occasionally we may outsource these services based on time deadlines and resources available. The actual vendor cost for outsourced services will be passed directly to you with no cost increase or markup.

**Scanning**

Black & White, Letter & Legal Paper	
Light handling	\$0.06 per page
Medium handling	\$0.09 per page
Extensive handling	\$0.13 per page
Color	\$0.20 per page

**Printing from document review database**

Black and White, Letter & Legal Paper	\$0.06 per page
Color	\$0.25 per page
OCR processing	\$0.02 per page

<b>Electronic Bates numbering</b>	\$0.02 per page
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<b>Format conversion (Example: TIFF to PDF)</b>	\$0.02 per page
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<b>Electronic discovery data processing– NUIX Early Case Assessment</b>	\$90.00 per compressed gigabyte (prorated) minimum fee \$90.00
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<b>Electronic document production</b>	\$0.04 per page
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<b>Loading and update to document review database</b>	\$175.00 per data load
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**Media Services**

CD\DVD creation/duplication	\$10.00\CD \$20.00\DVD
Flash Drive 16 gigabyte	\$20.00 per drive
Flash Drive 32 gigabyte	\$35.00 per drive
External hard drive 1 Terabyte	\$80.00 per drive
Synchronizing of Text to Video	\$25.00 per video hour (prorated)
<b>Offsite presentation and hardware equipment rental</b>	Please see cost detail for complete list

<b>Hosting of internal databases</b>	No charge
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<b>Relativity outside user access</b>	\$85.00 per user per month
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<b>Paper and electronic file storage during engagement</b>	No charge
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<b>Paper file storage following conclusion of engagement</b>	\$0.17 per bankers box per month
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<b>Electronic file storage following conclusion of engagement</b>	\$50.00 per gigabyte per year (prorated)
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<b>Audit Letters</b>	\$250.00 - \$2,000.00
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# HUSCH BLACKWELL

## THE TEXAS LAWYER'S CREED -- A Mandate for Professionalism

*The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.*

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason that it is right.

I. OUR LEGAL SYSTEM. A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT. A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are

expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER. A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include

## HUSCH BLACKWELL

provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable, when hearings, depositions, meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to

undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE. Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in , controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** Lynn Angerstein  
[lynn@pocca.com](mailto:lynn@pocca.com)  
(361) 885-6142

**AGENDA ITEM NO. 10-B**

**Approve the Purchase of Six Vehicles in the Total Amount of \$178,572  
Using Government Pricing from the  
State of Texas Buy Board Cooperative Program**

**SUMMARY:** Staff requests to purchase 6 vehicles for the replacement of aging and worn vehicles in order to maintain a dependable and operational vehicle fleet. Staff utilized one of the state-approved purchasing programs known as the Buy Board Cooperative Purchasing Program (Buy Board) to purchase all fleet vehicles at a cost of \$178,572.00. The 2016 budget included \$432,000 towards this project to purchase thirteen vehicles.

Vehicles identified for replacement are:

<u>Unit</u>	<u>Make</u>	<u>Model</u>	<u>Year</u>	<u>Mileage</u>	<u>Assigned To</u>
320	Ford	Explorer	2003	116,281	PD-Security
329	Ford	F350	2004	132,513	Maintenance/Electrician
330	Ford	F350	2004	156,202	Maintenance/Janitorial
351	Ford	Expedition	2007	138,784	Operations
361	Ford	Ranger	2008	116,204	PD-Security

**BACKGROUND:** The 2016 Budget included the purchase of 13 vehicles. However, with a decrease in the 1<sup>st</sup> Qtr. revenue projections Staff recommended the purchase of only 6 of the 13 budgeted vehicles at this time. Based on financial performance the purchase of the remaining 7 vehicles will be considered as appropriate. The Buy Board purchasing alliance was created to serve public schools, municipalities, county government, and all types of local governmental agencies by combining the purchasing power of membership to achieve better pricing. Through a competitive solicitation and selection process, suppliers are awarded master agreements for goods, products and services. These master agreements are then made available to participating public agencies and are conducted in accordance with and subject to the relevant statutes, ordinances, rules and regulations that govern each party's procurement practice. Purchases through these alliances eliminates the open bid requirement because the

competitive procurement process has been completed with the award of the master agreement. Buy Board purchases also include a 2% cash rebate on purchases paid annually to PCCA. The PCCA's General Purchasing Guidelines allows for the purchase of cars, trucks, boats and other major mobile equipment directly from state or federally approved purchasing programs with Port Commission approval. The PCCA has been a member of Buy Board since 2012.

**ALTERNATIVES:** N/A

**CONFORMITY TO PORT POLICY:** Yes.

**EMERGENCY:** No.

**FINANCIAL IMPACT:** N/A

**STAFF RECOMMENDATION:** Staff recommends that a purchase contract be awarded to Chastang Ford Houston, TX in the amount of \$87,391.00 for purchase of three vehicles;  
Grapevine Dodge Grapevine, TX in the amount of \$36,230.00 for purchase of one vehicle;  
Silsbee Ford Silsbee, TX in the amount of \$35,230.00 for purchase of one vehicle; and  
Caldwell Country Chev Caldwell, TX in the amount \$19,721.00 for purchase of one vehicle.

**DEPARTMENTAL CLEARANCES:**

Originating Department      Procurement

Reviewed & Approved      Lynn Angerstein Approved  
Dennis DeVries Approved

Senior Staff      John LaRue Approved  
Sean Strawbridge Approved

**LIST OF SUPPORTING DOCUMENTS:**

Pricing Tabulation of all vehicles.



Vendor	Make	Model	Year	Dept	Purchase Price	
Chastang Ford	Ford	F150 XL	2016	Maint /Janitorial	\$ 28,067.00	
Chastang Ford	Ford	F150 XL	2016	PD Sergeants	\$ 28,067.00	
Chastang Ford	Ford	150 4x4	2016	Enviro	\$ 31,257.00	\$ 87,391.00
Grapevine Dodge	Dodge	3500	2016	Maint/Electrician	\$ 36,230.00	\$ 36,230.00
Silsbee Ford	Ford	Interceptor	2016	PD Patrol	\$ 35,230.00	\$ 35,230.00
Caldwell Ford	Ford	Escape S	2016	PD-Security	\$ 19,721.00	\$ 19,721.00
						\$ 178,572.00
					2016 Budget	\$ (432,000.00)
					Remaining Budget	\$ (253,428.00)

**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** Sarah L. Garza, Director of Environmental Planning & Compliance  
[sarah@pocca.com](mailto:sarah@pocca.com)  
(361) 885-6163

**AGENDA ITEM NO. 10-C**

**Approve Professional Services Master Agreement No. 09-16 and Service Order No. 1 with Cardno GS Inc. in the Amount of \$49,343 for Environmental Services Related to Environmental Management System (EMS) Workshops for Stevedores**

**SUMMARY:** Staff is requesting approval of a Professional Services Master Agreement with Cardno GS, Inc. ("Cardno"), for environmental consulting services. Additionally, included with this Master Agreement, is Service Order No. 1 for Cardno to provide environmental consulting services related to training and support for licensed stevedore companies to develop and implement an Environmental Management System ("EMS") in compliance with Tariff Item 667 for an amount not to exceed \$49,343.

**BACKGROUND:** The Port Commission approved Tariff Item 667 at the January 19, 2016, Commission Meeting, which included the requirement for stevedore companies to establish and implement an EMS in order to renew or obtain a stevedoring license from PCCA. Tariff Item 667 includes provisions for PCCA to provide the assistance necessary for stevedores to develop their respective EMS programs through workshops and training with the stevedore's employees.

Cardno will assist with four (4) training workshops for the stevedore companies to assist them with development and implementation of an EMS program modeled after the ISO 14001:2015 standard. Cardno will provide participants with the tools, materials, and a schedule for developing and implementing each of the components of an EMS prior to the tariff deadline. In addition, Cardno will meet with attendees individually in separate sessions as requested by each company and host monthly conference calls with all participating companies to guide them through the material presented.

**CONFORMITY TO PORT POLICY:** This complies with the Port's Strategic Plan.

**FINANCIAL IMPACT:** These costs are within the 2016 budgeted amount for the Environmental Management System.

**STAFF RECOMMENDATION:** Staff recommends approval of the Professional Services Master Agreement with Cardno for environmental consulting services and the associated Service Order No. 1 in the amount of \$49,343.

**DEPARTMENTAL CLEARANCES:**

Originating Department	Danielle Converse
Reviewed & Approved	Sarah Garza
Legal	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

**LIST OF SUPPORTING DOCUMENTS:**

Master Agreement No. 09-16 with Cardno GS, Inc.  
Service Order No. 1.  
Stevedore Workshops Save the Date

**MASTER AGREEMENT  
BETWEEN  
PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS,  
AND ENVIRONMENTAL CONSULTANT  
FOR  
PROFESSIONAL SERVICES  
SERVICE ORDER BASIS**



**CARDNO GS, INC.**

**MASTER AGREEMENT NO. 09-16**

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**MASTER AGREEMENT  
BETWEEN  
PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS, AND ENVIRONMENTAL  
CONSULTANT FOR PROFESSIONAL SERVICES  
SERVICE ORDER BASIS**

THIS IS AN AGREEMENT made effective as of the 17<sup>th</sup> day of May 2016 ("Effective Date") between Port of Corpus Christi Authority of Nueces County, Texas, ("PCCA") and Cardno GS, Inc. ("ENVIRONMENTAL CONSULTANT"), and ending at 5:00 p.m. on the 16<sup>th</sup> day of May 2017. ENVIRONMENTAL CONSULTANT intends to provide Professional Services to PCCA pursuant to Service Orders that may be issued by PCCA to ENVIRONMENTAL CONSULTANT from time to time as a part of this Agreement. In addition, PCCA has the option to renew the term of this Agreement for two (2) additional option periods of one (1) year each, beginning on the first day after the expiration of the primary term and each option term thereof. The right to renew will be exercised by PCCA giving to ENVIRONMENTAL CONSULTANT notice in writing of such exercise at least thirty (30) days prior to the expiration of the primary term or any option term of this Agreement. Notice of an intention to exercise an option under this Agreement must, to be effective, be hand delivered by reputable courier or sent by certified mail or facsimile transmission to ENVIRONMENTAL CONSULTANT at the address provided in the section in this Agreement entitled, "Notices," and must be postmarked no later than the latest date provided in this paragraph for PCCA's exercising the option. If either party wishes to change its address for notices, that party will submit the address change in writing to the other party in the same manner set forth in this paragraph. Each Service Order issued by PCCA to ENVIRONMENTAL CONSULTANT will be for a separate Project ("Project"). This Agreement is referred to in any Service Order issued pursuant hereto as "Master Agreement No. 09-16." PCCA and ENVIRONMENTAL CONSULTANT in consideration of their mutual covenants as set forth herein further agree as follows:

**ARTICLE 1**  
**SERVICES OF ENVIRONMENTAL CONSULTANT**

**1.01 Scope and Project Description**

A. ENVIRONMENTAL CONSULTANT will provide the Basic and Additional Services set forth herein and in Exhibit A. The Service Order may add or delete certain Basic or Additional Services provided for in this Agreement or provide certain terms that are different from terms provided in this Agreement. In such instances, PCCA and ENVIRONMENTAL CONSULTANT will provide in the Service Order reference by paragraph number or numbers those terms in this Agreement that are deleted or changed by the terms in the Service Order. In the event of a conflict between terms in this Agreement and the Service Order, the terms stated in the Service Order will control this Agreement. **Services pursuant to this Agreement will be required on an irregular and as needed basis during the term of this Agreement, and PCCA has not made nor does it make any representation of any kind or guarantee regarding the amount of Services PCCA will require from ENVIRONMENTAL CONSULTANT under this Agreement.**

B. During the term of this Agreement, PCCA may request that ENVIRONMENTAL CONSULTANT perform certain tasks described in this Agreement and in Exhibit A, subject to the issuance by PCCA of a Service Order, a sample of which is attached hereto and incorporated herein by reference for all purposes as Exhibit H. A Service Order for each separate Project issued pursuant to this Agreement will be attached to this Agreement, and each Service Order attached to this Agreement is hereby incorporated herein by reference for all purposes. Multiple Service Orders may be issued during the term of this Agreement. All Service Orders must be in writing, signed by an authorized representative of PCCA and ENVIRONMENTAL CONSULTANT, and include, if not described in this Agreement, a Scope of Services, a Basis of Payment, a list of tasks to be performed by ENVIRONMENTAL CONSULTANT, a time schedule, a list of deliverables, if any, and such other information or special conditions as may

be necessary for the Services required. Upon execution by the parties to this Agreement, each Service Order will become an attachment to this Agreement, and this Agreement with any attached Service Orders thereafter will be referred to as the "Agreement." **Nothing, however, contained in the foregoing provision for the issuance of a Service Order or Service Orders constitutes a representation or a guarantee that PCCA will issue any Service Order to ENVIRONMENTAL CONSULTANT for any of the Services of ENVIRONMENTAL CONSULTANT described in this Agreement.**

C. ENVIRONMENTAL CONSULTANT will neither perform nor have claim for payment for services that are not included in a Service Order. Changes in scope of work, cost estimate or schedule will be captured in a Service Order Amendment.

D. Upon execution of this Master Agreement No. 09-16 and issuance of a Service Order, ENVIRONMENTAL CONSULTANT is authorized to begin Basic Services and/or Additional Services as set forth in Exhibit A and each Service Order.

E. When applicable, ENVIRONMENTAL CONSULTANT will perform Services in accordance with the latest version of the PCCA Project Manual issued prior to the date of the Service Order.

## **ARTICLE 2**

### **PCCA'S RESPONSIBILITIES**

#### **2.01 General**

PCCA has the responsibilities set forth herein and in Exhibit B.

## **ARTICLE 3**

### **TIMES FOR RENDERING SERVICES**

#### **3.01 General**

A. ENVIRONMENTAL CONSULTANT's Services and compensation under this Agreement have been agreed to in anticipation of the orderly and continuous progress of each Project through completion. Unless specific periods of time or specific dates for providing Services are specified in each Service Order attached to this Agreement, ENVIRONMENTAL CONSULTANT's obligation to render Services hereunder will be for a period which may reasonably be required for the completion of said Services.

B. If, in each Service Order attached to this Agreement, specific periods of time for rendering Services are set forth or specific dates by which Services are to be completed are provided and if such periods of time or dates are changed through no fault of ENVIRONMENTAL CONSULTANT, the rates and amounts of compensation provided for herein will be subject to equitable adjustment. If PCCA has requested changes in the scope, extent, or character of the Project, the time of performance of ENVIRONMENTAL CONSULTANT's Services will be adjusted equitably.

C. For purposes of this Agreement, the term "day" means a calendar day of 24 hours.

#### **3.02 Suspension**

A. If PCCA fails to give prompt written authorization to proceed with any phase of Services after completion of the immediately preceding phase, or if ENVIRONMENTAL CONSULTANT's Services are delayed through no fault of ENVIRONMENTAL CONSULTANT, ENVIRONMENTAL CONSULTANT may, after giving seven days written notice to PCCA, suspend Services under this Agreement.



B. If ENVIRONMENTAL CONSULTANT's Services are delayed or suspended in whole or in part by PCCA or if ENVIRONMENTAL CONSULTANT's Services are extended by PCCA or its Contractor's actions or inactions for more than 90 days from the date of the beginning of the delay or suspension through no fault of ENVIRONMENTAL CONSULTANT, ENVIRONMENTAL CONSULTANT will be entitled to an equitable adjustment of rates and amounts of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by ENVIRONMENTAL CONSULTANT in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.

## **ARTICLE 4**

### **PAYMENTS TO ENVIRONMENTAL CONSULTANT**

#### **4.01 Methods of Payment for Services and Reimbursable Expenses of Environmental Consultant**

A. *For Basic Services.* PCCA will pay ENVIRONMENTAL CONSULTANT for Basic Services performed or furnished under Exhibit A, Part 1, for each Service Order as set forth in Exhibit C.

B. *For Additional Services.* PCCA will pay ENVIRONMENTAL CONSULTANT for Additional Services performed or furnished under Exhibit A, Part 2, for each Service Order as set forth in Exhibit C.

C. *For Reimbursable Expenses.* In addition to payments provided for in paragraphs 4.01.A and 4.01.B, PCCA will pay ENVIRONMENTAL CONSULTANT for Reimbursable Expenses incurred by ENVIRONMENTAL CONSULTANT and ENVIRONMENTAL CONSULTANT's Other Consultants and subcontractors as set forth in Exhibit C.

#### **4.02 Other Provisions Concerning Payments**

A. *Preparation of Invoices.* Invoices will be prepared in accordance with ENVIRONMENTAL CONSULTANT's standard invoicing practices and will be submitted monthly to PCCA by ENVIRONMENTAL CONSULTANT, unless otherwise agreed. The amount billed in each invoice will be calculated as set forth in Exhibit C. A brief monthly report will be submitted with each invoice that lists the tasks performed, amounts invoiced for each task, and an estimated percent completion for each task.

B. *Payment of Invoices.* Invoices are due and payable within 30 days of receipt. If PCCA fails to make any payment due ENVIRONMENTAL CONSULTANT for Services and Reimbursable Expenses within 30 days after receipt of ENVIRONMENTAL CONSULTANT's invoice, the amounts due ENVIRONMENTAL CONSULTANT will be increased at the rate of three percent (3%) per annum from said 30<sup>th</sup> day. In addition, ENVIRONMENTAL CONSULTANT may, after giving seven days written notice to PCCA, suspend Services under this Agreement until ENVIRONMENTAL CONSULTANT has been paid in full all amounts due for Services, Reimbursable Expenses, and other relevant charges. Payments will be credited first to interest and then to principal.

C. *Representation of Invoices.* No partial payment or approval of any invoice by PCCA will constitute final acceptance or approval of the scope of work as to which the partial payment or approval relates, nor shall partial payment or approval be construed as relieving ENVIRONMENTAL CONSULTANT of any of its obligations. Each invoice will constitute a representation to PCCA that:

1. The invoiced work has been fully performed in accordance with all requirements of this Agreement.
2. The performance of the Work is progressing in accordance with all requirements of this Agreement.
3. Payment of the invoiced amount has been earned by, and is properly due and payable to ENVIRONMENTAL CONSULTANT.

4. ENVIRONMENTAL CONSULTANT has paid or will pay all Other Consultants and any other subcontractors and vendors working for ENVIRONMENTAL CONSULTANT on each Project for their services.

D. *Disputed Invoices.* In the event of a disputed or contested invoice, only that portion so contested may be withheld from payment. Any undisputed portion will be paid. PCCA will promptly notify ENVIRONMENTAL CONSULTANT of any disputed item and request either clarification of the disputed item or that remedial action be taken to resolve the disputed item. Once a disputed item has been settled, ENVIRONMENTAL CONSULTANT will include the disputed item on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only.

E. *Payments Upon Termination.*

1. In the event of termination under paragraph 6.06, ENVIRONMENTAL CONSULTANT will be entitled to invoice PCCA and will be paid in accordance with Exhibit C for all Services performed or furnished and all Reimbursable Expenses incurred through the effective date of termination.

2. In the event of termination by PCCA for convenience or by ENVIRONMENTAL CONSULTANT for cause, ENVIRONMENTAL CONSULTANT, in addition to invoicing for those items identified in subparagraph 4.02.D.1, will be entitled to invoice PCCA and will be paid a reasonable amount for Services and Reimbursable Expenses directly attributable to termination, both before and after the effective date of termination, such as costs of terminating contracts with Other Consultants and any other subcontractors and vendors working for ENVIRONMENTAL CONSULTANT, and other related close-out costs, using methods and rates for Additional Services as set forth in Exhibit C.

3. Notwithstanding anything in this Agreement herein to the contrary, neither party will be charged with or liable for any consequential damages including, but not limited to, loss of profits or loss of business opportunities suffered by the other party as a result of either party's breach of this Agreement or failure to perform any of its obligations under this Agreement.

F. *Records of Environmental Consultant's Costs.* Records of ENVIRONMENTAL CONSULTANT's costs and hourly rates pertinent to ENVIRONMENTAL CONSULTANT's compensation under this Agreement will be kept in accordance with generally accepted accounting practices. To the extent necessary to verify ENVIRONMENTAL CONSULTANT's charges and, upon PCCA's timely request, ENVIRONMENTAL CONSULTANT will provide to PCCA ENVIRONMENTAL CONSULTANT's records of time-based and reimbursable costs.

G. *Legislative Actions.* In the event of legislative actions after the Effective Date of the Agreement by any level of government that imposes taxes, fees, or costs on ENVIRONMENTAL CONSULTANT's Services or other costs in connection with this Project or compensation therefore, such new taxes, fees, or costs will be invoiced to and paid by PCCA as a Reimbursable Expense to which a factor of 1.0 will be applied. Should such taxes, fees, or costs be imposed, they will be in addition to ENVIRONMENTAL CONSULTANT's estimated total compensation.

## **ARTICLE 5**

### **OPINIONS OF COST**

#### **5.01 Opinions of Costs**

ENVIRONMENTAL CONSULTANT's opinions of Costs of the Project provided for herein are to be made on the basis of ENVIRONMENTAL CONSULTANT's experience and qualifications and represent ENVIRONMENTAL CONSULTANT's best judgment as an experienced and qualified professional generally familiar with the industry. However, since ENVIRONMENTAL CONSULTANT has no control over the cost of labor, materials, equipment, or services furnished by others, or over the methods of others working on the Project and determining prices, or over competitive bidding or market conditions, ENVIRONMENTAL CONSULTANT cannot

and does not guarantee that proposals, Bids, or actual Costs of the Project will not vary from opinions of Costs of the Project prepared by ENVIRONMENTAL CONSULTANT. If PCCA wishes greater assurance as to Costs of the Project, PCCA may employ an independent cost estimator as provided in Exhibit B or request ENVIRONMENTAL CONSULTANT to employ an independent cost estimator as an Additional Service.

## **ARTICLE 6**

### **GENERAL CONSIDERATIONS**

#### **6.01 Standards of Performance**

A. The standard of care for all professional consulting services and related Services performed or furnished by ENVIRONMENTAL CONSULTANT under this Agreement will be the care and skill ordinarily used by members of ENVIRONMENTAL CONSULTANT's profession practicing under similar circumstances at the same time and in the same locality.

B. ENVIRONMENTAL CONSULTANT is responsible for the technical accuracy of its Services and documents resulting therefrom, and PCCA is not responsible for discovering deficiencies therein. ENVIRONMENTAL CONSULTANT will correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in PCCA-furnished information.

C. ENVIRONMENTAL CONSULTANT will perform or furnish professional consulting services and related Services in all phases of the Project to which this Agreement applies as per the applicable Service Order. ENVIRONMENTAL CONSULTANT will serve as PCCA's prime professional for the Project. ENVIRONMENTAL CONSULTANT may employ such Other Consultants or other subcontractors and vendors as ENVIRONMENTAL CONSULTANT deems necessary to assist in the performance or furnishing of the Services. ENVIRONMENTAL CONSULTANT is not required to employ any Other Consultant unacceptable to ENVIRONMENTAL CONSULTANT. ENVIRONMENTAL CONSULTANT must provide to PCCA for inclusion in the Service Order the names and addresses of all ENVIRONMENTAL CONSULTANT's employees working on the Project site and any other subcontractors that ENVIRONMENTAL CONSULTANT will use on the Project.

D. ENVIRONMENTAL CONSULTANT and PCCA will comply with applicable Laws or Regulations and PCCA-mandated standards. This Agreement is based on these requirements as of its Effective Date. Changes to these requirements after the Effective Date of this Agreement may be the basis for modifications to PCCA's responsibilities or to ENVIRONMENTAL CONSULTANT's Scope of Services, times of performance, or compensation.

E. PCCA is responsible for, and ENVIRONMENTAL CONSULTANT may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by PCCA to ENVIRONMENTAL CONSULTANT pursuant to this Agreement, unless otherwise indicated when provided to ENVIRONMENTAL CONSULTANT. ENVIRONMENTAL CONSULTANT may use such requirements, reports, data, and information in performing or furnishing Services under this Agreement.

F. PCCA will make decisions and carry out its other responsibilities in a timely manner and bear all costs incident thereto so as not to delay the Services of ENVIRONMENTAL CONSULTANT.

G. ENVIRONMENTAL CONSULTANT is not required to sign any document, no matter by whom requested, that would result in ENVIRONMENTAL CONSULTANT's having to certify, guarantee, or warrant the existence of conditions whose existence ENVIRONMENTAL CONSULTANT cannot ascertain. PCCA agrees not to make resolution of any dispute with ENVIRONMENTAL CONSULTANT or payment of any amount due to ENVIRONMENTAL CONSULTANT in any way contingent upon ENVIRONMENTAL CONSULTANT's signing any such certification.

H. RESERVED.

I. RESERVED.

J. RESERVED.

K. RESERVED.

L. All Services provided pursuant to this Agreement by ENVIRONMENTAL CONSULTANT shall be warranted for a period of one-year following final acceptance of the Services by PCCA. If any failure to meet this warranty occurs within one year after Services are accepted by PCCA, the ENVIRONMENTAL CONSULTANT shall again perform the Services affected by such failure at the ENVIRONMENTAL CONSULTANT'S sole expense. Upon the expiration of one year, all such obligations to re-perform the Services shall cease unless otherwise stated in writing. The ENVIRONMENTAL CONSULTANT shall be entitled to rely on the accuracy of information supplied by or at the direction of PCCA.

M. In the performance of its obligations under this Agreement, the ENVIRONMENTAL CONSULTANT shall be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venture or associate of PCCA. The ENVIRONMENTAL CONSULTANT shall be solely responsible for the means, methods, techniques, sequences and procedures utilized by it in the performance of this Agreement.

N. ENVIRONMENTAL CONSULTANT will prepare a schedule of Services identified as the "Service Schedule" in the Service Order attached hereto and made a part of this Agreement. The Service Schedule will contain a complete schedule so that ENVIRONMENTAL CONSULTANT'S Scope of Services under this Agreement can be accomplished within the specified time and contract cost. The Service Schedule will provide specific task sequences and definite review times by PCCA and ENVIRONMENTAL CONSULTANT of the Services performed. If the review time should take longer than shown on the Service Schedule, through no fault of ENVIRONMENTAL CONSULTANT, additional contract time will be authorized by PCCA through a supplemental agreement if requested by a timely written request from ENVIRONMENTAL CONSULTANT and approved by PCCA.

O. ENVIRONMENTAL CONSULTANT will notify PCCA in writing as soon as possible if ENVIRONMENTAL CONSULTANT determines or reasonably anticipates that Services under the Agreement cannot be completed before the due date for such Services, and PCCA may, at its sole discretion, extend the contract period by timely supplemental agreement. ENVIRONMENTAL CONSULTANT must allow adequate time for review and approval of the request for time extension by PCCA prior to expiration of this Agreement.

P. ENVIRONMENTAL CONSULTANT will promptly advise PCCA in writing of events that have a significant impact upon the progress of the Services, including:

1. Problems, delays, adverse conditions that will materially affect the ability to attain contract objectives, prevent the meeting of time schedules and goals, or preclude the completion of any phase by the established time periods; this disclosure will be accompanied by a statement of the action taken or contemplated and any state or federal assistance needed to resolve the situation; and

2. Favorable developments or events that enable meeting the Service Schedule goals sooner than anticipated.

Q. PCCA assumes no liability for Services performed or costs incurred prior to the date authorized by PCCA to begin Services, during periods when Services are suspended, or subsequent to the completion date of the Services.

R. If PCCA finds it necessary to request changes to previously satisfactorily completed Work or parts thereof which involve changes to the original Scope of Services or character of the Work under the Agreement, ENVIRONMENTAL CONSULTANT will make such revisions if requested and as directed by PCCA. This will be considered as Additional Services pursuant to Exhibit A, Part 2, "Additional Services."

S. All data, basic sketches, charts, calculations, plans, Specifications, and other documents created or collected under the terms of the Agreement are the exclusive property of PCCA and will be furnished to PCCA upon request. All documents prepared by ENVIRONMENTAL CONSULTANT and all documents furnished to ENVIRONMENTAL CONSULTANT by PCCA will be delivered to PCCA upon completion or termination of the Agreement. ENVIRONMENTAL CONSULTANT, at ENVIRONMENTAL CONSULTANT's expense, may retain copies of such documents or any other data that it has furnished PCCA under the Agreement.

T. ENVIRONMENTAL CONSULTANT will furnish adequate and sufficient personnel and equipment to perform the Services. All employees of ENVIRONMENTAL CONSULTANT will have such knowledge and experience as will enable them to perform the duties assigned to them. Any employee of ENVIRONMENTAL CONSULTANT who, in the opinion of PCCA, is incompetent or whose conduct becomes detrimental to the Services will immediately be removed from association with the Project when ENVIRONMENTAL CONSULTANT is so instructed by PCCA. ENVIRONMENTAL CONSULTANT certifies that it presently has adequate qualified personnel in its employ for performance of the Services required under the Agreement or will be able to obtain such personnel from sources other than PCCA.

U. PCCA has the right at all reasonable times to review or otherwise evaluate the Services performed or being performed hereunder and the premises in which it is being performed. If any review or evaluation is made on the premises of ENVIRONMENTAL CONSULTANT or its Other Consultant or subcontractor, ENVIRONMENTAL CONSULTANT will provide and require its Other Consultant or subcontractor to provide all reasonable facilities and assistance for the safety and convenience of PCCA's Representative(s) in the performance of their duties.

V. The responsible ENVIRONMENTAL CONSULTANT will sign, certify and date all appropriate submissions to PCCA. Where appropriate, the responsible Environmental Professional (Engineer, Geologist, Industrial Hygienist, etc.) will also seal all appropriate submissions in accordance with the applicable licensing board.

W. PCCA has the exclusive right to examine the books and records of ENVIRONMENTAL CONSULTANT for the purpose of checking the amount of Services performed by ENVIRONMENTAL CONSULTANT at the time of termination of the Agreement. ENVIRONMENTAL CONSULTANT will maintain all books, documents, papers, accounting records, and other evidence pertaining to costs incurred and will make such materials available at its office during the Agreement period and for four (4) years from the date of final payment under this Agreement or until pending litigation has been completely and fully resolved, whichever occurs last. PCCA will have access to any and all books, documents, papers, and records of ENVIRONMENTAL CONSULTANT that are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions of time-based and Reimbursable Expenses.

X. ENVIRONMENTAL CONSULTANT will comply with the Regulations of the Department of Transportation 49 CFR Parts 21 and 23 CFR §710.405(b) as they relate to nondiscrimination; also, Executive Order 11246 entitled Equal Employment Opportunity as amended by Executive Order 11375 and as supplemented in Department of Labor Regulation 41 CFR Part 60. See "Civil Rights Compliance" attached hereto and identified as Exhibit K.

Y. Under Section 231.006 of the Family Code, ENVIRONMENTAL CONSULTANT certifies that the individuals or business entity named in the Agreement are eligible to receive the specified grant or payment and acknowledges that the Agreement may be terminated and payment withheld if this certification is inaccurate. ENVIRONMENTAL CONSULTANT further acknowledges that ENVIRONMENTAL CONSULTANT has read Exhibit L and has provided the names and social security numbers required therein.

## **6.02 Authorized Project Representative**

Contemporaneous with the execution of each Service Order, ENVIRONMENTAL CONSULTANT and PCCA will designate specific individuals to act on behalf of ENVIRONMENTAL CONSULTANT and PCCA with respect to the Services to be performed or furnished by ENVIRONMENTAL CONSULTANT and responsibilities of PCCA under such Service Order. Such individuals will have authority to transmit instructions, receive information,



and render decisions relative to the Project on behalf of each respective party. ENVIRONMENTAL CONSULTANT will not change designated project personnel without prior written consent of PCCA.

**6.03 RESERVED****6.04 Use of Documents**

A. Upon payment of all fees owed for each Service Order, all materials, information, electronic files and Documents acquired or generated relative to each corresponding Service Order are the property of PCCA.

B. Copies of PCCA-furnished data that are delivered to ENVIRONMENTAL CONSULTANT pursuant to Exhibit B and that may be relied upon by ENVIRONMENTAL CONSULTANT may be provided as printed copies (also known as hard copies) or as electronic media format of text, data, graphics or of other types.

C. Copies of Documents that may be relied upon by PCCA may be either printed copies (also known as hard copies) that are signed or sealed by ENVIRONMENTAL CONSULTANT or files in electronic media format of text, data, graphics, or of other types that are furnished by ENVIRONMENTAL CONSULTANT.

D. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party will be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the party delivering the electronic files. ENVIRONMENTAL CONSULTANT is responsible to maintain documents stored in electronic media format after acceptance by PCCA.

E. When transferring documents, neither PCCA nor ENVIRONMENTAL CONSULTANT make any representation to the other as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by PCCA or ENVIRONMENTAL CONSULTANT at the beginning of this Project.

F. Documents provided by ENVIRONMENTAL CONSULTANT are not intended or represented to be suitable for reuse by PCCA or others on extensions of the Project or on any other project. PCCA may, however, reuse such documents without any payment to ENVIRONMENTAL CONSULTANT. Any such reuse or modification without written verification or adaptation by ENVIRONMENTAL CONSULTANT, as appropriate for the specific purpose intended, will be at PCCA's sole risk and without liability or legal exposure to ENVIRONMENTAL CONSULTANT or to ENVIRONMENTAL CONSULTANT's Other Consultants.

G. If there is a discrepancy between the electronic files and the hard copies, ENVIRONMENTAL CONSULTANT will correct discrepancy upon notification.

H. Any verification or adaptation of the Documents by ENVIRONMENTAL CONSULTANT for extensions of the Project or for any other project will entitle ENVIRONMENTAL CONSULTANT to further compensation at rates to be agreed upon by PCCA and ENVIRONMENTAL CONSULTANT.

**6.05 Insurance**

A. At ENVIRONMENTAL CONSULTANT's expense, ENVIRONMENTAL CONSULTANT will procure and maintain and keep in force minimum insurance as set forth in Exhibit G, "Insurance," as will protect ENVIRONMENTAL CONSULTANT from claims which may arise out of or result from ENVIRONMENTAL CONSULTANT's Services pursuant to this Agreement, whether such operations be by ENVIRONMENTAL CONSULTANT, any Other Consultants or by any subcontractor working for ENVIRONMENTAL CONSULTANT, by anyone directly or indirectly employed by ENVIRONMENTAL CONSULTANT or ENVIRONMENTAL CONSULTANT's subcontractor, or by anyone for whose acts ENVIRONMENTAL CONSULTANT or ENVIRONMENTAL CONSULTANT's Other Consultant or subcontractor may be liable. All required insurance coverages must be purchased from insurance carriers with an A. M. Best rating of A:VII or better.

B. ENVIRONMENTAL CONSULTANT will deliver to PCCA certificates of insurance evidencing the coverages indicated in Exhibit G, "Insurance." Such certificates will be furnished prior to commencement of ENVIRONMENTAL CONSULTANT's Services and at renewals or changes of insurance companies thereafter during the life of the Agreement. Any such certificates must be executed by an authorized representative of the company issuing the insurance policy and contain a provision that coverage afforded under the policies will not be cancelled until at least 30 days prior written notice has been given to PCCA by ENVIRONMENTAL CONSULTANT. ENVIRONMENTAL CONSULTANT's Other Consultants and subcontractors will be named as "additional insureds" on each liability (excluding Workers' Compensation and Professional Liability policies) or property policy of insurance purchased and maintained by ENVIRONMENTAL CONSULTANT for the Project.

C. At any time, PCCA may request that ENVIRONMENTAL CONSULTANT, at PCCA's sole expense, provide additional insurance coverage, increased limits, or revised deductibles that are more protective than those specified in Exhibit G, "Insurance." If so requested by PCCA, with the concurrence of ENVIRONMENTAL CONSULTANT, and if commercially available, ENVIRONMENTAL CONSULTANT will obtain and will require ENVIRONMENTAL CONSULTANT's Other Consultants and, as applicable, ENVIRONMENTAL CONSULTANT's subcontractors to obtain such additional insurance coverage, different limits, or revised deductibles for such periods of time as requested by PCCA, and Exhibit G and the Service Order will be amended to incorporate these requirements.

D. Under all applicable coverages, except professional liability coverage, ENVIRONMENTAL CONSULTANT will provide a Waiver of Subrogation endorsement in favor of PCCA. The endorsement will additionally provide that ENVIRONMENTAL CONSULTANT releases PCCA from liability for any claims ENVIRONMENTAL CONSULTANT may have against PCCA that are or should have been covered by the insurance for which the Waiver of Subrogation is made.

E. Under all applicable coverages, except professional liability coverage, ENVIRONMENTAL CONSULTANT will cause the policies of insurance for all applicable coverages to be endorsed to include PCCA as an "additional insured" when permitted by law and provide that, notwithstanding any language in any policy of insurance held by PCCA ("PCCA Insurance") to the effect that the PCCA Insurance is primary, the policies of insurance held by ENVIRONMENTAL CONSULTANT are primary coverage, and the PCCA Insurance is non-contributory so that PCCA Insurance will not share with the policies held by ENVIRONMENTAL CONSULTANT. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance if it exceeds \$250,000, in which case PCCA may elect not to enter into this Agreement with ENVIRONMENTAL CONSULTANT. If requested, ENVIRONMENTAL CONSULTANT will provide PCCA a true copy of each of the Policies required in this Agreement, including all endorsements on each policy.

F. ENVIRONMENTAL CONSULTANT will not commence Services under this Agreement until ENVIRONMENTAL CONSULTANT has obtained all insurance required hereunder and certificates of such insurance in a form that is on file with and that has been approved by the Texas Department of Insurance.

**6.06 Termination**

A. The obligation to provide further services under this Agreement may be terminated:



1. *For Cause.* Either party, in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party, may terminate this Agreement upon 30 days written notice.

a. If ENVIRONMENTAL CONSULTANT believes that ENVIRONMENTAL CONSULTANT is being requested by PCCA to furnish or perform Services contrary to ENVIRONMENTAL CONSULTANT's responsibilities as a licensed professional or if ENVIRONMENTAL CONSULTANT's Services for the Project are delayed or suspended for more than 90 days for reasons beyond ENVIRONMENTAL CONSULTANT's control, ENVIRONMENTAL CONSULTANT may terminate this Agreement upon seven days written notice to PCCA.

b. Notwithstanding the foregoing, this Agreement will not terminate as a result of such substantial failure if the party receiving such notice begins, within seven days of receipt of such notice, to correct its failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of such notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30-day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein will extend up to, but in no case more than, 60 days after the date of receipt of such notice.

2. *For Convenience.* PCCA may terminate this Agreement effective upon the receipt of notice from PCCA by ENVIRONMENTAL CONSULTANT.

B. The terminating party under paragraphs 6.06.A.1 or 6.06.A.2 may set the effective date of termination at a time up to 30 days later than otherwise provided to allow ENVIRONMENTAL CONSULTANT to demobilize personnel and equipment from the Site, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.

C. ENVIRONMENTAL CONSULTANT will be paid for all Services performed and Reimbursable Expenses incurred prior to the effective date of termination. Upon payment of all amounts rightfully owed by PCCA to ENVIRONMENTAL CONSULTANT, PCCA will take ownership of the Documents pursuant to Section 6.04 herein.

## **6.07 Controlling Law**

This Agreement is governed by the laws of the state of Texas. Venue of any action will be in Nueces County, Texas. In the event of a conflict between the wording of this Agreement, including any Service Order or Service Orders attached to it and any Purchase Order issued by PCCA in connection with this Agreement, the wording of this Agreement, including any Service Order or Service Orders attached to it, will control the interpretation of this Agreement.

## **6.08 Successors, Assigns, and Beneficiaries**

A. PCCA and ENVIRONMENTAL CONSULTANT each is hereby bound and the partners, successors, executors, administrators, and legal representatives of PCCA and ENVIRONMENTAL CONSULTANT and, to the extent permitted by paragraph 6.08.B, the assigns of PCCA and ENVIRONMENTAL CONSULTANT are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

B. Neither PCCA nor ENVIRONMENTAL CONSULTANT may assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, claims arising out of this Agreement or moneys that are due or may become due) without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent

to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

C. Unless expressly provided otherwise in this Agreement:

1. Nothing in this Agreement will be construed to create, impose, or give rise to any duty owed by PCCA or ENVIRONMENTAL CONSULTANT to any Contractor, Contractor's subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them.

2. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of PCCA and ENVIRONMENTAL CONSULTANT and not for the benefit of any other party, person, or entity.

#### **6.09 Dispute Resolution**

A. PCCA and ENVIRONMENTAL CONSULTANT agree to negotiate all disputes between them in good faith (including, if agreed, the use of a mediator) for a period of 30 days from the date of notice prior to exercising their rights under this Section or other provisions of this Agreement or under law. In the absence of such an agreement, the parties may exercise their rights under law.

B. If and to the extent that PCCA and ENVIRONMENTAL CONSULTANT have agreed on a method and procedure for resolving disputes between them arising out of or relating to this Agreement, such dispute resolution method and procedure is set forth in this Section.

C. In the event PCCA requests that ENVIRONMENTAL CONSULTANT perform Services that, in ENVIRONMENTAL CONSULTANT's opinion, are not included under the Basic Services described in Exhibit A and PCCA believes that it is included, ENVIRONMENTAL CONSULTANT will proceed with the Services after notifying PCCA that ENVIRONMENTAL CONSULTANT does not agree that the Services after including under the Basic Services without delay, and perform them to the satisfaction of PCCA. At the conclusion of the Project, or in no event longer than six months, ENVIRONMENTAL CONSULTANT may request that the issue of payment for this work be submitted to mediation (if both parties agree) or to arbitration as outlined in this Section.

D. In the event PCCA and ENVIRONMENTAL CONSULTANT cannot agree on the price of Additional Services requested by PCCA, ENVIRONMENTAL CONSULTANT will proceed with the Services without delay and perform them to the satisfaction of PCCA. At the conclusion of the Project, or in no event longer than six months, ENVIRONMENTAL CONSULTANT may request that the disputed price for any Additional Services be submitted to mediation (if both parties agree) or to arbitration.

1. All disputes between PCCA and ENVIRONMENTAL CONSULTANT, subject to the negotiation or mediation referred to in this Section, will be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association effective at the Effective Date of the Agreement, subject to the limitations and restrictions stated in paragraphs A through D below. This agreement to arbitrate and any other agreement or consent to arbitrate entered into in accordance herewith as provided in this paragraph will be specifically enforceable under prevailing law of any court having jurisdiction.

a. Notice of the demand for arbitration must be filed in writing with the other party to the Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the dispute has arisen. In no event may the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations.

b. All demands for arbitration and all answering statements thereto that include any monetary claims must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than \$100,000.00 (exclusive of interest and costs). The arbitrators will not have jurisdiction, power, or authority to consider or make findings (except in denial of their own jurisdiction) concerning any dispute where the

amount in controversy of any such dispute is more than \$100,000.00 (exclusive of interest and costs) or to render a monetary award in response thereto against any party that totals more than \$100,000.00 (exclusive of interest and costs).

c. The award rendered by the arbitrators will be final, and judgment may be entered upon it in any court in Nueces County, Texas, having jurisdiction thereof.

d. If a dispute in question between PCCA and ENVIRONMENTAL CONSULTANT involves the Work of a Contractor, subcontractor, or consultant to PCCA or ENVIRONMENTAL CONSULTANT (each a "Joinable Party"), either PCCA or ENVIRONMENTAL CONSULTANT may join each Joinable Party as a party to the arbitration between PCCA and ENVIRONMENTAL CONSULTANT hereunder, and ENVIRONMENTAL CONSULTANT or PCCA, as appropriate, will include in each contract with each such Joinable Party a specific provision whereby such Joinable Party consents to being joined in an arbitration between PCCA and ENVIRONMENTAL CONSULTANT involving the Work or Services of such Joinable Party. Nothing in this Section, nor in the provision of such contract consenting to joinder, will create any claim, right, or cause of action in favor of the Joinable Party and against PCCA or ENVIRONMENTAL CONSULTANT that does not otherwise exist.

#### **6.10 Hazardous Environmental Conditions**

A. PCCA will disclose, to the best of its knowledge, to ENVIRONMENTAL CONSULTANT the existence of all Asbestos, PCBs, Petroleum, Hazardous Substance, or Radioactive Material known to PCCA or its employees and located at the Site, including type, quantity and location.

B. If a Hazardous Environmental Condition is encountered or alleged, by ENVIRONMENTAL CONSULTANT or ENVIRONMENTAL CONSULTANT's employees and Other Consultants or subcontractors, ENVIRONMENTAL CONSULTANT has the obligation to notify PCCA and, to the extent of applicable Laws and Regulations, appropriate governmental officials.

C. The Parties acknowledge that ENVIRONMENTAL CONSULTANT's Scope of Services may include Services related to a Hazardous Environmental Condition and that the project site(s) may contain hazardous or toxic substances, constituents, contaminants, materials, or pollutants. ENVIRONMENTAL CONSULTANT knowingly and voluntarily assumes all risks of injury and damage to ENVIRONMENTAL CONSULTANT, its Other Consultants, employees, agents, subcontractors and others working for the ENVIRONMENTAL CONSULTANT, and damage to property caused by exposure to these materials. ENVIRONMENTAL CONSULTANT agrees to advise fully all of its Other Consultants, employees, agents, subcontractors, and others working for ENVIRONMENTAL CONSULTANT, of such risks and of all necessary environmental, safety, and health procedures required by Governmental Requirements. ENVIRONMENTAL CONSULTANT will continuously inspect its work, materials, and equipment to identify and promptly correct unsafe conditions.

D. PCCA acknowledges that ENVIRONMENTAL CONSULTANT is performing Professional Services for PCCA and that ENVIRONMENTAL CONSULTANT is not and will not be required to become an "operator" or "generator" or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the Site in connection with ENVIRONMENTAL CONSULTANT's activities under this Agreement.

#### **6.11 Indemnification and Release**

A. As used in this paragraph, each of the following terms will have the meanings set forth in this Section.

1. "Beneficiary" means the intended recipient of the benefits of another party's Indemnity, Waiver or obligation to Defend.

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

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

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

5. “Indemnified Persons” means PCCA, its Port Commissioners, directors, managers, employees, and agents.

6. “ENVIRONMENTAL CONSULTANT Parties” means the ENVIRONMENTAL CONSULTANT, its agents, employees, owners, Other Consultants and subcontractors under contract, or other entities over which the ENVIRONMENTAL CONSULTANT exercises control.

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

**B. Subject to the terms of this Section, ENVIRONMENTAL CONSULTANT will Defend and Indemnify the Indemnified Persons from and against all Claims to the extent caused by or resulting from, or alleged to have been caused by or resulted from, any of the following matters (these Claims being referred to herein as the “Indemnified Claims”):**

1. The negligent conduct of ENVIRONMENTAL CONSULTANT’s business on the Project;
2. ENVIRONMENTAL CONSULTANT’s breach of this Agreement; or
3. Any negligent act, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by any ENVIRONMENTAL CONSULTANT Party, including the sole, joint, concurrent, or comparative negligence of any ENVIRONMENTAL CONSULTANT Party in connection with or pertaining to this Agreement.

**C. The Indemnities, Waivers and obligation to Defend in this Section will be enforced to the fullest extent permitted by applicable law for the benefit of the applicable Beneficiary thereof, regardless of any extraordinary shifting of risks, and even if the applicable Claim is caused by the joint, concurrent, or comparative negligence of such Beneficiary; provided, however, that an Indemnity will not be enforced to the extent that a court of competent jurisdiction holds in a final judgment that the applicable Claim against a Beneficiary was caused by the willful misconduct or sole negligence of such Beneficiary.**

**D. Notwithstanding anything to the contrary contained in this Section, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility, or fault of the Indemnified Persons and the ENVIRONMENTAL CONSULTANT Parties, then the ENVIRONMENTAL CONSULTANT’s obligation to the Indemnified Persons will extend only to the percentage of the total responsibility of the ENVIRONMENTAL CONSULTANT Parties in contributing to such Indemnified Claim.**

**E. In Claims against any Indemnified Person by or for an employee of an ENVIRONMENTAL CONSULTANT Party, the ENVIRONMENTAL CONSULTANT’s indemnification obligation under this Section will not be limited by a limitation on the amount or type of damages, compensation or benefits**

payable by or for the ENVIRONMENTAL CONSULTANT Party under the Workers' Compensation Act, disability benefit acts, or other employee benefit acts.

F. Except as otherwise expressly limited in this Section, it is the intent of the parties to this Agreement that all indemnity obligations and liabilities contracted for in this Agreement be without monetary limit.

G. If any action or proceeding is brought against an Indemnified Person by reason of any Indemnified Claim described in this Section, the Indemnified Person will be represented by its general counsel or another attorney selected by the Indemnified Person and approved by ENVIRONMENTAL CONSULTANT, which approval will not be unreasonably withheld, and ENVIRONMENTAL CONSULTANT shall indemnify the Indemnified Person for attorney's fees actually incurred.

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

I. ENVIRONMENTAL CONSULTANT agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage; provided, however, PCCA acknowledges that ENVIRONMENTAL CONSULTANT's professional liability insurance will not provide for defense coverage.

#### **6.12 Notices**

Any notice required under this Agreement must be submitted in writing, addressed to the appropriate party at its address on the signature page or on the written change of address as outlined in paragraph one on page one of this Agreement, and sent by registered or certified mail postage prepaid, by facsimile transmission, or by a reputable commercial courier service. All notices will be effective upon the date of receipt.

#### **6.13 Survival**

All express representations, indemnifications, or limitations of liability included in this Agreement will survive its completion or termination for any reason.

#### **6.14 Severability**

Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations will be deemed stricken, and all remaining provisions will continue to be valid and binding upon PCCA and ENVIRONMENTAL CONSULTANT, who agree that the Agreement will be revised to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

#### **6.15 Waiver**

Non-enforcement of any provision by either party will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remainder of this Agreement.

#### **6.16 Headings**

The headings used in this Agreement are for general reference only and do not have special significance.



**6.17 Public Meetings/Records**

PCCA is a political subdivision of the state of Texas 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, PCCA 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, ENVIRONMENTAL CONSULTANT 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 PCCA as required by the Texas Open Meetings Act, Texas Public Information Act, or any other law will not expose PCCA (or any party acting by, through or under PCCA) to any claim, liability, or action by ENVIRONMENTAL CONSULTANT.

**6.18 Confidentiality**

ENVIRONMENTAL CONSULTANT will keep confidential all information in whatever form produced, prepared, observed or received from PCCA to the extent that such information is: (a) confidential by law; (b) marked or designated "Confidential" or words to that effect; or (c) information that ENVIRONMENTAL CONSULTANT is otherwise required to keep confidential by this Agreement. Notwithstanding the above, ENVIRONMENTAL CONSULTANT will be permitted to disclose any information required by law or court order. In addition, ENVIRONMENTAL CONSULTANT will not advertise it is doing business with PCCA or use this Agreement as a marketing or sales tool without the prior written consent of PCCA.

**6.19 Relationship of the Parties**

ENVIRONMENTAL CONSULTANT is associated with PCCA only for the purposes and to the extent specified in this Agreement and in respect of the contracted Services pursuant to this Agreement. ENVIRONMENTAL CONSULTANT is and will be an independent contractor and, subject only to the terms of this Agreement, will have the sole right to supervise, manage, operate, control and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement is deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for PCCA whatsoever with respect to the indebtedness, liabilities or obligations of ENVIRONMENTAL CONSULTANT or any other party. ENVIRONMENTAL CONSULTANT will be solely responsible for, and PCCA has no obligation with respect to:

- A. Withholding of income taxes, FICA, or any other taxes or fees;
- B. Industrial or Workers Compensation insurance coverage;
- C. Participation in any group insurance plans available to employees of ENVIRONMENTAL CONSULTANT;
- D. Accumulation of vacation leave or sick leave; or
- E. Unemployment compensation coverage provided by the State of Texas.

**ARTICLE 7**  
**DEFINITIONS**

**7.01 Defined Terms**

Wherever used in this Agreement (including the Exhibits hereto) and printed with initial or all capital letters, the terms listed below have the meanings indicated, which are applicable to both the singular and plural thereof:

1. *Addenda.* Written or graphic instruments issued prior to the opening of Bids that clarify, correct, or change the Bid Documents.

2. *Additional Services.* The Services to be performed for or furnished to PCCA by ENVIRONMENTAL CONSULTANT in accordance with Exhibit A, Part 2, and the corresponding Service Order attached to this Agreement.

3. *Agreement.* This "Master Agreement between PCCA and ENVIRONMENTAL CONSULTANT for Professional Services," including those Exhibits listed in Article 8 hereof and any Service Orders that may be attached to and incorporated in this Agreement by reference for all purposes.

4. *Application for Payment to Contractor.* The form acceptable to PCCA and agreed upon by ENVIRONMENTAL CONSULTANT that is to be used by Contractor in requesting progress or final payments for the completion of the Work and which is to be accompanied by such supporting documentation as is required by the Contract Documents.

5. *Asbestos.* Any material that contains more than one percent (1%) Asbestos and is friable or is releasing Asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

6. *Consultant Services.* The Services to be performed for or furnished to PCCA by ENVIRONMENTAL CONSULTANT in accordance with Exhibit A, Part 1, and the corresponding Service Order attached to this Agreement.

7. *Bid.* The offer or proposal of the bidder submitted on the PCCA-prescribed form setting forth the prices for the Work to be performed.

8. *Bid Documents.* The advertisement or invitation to Bid, instructions to bidders, the Bid form and attachments, the bid bond, if any, the Contract Documents, and all Addenda, if any.

9. *Change Order.* A document recommended by ENVIRONMENTAL CONSULTANT, which is signed by Contractor and PCCA, to authorize an addition to, deletion from, or revision in the Work, or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Construction Agreement.

10. *Construction Agreement.* The entire and integrated written agreement between PCCA and Contractor concerning the Work.

11. *Cost(s) of the Project.* The cost to PCCA of those portions of the entire Project designed or specified by ENVIRONMENTAL CONSULTANT. The Cost(s) of the Project does not include costs of Services of ENVIRONMENTAL CONSULTANT or other design professionals and Other Consultants; costs of land, rights-of-way, or compensation for damages to properties; or PCCA's costs for legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project; or the costs of services to be provided to PCCA by others pursuant to Exhibit B of this Agreement.

12. *Contract Documents.* The documents described in the Construction Agreement between PCCA and Contractor as the Contract Documents. Approved Shop Drawings and the reports and drawings of subsurface and physical conditions are not Contract Documents.

13. *Contract Price.* The moneys payable by PCCA to Contractor for completion of the Work in accordance with the Contract Documents and as stated in the Construction Agreement.

14. *Contract Times.* The numbers of days or the dates stated in the Construction Agreement to: (i) achieve Substantial Completion and (ii) complete the Work so that it is ready for final payment as evidenced by ENVIRONMENTAL CONSULTANT's written recommendation of final payment.



15. *Contractor.* An individual or entity with which PCCA enters into a Construction Agreement.
16. *Correction Period.* The time after Substantial Completion during which Contractor must correct, at no cost to PCCA, any Defective Work; normally one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee or specific provision of the Contract Documents.
17. *Defective.* An adjective which, when modifying the word Work, refers to Work that is unsatisfactory, faulty, or deficient in that it does not conform to the Contract Documents; does not meet the requirements of any inspection, reference standard, test, or approval referred to in the Contract Documents; or has been damaged prior to ENVIRONMENTAL CONSULTANT's recommendation of final payment.
18. *Documents.* Data, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed or electronic media format, provided or furnished in appropriate phases by ENVIRONMENTAL CONSULTANT to PCCA pursuant to this Agreement.
19. *Drawings.* That part of the Contract Documents prepared or approved by ENVIRONMENTAL CONSULTANT that graphically shows the scope, extent, and character of the Work to be performed or was performed by ENVIRONMENTAL CONSULTANT or Contractor. Shop drawings are not Drawings as so defined.
20. *Effective Date of the Construction Agreement.* The date indicated in the Construction Agreement on which it becomes effective; but if no such date is indicated, it means the date on which the Construction Agreement is signed and delivered by the last of the two parties to sign and deliver.
21. *Effective Date of the Agreement.* The date indicated in this Agreement on which it becomes effective; but if no such date is indicated, it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.
22. *Other Consultants.* Individuals or entities having a contract with ENVIRONMENTAL CONSULTANT to furnish Services with respect to any Project pursuant to this Agreement as ENVIRONMENTAL CONSULTANT's independent professional associates. The term ENVIRONMENTAL CONSULTANT includes ENVIRONMENTAL CONSULTANT's Other Consultants.
23. *Field Order.* A written order issued by ENVIRONMENTAL CONSULTANT which directs minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.
24. *Final Acceptance.* That point in the Project wherein ENVIRONMENTAL CONSULTANT considers the Project complete and PCCA issues a Certificate of Final Acceptance.
25. *General Conditions.* That part of the Contract Documents that sets forth the terms, conditions, and procedures that govern the Work to be performed or furnished by Contractor with respect to the Project.
26. *Hazardous Environmental Condition.* The presence at the Site of Asbestos, PCBs, Petroleum, Hazardous Substance, or Radioactive Materials in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto in connection with the Work.
27. *Hazardous Substance.* The term Hazardous Substance will have the meaning provided in Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended from time to time or to the extent the laws of the state of Texas establish a meaning for Hazardous Substance which is broader than that specified in CERCLA, such broader meaning will apply.
28. *Laws and Regulations; Laws or Regulations.* Any and all applicable laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

29. *PCBs.* Polychlorinated biphenyls.
30. *PCCA's Representative.* The PCCA's Representative is Sarah L. Garza, Director of Environmental Planning and Compliance for the Port of Corpus Christi Authority of Nueces County, Texas, or her duly authorized representative.
31. *Petroleum.* Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60° Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other Non-Hazardous Waste and crude oils.
32. *Project.* The Project consists of the design, implementation or construction, and management of the Work.
33. *Radioactive Materials.* Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 *et seq*) as amended from time to time.
34. *Record Drawings.* The Drawings as issued for construction on which the ENVIRONMENTAL CONSULTANT, upon completion of the Work, has shown changes due to Addenda, Field Orders, and Change Orders and other information that ENVIRONMENTAL CONSULTANT considers significant based on record documents furnished by Contractor to ENVIRONMENTAL CONSULTANT and which were annotated by Contractor to show changes made during construction.
35. *Reimbursable Expenses.* The expenses incurred directly by ENVIRONMENTAL CONSULTANT in connection with performing or furnishing Basic and Additional Services for the Project for which PCCA will pay ENVIRONMENTAL CONSULTANT as indicated in Exhibit C.
36. *Samples.* Physical examples of soil, groundwater, materials, equipment, or workmanship that are representative of some portion of the Work and are used for comparison to existing standards by which such portion of the Work will be judged.
37. *Services.* Professional consulting provided by ENVIRONMENTAL CONSULTANT as described in this Agreement and each Service Order attached to this Agreement.
38. *Service Order.* The Service Order is the document that describes the Project (see Exhibit H) and defines the Scope of Services, Service Schedule, deliverables, and compensation to be paid to ENVIRONMENTAL CONSULTANT.
39. *Shop Drawings.* All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by ENVIRONMENTAL CONSULTANT for Contractor and are used to illustrate some portion of the Work.
40. *Site.* Lands or areas indicated in this Agreement or the Drawings as being furnished by PCCA upon which the Work is to be performed, rights-of-way and easements for access thereto, and such other lands furnished by PCCA that are designated for use by Contractor.
41. *Specifications.* That part of the Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.
42. *Substantial Completion.* That point in the Project wherein ENVIRONMENTAL CONSULTANT, unless PCCA has designated someone other than ENVIRONMENTAL CONSULTANT as its representative, recommends and PCCA determines that the Project is suitable for use or occupancy for its intended purpose but may still require minor miscellaneous work or adjustment.

43. *Special Conditions.* That part of the Contract Documents which amends or supplements the General Conditions.

44. *Total Project Costs.* The sum of the Construction Cost; allowances for contingencies; the total costs of Services of CONSULTANT or other design professionals and Other Consultants; costs of land, rights-of-way, or compensation for damages to properties; PCCA's costs for legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project; and the cost of services to be provided to PCCA by others pursuant to Exhibit B of this Agreement.

45. *Work.* The entire completed construction or the various separately identifiable parts thereof required to be provided by Contractor pursuant to the Contract Documents in the Construction Agreement for construction with respect to this Project. Work includes and is the result of performing or furnishing labor, services, and documentation necessary to produce such construction and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

46. *Work Change Directive.* A written directive to Contractor, issued on or after the Effective Date of the Construction Agreement and signed by PCCA upon recommendation of the ENVIRONMENTAL CONSULTANT, ordering an addition to, deletion from, or revision in the Work, or responding to differing or unforeseen subsurface or physical conditions under which the Work is to be performed, or to emergencies. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the change directed or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiation by the parties as to its effect, if any, on the Contract Price or Contract Times.

47. *Written Amendment.* A written amendment of the Contract Documents signed by PCCA and Contractor on or after the Effective Date of the Construction Agreement and normally dealing with the non-engineering or non-technical rather than strictly construction-related aspects of the Contract Documents.

## **ARTICLE 8**

### **EXHIBITS AND SPECIAL PROVISIONS**

#### **8.01 Exhibits Included**

- |    |   |                          |
|----|---|--------------------------|
| A. | Exhibit A, "CONSULTANT's Services and Responsibilities."  | (Consisting of 10 Pages) |
| B. | Exhibit B, "PCCA's Responsibilities."   | (Consisting of 3 Pages)  |
| C. | Exhibit C, "Payments to CONSULTANT for Services and "Reimbursable Expenses."  | (Consisting of 3 Pages)  |
|    | Appendix 1, "Reimbursable Expenses Schedule."   | (Consisting of 1 Pages)  |
|    | Appendix 2, "Standard Hourly Rates Schedule."   | (Consisting of 1 Pages)  |
|    | Appendix 3, "Application/Certification for Payment."  | (Consisting of 2 Pages)  |
| D. | Exhibit D, "Duties, Responsibilities, and Limitations of Authority of Resident Project Representative."                       | (Consisting of 4 Pages)  |
| E. | Exhibit E, "Duties, Responsibilities, and Limitations of Authority of Resident Project Representative on Abatement Projects." | (Consisting of 4 Pages)  |
| F. | Exhibit F, "Notice of Acceptability of Work."   | (Consisting of 2 Pages)  |

- |    |  |                         |
|----|--|-------------------------|
| G. | Exhibit G, "Insurance."                      | (Consisting of 1 Pages) |
|    | Appendix 1, "PCCA Certificate of Insurance." | (Consisting of 1 Pages) |
| H. | Exhibit H, "Service Order Form."             | (Consisting of 3 Pages) |

**8.02 Total Agreement**

This Agreement (consisting of pages 1 to 21 inclusive, together with the Exhibits identified above) constitutes the entire Agreement between PCCA and CONSULTANT and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

PCCA:

CONSULTANT:

**Port of Corpus Christi Authority  
of Nueces County, Texas**

**Cardno GS, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_ Name: John P. LaRueName: Steve Clonts, JDTitle: Executive DirectorTitle: Director of Contracts

Date Signed: \_\_\_\_\_

Date Signed: 5/2/16

Address for giving notice:

Address for giving notice:

222 Power Street  
Corpus Christi, Texas 78401  
Attention: Director of Environmental  
Planning and Compliance

505 Quail Court  
Sewell, NJ 08080  
Attention: Director of Transportation  
Infrastructure Sector

Designated Representative (¶ 6.02):

Designated Representative (¶ 6.02):

\_\_\_\_\_  
Sarah L. Garza\_\_\_\_\_  
John D. Pauling P.E., BCEETitle: Director of Environmental Planning & ComplianceTitle: Director of Transportation Infrastructure SectorPhone Number: 361-885-6163Phone Number: 856-217-7238Facsimile Number: 361-881-5161

Facsimile Number: \_\_\_\_\_

E-Mail Address: sarah@pocca.comE-Mail Address: john.pauling@cardno-gs.com

## **ENVIRONMENTAL CONSULTANT's Services and Responsibilities**

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Article 1 of the Agreement is amended and supplemented to include the following agreement of the parties. ENVIRONMENTAL CONSULTANT will provide Basic and Additional Services as set forth below.

### **PART 1 – BASIC SERVICES**

#### *A-1.01 Study and Report Phase*

A. ENVIRONMENTAL CONSULTANT will:

1. Consult with PCCA to define and clarify PCCA's requirements for the Project and available data.
2. Advise PCCA as to the necessity of PCCA's providing data or services of the types described in Exhibit B, which are not part of ENVIRONMENTAL CONSULTANT's Basic Services, and assist PCCA in obtaining such data and services.
3. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the Project or portions of the Project including, but not limited to, mitigating measures identified in any environmental assessment, permitting requirements, characterization of subsurface conditions relative to probable constituents of concern or hazardous substance and remediation of identified constituents of concern or hazardous substances, and assessments for identifying the presence of asbestos, PCBs or lead paint and the development plan for the abatement or appropriate handling of identified asbestos, PCBs or lead paint.
4. Identify and evaluate the number of alternate solutions stated in the Service Order available to PCCA and, after consultation with PCCA, recommend to PCCA those solutions which in ENVIRONMENTAL CONSULTANT's judgment meet PCCA's requirements for the Project.
5. ENVIRONMENTAL CONSULTANT has examined all project sites involved in performing the Services stated in the Agreement and Service Order(s) and has knowledge of all conditions under which the Services are to be executed and completed, including but not limited to, soil and groundwater conditions to the extent applicable, approaches to the project sites and the space available for work areas, storage and temporary buildings. ENVIRONMENTAL CONSULTANT is responsible for preparing and implementing a Health and Safety Plan / Program in accordance with the applicable Occupational Safety and Health Administration (OSHA) standards appropriate for the Services being performed and the site conditions, including any PCCA site specific requirements.
6. ENVIRONMENTAL CONSULTANT will immediately notify PCCA regarding any condition that threatens to adversely affect quality assurance and control of the Services being performed. Additionally, ENVIRONMENTAL CONSULTANT will immediately notify PCCA if it becomes aware of any pending or threatened governmental or third party action or claim relating to: (i) the Services being performed, (ii) the status of any of ENVIRONMENTAL CONSULTANT's or PCCA's permits or licenses related to the project site(s) or the Services being performed, or (iii) a violation or alleged violation of Governmental requirements.
7. Conduct Phase I Environmental Site Assessment in accordance with ASTM Standard 1527-E and recommendations for a Phase II Environmental Site Assessment, as appropriate, in preparation for property transactions that PCCA may be considering.
8. Conduct subsurface investigation activities as is necessary to delineate and characterize subsurface conditions at the site in accordance with applicable rules and regulations. To the extent this includes laboratory, sampling or field work; ENVIRONMENTAL CONSULTANT will maintain complete records of the chain of custody and deliver the records to PCCA.

9. Prepare a report ("Report"), including but not limited to, permit application(s) and regulating agency standard report forms/documents, which will, as appropriate, contain figures, summary tables, schematic layouts, sketches and/or conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and those alternate solutions available to PCCA which ENVIRONMENTAL CONSULTANT recommends. This Report will be accompanied by ENVIRONMENTAL CONSULTANT's opinion of Costs of the Project with each component separately itemized, including the following, which will be separately itemized: recommended options (whether this includes remediation activities or additional assessment costs); allowances for contingencies and for the estimated total costs of design, professional, and related Services provided by ENVIRONMENTAL CONSULTANT; and, on the basis of information furnished by PCCA, allowances for other items and services included within the definition of Total Project Costs.

10. Perform or provide additional study and report phase tasks or deliverables stated in the Service Order.

11. Coordinate proper disposal of investigation derived wastes, prepare for PCCA an agreement between PCCA and the company detailing the work to be done and the cost and submit to PCCA for approval; and maintain complete records of chain of custody and control of handling, transporting and final disposal of all hazardous and/or waste materials and deliver the records to PCCA.

12. Furnish one complete electronic copy in PDF format (unless a different number and format is stated in the Service Order) of the Report to PCCA within the number of days of authorization to begin Services and review it with PCCA as provided in the Service Order.

13. Revise the Report in response to PCCA's and other parties' comments, as appropriate, and furnish one complete electronic copy in PDF format (unless a different number or format is stated in the Service Order) of the revised Report to PCCA within the number of days after completion of reviewing it with PCCA as provided in the Service Order. On behalf of PCCA, submit final Report to regulating governmental authority for review and approval.

B. ENVIRONMENTAL CONSULTANT's Services under the study and report phase will be considered complete on the date the final copies of the revised Report have been delivered to and accepted by PCCA.

#### *A-1.02 Preliminary Design Phase*

A. After acceptance by PCCA of the Report, selection by PCCA of a recommended solution and indication of any specific modifications or changes in the scope, extent, character, or design requirements of the Project desired by PCCA, and upon written authorization from PCCA, ENVIRONMENTAL CONSULTANT will:

1. On the basis of the above acceptance, selection, and authorization, prepare preliminary design phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Project and where required, complete applicable governmental authority standard report forms/documents.

2. Conduct additional subsurface investigation activities as approved to further delineate and characterize subsurface conditions including any groundwater plume at the site. To the extent this includes laboratory, sampling, or field work, ENVIRONMENTAL CONSULTANT will maintain complete records of the chain of custody and deliver records to PCCA.

3. Provide necessary field surveys and topographic and utility mapping for design purposes. Utility mapping will be based upon information obtained from utility owners.



4. Advise PCCA if additional reports, data, information, or services of the types described in Exhibit B are necessary and assist PCCA in obtaining such reports, data, information, or services.

5. Coordinate proper disposal of investigation derived wastes and maintain complete records of chain of custody and control of handling, transporting and final disposal of all hazardous and/or waste materials and deliver the records to PCCA.

6. Based on the information contained in the preliminary design phase documents, submit a revised opinion of Construction Cost and any adjustments to Total Project Costs known to ENVIRONMENTAL CONSULTANT, which will be itemized as provided in paragraph A-1.01.A.5.

7. Perform or provide additional preliminary design phase tasks or deliverables stated in the Service Order.

8. Furnish the preliminary design phase documents to and review them with PCCA.

9. Submit to PCCA one complete electronic copy in PDF format (unless a different number and format is stated in the Service Order) of the preliminary design phase documents and revised opinion of Costs of the Project within the number of days after authorization to proceed with this phase as provided in the Service Order. On behalf of PCCA, submit final design phase documents to regulating governmental authority for review and approval.

B. ENVIRONMENTAL CONSULTANT's Services under the preliminary design phase will be considered complete on the date final copies of the preliminary design phase documents have been delivered to and accepted by PCCA and applicable governmental authority.

#### *A-1.03 Final Design Phase*

A. After acceptance by PCCA of the preliminary design phase documents and revised opinion of Costs of Project, and where required, after receipt of governing authorities approval of final design documents, as determined in the preliminary design phase, but subject to any PCCA- or governing authorities-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon written authorization from PCCA, ENVIRONMENTAL CONSULTANT will:

1. On the basis of the above acceptance, direction, and authorization, prepare final Drawings indicating the scope, extent, and character of the Work to be performed and furnished by Contractor. Associated technical specifications will be prepared, where appropriate, in general conformance with the most recent Master Format of the Construction Specifications Institute.

2. Provide technical criteria, written descriptions, and design data for PCCA's use in filing applications for other related permits from or approvals of governmental authorities having jurisdiction to review or approve the final design of the Project or portions of the Project, and assist PCCA in consultations with appropriate authorities.

3. Advise PCCA of any adjustments to the opinion of Costs of the Project and any adjustments to Total Project Costs known to ENVIRONMENTAL CONSULTANT, itemized as provided in paragraph A-1.01.A.5.

4. Perform or provide additional final design phase tasks or deliverables stated in the Service Order.

5. Prepare and furnish Bid Documents for review and approval by PCCA, its legal counsel, and other advisors, as appropriate, and assist PCCA in the preparation of other related documents.

6. Submit one final copy in original editing format and one complete PDF copy (unless a different number and format is stated in the Service Order) of the Bid Documents, a revised opinion of Costs of Project, and final CAD file and micro station drawings to PCCA within the number of days after authorization to proceed with this phase as provided in the Service Order.

B. In the event the Work designed or specified by ENVIRONMENTAL CONSULTANT is to be performed or furnished under more than one prime contractor if ENVIRONMENTAL CONSULTANT's Services are to be separately sequenced with the work of one or more prime Contractors (such as in the case of fast-tracking), PCCA and ENVIRONMENTAL CONSULTANT will, prior to commencement of the final design phase, develop a schedule for performance of ENVIRONMENTAL CONSULTANT's Services during the final design, bidding or negotiating, construction, and post-construction phases in order to sequence and coordinate properly such Services as are applicable to the Work under such separate prime contracts. This schedule is to be prepared and included in or become an amendment to Exhibit A whether or not the Work under such contracts is to proceed concurrently.

C. The number of prime contracts for Work designed or specified by ENVIRONMENTAL CONSULTANT upon which the ENVIRONMENTAL CONSULTANT's compensation has been established under this Agreement is one (1) unless otherwise specified in each Service Order.

D. ENVIRONMENTAL CONSULTANT's Services under the final design phase will be considered complete on the date the submittals required by paragraph A-1.03.A.6 have been delivered to and accepted by PCCA and applicable governmental authority.

## **PART 2 – ADDITIONAL SERVICES**

### *A-1.04 Bidding or Negotiating Phase*

A. After acceptance by PCCA of the Bid Documents and the most recent opinion of Costs of the Project as determined in the final design phase and upon written authorization by PCCA to proceed, ENVIRONMENTAL CONSULTANT will:

1. Assist PCCA in advertising for and obtaining Bids or negotiating proposals for the Work and, where applicable, maintain a record of prospective bidders to whom Bid Documents have been issued; attend pre-Bid conferences, if any; and receive and process bidders' deposits or charges for the Bid Documents.
2. Prepare Addenda as appropriate to clarify, correct, or change the Bid Documents.
3. Consult with PCCA as to the acceptability of subcontractors, suppliers, and other individuals and entities proposed by Contractor for those portions of the Work for which acceptability is required by the Bid Documents.
4. 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.
5. Perform or provide additional bidding or negotiating phase tasks or deliverables stated in the Service Order.
6. Attend the Bid opening, prepare Bid tabulation sheets, and assist PCCA in evaluating Bids and in assembling and awarding contracts for the Work.

B. The bidding or negotiating phase will be considered complete upon commencement of the construction phase or upon cessation of negotiations with prospective Contractors.

**A-1.05 Construction Phase**

A. Upon successful completion of the bidding and negotiating phase, and upon written authorization from PCCA, ENVIRONMENTAL CONSULTANT will:

1. *General Administration of Construction Contract.* Consult with PCCA and act as PCCA's Representative as provided in the General Conditions relative to the section entitled "OWNER-ENGINEER RELATIONSHIP. The extent and limitations of the duties, responsibilities and authority of ENVIRONMENTAL CONSULTANT as assigned in said General Conditions will not be modified, except as ENVIRONMENTAL CONSULTANT may otherwise agree in writing. PCCA's instructions to Contractor can be issued through ENVIRONMENTAL CONSULTANT, who has authority to act on behalf of PCCA in dealings with Contractor to the extent provided in this Agreement and said General Conditions except as otherwise provided in writing.

2. *Selecting Independent Testing Laboratory.* Assist PCCA in the selection of an independent testing laboratory to perform the services identified in paragraph B-2.01.O.

3. *Pre-Construction Conference.* Participate in a pre-construction conference prior to commencement of Work at the Site.

4. *Baseline and Benchmarks.* Establish baselines and benchmarks for locating the Work as ENVIRONMENTAL CONSULTANT deems necessary to enable Contractor to proceed.

5. *Visits to Site and Observation of Construction.* In connection with observations of Contractor's Work in progress while it is in progress:

a. Make visits to the Site at intervals appropriate to the various stages of construction, as ENVIRONMENTAL CONSULTANT deems necessary, in order to observe as an experienced and qualified design professional the progress and performance of the Work. Such visits and observations by ENVIRONMENTAL CONSULTANT are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress or to involve detailed inspections of Contractor's Work in progress beyond the responsibilities specifically assigned to ENVIRONMENTAL CONSULTANT in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on ENVIRONMENTAL CONSULTANT's exercise of professional judgment. Based on information obtained during such visits and such observations, ENVIRONMENTAL CONSULTANT will determine in general if Contractor's Work is proceeding in accordance with the Contract Documents, and ENVIRONMENTAL CONSULTANT will keep PCCA informed of the progress of the Work.

b. The purpose of ENVIRONMENTAL CONSULTANT's visits to the Site will be to enable ENVIRONMENTAL CONSULTANT to better carry out the duties and responsibilities assigned to and undertaken by ENVIRONMENTAL CONSULTANT during the construction phase, and, in addition, by the exercise of ENVIRONMENTAL CONSULTANT's efforts as an experienced and qualified design professional, to provide for PCCA a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. Except when specified in the Service Order for projects that include abatement activities, ENVIRONMENTAL CONSULTANT will not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor will ENVIRONMENTAL CONSULTANT have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor; provided, however, if ENVIRONMENTAL CONSULTANT observes a condition at the Project Site or Work being performed that in ENVIRONMENTAL CONSULTANT's opinion involves a matter

of safety at the Project, ENVIRONMENTAL CONSULTANT will promptly notify Contractor and PCCA about such matter for safety precautions and programs incident to Contractor's furnishing and performing the Work. Accordingly, ENVIRONMENTAL CONSULTANT neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.

6. *Project Monitoring.* ENVIRONMENTAL CONSULTANT will provide air monitoring activities for Project and/or Contractors employees as specified in applicable protocol or procedure documents.

7. *Defective Work.* ENVIRONMENTAL CONSULTANT will have the authority to reject Contractor's Work while it is in progress if, on the basis of such observations, ENVIRONMENTAL CONSULTANT believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

8. *Clarifications and Interpretations; Field Orders.* Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's Work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. ENVIRONMENTAL CONSULTANT may issue Field Orders authorizing minor variations from the requirements of the Contract Documents.

9. *Change Orders and Work Change Directives.* Recommend Change Orders and Work Change Directives to PCCA, as appropriate, and prepare Change Orders and Work Change Directives as authorized by PCCA.

10. *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approval or other action will not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto. ENVIRONMENTAL CONSULTANT has an obligation to meet any Contractor's submittal schedule that has earlier been acceptable to ENVIRONMENTAL CONSULTANT.

11. *Substitutes and "Or-Equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor, subject to the provisions of paragraph A-2.02.B of this Exhibit A.

12. *Inspections and Tests.* Require such special inspections or tests of Contractor's Work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENVIRONMENTAL CONSULTANT's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENVIRONMENTAL CONSULTANT is entitled to rely on the results of such tests.

13. *Disagreements between PCCA and Contractor.* If the Service Order provides, or is amended to provide, that ENVIRONMENTAL CONSULTANT will render a formal written decision on a particular disagreement, or on all claims of PCCA and Contractor relating to the acceptability of Contractor's Work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of Contractor's Work, then he will do so. In rendering such decision or decisions, ENVIRONMENTAL CONSULTANT will be fair and not show partiality to PCCA or Contractor and will not be liable in connection with any decision rendered in good faith in such capacity.

14. *Applications for Payment.* Based on ENVIRONMENTAL CONSULTANT's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:

a. Determine the amounts that ENVIRONMENTAL CONSULTANT recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENVIRONMENTAL CONSULTANT's representation to PCCA, based on such observations and review, that, to the best of ENVIRONMENTAL CONSULTANT's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the quality of such Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled insofar as it is ENVIRONMENTAL CONSULTANT's responsibility to observe Contractor's Work. In the case of unit price Work, ENVIRONMENTAL CONSULTANT's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents). The responsibilities of ENVIRONMENTAL CONSULTANT contained in paragraph A-1.05.A.5.a are expressly subject to the limitations set forth in paragraph A-1.05.A.5.b and other express or general limitations in this Agreement and elsewhere.

b. By recommending any payment, ENVIRONMENTAL CONSULTANT will not thereby be deemed to have represented that observations made by ENVIRONMENTAL CONSULTANT to check the performance or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENVIRONMENTAL CONSULTANT in this Agreement and the Contract Documents. Neither ENVIRONMENTAL CONSULTANT's review of Contractor's Work for the purpose of recommending payment nor ENVIRONMENTAL CONSULTANT's recommendation of any payment including final payment will impose on ENVIRONMENTAL CONSULTANT a responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose a responsibility on ENVIRONMENTAL CONSULTANT to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to PCCA free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between PCCA and Contractor that might affect the amount that should be paid.

15. *Contractor's Completion Documents.*

a. Receive and review maintenance and operating instructions, schedules, and guarantees.

b. Receive bonds, certificates, or other evidence of insurance not previously submitted and required by the Contract Documents; certificates of inspection, tests and approvals; Shop Drawings; Samples; and other data approved as provided under paragraph A-1.05.A.10; and the annotated record documents assembled by Contractor in accordance with the Contract Documents to obtain final payment. The extent of such ENVIRONMENTAL CONSULTANT's review will be limited as provided in paragraph A-1.05.A.9.

c. ENVIRONMENTAL CONSULTANT will transmit these documents to PCCA.



16. *Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with PCCA and Contractor, conduct an inspection to determine if the Work is Substantially Complete. If ENVIRONMENTAL CONSULTANT considers the Work Substantially Complete, ENVIRONMENTAL CONSULTANT will prepare a Notice of Substantial Completion and submit same to PCCA for its review and approval.

17. *Additional Tasks.* Perform or provide additional construction phase tasks or deliverables stated in the Service Order.

18. *Final Notice of Acceptability of the Work.* Conduct a final inspection to determine if the completed Work of Contractor is acceptable so that ENVIRONMENTAL CONSULTANT may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENVIRONMENTAL CONSULTANT will also provide a notice in the form attached hereto as Exhibit F, "Notice of Acceptability of Work," that the Work is acceptable (subject to the provisions of paragraph A-1.05.A.14.b) to the best of ENVIRONMENTAL CONSULTANT's knowledge, information, and belief and based on the extent of the Services provided by ENVIRONMENTAL CONSULTANT under this Agreement.

B. *Duration of Construction Phase.* The construction phase will commence with the execution of the first Construction Agreement for the Project or any part thereof and will terminate upon written recommendation by ENVIRONMENTAL CONSULTANT for final payment to Contractor. If the Project involves more than one prime contract as indicated in paragraph A-1.03.C, construction phase services may be rendered at different times in respect to the separate contracts.

C. *Limitation of Responsibilities.* ENVIRONMENTAL CONSULTANT is not responsible for the acts or omissions of any Contractor or of any of Contractor's subcontractors, suppliers, or of any other individual or entity performing or furnishing any portion of the Work. ENVIRONMENTAL CONSULTANT is not responsible for failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

#### A-1.06 *Post-Construction Phase*

A. Upon written authorization from PCCA, ENVIRONMENTAL CONSULTANT, during the post-construction phase, will:

1. Provide assistance in connection with the testing and adjusting of Project equipment or systems.
2. Assist PCCA in training PCCA's staff to operate and maintain Project equipment and systems.
3. Assist PCCA in developing procedures for control of the operation and maintenance of and recordkeeping for Project equipment and systems.
4. Together with PCCA, visit the Project Site to observe any apparent defects in the Work, assist PCCA in consultations and discussions with Contractor concerning correction of any such defects, and make recommendations as to replacement or correction of Defective Work, if present.
5. Perform or provide additional post-construction phase tasks or deliverables stated in the Service Order.
6. In company with PCCA or PCCA's Representative, provide an inspection of the Project within one month before the end of the correction period to ascertain whether any portion of the Work is subject to correction.

B. Post-construction phase Services may commence during the construction phase and, if not otherwise modified in this Exhibit A, will terminate at the end of the correction period.

*A-2.01 Additional Services Requiring PCCA's Authorization in Advance.*

If authorized in the Service Order by PCCA, ENVIRONMENTAL CONSULTANT will furnish or obtain from others Additional Services of the types listed below. These services will be paid for by PCCA as indicated in Article 4 of the Agreement.

A. Preparation of applications and supporting documentation (in addition to those furnished under Basic Services) for private or governmental grants, loans, or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

B. Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of Drawings or other information furnished by PCCA.

C. Services resulting from significant changes in the scope, extent, or character of the portions of the Project designed or specified by ENVIRONMENTAL CONSULTANT or its design requirements including, but not limited to, changes in size, complexity, PCCA's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Contract Documents when such revisions are required by changes in Laws or Regulations enacted subsequent to the Effective Date of this Agreement or are due to any other causes beyond ENVIRONMENTAL CONSULTANT's control.

D. Services resulting from PCCA's request to evaluate additional study and report phase alternative solutions beyond those identified in paragraph A-1.01.A.4.

E. Services required as a result of PCCA's providing incomplete or incorrect Project information with respect to Exhibit B.

F. Providing renderings or models for PCCA's use.

G. Undertaking investigations and studies including, but not limited to, detailed consideration of operations, maintenance, and overhead expenses; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules, and appraisals; assistance in obtaining financing for the Project; evaluating processes available for licensing and assisting PCCA in obtaining process licensing; detailed quantity surveys of materials, equipment, and labor; and audits or inventories required in connection with construction performed by PCCA.

H. Furnishing Services of ENVIRONMENTAL CONSULTANT's Other Consultants for other than Basic Services, including such things as hiring an independent cost estimator at PCCA request.

I. Services attributable to more prime construction contracts than specified in paragraph A-1.03.C.

J. Services during out-of-town travel required of ENVIRONMENTAL CONSULTANT other than for visits to the Site or PCCA's office.

K. Preparing for, coordinating with, participating in, and responding to structured independent review processes including, but not limited to, construction management, cost estimating, project peer review, and constructability review requested by PCCA, and performing or furnishing Services required to revise studies, reports, Drawings, Specifications, or other Bid Documents as a result of such review processes.

L. Preparing additional Bid or Contract Documents for alternate bids or prices requested by PCCA for the Work or a portion thereof.



M. Assistance in connection with Bid protests, re-bidding or renegotiating contracts for construction, materials, equipment, or services.

N. Providing construction surveys and staking to enable Contractor to perform its work other than as required under paragraph A-1.05.A.5, and any type of property surveys or related consulting needed for the transfer of interests in real property; and providing other special field surveys.

O. Providing construction phase Services beyond the Contract Times set forth in Exhibit H.

P. Providing assistance in resolving any Hazardous Environmental Condition in compliance with current Laws and Regulations.

Q. Preparing and furnishing to PCCA Record Drawings showing appropriate record information based on Project annotated record documents received from Contractor.

R. Preparation of operation and maintenance manuals.

S. Preparing to serve or serving as a consultant or witness for PCCA in any litigation, arbitration, or other dispute resolution process related to the Project.

T. Providing more extensive Services required to enable ENVIRONMENTAL CONSULTANT to issue notices or certifications requested by PCCA under paragraph 6.01.G of the Agreement.

U. Other Services performed or furnished by ENVIRONMENTAL CONSULTANT not otherwise provided for in this Agreement.

*A-2.02 Required Additional Services*

ENVIRONMENTAL CONSULTANT will perform or furnish, without requesting or receiving specific advance authorization from PCCA, the Additional Services of the types listed below. ENVIRONMENTAL CONSULTANT will advise PCCA in writing promptly after starting any such Additional Services.

A. Services in connection with Work Change Directives and Change Orders to reflect changes requested by PCCA so as to make the compensation commensurate with the extent of the Additional Services rendered.

B. Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or-equal" items and Services after the award of the Construction Agreement in evaluating and determining the acceptability of a substitution which is found to be inappropriate for the Project or an excessive number of substitutions.

C. ENVIRONMENTAL CONSULTANT agrees that, at the request of PCCA, the persons performing services in association with the attached Services Orders will be made available as witnesses in any litigation, hearing or proceeding to which PCCA is or may become a party, to explain or defend, as appropriate, any methods used by ENVIRONMENTAL CONSULTANT, or results or conclusions developed by Consultant, in connection with the Work. The fee or bill rate for these services shall be as set forth in the rate schedule attached as Exhibit C.

## **PCCA's Responsibilities**

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Article 2 of the Agreement is amended and supplemented to include the following agreement of the parties.

B-2.01 In addition to other responsibilities of PCCA as set forth in this Agreement, PCCA will:

A. Provide ENVIRONMENTAL CONSULTANT with criteria and information as to PCCA's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations; furnish copies of all design and construction standards that PCCA will require to be included in the Drawings and Specifications; and furnish copies of PCCA's standard forms, conditions, and related documents for ENVIRONMENTAL CONSULTANT to include in the Bid Documents, when applicable.

B. Furnish to ENVIRONMENTAL CONSULTANT any other available information known to be in PCCA's possession pertinent to the Project including reports and data relative to previous designs or investigations at the Site, and PCCA is able to retrieve such information from its records.

C. Following ENVIRONMENTAL CONSULTANT's assessment of initially available Project information and data and upon a reasonable request, furnish or otherwise make available such additional Project-related information and data as is reasonably required to enable ENVIRONMENTAL CONSULTANT to complete its Basic and Additional Services. Such additional information or data would generally include the following:

1. Property descriptions.
2. Zoning, deed, and other land-use restrictions.
3. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.
4. Explorations and tests of subsurface conditions at the Site, drawings of physical conditions in or relating to existing surface or subsurface structures at the Site, or hydrographic surveys with appropriate professional interpretation thereof.
5. Environmental assessments, audits, investigations, impact statements, and other environmental or cultural studies relevant to the Project and the Site.
6. Data or consultations as required for the Project but not otherwise identified in the Agreement or the Exhibits thereto.

D. Give prompt written notice to ENVIRONMENTAL CONSULTANT whenever PCCA observes or otherwise becomes aware of any defect or nonconformance in ENVIRONMENTAL CONSULTANT's Services.

E. Authorize ENVIRONMENTAL CONSULTANT to provide Additional Services as set forth in Part 2 of Exhibit A of the Agreement as required.

F. Arrange for access to and make all provisions for ENVIRONMENTAL CONSULTANT to enter upon public and private property as required for ENVIRONMENTAL CONSULTANT to perform Services under the Agreement.

G. Examine all alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents presented by ENVIRONMENTAL CONSULTANT (including obtaining advice of an attorney, insurance counselor, and other advisors or consultants as PCCA deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.

H. Provide reviews, approvals, and permits from all governmental authorities having jurisdiction to approve all phases of the Project designed or specified by ENVIRONMENTAL CONSULTANT and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project.

I. Provide, as required, for the Project:

1. Accounting, bond and financial advisory, independent cost estimating, and insurance counseling services.

2. Legal services with regard to issues pertaining to the Project as PCCA requires, Contractor raises, or ENVIRONMENTAL CONSULTANT reasonably requests including, but not limited to, the review of Contract Documents supplied by ENVIRONMENTAL CONSULTANT.

3. Such auditing services as PCCA requires to ascertain how or for what purpose Contractor has used the moneys paid.

4. Placement and payment for advertisement for Bids in appropriate publications.

J. Advise ENVIRONMENTAL CONSULTANT of the identity and scope of services of any independent consultants employed by PCCA to perform or furnish Services in regard to the Project including, but not limited to, cost estimating, project peer review, value engineering, and constructability review unless such Services are related to an issue under legal review.

K. Furnish to ENVIRONMENTAL CONSULTANT data as to PCCA's anticipated costs for Services to be provided by others for PCCA so that ENVIRONMENTAL CONSULTANT may make the necessary calculations to develop and periodically adjust ENVIRONMENTAL CONSULTANT's opinion of Total Project Costs.

L. ENVIRONMENTAL CONSULTANT will act as the PCCA Representative and Project Manager in accordance with the Agreement and the most current version of the PCCA Project Manual. However, David L. Krams, P.E., PCCA Director of Engineering Services, will, when Project circumstances or ENVIRONMENTAL CONSULTANT's Services require, have final authority over all decisions to be made by PCCA relative to the Project. If PCCA designates a construction manager or any individual or entity other than or in addition to ENVIRONMENTAL CONSULTANT to represent PCCA at the Site, the duties, responsibilities, and limitations of authority of such other party and the relation thereof to the duties, responsibilities, and authority of ENVIRONMENTAL CONSULTANT will be defined and set forth in the Service Order or an appendix to the Service Order.

M. If more than one prime contract is to be awarded for the Work designed or specified by ENVIRONMENTAL CONSULTANT, designate a person or entity to have authority and responsibility for coordinating the activities among the various prime Contractors, and define and set the duties, responsibilities, and authority of ENVIRONMENTAL CONSULTANT as an attachment to this Exhibit B that is to be mutually agreed upon and made a part of this Agreement before such Services begin.

N. Attend the pre-Bid conference, Bid opening, pre-construction conferences, construction progress and other Project-related meetings, and Substantial Completion and Final Acceptance inspections.

O. Provide the services of an independent testing laboratory to perform all inspections, tests, and approvals of Samples, materials, and equipment required by the Contract Documents, or to evaluate the performance of materials, equipment, and facilities of PCCA prior to their incorporation into the Work with appropriate professional interpretation thereof:

1. That Contractor is complying with any Laws and Regulations applicable to Contractor's performing and furnishing the Work.

2. That Contractor is taking all necessary precautions for safety of persons or property and complying with any special provisions of the Contract Documents applicable to safety.

P. Provide ENVIRONMENTAL CONSULTANT with the findings and reports generated by the entities providing services pursuant to paragraphs B-2.01.O.

Q. Perform or provide Additional Services stated in the Service Order.

**Payments to ENVIRONMENTAL CONSULTANT for Services and Reimbursable Expenses**

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Article 4 of the Agreement is amended and supplemented to include the following agreement of the parties:

**ARTICLE 4 – PAYMENTS TO THE ENVIRONMENTAL CONSULTANT**

**C-4.01 Basic Services Having a Determined Scope – Standard Hourly Rates Method of Payment.**

PCCA will pay ENVIRONMENTAL CONSULTANT for Basic Services set forth in Exhibit A as follows:

A. An amount equal to the cumulative hours charged to the Project by each class of ENVIRONMENTAL CONSULTANT's employees' times Standard Hourly Rates for each applicable billing class for all Services performed on the Project, plus Reimbursable Expenses and ENVIRONMENTAL CONSULTANT's Other Consultant's charges, if any.

B. ENVIRONMENTAL CONSULTANT's Reimbursable Expenses Schedule and Standard Hourly Rates are attached to this Exhibit C as Appendices 1 and 2.

C. The total compensation for Services under paragraph C-4.01 will be stated in each Service Order issued pursuant to this Agreement.

D. The total compensation for ENVIRONMENTAL CONSULTANT's Services incorporates all labor, overhead, profit, equipment, Reimbursable Expenses, and ENVIRONMENTAL CONSULTANT's Other Consultant's charges.

E. With approval of the PCCA's Director of Engineering Services, ENVIRONMENTAL CONSULTANT may alter the distribution of compensation between individual phases of the work noted herein to be consistent with Services actually rendered. ENVIRONMENTAL CONSULTANT will not exceed the total estimated compensation amount unless approved in writing by PCCA.

F. The Standard Hourly Rates method of payment is established for the primary term of this Agreement. Should the time to complete the Work be extended beyond this period without fault on the part of ENVIRONMENTAL CONSULTANT, the total compensation to ENVIRONMENTAL CONSULTANT will be appropriately adjusted.

**C-4.02 Additional Services**

PCCA will pay ENVIRONMENTAL CONSULTANT for Additional Services of ENVIRONMENTAL CONSULTANT's employees engaged directly on the Project, pursuant to paragraph A-2.01 of Exhibit A, an amount equal to the cumulative hours charged to the Project by each class of ENVIRONMENTAL CONSULTANT's employees times Standard Hourly Rates for each applicable billing class for all Additional Services performed on the Project plus Reimbursable Expenses and ENVIRONMENTAL CONSULTANT's Other Consultant's charges, if any.

**C-4.03 Reimbursable Expenses**

A. When included as a part of Basic Services (Exhibit A, Part 1) or Additional Services (Exhibit A, Part 2), PCCA will pay ENVIRONMENTAL CONSULTANT for Reimbursable Expenses at the rates set forth in Appendix 1 to this Exhibit C.

B. Reimbursable Expenses include the categories described in Appendix 1 to this Exhibit C and similar Project-related items in addition to those required under Exhibit A. In addition, if authorized in advance by PCCA, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.

C. The amounts payable to ENVIRONMENTAL CONSULTANT for Reimbursable Expenses will be the Project-related internal expenses actually incurred or allocated by ENVIRONMENTAL CONSULTANT. All invoiced external Reimbursable Expenses allocatable to the Project may be invoiced with a markup of 10% of actual cost to ENVIRONMENTAL CONSULTANT.

D. The Reimbursable Expenses Schedule is established for the primary term of this Agreement; provided, however, if the primary term of this Agreement is longer than one year, the Reimbursable Expenses Schedule may be adjusted annually to reflect equitable changes in the compensation payable to ENVIRONMENTAL CONSULTANT.

#### *C-4.04 Standard Hourly Rates*

The Standard Hourly Rates set forth in Appendix 2 to this Exhibit C are for salaries and wages paid to personnel in each billing class and the cost of customary and statutory benefits, general and administrative overhead, non-Project operating costs, and operating margin or profit.

#### *C-4.05 Environmental Consultant's Other Consultant's Charges.*

Whenever compensation to ENVIRONMENTAL CONSULTANT herein is stated to include charges of ENVIRONMENTAL CONSULTANT's Other Consultants, those charges will be the amounts billed by ENVIRONMENTAL CONSULTANT's Other Consultants to ENVIRONMENTAL CONSULTANT at actual cost to ENVIRONMENTAL CONSULTANT plus a markup of 5% . ENVIRONMENTAL CONSULTANT may use a markup of up to 10% if ENVIRONMENTAL CONSULTANT provides Professional Liability insurance that covers ENVIRONMENTAL CONSULTANT's Other Consultants in an amount approved by PCCA and can justify the additional markup.

#### *C-4.06 Favored Rates*

A. The execution of this Agreement by ENVIRONMENTAL CONSULTANT is a representation material to this Agreement that the hourly rates to be charged by ENVIRONMENTAL CONSULTANT set forth in this Exhibit C are equal to or less than the hourly rates charged by ENVIRONMENTAL CONSULTANT to public entities for the same or similar Services performed by ENVIRONMENTAL CONSULTANT within thirty (30) days prior to the effective date of this Agreement.

B. ENVIRONMENTAL CONSULTANT agrees that if, at any time after the effective date of the Agreement, ENVIRONMENTAL CONSULTANT agrees to charge or charges any other public entity in the Coastal Bend area or a Port Authority or Navigation District in the Texas Gulf Coast area an hourly rate or hourly rates for the same or similar Services performed by ENVIRONMENTAL CONSULTANT pursuant to this Agreement that is, or are, less than any of the Standard Hourly Rates set forth in Appendix 2 to this Exhibit C, then ENVIRONMENTAL CONSULTANT will, effective the date ENVIRONMENTAL CONSULTANT agrees to charge such lower rate or rates, adjust its hourly rate or rates being charged PCCA pursuant to the Agreement to such lower hourly rate or rates. ENVIRONMENTAL CONSULTANT's invoices for payment for Services will include an Application and Certification for Payment signed by ENVIRONMENTAL CONSULTANT and ENVIRONMENTAL CONSULTANT's Consultants that the rates charged PCCA by ENVIRONMENTAL CONSULTANT (which, as defined in this Agreement, includes ENVIRONMENTAL CONSULTANT's independent associates, Other Consultants, subcontractors, or vendors) are equal to or less than hourly rates charged public entities in the Coastal Bend area or a Port Authority or Navigation District in the Texas Gulf Coast area by ENVIRONMENTAL CONSULTANT for the same or similar Services provided by ENVIRONMENTAL CONSULTANT to PCCA. A sample Application and Certification for Payment form is attached to Master Agreement No. 09-16 as Appendix 3 to Exhibit C. If ENVIRONMENTAL CONSULTANT charges rates in excess of the rates agreed to be charged in this Agreement, then PCCA may recover from ENVIRONMENTAL CONSULTANT the excess charged and paid by PCCA to ENVIRONMENTAL CONSULTANT by deducting such excess from sums to be paid to ENVIRONMENTAL CONSULTANT by PCCA or by PCCA submitting an invoice to ENVIRONMENTAL CONSULTANT for the overcharges.

*C-4.07 Other Provisions Concerning Payment*

A. Progress Payments. During the billing period, the portion of the amounts billed for ENVIRONMENTAL CONSULTANT's Services that are related to the Services identified in paragraphs C-4.01 and C-4.02, will be based on the cumulative hours charged to the Project by each class of ENVIRONMENTAL CONSULTANT's employees times the Standard Hourly Rate for each class plus Reimbursable Expenses and ENVIRONMENTAL CONSULTANT's Other Consultant's charges, if any.

B. Extended Contract Times. Should the Contract Times to complete the Services be extended beyond the period identified in the Service Order, payment for ENVIRONMENTAL CONSULTANT's Services will be continued based on the Standard Hourly Rates method of payment in the Service Order.



### Reimbursable Expenses Schedule

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This Schedule of Reimbursable Expenses is subject to review and may be adjusted pursuant to Exhibit C to this Agreement. The Reimbursable Expenses Schedule for Services performed on the effective date of the Agreement is:

Fax	\$ 1.65 /Page
Copies 8½" x 11"	\$ 0.55 /Page
Copies of Drawings 24" x 36"	\$ 1.00 /Sheet
Copies of Drawings 11" x 17"	\$ 1.08 /Sheet
Mileage	\$ 0.54 /Mile
Confined Space Equipment	\$ 50.00 /Day
CAD Charge	\$ 130.00 /Hour
Soil Gas Kit	\$ 400 /Week
Laboratory	<i>Varies depending on analysis</i>
Outside Consultants	At Cost + 5%* At Cost + 10% **
	* (If E&O Insurance Coverage is <u>not</u> provided) ** (If E&O Insurance Coverage <u>is</u> provided)
Long Distance Phone Calls	At Cost
Meals & Lodging	At Cost

**Standard Hourly Rates Schedule**

The Standard Hourly Rates Schedule is subject to review and may be adjusted pursuant to Exhibit C to the Agreement. The Standard Hourly Rates Schedule for Services performed on the effective date of the Agreement is:

<u>Title</u>	<u>Billing Rate</u>
Clerk	\$ <u>62.85</u> /Hour
Technical Assistant/Word Processor	\$ <u>75.79</u> /Hour
Technician	\$ <u>67.10</u> /Hour
Drafter/Illustrator	\$ <u>68.51</u> /Hour
Technical Editor	\$ <u>92.10</u> /Hour
Senior Drafter/Illustrator	\$ <u>117.58</u> /Hour
Senior Technician	\$ <u>114.78</u> /Hour
Lab/Field Supervisor	\$ <u>119.41</u> /Hour
Assistant Staff Professional	\$ <u>84.14</u> /Hour
Staff Professional	\$ <u>126.80</u> /Hour
Senior Staff Professional	\$ <u>154.12</u> /Hour
Assistant Project Professional	\$ <u>86.17</u> /Hour
Project Professional	\$ <u>128.33</u> /Hour
Senior Project Professional	\$ <u>157.93</u> /Hour
Consulting Professional	\$ <u>160.49</u> /Hour
Senior Consulting Professional	\$ <u>184.14</u> /Hour
Principal/Senior Principal	\$ <u>232.67</u> /Hour

Revised 09/14

**Application and Certification for Payment**

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See attached sample Application and Certification for Payment.

APPLICATION AND CERTIFICATION FOR PAYMENT

To PCCA:

Port of Corpus Christi Authority  
P. O. Box 1541  
Corpus Christi, TX 78403

Project No.:

Project Title:

Master Agreement No.:

Service Order No.:

Application Date:

From ENVIRONMENTAL CONSULTANT: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ENVIRONMENTAL CONSULTANT'S APPLICATION FOR PAYMENT

Application is made for payment as shown below:

1. Total Amount of Payment for this Service Order (If required) \$ \_\_\_\_\_
2. Total Amount of Payment for this Application \$ \_\_\_\_\_
3. Total Amount of Previous Payments for this Service Order \$ \_\_\_\_\_
4. Total Amount of Payment for this Service Order To Date (Item 2 + Item 3) \$ \_\_\_\_\_

117/314

ENVIRONMENTAL CONSULTANT hereby certifies that the rates charged on this invoice are equal to or less than rates charged to public entities in the Coastal Bend area or a Port Authority or Navigation District in the Texas Gulf Coast area by ENVIRONMENTAL CONSULTANT for the same or similar Services provided by ENVIRONMENTAL CONSULTANT to PCCA. If ENVIRONMENTAL CONSULTANT charges rates less than rates charged to public entities in the Coastal Bend area or a Port Authority or Navigation District in the Texas Gulf Coast area as agreed to in this Agreement, then PCCA may recover from ENVIRONMENTAL CONSULTANT the excess charged and paid by PCCA to ENVIRONMENTAL CONSULTANT by deducting such excess from sums to be paid to ENVIRONMENTAL CONSULTANT by PCCA or by PCCA submitting an invoice to ENVIRONMENTAL CONSULTANT for the overcharges.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

State of Texas                   §

County of Nueces           §

§

Sworn to and subscribed before me on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

(Seal)

ENVIRONMENTAL CONSULTANT'S CERTIFICATION FOR PAYMENT

\_\_\_\_\_  
Notary Public, State of Texas

**“Duties, Responsibilities, and Limitations of Authority  
Of Resident Project Representative”**

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Paragraph 6.02 of the Agreement is amended and supplemented to include the following agreement of the parties:

**D-6.02 Resident Project Representative**

A. ENVIRONMENTAL CONSULTANT may, with prior written consent of PCCA, furnish a Resident Project Representative (“RPR”), assistants, and other field staff to assist ENVIRONMENTAL CONSULTANT in observing progress and performance of the Work. ENVIRONMENTAL CONSULTANT’s RPR, assistants, and other field staff may provide full-time representation or representation to a lesser degree.

B. Through such additional observations of Contractor’s Work in progress and field checks of materials and equipment by the RPR and assistants, ENVIRONMENTAL CONSULTANT will endeavor to provide further protection for PCCA against defects and deficiencies in the Work. However, ENVIRONMENTAL CONSULTANT or his PRP will not, during such visits or as a result of such observations of Contractor’s Work in progress, supervise, direct, or have control over the Contractor’s Work nor will ENVIRONMENTAL CONSULTANT or his PRP have authority over or responsibility for the means, methods, techniques, sequences, or procedures selected by Contractor to comply with Laws and Regulations applicable to Contractor’s performing and furnishing the Work or responsibility for Contractor’s failure to furnish and perform the Work in accordance with the Contract Documents. In addition, the specific limitations set forth in Section A-1.05 of Exhibit A of the Agreement are applicable.

C. The duties and responsibilities of the RPR are limited to those of ENVIRONMENTAL CONSULTANT in the Agreement with PCCA and in the Contract Documents, and are further limited and described as follows:

1. *General.* RPR is ENVIRONMENTAL CONSULTANT’s agent at the Site, will act as directed by and under the supervision of ENVIRONMENTAL CONSULTANT, and will confer with ENVIRONMENTAL CONSULTANT regarding RPR’s actions. RPR’s dealings in matters pertaining to the Contractor’s Work in progress will, in general, be with ENVIRONMENTAL CONSULTANT and Contractor, keeping PCCA advised as necessary. RPR’s dealings with Contractor’s subcontractors will only be through or with the full knowledge and approval of Contractor. RPR will generally communicate with PCCA with the knowledge of and under the direction of ENVIRONMENTAL CONSULTANT.

2. *Schedules.* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with ENVIRONMENTAL CONSULTANT concerning acceptability.

3. *Conferences and Meetings.* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings, and prepare and circulate copies of minutes thereof.

4. *Liaison.*

a. Serve as ENVIRONMENTAL CONSULTANT’s liaison with Contractor, working principally through Contractor’s superintendent, and assist in understanding the intent of the Contract Documents.

b. Assist ENVIRONMENTAL CONSULTANT in serving as PCCA’s liaison with Contractor when Contractor’s operations affect PCCA’s on-site operations.

c. Assist in obtaining from PCCA additional details or information, when required, for proper execution of the Work.

5. *Interpretation of Contract Documents.* Report to ENVIRONMENTAL CONSULTANT when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by ENVIRONMENTAL CONSULTANT.

6. *Shop Drawings and Samples.*

a. Record time of receipt of Samples and approved Shop Drawings.

b. Receive Samples that are furnished at the Site by Contractor and notify CONSULTANT of availability of Samples for examination.

c. Advise ENVIRONMENTAL CONSULTANT and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by ENVIRONMENTAL CONSULTANT.

7. *Modifications.* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to ENVIRONMENTAL CONSULTANT. Transmit to Contractor in writing decisions as issued by ENVIRONMENTAL CONSULTANT.

8. *Review of Work and Rejection of Defective Work.*

a. Conduct on-site observations of Contractor's Work in progress to assist ENVIRONMENTAL CONSULTANT in determining if the Work is, in general, proceeding in accordance with the Contract Documents.

b. Report to ENVIRONMENTAL CONSULTANT whenever RPR believes that any part of Contractor's Work in progress will not produce a completed Project that conforms generally to the Contract Documents or will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test, or approval required to be made; and advise ENVIRONMENTAL CONSULTANT of that part of the Work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection, or approval.

9. *Inspections, Tests, and System Startups.*

a. Consult with ENVIRONMENTAL CONSULTANT in advance of scheduled major inspections, tests, and system startups of important phases of the Work.

b. Confirm that tests, equipment, systems startups, and operating and maintenance training are conducted in the presence of appropriate PCCA personnel and that Contractor maintains adequate records thereof.

c. Observe, record, and report to ENVIRONMENTAL CONSULTANT appropriate details relative to the test procedures and systems startups.

d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to ENVIRONMENTAL CONSULTANT.

10. *Records.*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Contract, ENVIRONMENTAL CONSULTANT's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site; weather conditions; data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions; Site visitors; daily activities; decisions; observations in general; and specific observations in more detail as in the case of observing test procedures; send copies to ENVIRONMENTAL CONSULTANT.

c. Record names, addresses, and telephone numbers of all Contractors, their subcontractors, and major suppliers of materials and equipment.

d. Maintain complete records for use in preparing Project documentation including chain of custodies.

e. Upon completion of the Work, furnish original set of all RPR Project documentation to ENVIRONMENTAL CONSULTANT.

11. *Reports.*

a. Furnish to ENVIRONMENTAL CONSULTANT periodic reports of the Work as required by the Project and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to ENVIRONMENTAL CONSULTANT proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to ENVIRONMENTAL CONSULTANT and PCCA copies of all inspection, test, and system startup reports.

d. Report immediately to ENVIRONMENTAL CONSULTANT the occurrence of any accidents at the Site, any Hazardous Environmental Conditions, emergencies, acts of God endangering the Work, and property damaged by fire or other causes.

12. *Payment Requests.* Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to ENVIRONMENTAL CONSULTANT, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered to the Site but not incorporated into the Work.

13. *Certificates; Operation and Maintenance Manuals.* During the course of the Work, confirm that materials and equipment certifications, operations and maintenance manuals, and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to ENVIRONMENTAL CONSULTANT for review and forwarding to PCCA prior to payment for that part of the Work.



14. Completion:

a. Before ENVIRONMENTAL CONSULTANT issues a Notice of Substantial Completion for review and approval by PCCA, submit to Contractor a list of observed items requiring completion or correction.

b. Observe whether Contractor has arranged for inspections required by Laws and Regulations including, but not limited to, those to be performed by public agencies having jurisdiction over the Work.

c. Participate in a final inspection in the company of ENVIRONMENTAL CONSULTANT, PCCA, and Contractor and prepare a final list of items to be completed or corrected.

d. Observe whether all items on final list have been completed or corrected and make recommendations to ENVIRONMENTAL CONSULTANT concerning acceptance and issuance of the Notice of Acceptability of the Work.

D. Resident Project Representative will not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of ENVIRONMENTAL CONSULTANT's authority as set forth in the Agreement or the Contract Documents.

3. Undertake any of the responsibilities of Contractor, subcontractors, suppliers, or Contractor's superintendent.

4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences, or procedures of Contractor's Work unless such advice or direction are specifically required by the Contract Documents.

5. Advise on, issue directions regarding, or assume control over safety precautions and programs in connection with the activities or operations of PCCA or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by ENVIRONMENTAL CONSULTANT.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

8. Authorize PCCA to occupy the Project in whole or in part.

**“Duties, Responsibilities, and Limitations of Authority  
Of Resident Project Representative on Abatement Projects”**

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Paragraph 6.02 of the Agreement is amended and supplemented to include the following agreement of the parties:

**E-6.02 Resident Project Representative on Abatement Projects**

A. ENVIRONMENTAL CONSULTANT will furnish a Resident Project Representative (“RPR”), assistants, and other field staff to assist ENVIRONMENTAL CONSULTANT in observing progress and performance of the Work. ENVIRONMENTAL CONSULTANT’s RPR, assistants, and other field staff may provide full-time representation or representation to a lesser degree as is determined appropriate by ENVIRONMENTAL CONSULTANT as is required by law for project management during abatement contracts.

B. Through such additional observations of Contractor’s Work in progress and field checks of materials and equipment by the RPR and assistants, ENVIRONMENTAL CONSULTANT will endeavor to provide further protection for PCCA against defects and deficiencies in the Work. However, ENVIRONMENTAL CONSULTANT will, during such visits or as a result of such observations of Contractor’s Work in progress, supervise, direct, or have control over the Contractor’s Work and ENVIRONMENTAL CONSULTANT will have authority over or responsibility for the means, methods, techniques, sequences, or procedures selected by Contractor to comply with Laws and Regulations applicable to Contractor’s performing and furnishing the Work or responsibility for Contractor’s failure to furnish and perform the Work in accordance with the Contract Documents.

C. The duties and responsibilities of the RPR are limited to those of ENVIRONMENTAL CONSULTANT in the Agreement with PCCA and in the Contract Documents, and are further limited and described as follows:

1. *General.* RPR is ENVIRONMENTAL CONSULTANT’s agent at the Site, will act as directed by and under the supervision of ENVIRONMENTAL CONSULTANT, and will confer with ENVIRONMENTAL CONSULTANT regarding RPR’s actions. RPR’s dealings in matters pertaining to the Contractor’s Work in progress will, in general, be with ENVIRONMENTAL CONSULTANT and Contractor, keeping PCCA advised as necessary. RPR’s dealings with subcontractors will only be through or with the full knowledge and approval of Contractor. RPR will generally communicate with PCCA with the knowledge of and under the direction of ENVIRONMENTAL CONSULTANT.

2. *Schedules.* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with ENVIRONMENTAL CONSULTANT concerning acceptability.

3. *Conferences and Meetings.* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings, and prepare and circulate copies of minutes thereof.

4. *Certify Training.* Review training certificates for Contractor and Contractor’s employees and subcontractors and their employees, and verify appropriate training received in accordance with applicable rules and regulations.

5. *Liaison.*

a. Serve as ENVIRONMENTAL CONSULTANT’s liaison with Contractor, working principally through Contractor’s superintendent, and assist in understanding the intent of the Contract Documents.

- b. Assist ENVIRONMENTAL CONSULTANT in serving as PCCA's liaison with Contractor when Contractor's operations affect PCCA's on-site operations.
  - c. Assist in obtaining from PCCA additional details or information, when required, for proper execution of the Work.
- 6. *Interpretation of Contract Documents.* Report to ENVIRONMENTAL CONSULTANT when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by ENVIRONMENTAL CONSULTANT.
- 7. *Review of Plans and Methodology.* Review abatement and/or removal plans and methodologies provided by Contractor for conformance to applicable standards. Review Hazardous Waste Management Plan provided by Contractor and monitor for compliance with applicable rules and regulations.
- 8. *Shop Drawings and Samples.*
  - a. Record time of receipt of Samples and approved Shop Drawings.
  - b. Receive Samples that are furnished at the Site by Contractor and notify CONSULTANT of availability of Samples for examination.
  - c. Advise ENVIRONMENTAL CONSULTANT and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by ENVIRONMENTAL CONSULTANT.
- 9. *Modifications.* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to ENVIRONMENTAL CONSULTANT. Transmit to Contractor in writing decisions as issued by ENVIRONMENTAL CONSULTANT.
- 10. *Review of Work and Rejection of Defective Work.*
  - a. Conduct on-site observations of Contractor's Work in progress to assist ENVIRONMENTAL CONSULTANT in determining if the Work is, in general, proceeding in accordance with the Contract Documents.
  - b. Report to ENVIRONMENTAL CONSULTANT whenever RPR believes that any part of Contractor's Work in progress will not produce a completed Project that conforms generally to the Contract Documents or will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test, or approval required to be made; and advise ENVIRONMENTAL CONSULTANT of that part of the Work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection, or approval.
  - c. Report to ENVIRONMENTAL CONSULTANT and Contractor when sampling results exceed permissible standards and verify Contractor takes immediate and appropriate measures to correct the situation.
- 11. *Inspections, Tests, and System Startups.*
  - a. Consult with ENVIRONMENTAL CONSULTANT in advance of scheduled major inspections, tests, and system startups of important phases of the Work.

b. Confirm that tests, equipment, systems startups, and operating and maintenance training are conducted in the presence of appropriate PCCA personnel and that Contractor maintains adequate records thereof.

c. Observe, record, and report to ENVIRONMENTAL CONSULTANT appropriate details relative to the test procedures and systems startups.

d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to ENVIRONMENTAL CONSULTANT.

12. *Records.*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Contract, ENVIRONMENTAL CONSULTANT's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site; weather conditions; data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions; Site visitors; daily activities; decisions; observations in general; and specific observations in more detail as in the case of observing test procedures; send copies to ENVIRONMENTAL CONSULTANT.

c. Record names, addresses, and telephone numbers of all Contractors, subcontractors, and major suppliers of materials and equipment.

d. Maintain complete records for use in preparing Project documentation including chain of custodies.

e. Upon completion of the Work, furnish original set of all RPR Project documentation to ENVIRONMENTAL CONSULTANT.

13. *Reports.*

a. Furnish to ENVIRONMENTAL CONSULTANT periodic reports of the Work as required by the Project and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to ENVIRONMENTAL CONSULTANT proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to ENVIRONMENTAL CONSULTANT and PCCA copies of all inspection, test, and system startup reports.

d. Report immediately to ENVIRONMENTAL CONSULTANT the occurrence of any accidents at the Site, any Hazardous Environmental Conditions, emergencies, acts of God endangering the Work, and property damaged by fire or other causes.

14. *Payment Requests.* Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to

ENVIRONMENTAL CONSULTANT, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered to the Site but not incorporated into the Work.

15. *Certificates; Operation and Maintenance Manuals.* During the course of the Work, confirm that materials and equipment certifications, operations and maintenance manuals, and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to ENVIRONMENTAL CONSULTANT for review and forwarding to PCCA prior to payment for that part of the Work.

16. *Completion:*

a. Before ENVIRONMENTAL CONSULTANT issues a Notice of Substantial Completion for review and approval by PCCA, submit to Contractor a list of observed items requiring completion or correction.

b. Observe whether Contractor has arranged for inspections required by Laws and Regulations including, but not limited to, those to be performed by public agencies having jurisdiction over the Work.

c. Participate in a final inspection in the company of ENVIRONMENTAL CONSULTANT, PCCA, and Contractor and prepare a final list of items to be completed or corrected.

d. Observe whether all items on final list have been completed or corrected and make recommendations to ENVIRONMENTAL CONSULTANT concerning acceptance and issuance of the Notice of Acceptability of the Work.

D. Resident Project Representative will not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of ENVIRONMENTAL CONSULTANT's authority as set forth in the Agreement or the Contract Documents.

3. Undertake any of the responsibilities of Contractor, subcontractors, suppliers, or Contractor's superintendent.

4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences, or procedures of Contractor's Work unless such advice or direction are specifically required by the Contract Documents.

5. Advise on, issue directions regarding, or assume control over safety precautions and programs in connection with the activities or operations of PCCA or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by ENVIRONMENTAL CONSULTANT.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

8. Authorize PCCA to occupy the Project in whole or in part.

**Notice of Acceptability of Work**

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PROJECT TITLE:

PCCA PROJECT NUMBER:

MASTER AGREEMENT NO.:

SERVICE ORDER NO.:

DATE OF CONSTRUCTION AGREEMENT:

ENVIRONMENTAL CONSULTANT:

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To: PCCA

And To: CARDNO

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The undersigned (ENVIRONMENTAL CONSULTANT) hereby gives notice to the above PCCA and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Contract Documents, and the terms and conditions set forth on the reverse side hereof. ENVIRONMENTAL CONSULTANT further recommends PCCA issue a Notice of Final Acceptance to the Contractor.

Company: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*(See Reverse Side of Notice)*

**CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK**

The Notice of Acceptability of Work ("Notice") on the front side of this sheet is expressly made subject to the following terms and conditions to which all persons who receive said notice and rely thereon agree:

1. Said Notice is given with the skill and care ordinarily used by members of the consulting profession practicing under similar conditions at the same time and in the same locality.
2. Said Notice reflects and is an expression of the professional judgment of ENVIRONMENTAL CONSULTANT.
3. Said Notice is given as to the best of ENVIRONMENTAL CONSULTANT's knowledge, information, and belief as of the date hereof.
4. Said Notice is based entirely on and expressly limited by the Scope of Services ENVIRONMENTAL CONSULTANT has been employed by PCCA to perform or furnish during construction of the Project (including observation of the Contractor's Work) under ENVIRONMENTAL CONSULTANT's Agreement with PCCA and under the Construction Contract referenced on the reverse hereof, and applies only to facts that are within ENVIRONMENTAL CONSULTANT's knowledge or could reasonably have been ascertained by ENVIRONMENTAL CONSULTANT as a result of carrying out the responsibilities specifically assigned to ENVIRONMENTAL CONSULTANT under ENVIRONMENTAL CONSULTANT's Agreement with PCCA and the Construction Contract referenced on the reverse hereof.
5. Said Notice affirms Contractor's performance under the Construction Contract referenced on the reverse hereof but is not an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Contract Documents.
6. Said Notice affirms that the design of the Project complies with all City of Corpus Christi building codes regardless of whether or not the Project is located within the city limits of the City of Corpus Christi.



## **Insurance**

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Paragraph 6.05 of the Agreement is amended and supplemented to include the following agreement of the parties. A Certificate of Insurance must be issued upon issuance of each Service Order.

### **G-6.05 Insurance**

The limits of liability for the insurance required by paragraph 6.05 of the Agreement are as follows:

<u>Type of Insurance</u>	<u>Limits of Liability</u>
A. Workers' Compensation	Statutory
B. Employer's Liability	\$1,000,000
C. Commercial General Liability	\$1,000,000 ( <i>Any One Occurrence</i> ) \$2,000,000 ( <i>Aggregate</i> )

Such policy will provide evidence of contractual liability at the aforementioned limits. The Aggregate limit is per Project. The coverage will cover Products and Completed Operations.

D. Business Automobile Liability	\$1,000,000 ( <i>CSL, Each Accident</i> )
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Automobile liability coverage will include all owned, non-owned, and hired vehicles.

E. Professional Liability Insurance (E&O)	\$2,000,000
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Consultant 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 Consultant 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.

F. Umbrella Liability	\$5,000,000
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Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

G. Contractor's Pollution Legal Liability	\$5,000,000
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**PCCA Certificate of Insurance**

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An executed copy of the Certificate(s) of Insurance must be provided to PCCA for each Service Order which certificate(s) must be approved by, and on file with, the Texas Insurance Commission, and must be reasonably acceptable in their content, to PCCA.

**Service Order Form**

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**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS  
SERVICE ORDER NO. 1  
MASTER AGREEMENT NO. 09-16  
PROJECT NO. 16-025A**

Pursuant to PCCA Master Agreement No. 09-16 between Port of Corpus Christi Authority of Nueces County, Texas ("PCCA") and Cardno GS, Inc. ("ENVIRONMENTAL CONSULTANT"), ENVIRONMENTAL CONSULTANT will provide the Basic and Additional Services set forth in Exhibit A of Master Agreement No. 09-16 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. 09-16, the provisions of which not specifically amended by this Service Order will remain in effect.

**Description of Project:**

*(Insert a brief paragraph that includes the Project number and title, a description of the Project, and list the amount specific to this Service Order. A more detailed description of the Project may be included if desired as Appendix 1, attached hereto and included herein by reference for all purposes.)*

Project Contact for PCCA:

Project Contact  
For ENVIRONMENTAL CONSULTANT:

Project Manager: *(Insert name of Project Manager)*

Project Manger: *(Insert name of Project Manager)*

Phone Number: *(Insert Project Manager's phone number)*

Phone Number: *(Insert Project Manager's phone number)*

**Scope of Services:**

*(Insert a detailed description of the Services to be performed.)*

1. Study/Report Phase.
2. Preliminary Design Phase.
3. Final Design Phase.

**Service Schedule:**

*(If deadlines are required, describe them here.)*

**Deliverables:**

*(Insert numbered list of deliverables to be provided by ENVIRONMENTAL CONSULTANT.)*

**Project Team:**

The Project Team to be used on this project will include the following:

*(List names and titles of individuals that will work on this Project.)*

Subcontractors to be used on this project will include the following:

*(List names and addresses of all Other Consultants and subcontractors ENVIRONMENTAL CONSULTANT will employ on this Project.)*

**Compensation:**

Revised 09/14

In accordance with Article 4 of Master Agreement No. 09-16 and negotiations between the parties, ENVIRONMENTAL CONSULTANT will be compensated pursuant to this Service Order as follows:

Report & Study Phase	\$ _____
Preliminary Design Phase	\$ _____
Final Design Phase	\$ _____
<b>Total Compensation for Services per Exhibit C-4.01 not to exceed</b>	<b>\$ _____</b>
Contingency ( <i>PCCA Approval Required</i> )	\$ _____

**Reimbursement:**

The following applies to expenses reimbursed under this Service Order:

**Invoices:** ENVIRONMENTAL CONSULTANT will submit invoices to PCCA (*Insert whether monthly, upon completion of each task, or other payment schedule*) 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. 09-16, Service Order No. 1.

**Funding Agency:** (*Insert name of outside funding agency, if any*)

**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. 09-16 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. 09-16 are in full force and effect except for the following changes:

(*Insert changes if applicable, if no changes end sentence and remove language "except for the following changes"*)

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 and Compliance

Date of Execution:\_\_\_\_\_

**“PCCA”**

**Cardno GS, Inc.**

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date of Execution:\_\_\_\_\_

**“ENVIRONMENTAL CONSULTANT”**

**SERVICE ORDER NO. 1  
PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS  
MASTER AGREEMENT NO. 09-16 CARDNO  
PROJECT NO. 16-025A**

Pursuant to PCCA Master Agreement No. 09-16 between Port of Corpus Christi Authority of Nueces County, Texas ("PCCA") and Cardno GS, Inc. ("ENVIRONMENTAL CONSULTANT"), ENVIRONMENTAL CONSULTANT will provide the Basic and Additional Services set forth in Exhibit A of Master Agreement No. 09-16 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. 09-16, the provisions of which not specifically amended by this Service Order will remain in effect.

**Description of Project:**

The PCCA Tariff Item 667 which relates to PCCA licensing requirements for Stevedore Companies was amended and approved by the Port Commission on January 19, 2016 and now requires that Stevedores must implement an Environmental Management System (EMS) by January 1, 2017 in order to renew their respective Stevedore licenses. PCCA has offered to the Stevedores to provide assistance in developing and implementing an EMS. Additionally, internal discussions have identified other companies that use PCCA docks that would benefit from this type of assistance as well. Therefore, this project is to provide guidance and technical assistance to the stevedores and dock users to develop and implement an EMS to meet the tariff deadline through a series of in-person training workshops, individual coaching, and monthly technical assistance calls.

Project Contact for PCCA:

Project Contact for ENVIRONMENTAL CONSULTANT:

Project Manager: Danielle Converse

Project Manager: Thomas E. Welch

Phone Number: (361) 885-6609

Phone Number: 757-604-2540

**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:

The ENVIRONMENTAL CONSULTANT in coordination with PCCA staff will assist in the Stevedore / Dock Users Environmental Management System Workshops. ENVIRONMENTAL CONSULTANT will use one instructor to conduct the four (4) training workshops for the eight stevedore companies and other dock user companies. It is expected that each company may send several representatives from the eight stevedore companies. The training will be based on the PCCA EMS' and the ISO 14001:2015 Standard. The ENVIRONMENTAL CONSULTANT will provide participants with tools, materials, and a schedule for completing each of the requirements needed to develop and implement an EMS. Each training will strategically preface development of a portion of the EMS framework so the participants have the knowledge, tools, materials, and work plan to proceed with development and implementation in their respective organizations. Each workshop will be about eight (8) hours in duration (either one 8-hour session or two 4 hour sessions). Training materials will be developed and provided for each participant. Sample documentation, related case studies, application exercises, and "homework" assignments will be included as part of the training. Following the training workshop, the ENVIRONMENTAL CONSULTANT's instructor will meet with attendees individually in separate sessions as requested by each company in order to coach the participants through the material presented. Following each training session, the ENVIRONMENTAL CONSULTANT shall provide reach-back "coaching" time (phone calls to answer questions, email correspondence, etc.), monthly "all-hands" conference calls with all

training participants and develop examples and/or templates of documents the stevedore companies can use to help them develop their procedures as needed.

The training workshops will be held at the Solomon P. Ortiz Center and there will be no costs to ENVIRONMENTAL CONSULTANT for the venue. PCCA will coordinate with the ENVIRONMENTAL CONSULTANT's instructor regarding audio/visual equipment and training room set up requirements and provide that detail to the Ortiz Center representative.

The proposed workshops and identified the key points related to the training are outlined below.

**Workshop 1 (June 30, 2016):** The "Getting Ready" sessions will include:

- The EMS Basics Under the ISO 14001:2015 Standard
  - EMS Foundations and Concepts: The Plan-Do-Check-Act (PDCA) Cycle
  - Overview of the Standard Clause-by-Clause; an overview of our ISO 14001:2015 Quick Reference Guide and ISO 14001:2015 in plain English document.
- Establishing Program Leadership (Clause 5.1 Leadership)
  - 5.1 Leadership and Commitment
  - 5.2 Environmental Policy
  - 5.3 Organizational Roles, Responsibilities and Authorities; Selecting and Training the EMS leadership and EMS Team
- Getting Started
  - Understanding PCCA Objectives
  - Working Session: Conducting a Gap Analysis – What do you have in-place already at your company and what will you need to develop?

Following the formal classroom training, the ENVIRONMENTAL CONSULTANT instructors will meet with the stevedore company representatives as they request it to further facilitate, discuss, answer questions, and to equip them to begin developing their own EMS procedures.

**Workshop 2 (August 23, 2016):** ENVIRONMENTAL CONSULTANT will train the participants on the Planning Phase of ISO 14001:2015 which will include:

- Clause 4. Context of your Organization: Understanding the intent of this EMS element and how to satisfy the requirements
  - 4.1 Understanding the Organization and its Context
  - 4.2 Understanding the Needs and Expectations of Interested Parties
  - 4.3 Determining the Scope of the Management System
  - 4.4 Environmental Management System
- Clause 6. Planning: Understanding the intent of this EMS element and how to satisfy the requirements
  - 6.1 Actions to address Risk and Opportunities
    - 6.1.1 General
    - 6.1.2 Significant Environmental Aspects
    - 6.1.3 Compliance Obligations
    - 6.1.4 Risks and Opportunities
    - 6.1.5 Planning to Take Actions
  - 6.2 Environmental Objectives and Planning to Achieve Them
    - 6.2.1 Environmental Objectives
    - 6.2.2 Planning Actions to Achieve Environmental Objectives
- Clause 7. Support: Understanding the intent of this EMS element and how to satisfy the requirements
  - 7.1 Resources
  - 7.2 Competence



- 7.3 Awareness
- 7.4 Communication
  - 7.4.1 General
  - 7.4.2 Internal Communication
  - 7.4.3 External Communication
- 7.5 Documented Information
  - 7.5.1 General
  - 7.5.2 Creating and Updating
  - 7.5.3 Control of Documented Information

Following the formal classroom training, the ENVIRONMENTAL CONSULTANT instructors will again meet with the stevedore company representatives as they request it to further facilitate, discuss, answer questions, and to equip them to continue developing their own EMS procedures.

**Workshop 3 (October 12, 2016):** The third workshop will be a follow-up on the previously discussed Clauses and cover the “Do” Phase of EMS development and include the following:

- 8. Operations
  - 8.1 Operational Planning and Control
  - 8.2 Emergency Preparedness and Response
- Working Sessions to:
  - Review documents from each company related to Clause 4; Context of your Organization
  - Review documents from each company related to Clause 5; Leadership
  - Review documents from each company related to Clause 6; Planning and especially focusing on Significant Aspects, Compliance Obligations, and Objectives
  - Review documents from each company related to Clause 7; Support and especially as it relates to Documents and Records Management, Communication, and Competence.

Following the formal classroom training, the ENVIRONMENTAL CONSULTANT instructors will meet with the stevedore company representatives as they request it to further facilitate, discuss, answer questions, and to equip them to continue developing their own EMS procedures.

**Workshop 4 (November 11, 2016):** The fourth workshop will cover the “Check and Act” Phases of the ISO 14001:2015 Standard to include the following:

- 9. Performance and Evaluation
  - 9.1 Monitoring, Measurement Analysis and Evaluation
    - 9.1.1 General
    - 9.1.2 Evaluation of Compliance
    - Working Session to include a review of procedures from each company related to evaluating compliance
  - 9.2 Internal Audit
    - Working Session to include a review of procedures from each company related to conducting internal audits
    - Provide example templates
  - 9.3 Management Review
    - Working Session to review procedures from each company related to Conducting Management Reviews
    - Provide example templates
- 10. Continual Improvement
  - 10.1 Nonconformity and Corrective Actions
  - 10.2 Continual Improvement
    - Working Session to review procedures from each company related to Corrective Actions

- Provide example templates

Following the formal classroom training, the ENVIRONMENTAL CONSULTANT instructors will meet with the stevedore company representatives as requested to further facilitate, discuss, answer questions, and to equip them to begin developing their own EMS procedures.

In addition to the training workshops, the ENVIRONMENTAL CONSULTANT will host a monthly “all-hands” technical assistance call with representatives from each of the eight stevedore companies where, as a group, participants will discuss areas of concern, receive guidance specific to that phase of EMS development and implementation, and have the opportunity to ask questions. This will provide a “check point” for the group as a whole in between training workshops to hear the issues and concerns articulated by their peers. The ENVIRONMENTAL CONSULTANT will provide an agenda prior to each call and a conference call-in number. The agenda will be a culmination of issues, concerns, and updates collected over the month. Calls will typically be one (1) hour in duration.

An *EMS Quick Reference Guide* will be developed as the workshops progress and will include an overview of the ISO 14001:2015 standard in “plain English” and the templates and example procedures developed for each workshop.

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:**

<b>Description of Task</b>	<b>Time Line</b>
Workshop I – Getting Ready	June 30, 2016
Follow Up Company Assistance Meetings	July 1, 2016
Monthly Technical Assistance Call	July 2016
Monthly Technical Assistance Call	August 2016
Workshop II – Planning Phase	August 23, 2016
Follow Up Company Assistance Meetings	August 24, 2016
Monthly Technical Assistance Call	September 2016
Monthly Technical Assistance Call	October 2016
Workshop III – Doing Phase	October 12, 2016
Follow Up Company Assistance Meetings	October 13, 2016
Monthly Technical Assistance Call	November 2016
Workshop IV – Check and Act Phase	November 11, 2016
Follow Up Company Assistance Meetings	November 12, 2016
Monthly Technical Assistance Call	December 2016

**Deliverables:**

1. Workshop training materials including sample documentation, related case studies, application exercises, and "homework" assignments.
2. Monthly technical assistance call agendas.
3. Examples and/or Templates of documents the stevedore companies can use to help them develop their procedures.

**Project Team:**

The Project team to be used on this project will include the following:

Mackenzie Rubish, Assistant Project Professional

Thomas Welch, Senior Project Professional

Kuen Larkin, Technical Editor

Subcontractors to be used on this project will include the following:

West One Seventeen, LLC 151 Verbena Court Encinitas CA 92024

LNV Inc. 801 Navigation Blvd. Corpus Christi, TX 78408

**Compensation:**

In accordance with Article 4 of Master Agreement No. 09-16 and negotiations between the parties, ENVIRONMENTAL CONSULTANT will be compensated on a time and materials, not-to-exceed basis pursuant to this Service Order as follows:

Report & Study Phase	\$ <u>49,343</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) \$ 49,343**

Contingency (*PCCA Approval Required*) \$ 0

**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. 09-16, Service Order No. 1.

**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. 09-16 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. 09-16 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”**

**Cardno GS, Inc.**

By:  \_\_\_\_\_

Name: Steve Clonts, JD

Title: Director of Contracts

Date of Execution: 5/2/16

**“ENVIRONMENTAL CONSULTANT”**

# STEVEDORES/DOCK USERS SAVE THE DATE



## ENVIRONMENTAL MANAGEMENT SYSTEM WORKSHOPS

THIS SERIES OF WORKSHOPS WILL HELP YOU  
COMPLY WITH THE NEW TARIFF REQUIREMENTS.

All workshops will be held at the Solomon P. Ortiz Center • 402 Harbor Drive  
8:30 AM - 5:00 PM

- Thurs., June 30
- Tues., August 23
- Wed., Oct. 12
- Fri., November 11

For more information, contact  
Danielle Converse at  
[danielle@pocca.com](mailto:danielle@pocca.com)  
or 361-885-6609.

More info to come.



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**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** Darrin Aldrich, Director of Real Estate  
[Darrin@pocca.com](mailto:Darrin@pocca.com)  
(361) 885-6134

**AGENDA ITEM NO. 10-D**

**Approve an Amendment to a Pipeline Easement with Cheniere Corpus Christi Pipeline, L.P., to Partially Release the Southern Portion of an Existing Easement and to Amend the Eastern Terminus of the Easement Located at the La Quinta Terminal Site in San Patricio County**

**SUMMARY:** Cheniere Corpus Christi Pipeline, L.P. (Cheniere) has requested an Amendment to Pipeline Easement for the 48-inch diameter natural gas pipeline easement granted in 2012 on the PCCA's property located on the east side of Highway 181. The Amendment is to revise the original routing of the Pipeline Right of Way by releasing a portion of the Pipeline Right of Way at the southerly point of termination that is no longer needed. The fee and term of the easement will not change. The pipeline will serve as the primary source of natural gas to be processed at the Corpus Christi Liquefaction, LLC gas liquefaction plant. Reference memo exhibit for easement general locations.

**BACKGROUND:** On May 13, 2015, Corpus Christi Liquefaction, LLC (CCL), a subsidiary of Cheniere Energy, began construction of a natural gas liquefaction plant located in San Patricio County, Texas. Stage 1 and Stage 2 of the project are designed for up to three trains with expected aggregate nominal production capacity of approximately 13.5 million tonnes per annum (mtpa), three LNG storage tanks with capacity of approximately 10.1 Bcfe, two LNG carrier docks and a 23-mile, 48-inch natural gas supply pipeline. Cheniere Corpus Christi Pipeline, L.P., an indirect wholly-owned subsidiary of Cheniere Energy, filed an application with the FERC in August 2012 for the authorization to site, construct and operate 23 miles of 48-inch pipeline that would interconnect the CCL Project with several inter and intrastate natural gas pipelines. The pipeline is designed to transport 2.25 Bcf/d of feed and fuel gas required by the Corpus Christi Liquefaction Project from the existing natural gas pipeline grid. The pipeline easements granted by PCCA are segments within the 23 mile pipeline that will supply CCL. The first train is expected to start operations in 2018.

**ALTERNATIVES:** An alternative is to deny the request and require Cheniere to stay within the approved route.

**CONFORMITY TO PORT POLICY:** N/A

**EMERGENCY:** N/A

**FINANCIAL IMPACT:** No financial change the Pipeline Easement.

**STAFF RECOMMENDATION:** Staff recommends approval of the Amendment to Pipeline Easement with Cheniere Corpus Christi Pipeline, L.P.

**DEPARTMENTAL CLEARANCES:**

Originating Department	Real Estate
Reviewed & Approved	David Krams, P.E.
Legal	Bruce Hawn
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

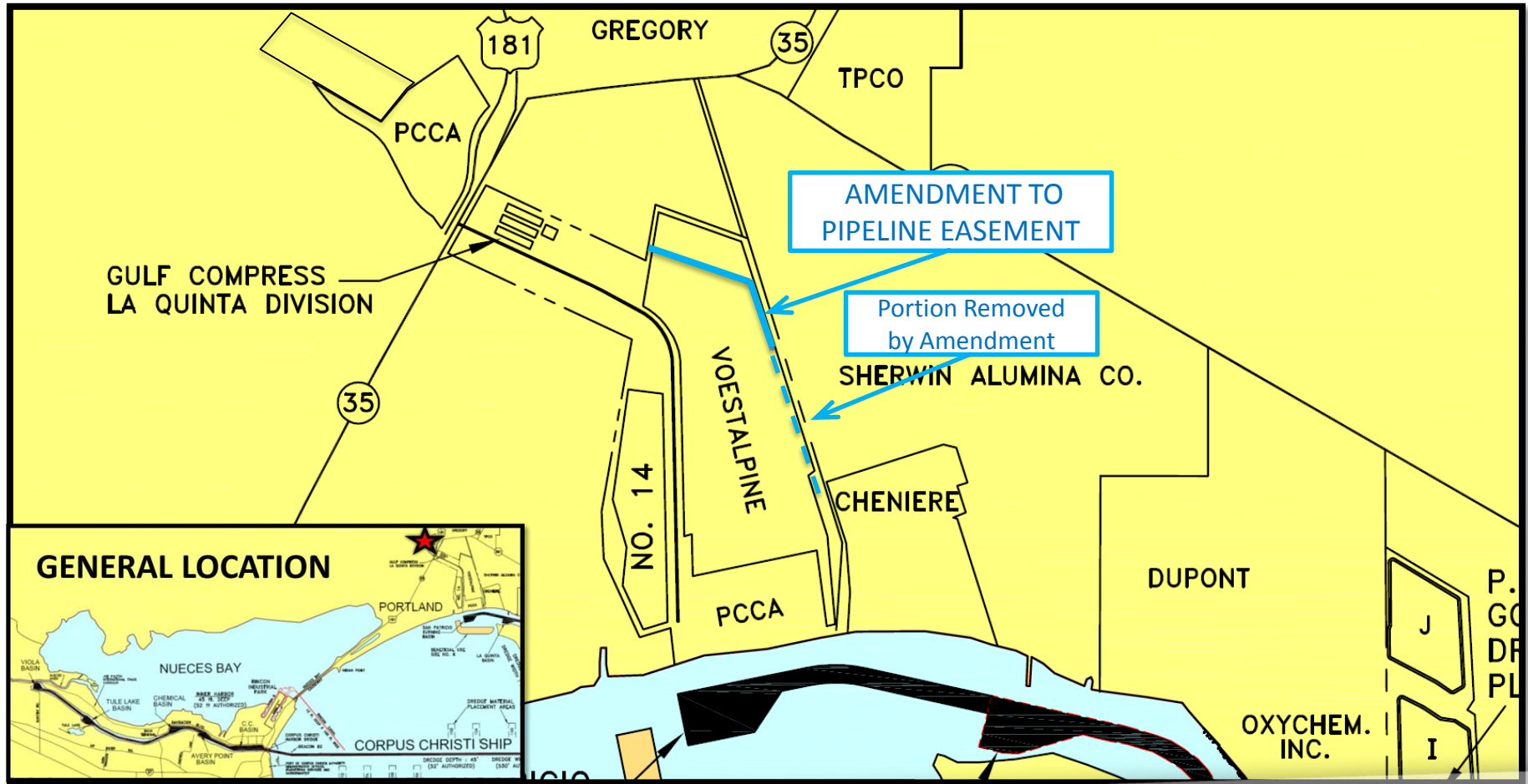
**LIST OF SUPPORTING DOCUMENTS:**

Memo Exhibit - Map  
Amendment to Pipeline Easement



# Cheniere Corpus Christi Pipeline, L.P. **AGENDA ITEM NO. 10-D**

Approve an Amendment to Pipeline Easement with Cheniere Corpus Christi Pipeline, L.P., in San Patricio County to remove, relocate, and replace the location of the Pipeline Easement



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**AMENDMENT TO  
PIPELINE EASEMENT**

This **AMENDMENT TO PIPELINE EASEMENT** ("**Amendment**") is made effective as of \_\_\_\_\_, 2016 ("**Amendment Date**") by and between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (sometimes hereinafter called "**Authority**"), and **CHENIERE CORPUS CHRISTI PIPELINE, L.P.**, a Delaware limited partnership, whose principal address is 700 Milam Street, Suite 1900, Houston, Texas 77002 (sometimes hereinafter called "**Grantee**"). This Amendment includes all Exhibits hereto. Authority and Grantee are sometimes individually referred to herein as a "**Party**" and collectively as the "**Parties**".

WHEREAS, Authority and Grantee entered into a Pipeline Easement dated effective as of November 13, 2013 ("**Original Agreement**"), and being evidenced by that certain Memorandum of Pipeline Easement, recorded under Clerk's File No. 625594, Official Public Records of San Patricio County, Texas with respect to certain property in San Patricio County, Texas; and

WHEREAS, any capitalized term used in the Amendment and not defined herein shall have the meaning given to it in the Original Agreement; and

WHEREAS, Authority and Grantee now wish to amend the Original Agreement to remove, relocate and replace the location of the Pipeline Easement from the land described on Exhibit "A" and Exhibit "B" of the Original Agreement with the land described on the revised Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for all purposes.

NOW, THEREFORE, for and in consideration of the agreements set forth herein, effective as of the Amendment Date the Parties hereby agree as follows:

The location of the Pipeline Easement as described by the centerline on Exhibit "A" and the route as depicted on Exhibit "B" to the Original Agreement is hereby removed, relocated and replaced with the land identified by the centerline of the Pipeline Easement as described on Exhibit "A" attached hereto and the route of the Pipeline Easement as depicted as Exhibit "B" attached hereto (including the Access Easement, Temporary Workspace "A", Temporary Workspace "B" and Additional Temporary Workspace), both of which are incorporated herein by reference for all purposes.

1. This Amendment shall be binding on the successors and assigns of the Parties.
2. Except as specifically amended hereby, all terms and conditions of the Original Agreement 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 Original Agreement, the terms and conditions of this Amendment shall control.
3. This Amendment may be executed in multiple counterparts, each of which will be considered to be an original. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide

signatures to this Amendment by facsimile or Adobe “.pdf” file and such facsimile or Adobe “.pdf” file signatures shall be deemed to be the same as original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Date.

“AUTHORITY”

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

By: \_\_\_\_\_  
John P. LaRue  
Executive Director

“GRANTEE”

**CHENIERE CORPUS CHRISTI PIPELINE, L.P.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ACKNOWLEDGEMENTS**

THE STATE OF TEXAS           §  
  §  
COUNTY OF NUECES           §

This instrument was acknowledged before me on the \_\_\_\_ day of May, 2016, by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

THE STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS           §

This instrument was acknowledged before me on the \_\_\_\_ day of May, 2016, by \_\_\_\_\_, \_\_\_\_\_ of Cheniere Corpus Christi Pipeline, L.P., a Delaware limited partnership, on behalf of said Cheniere Corpus Christi Pipeline, L.P.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

**METES AND BOUNDS DESCRIPTION  
OF THE CENTERLINE  
OF A  
4.65 ACRE  
FIFTY FOOT WIDE PIPELINE R.O.W. EASEMENT**

Being the centerline of a fifty-foot (50') wide pipeline right-of-way easement located in the Thomas T. Williamson Surveys, Abstracts 287, 288 and 289, San Patricio County, Texas, being within a called 930.28 acre tract (Tract No.2) by deed recorded in Clerk File No. 458816, Official Public Records Of San Patricio County, Texas, and Document No. 1998005467, Official Public Records of Nueces County, Texas and said centerline being more particularly described by metes and bounds as follows:

Commencing at the southeast corner of said 930.28 acre tract and the southwest corner of a called 335.26 acre tract recorded in Volume 231, Page 72, Deed Records of San Patricio County, Texas:

Thence, with the easterly line of said 930.28 and the westerly line of said 335.26 acre tract, the following two (2) courses:

N 03°34'29" E, 2215.79 feet, to a brass disk in concrete found for an angle point;

N 17°44'17" W, 4614.07 feet, to the **POINT OF BEGINNING** of the centerline described herein, having State Plane Grid coordinates of N 17,217,772.99', E 1,378,593.42', NAD '83, Texas South Zone;

Thence with said centerline as follows:

S 72°15'43" W, 108.69 feet,

N 17°44'17" W, 934.11 feet;

N 69°41'58" W, 25.29 feet;

N 70°01'54" W, 400.00 feet;

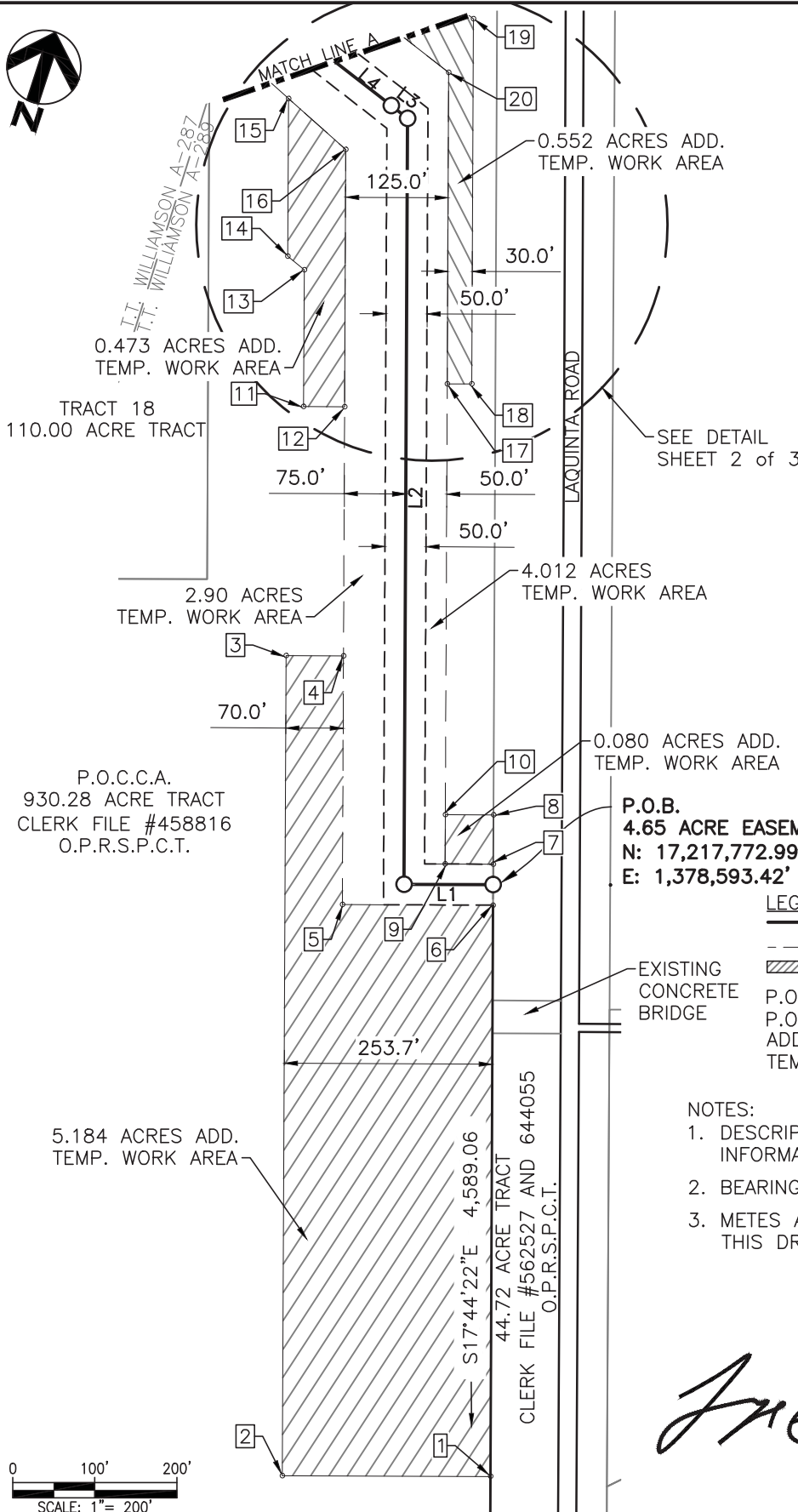
N 66°09'45" W, 2280.31 feet;

N 61°10'10" W, 213.66 feet;

Thence, N 67°10'52" W, 86.33 feet, to the POINT OF TERMINATION being on the westerly line of said 930.28 acre tract, same being the easterly line of the remainder of a called 1557.298 acre tract recorded in Clerk File No. 463323, Official Public Records of San Patricio County, Texas, and the above described easement containing 4.65 acres of land, more or less, together with temporary work areas shown on the accompanying drawing exhibit.

GOVIND DEVELOPMENT, LLC

George Rubalcaba, RPLS, LSLs  
Survey Group Manager 7/20/15



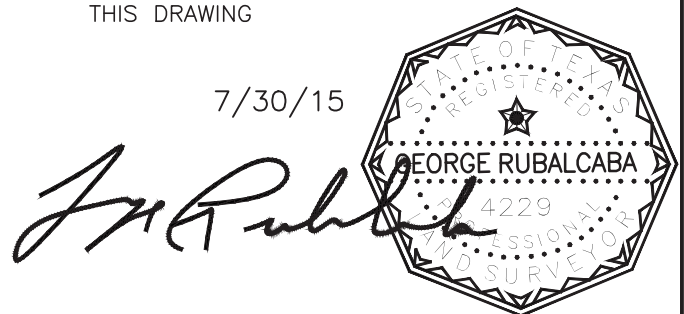
COORDINATE TABLE		
I.D.	NORTHING	EASTING
1	17,217,085.39	1,378,813.36
2	17,217,008.09	1,378,571.83
3	17,217,960.52	1,378,267.04
4	17,217,981.85	1,378,333.71
5	17,217,693.19	1,378,426.08
6	17,217,749.18	1,378,601.04
7	17,217,796.80	1,378,585.81
8	17,217,853.96	1,378,567.52
9	17,217,778.91	1,378,529.90
10	17,217,836.05	1,378,511.59
11	17,218,256.11	1,378,193.45
12	17,218,271.34	1,378,241.07
13	17,218,414.89	1,378,142.66
14	17,218,424.70	1,378,118.50
15	17,218,607.84	1,378,059.89
16	17,218,570.03	1,378,145.49
17	17,218,336.50	1,378,351.46
18	17,218,345.65	1,378,380.04
19	17,218,769.75	1,378,244.32
20	17,218,698.42	1,378,235.64

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S72°15'43"W	108.69
L2	N17°44'17"W	934.11
L3	N69°41'58"W	25.29
L4	N70°01'54"W	400.00

LEGEND	
	CENTERLINE OF EASEMENT
	EASEMENT LIMITS
	ADDITIONAL TEMPORARY EASEMENTS
	P.O.B. POINT OF BEGINNING
	P.O.T. POINT OF TERMINATION
	ADD. TEMP. TEMPORARY

- NOTES:
- DESCRIPTION IS BASED ON CHENIERE PROVIDED INFORMATION
  - BEARINGS ARE STATE PLANE GRID
  - METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS DRAWING

7/30/15



**EXHIBIT B**  
SHEET 1 OF 3

DRAWN BY SMF DATE 7/14/15  
CHECKED BY GR REV  
SCALE: AS NOTED

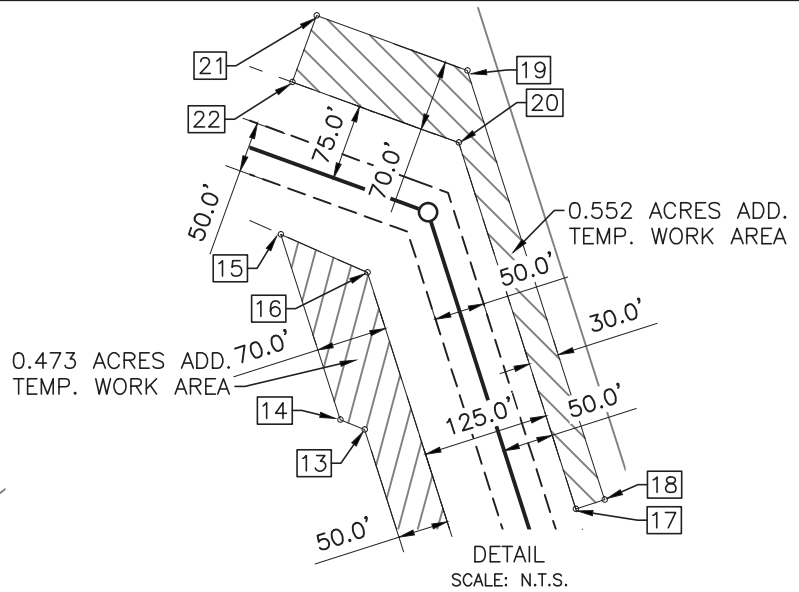
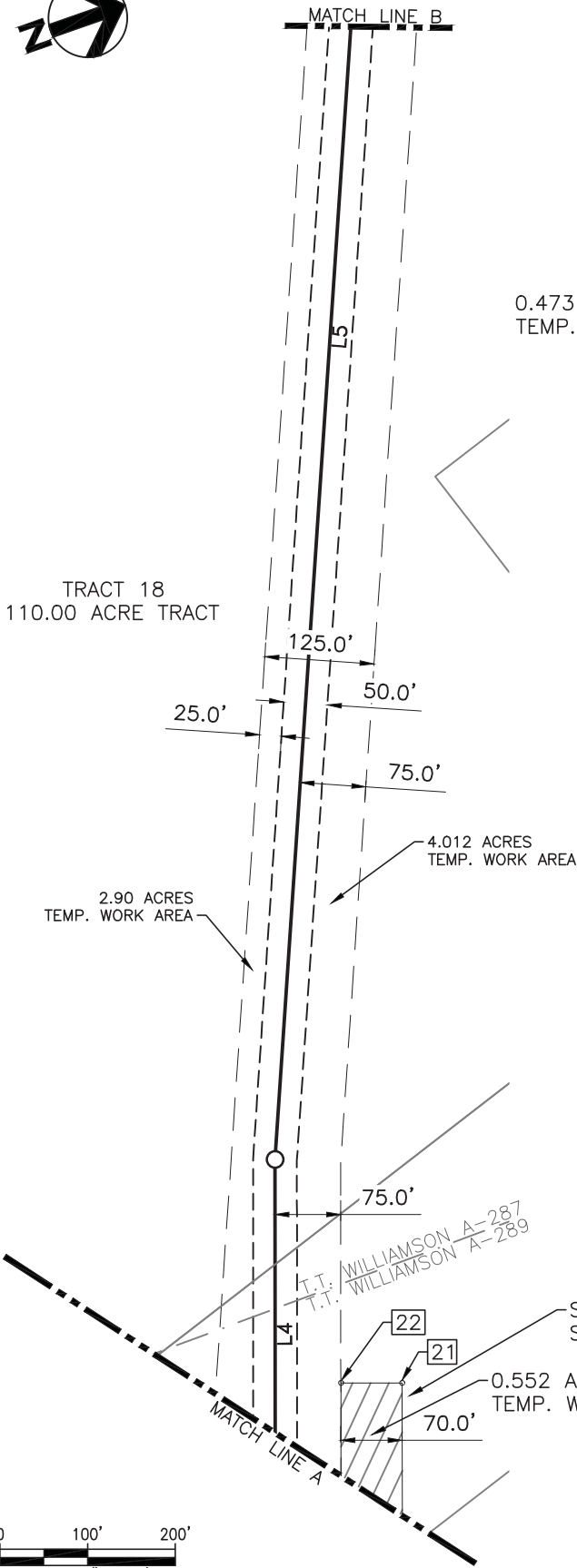
**CORPUS CHRISTI LIQUEFACTION PROJECT**  
**CORPUS CHRISTI 48" PIPELINE EASEMENT**  
**4.65 ACRES**

SAN PATRICKIO

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TEXAS





COORDINATE TABLE		
I.D.	NORTHING	EASTING
22	17,218,823.96	1,378,095.05
23	17,218,758.16	1,378,071.16

LINE TABLE		
LINE	BEARING	DISTANCE
L4	N70°01'54"W	400.00
L5	N66°09'45"W	2280.31

**LEGEND**

- CENTERLINE OF EASEMENT
- EASEMENT LIMITS
- ADDITIONAL TEMPORARY EASEMENTS
- P.O.B. POINT OF BEGINNING
- P.O.T. POINT OF TERMINATION
- ADD. ADDITIONAL
- TEMP. TEMPORARY

**NOTES:**

1. DESCRIPTION IS BASED ON CHENIERE PROVIDED INFORMATION
2. BEARINGS ARE STATE PLANE GRID
3. METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS DRAWING

7/30/15

*George Rubalcaba*



**EXHIBIT B**  
SHEET 2 OF 3

DRAWN BY SMF DATE 7/14/15  
CHECKED BY GR REV  
SCALE: AS NOTED

**CORPUS CHRISTI LIQUEFACTION PROJECT**  
**CORPUS CHRISTI 48" PIPELINE EASEMENT**  
**4.65 ACRES**

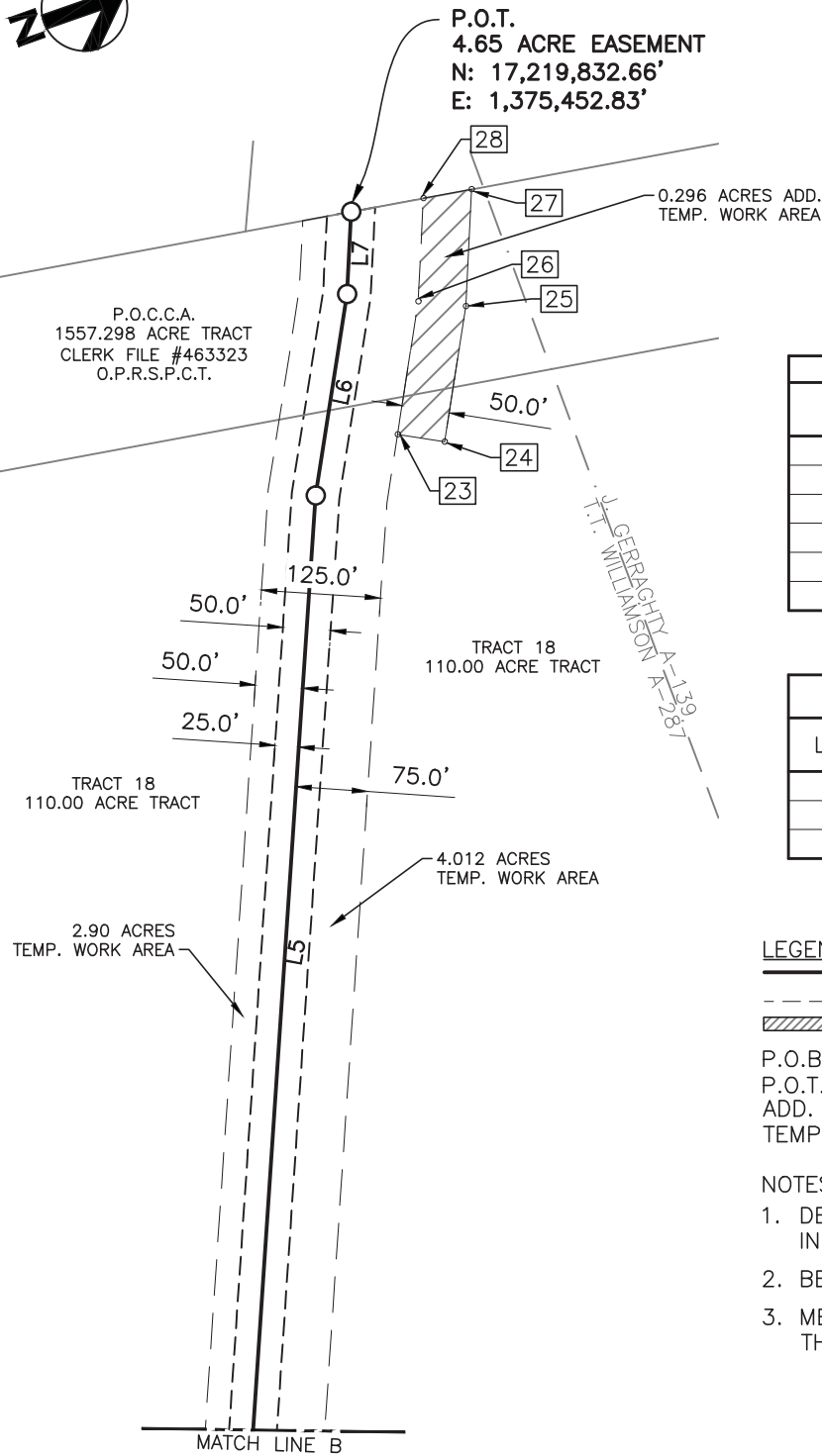
SAN PATRICKIO

148/314

TEXAS







COORDINATE TABLE		
I.D.	NORTHING	EASTING
23	17,219,798.66	1,375,688.91
24	17,219,842.46	1,375,713.02
25	17,219,911.85	1,375,586.92
26	17,219,866.78	1,375,565.12
27	17,219,959.48	1,375,473.71
28	17,219,908.70	1,375,465.48

LINE TABLE		
LINE	BEARING	DISTANCE
L5	N66°09'45"W	2,280.31
L6	N61°10'10"W	213.66
L7	N67°10'52"W	86.33

**LEGEND**

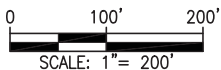
- CENTERLINE OF EASEMENT
- - - EASEMENT LIMITS
- ADDITIONAL TEMPORARY EASEMENTS
- P.O.B. POINT OF BEGINNING
- P.O.T. POINT OF TERMINATION
- ADD. ADDITIONAL
- TEMP. TEMPORARY

**NOTES:**

1. DESCRIPTION IS BASED ON CHENIERE PROVIDED INFORMATION
2. BEARINGS ARE STATE PLANE GRID
3. METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS DRAWING

7/30/15

*George Rubalcaba*



**EXHIBIT B**  
SHEET 3 OF 3

DRAWN BY SMF	DATE 7/14/15
CHECKED BY GR	REV
SCALE: AS NOTED	

**CORPUS CHRISTI LIQUEFACTION PROJECT  
CORPUS CHRISTI 48" PIPELINE EASEMENT  
4.65 ACRES**

SAN PATRICKIO

149/314

TEXAS



**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** David Krams, P.E.  
[Krams@pocca.com](mailto:Krams@pocca.com)  
(361) 885-6134

***AGENDA ITEM NO. 10-E***

**Approve an Amendment to a Professional Services Contract with Two Guns Consulting and Construction, LLC, in the Amount of \$20,240 for Continued Construction Inspection Services Related to and Reimbursable by Magellan Pipeline Holdings, L.P., for a Pipeline Construction Project Within the Inner Harbor**

**SUMMARY:** Staff recommends approval of an amendment to an existing professional services contract with Two Guns Consulting and Construction, LLC (TGCC) in the amount of \$20,240 for extended inspection services related to Magellan Pipeline Holdings, L.P.'s (Magellan) ongoing project to construct three pipelines on PCCA property. This amendment will result in a final cost for construction inspection services totaling \$226,550. Magellan has agreed to reimburse the PCCA at the completion of the project for incurred inspection expenses up to a maximum of \$234,600.

**BACKGROUND:** On December 9, 2014, the Port Commission approved a Pipeline Easement Agreement with Magellan Pipelines Holdings, L.P. to construct three pipelines to connect the Magellan Terminal to Buckeye/Trafigura's Texas Dock and Rail Terminal located on the south side of the Tule Lake Turning Basin for the transportation of crude oil and condensate. The project includes construction of one 8-inch diameter pipeline and two 12-inch diameter pipelines. The route of the pipeline easement crosses approximately 4.5 miles of PCCA-owned land on the north side of the Joe Fulton International Trade Corridor and crosses the Ship Channel at two locations: at Avery Point near Public Oil Dock 11 and at the Tule Lake Turning Basin just west of the Corpus Christi Infrastructure leased premises. Given the length and complexity of the pipeline route, PCCA staff included a provision in the Pipeline Easement Agreement that allows PCCA to engage the services of a third-party inspector, to be reimbursed by Magellan, to observe and document the pipeline installation and to help ensure that the pipeline is installed in a workmanlike manner at the proper location and depth as defined in the Easement.

On July 21, 2015 the Port Commission approved a purchase order with Two Guns Consulting and Construction, LLC, for construction inspection and coordination services for the Magellan Pipelines Holdings, L.P. pipeline construction project at a cost not to exceed \$179,400. The Port Commission also approved a 15 percent contingency (\$26,910) in the event that the project schedule was extended or other circumstances

required additional services. The Port Commission also approved a Cooperation and Reimbursement Agreement for Pipeline Construction Inspection Services with Magellan Pipelines Holdings, L.P. Through this agreement, Magellan agreed to reimburse the PCCA for the costs associated with construction inspection and coordination services, up to a maximum cost of \$234,600.

Project construction was originally anticipated to have a six month duration. However, during construction, Magellan's contractor experienced unanticipated project delays during pipeline directional drilling, and construction has extended to approximately a nine month duration. The TGCC contract was amended by Contract Amendment No. 1, effective March 1, 2016 for an additional \$26,910, to accommodate the extended construction period through March 29, 2016. This agenda item, for Contract Amendment No. 2, will provide for additional construction inspection services through April 25, 2016. Project construction is currently nearing completion, and the pipelines have been installed and tested. Remaining work items include final site grading, reestablishment of vegetation, restoration of the Joe Fulton Corridor bike path, installation of valve site access, and other miscellaneous minor site work, and shall be coordinated using in-house staff.

**ALTERNATIVES:** N/A

**CONFORMITY TO PORT POLICY:** This project is consistent with provisions of Strategic Goal #2 – Provide Facilities & Services to Meet Customer Needs.

**EMERGENCY:** No.

**FINANCIAL IMPACT:** Inspection costs incurred will not exceed \$226,550 and will be fully reimbursed by Magellan in accordance with the Cooperation and Reimbursement Agreement for Pipeline Construction Inspection Services with Magellan Pipelines Holdings, L.P.

**STAFF RECOMMENDATION:** Staff recommends approval of a second amendment to Two Guns Consulting and Construction, LLC's professional services contract in the amount of \$20,240 for a total contract amount of \$226,550 for an extension of inspection services related to Magellan Pipeline Holdings, L.P. pipeline construction project.

**DEPARTMENTAL CLEARANCES:**

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Brett Flint
Legal	Mike Mahaffey
Senior Staff	John LaRue
	Sean Strawbridge

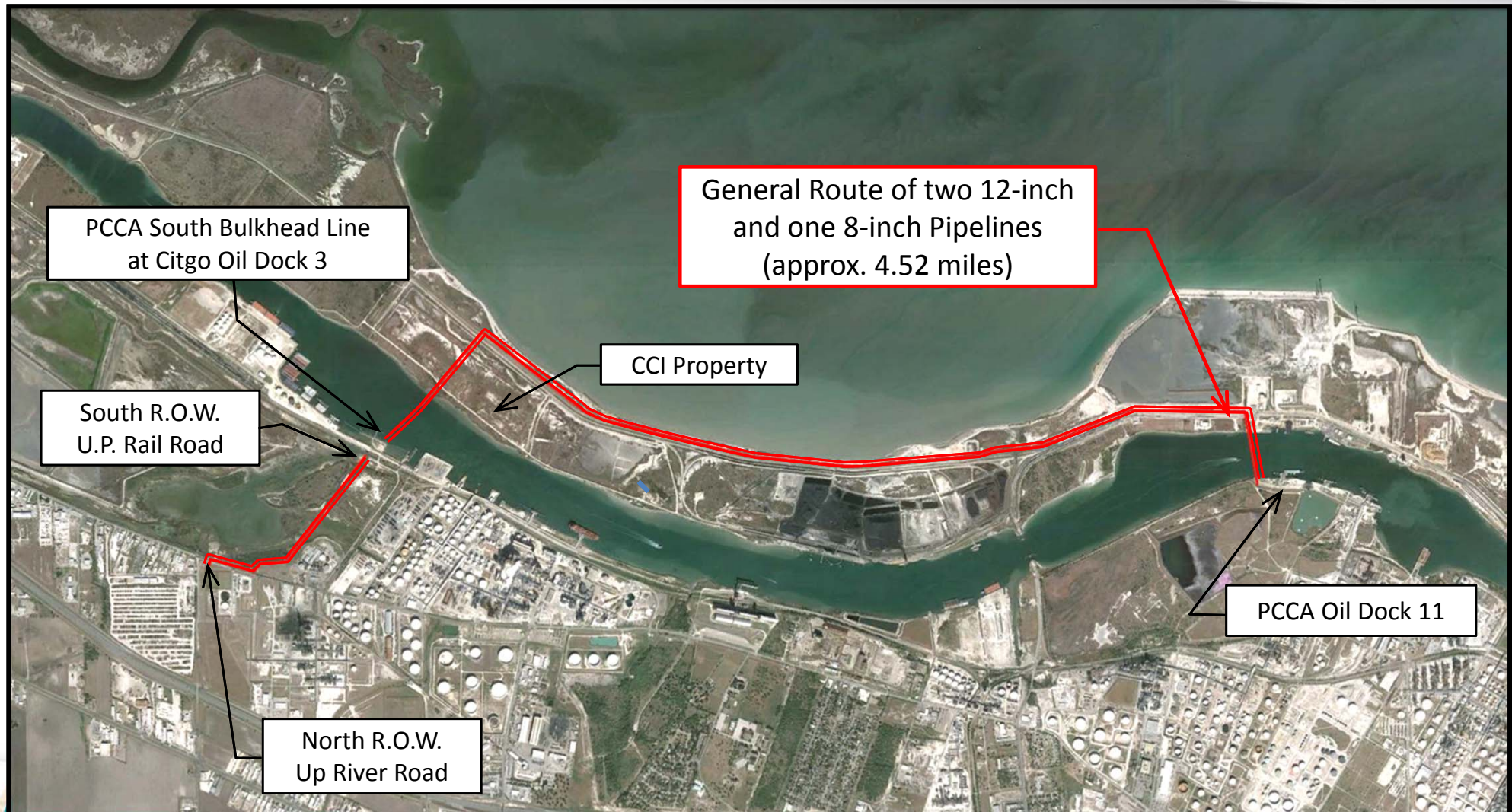
Jarl Pederson

**LIST OF SUPPORTING DOCUMENTS:**

Map of Project Location  
Contract Amendment with Proposal Letter



# Magellan Pipeline Holdings, L.P. Pipeline Route





## **PORTCORPUSCHRISTI**

April 25, 2016

Luke Duncan  
Two Guns Consulting and Construction, LLC  
15602 Northwest Blvd, Ste E  
Robstown, TX 78380

**Subject: Contract Amendment No. 2 to Professional Services Contract with Two Guns Consulting and Construction, LLC for Magellan Pipeline Construction (Project No. 15-066A)**

Dear Mr. Duncan:

PCCA has received the request submitted by Two Guns Consulting and Construction, LLC, dated April 25, 2016 for increased compensation related to the extended construction schedule for the Magellan Pipeline Construction project. After review of the referenced request, PCCA agrees that additional compensation is warranted based on the extended construction schedule for the project.

On July 21, 2015 the Port Commission approved a purchase order with Two Guns Consulting and Construction, LLC, for construction inspection and coordination services for the Magellan Pipelines Holdings, L.P., pipeline construction project at a cost not to exceed \$179,400. Port Commission also approved a 15% contingency (\$26,910) in the event that extended services be required or if the project takes longer than originally planned. On July 28, 2015 the Port entered into a Professional Services Agreement (Agreement) with TGCC in the amount of \$179,400, which was amended through Contract Amendment No. 1, effective March 1, 2016 to a total compensation for Services and Reimbursement Expenses of \$206,310 (Not-to-Exceed Amount; which includes the original not to exceed budget and the previously approved contingency).

On May 16, 2016 the Port Commission approved additional compensation to Two Guns Consulting and Construction, LLC in the amount of \$20,240.

In accordance with **Section 19** of the Agreement between Two Guns and PCCA, Contract Amendment No. 2 will provide for extended construction inspection services beyond the scope of the amended contract, increasing the contract amount from \$206,310, for a total compensation for Services and Reimbursement Expenses of \$226,550 (Not-to-Exceed Amount) and provides for extended construction services from March 30, 2016 through April 25, 2016. All other provisions of the Agreement are in full force and effect.




Effective on the date executed by the last party to this Contract Amendment.

**AUTHORITY:**

Port of Corpus Christi Authority  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

**CONSULTANT:**

Two Guns Consulting and Construction, LLC  
By:  \_\_\_\_\_  
Name: Luke Duncan  
Title: Sole Member  
Date Signed: 5/11/2016



April 25, 2016

Port of Corpus Christi  
222 Power Street  
Corpus Christi, Texas 78403

Attn: Natasha Fudge/Project Engineer

**RE: PCCA Pipeline Inspection & Construction-Extension of Services**

Dear Ms. Fudge,

Two Guns Consulting & Construction, LLC originally submitted a proposal to the Port of Corpus Christi on July 14, 2015 to provide an inspector for the "PPCCA Pipeline Inspection & Construction Coordination Project." The proposal included providing a senior inspector on a daily rate to oversee the "Magellan Pipeline Construction Project." The original proposal was based on a twenty-six-week construction period, working six days per week with an approximate weekly cost of \$6,900.00 per week or an estimated \$179,400.00 for the duration of the entire project. A Professional Services Contract for Professional Services was then entered into by the Port of Corpus Christi Authority and Two Guns Consulting and Construction on July 21, 2015 that provided that Two Guns would provide services for the project from approximately August 2015 through February 2016.

Based on the original proposal and the executed contract, the services of Two Guns Consulting & Construction should have been completed by the week of February the 27<sup>th</sup> 2016. As of today, this will be the 35<sup>th</sup> week that a senior inspector has been provided. The duration of the project has far exceeded the initial estimates of twenty-six weeks upon which our proposal was based. As such we are respectfully requesting that the purchase order of the project be increase to compensate Two Guns Consulting & Construction for the services provided. The original PO for \$179,400.00 with a 15 percent build in overrun has been exhausted. Based on a completion date of April 25, 2016 for inspection services, we are requesting that the PO be increased by \$20,240.00 from the original amount of \$206,310.00 to \$226,550.00.

If any additional information is needed, or you have any questions, please let me know.

Sincerely,



Trey Youngblood  
Operations Manager

**DATE:** May 17, 2016  
**TO:** Port Commission  
**FROM:** David Krams, P.E.  
[Krams@pocca.com](mailto:Krams@pocca.com)  
(361) 885-6134

***AGENDA ITEM NO. 10-F***

**Award a Construction Contract to JE Construction Services,  
the Lowest and Best Bidder, Based on Bids Received on  
April 22, 2016, in the Amount of \$303,510.70 for Roadway Improvements  
at the Bulk Terminal, Avery Point and Rincon Road**

**SUMMARY:** Staff requests award of a construction contract to JE Construction Services for repairs to the Roadway Improvements at the Bulk Terminal, Avery Point and Rincon Road. On April 22, 2016, we received five responses to our Notice to Bidders (see attached Bid Tabulation). JE Construction Services submitted the lowest and best bid at a total of \$303,510.70.

**BACKGROUND:** The Port of Corpus Christi has numerous roadways and parking areas that provide access to our port facilities. These paved areas require regular maintenance and repair in order to extend their useful life. Contract documents were prepared with a Base Bid to make concrete repairs to the Bulk Terminal Road, limestone base and asphalt resurfacing for a section of Avery Point Road, and limestone base and two course surface treatment of Rincon Road from Joe Fulton Corridor to Burleson Street. An Additive Bid Item 1 was also included in the contract to widen a 94' long concrete portion of Stroman Street by 18' to improve truck access to the PCCA's West Transfer Facility. See attached Exhibits.

**ALTERNATIVES:** N/A

**CONFORMITY TO PORT POLICY:** This project supports Strategic Goal 2 to provide facilities and services to meet customer needs.

**EMERGENCY:** No.

**FINANCIAL IMPACT:** This maintenance project was included in the 2016 budget as a potential expenditure toward the \$1,125,000 identified for general maintenance of property and buildings. Award of this contract will exceed the amount for this line item by approximately \$86,475; however, the total projects awarded to date for maintenance is less than the total \$4,005,000 budgeted.

**STAFF RECOMMENDATION:** Staff recommends award of a contract to JE Construction Services for the Base Bid (\$265,581.70) plus Additive Bid Item 1 (\$37,929.00) for a total of \$303,510.70. Staff further recommends that the Director of Engineering Services be granted a 5% contingency in accordance with the PCCA's standard contingency guidelines for general construction projects.

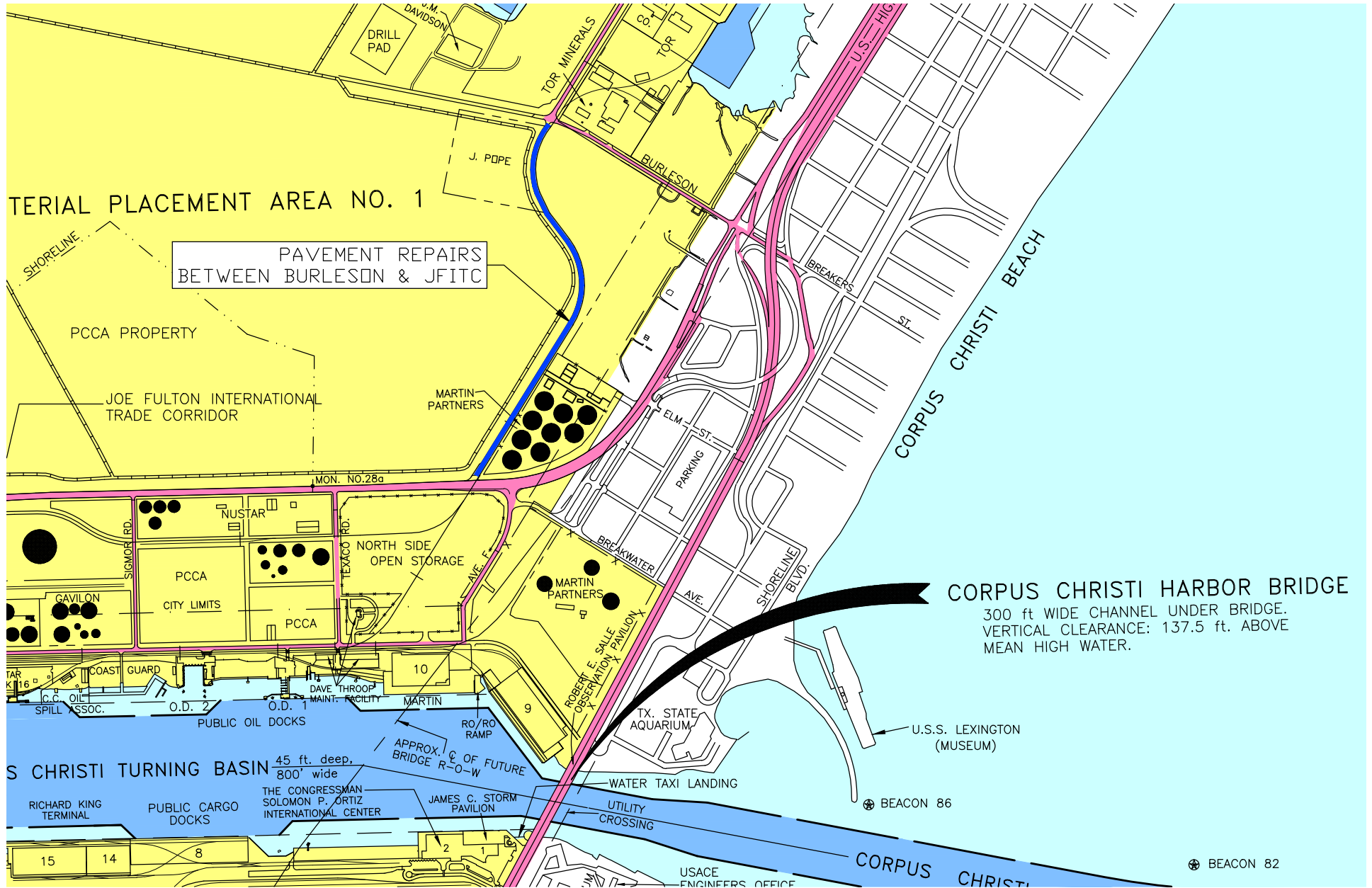
JE Construction Services is a local contractor recently awarded its first contract with the PCCA in April to perform Repairs to the Bridge at Oil Dock 11. The company was founded in 2012, and its President is James Edwards and Vice Presidents are Isaac Clubb and Grant Dietze. Staff has checked references on previous projects performed by JE Construction Services and has found the company to have a good reputation working around Corpus Christi including work with the City of Corpus Christi, Rockport Harbor, and HEB.

**DEPARTMENTAL CLEARANCES:**

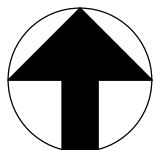
Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dave Michaelson
	Bert Perez
Senior Staff	John LaRue
	Sean Strawbridge
	Jarl Pederson

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Map Exhibit



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159/314



PORT CORPUS CHRISTI

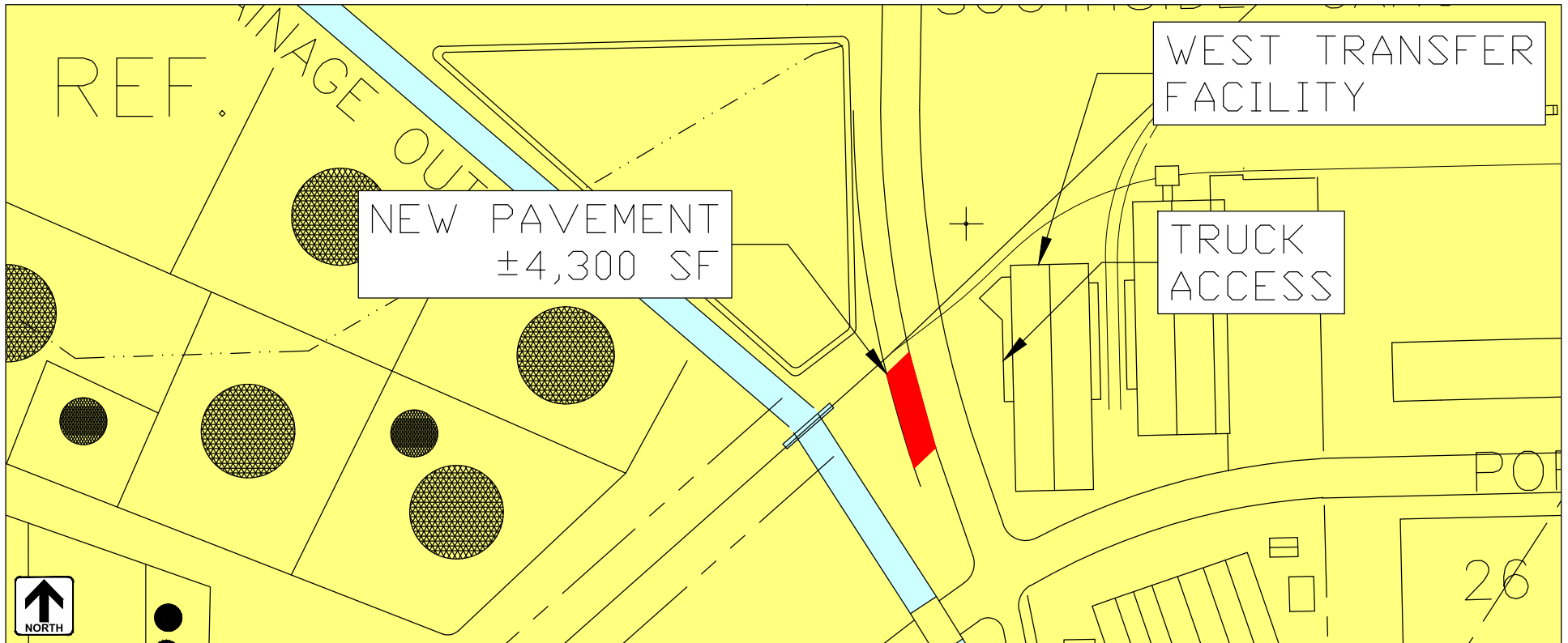
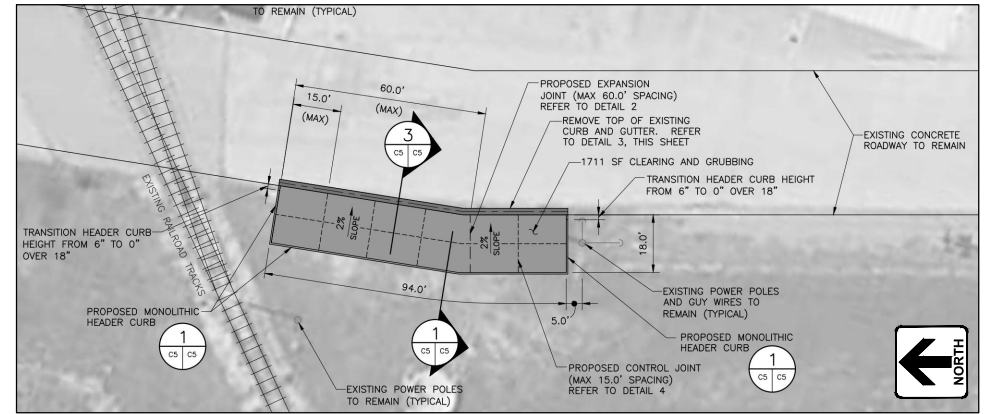
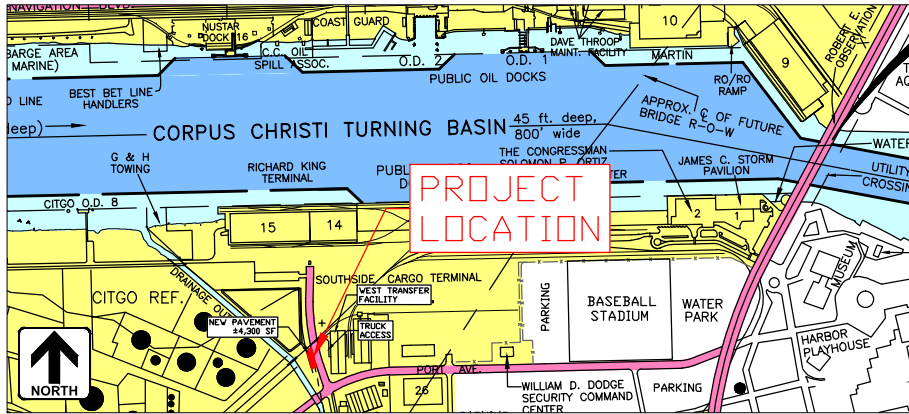
PORT OF CORPUS CHRISTI AUTHORITY

## ROADWAY AND PARKING LOT REPAIRS

SCALE: 1:1000  
DWN. BY: BEN V

RINCON ROAD


DATE: 2016/05/02  
TIME: 15:11:10

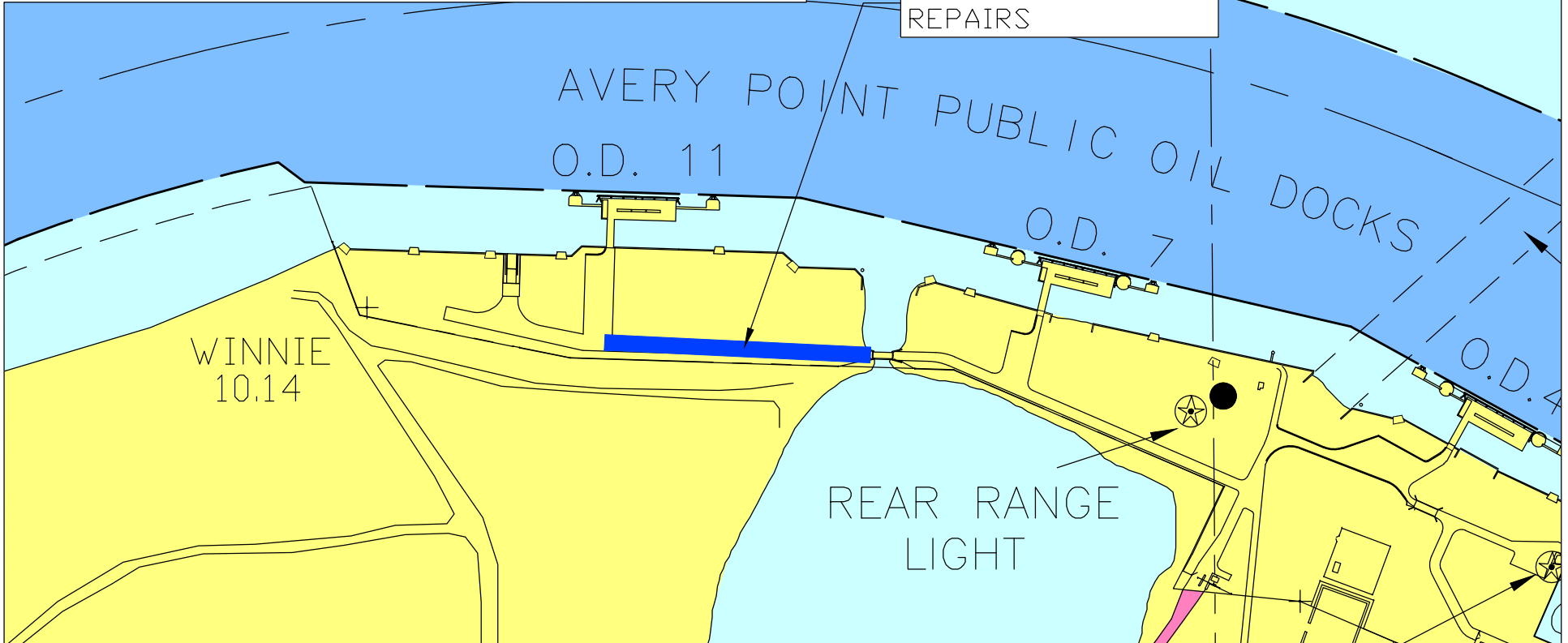
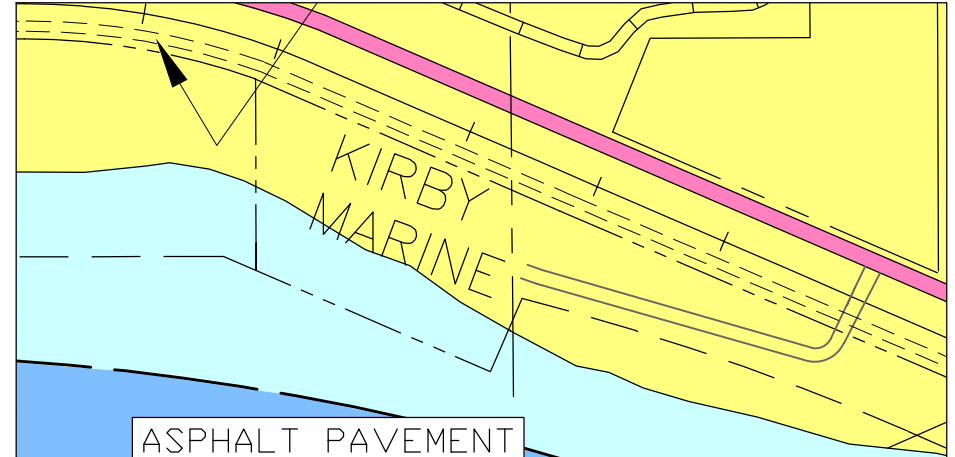
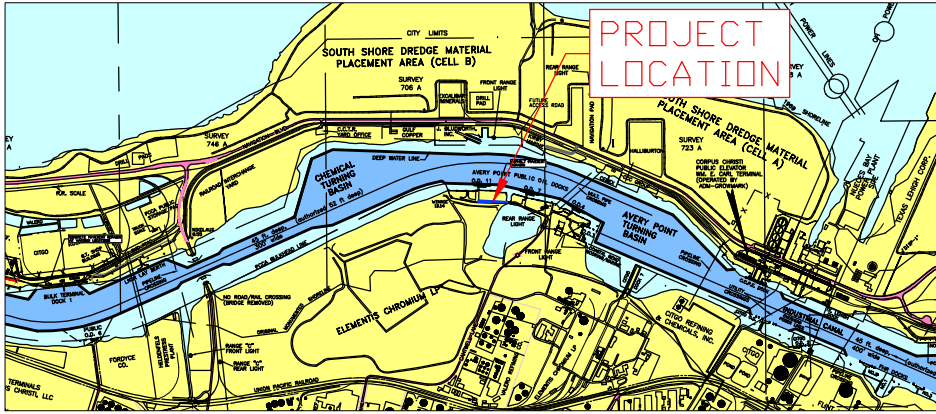


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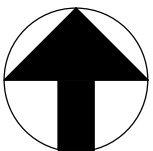


160/314

 <b>PORT CORPUS CHRISTI</b>	PORT OF CORPUS CHRISTI AUTHORITY		
	<b>ROADWAY AND PARKING LOT REPAIRS</b>		
SCALE: 1:200	STROMAN PAVING		DATE: 2016/05/02
DWN. BY: BEN V			TIME: 15:11:10



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161/314



PORT CORPUS CHRISTI

PORT OF CORPUS CHRISTI AUTHORITY

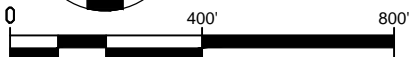
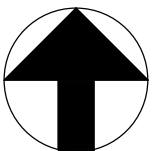
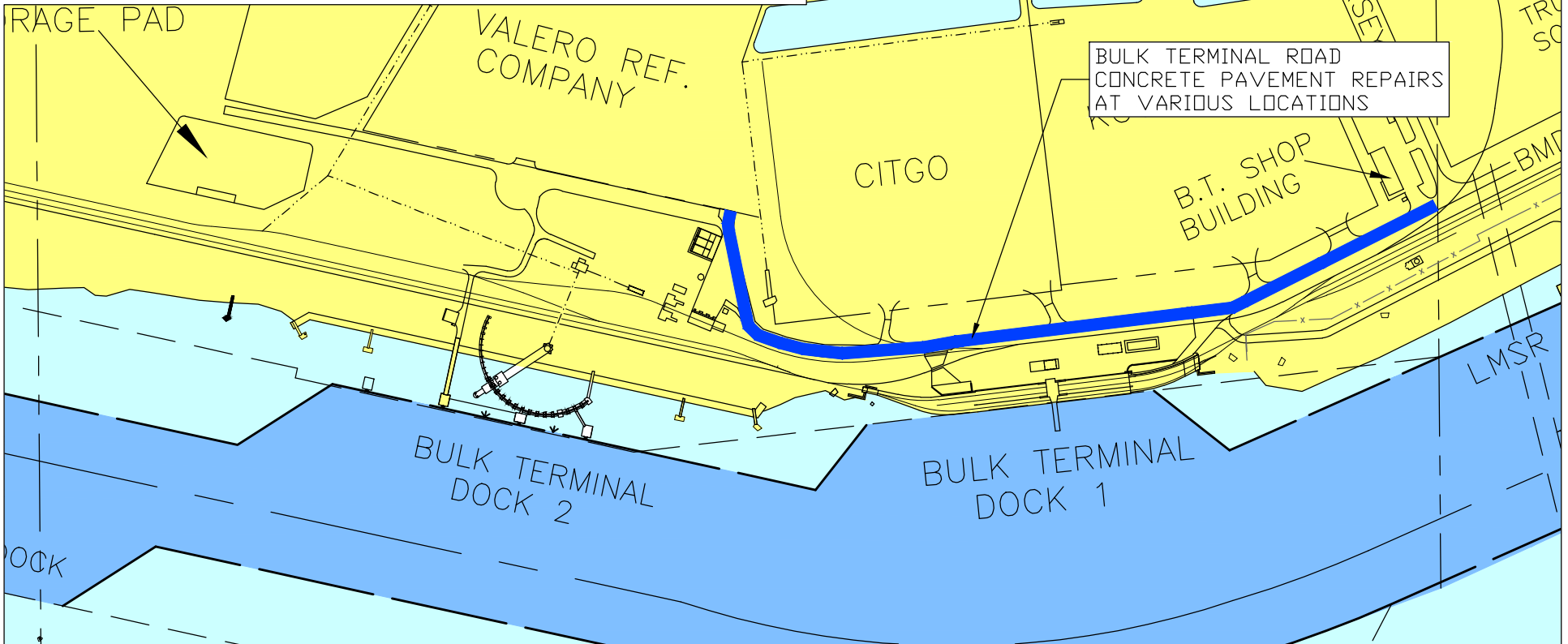
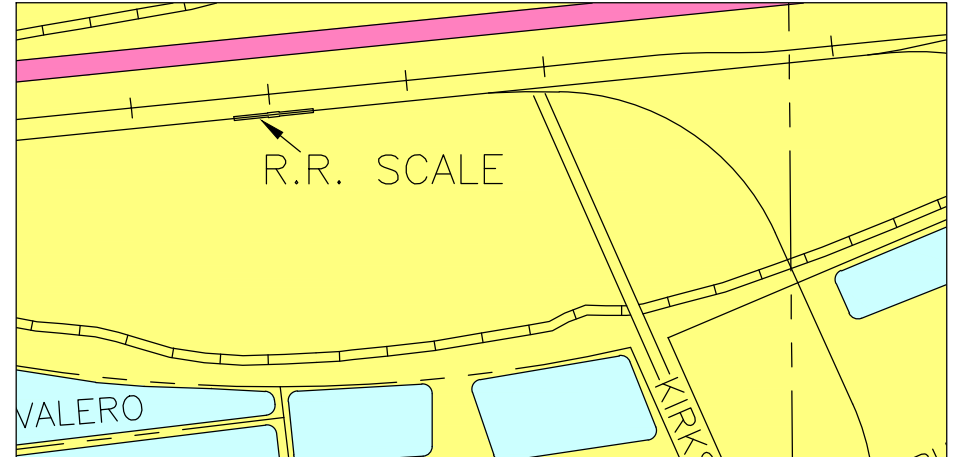
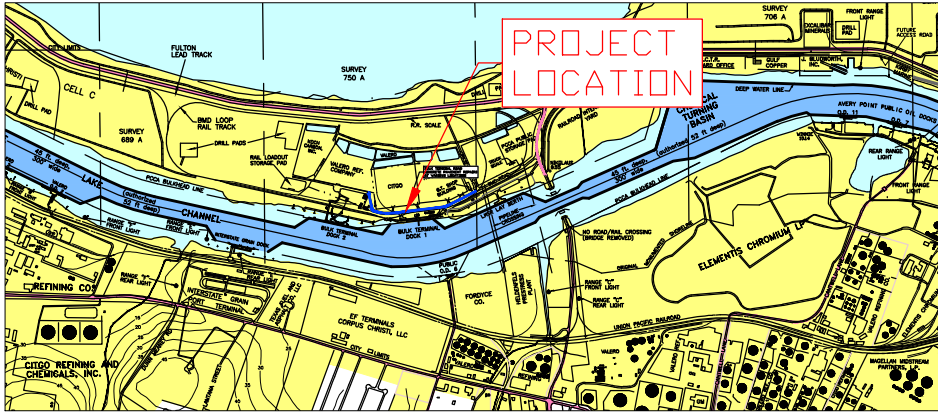
ROADWAY AND PARKING  
LOT REPAIRS

SCALE: 1:300  
OWN. BY: BEN V

AVERY POINT

DATE: 2016/05/02  
TIME: 15:11:10





162/314



PORT CORPUS CHRISTI

PORT OF CORPUS CHRISTI AUTHORITY

ROADWAY AND PARKING  
LOT REPAIRS

SCALE: 1:400'  
OWN. BY: BEN V

BULK TERMINAL

DATE: 2016/04/27  
TIME: 09:43:27

h:\ben vasquez\commission exhibits\roadway and parking lot repairs @ bt.dwg





**BID TABULATION FOR**  
**Roadway Improvements at the Bulk Terminal, Avery Point and Rincon Road**  
**PROJECT NO. 15-018A**  
**Bid Opening: April 22, 2016 at 2:00 pm**

Company Name	Bid Bond or Check	Base Bid <sup>A</sup>	Additive Bid Item 1 <sup>B</sup>	Additional Calendar Days for Additive Bid Item 1	Time of Delivery*	Addendum No 1	Staff's Recommended Award: Base Bid + Add Bid Item 1
J.E. Construction Services	5% Bid Bond	\$265,581.70	\$37,929.00	30	150	Yes	\$303,510.70
Garrett Construction	5% Bid Bond	\$283,300.00	\$33,400.00	30	60	Yes	\$316,700.00
Rambro Contracting	5% Bid Bond	\$331,423.25	\$47,390.00	14	90	Yes	\$378,813.25
Gourley Contracting	5% Bid Bond	\$421,429.00	\$57,489.00	30	90	Yes	\$478,918.00
J. Carroll Weaver, Inc.	5% Bid Bond	\$561,608.75	\$148,055.95	30	90	Yes	\$709,664.70

\*In calendar days

<sup>A</sup> BASE BID: The scope of work generally consist of, but not limited to, approximately 1,093 square yards of concrete roadway pavement demolition and installation of reinforced steel and new concrete pavement at Bulk Terminal. Reconstruction of 1,533 square yards of a section of Avery Point Road to include, excavation, subgrade preparation, 8-inches of limestone base and 2 –inches of hot mix asphalt surface. In addition, Rincon Road work will include approximately 429 square yards of full depth pavement repairs and a two course surface treatment of Rincon Road from Joe Fulton Corridor to Burleson Street, as described in the drawings. This is a Lump Sum bid item.

<sup>B</sup> ADDITIVE BID ITEM 1: The scope of work generally consist of, but not limited to, widening a portion of Stroman Street. Work will entail, but not limited to, excavation, concrete curb demolition, subgrade preparation, installation of limestone base and 190 square yards of 8-inch thick concrete pavement. This is a Lump Sum bid item.

Read By: David Michaelson

Tabulated By: Bert Perez

Checked & Prepared By: Lucy Betancourt

Date: 04/22/2016

**DATE:** May 17, 2016

**TO:** Port Commission

**FROM:** David Krams, P.E.  
[Krams@pocca.com](mailto:Krams@pocca.com)  
(361) 885-6134

***AGENDA ITEM NO. 10-G***

**Approve an Increase in the Additive Bid Item Allowance and  
Approve a Change Order in the Amount of \$73,150 to  
PCCA's Construction Contract with Garrett Construction Co. for  
Resurfacing of the South Side Storage Yard Project**

**SUMMARY:** Staff requests approval to increase an Additive Bid Item allowance by \$40,000 and to approve a Change Order with Garrett Construction Co. in the amount of \$73,132.85.

**BACKGROUND:** The PCCA awarded the construction contract for the Resurfacing of the South Side Storage Yard project to Garrett Construction Co. at the February 16, 2016 Port Commission meeting for \$628,670.00. Two additive bid items were included in the contract to address unsuitable subgrade materials that may be encountered during construction: Additive Bid Item 3 at \$50/CY to provide additional select fill should poor or soft material be required to be removed, and Additive/Deductive Bid Item 4 at \$70/CY should additional limestone base be needed to provide the required 12" thick pavement section. Anticipating the use of Additive Bid Item 3 and Additive/Deductive Bid Item 4, the Commission approved a \$50,000 allowance specific to these items, in addition to the standard contingency for the project.

Through April 11, 2016 and one Change Order, \$12,850 of the \$50,000 allowance had been utilized. Since then, additional unsuitable materials had been encountered, and the use of adding select fill (Additive Bid Item 3) within the excavated areas was not fully effective in stabilizing the yard. Therefore, staff developed a more effective solution by increasing the thickness of the limestone pavement section in the areas having the poorest and softest subgrade. The solution, however, requires a Change Order in the amount of \$73,150 for an additional 1,045 CY of Flexible Base (Additive/Deductive Bid Item 4) for this 1.85-acre portion of the project. Therefore, the total cost to address the unsuitable sub-base conditions in this area is \$86,000 (\$12,850 in Change Order No.1 plus \$73,150 for proposed Change Order No. 2), exceeding the \$50,000 allowance by \$36,000.

**ALTERNATIVES:** N/A

**CONFORMITY TO PORT POLICY:** N/A

**EMERGENCY:** N/A

**FINANCIAL IMPACT:** N/A

**STAFF RECOMMENDATION:** Staff requests approval to increase the original allowance of \$50,000 for Additive Bid Item 3 and Additive/Deductive Bid Item 4 by \$40,000 (\$36,000 needed to date plus a \$4,000 provision, if needed), for a total allowance of \$90,000.

Also, since the Change Order item exceeds \$50,000, specific additional Commission approval is required; therefore, staff recommends approval of the attached Change Order No. 2 with Garrett Construction Company in the amount of \$73,150.00. This price is based on additional 1,045 CY of Flexible Base at a rate of \$70.00/CY based on Additive/Deductive Bid Item 1.

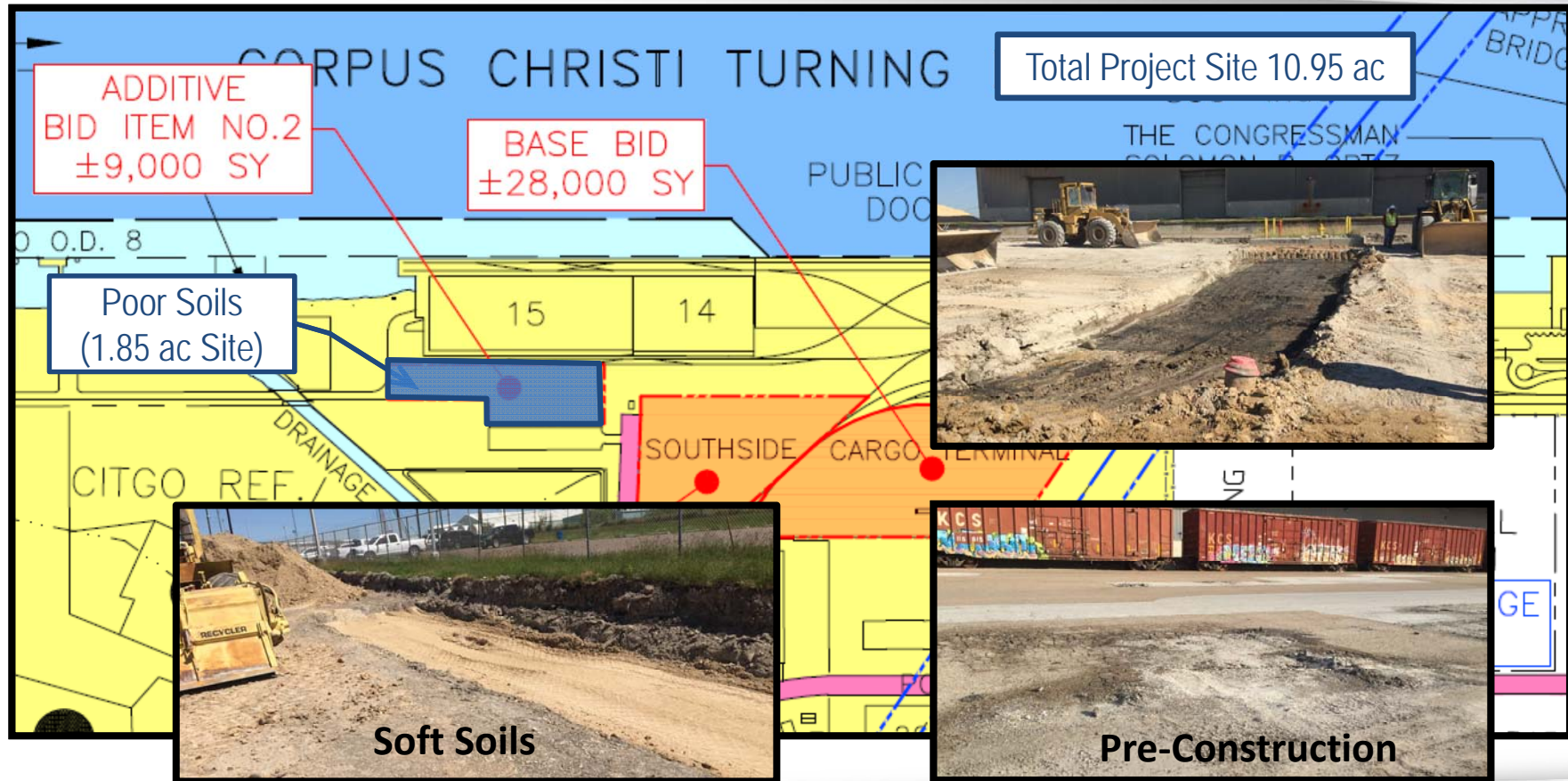
**DEPARTMENTAL CLEARANCES:**

Originating Department	Engineering Services
Reviewed & Approved	David Krams Dave Michaelson Eileen Mink
Senior Staff	John LaRue Sean Strawbridge Jarl Pederson

**LIST OF SUPPORTING DOCUMENTS:**

Map Exhibit with Photos  
Change Order with Garrett Construction Co.

# RESURFACING SOUTH SIDE OPEN STORAGE



## CHANGE ORDER

Change Order No. 2

Date: April 29, 2016

Page 1 of 1

**PROJECT:** Resurfacing of South Side Storage Yard  
**PROJECT NUMBER:** 15-038A  
**CONTRACTOR:** Garrett Construction Co

\*\*\*\*\*

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:

**To correct soft soils; 1,045 CY additional Flexible Base @ \$70.00/CY base on additive/deductive bid item 1 unit costs.**

Increase in Contract Price:	\$ 73,150.00
Increase in Contract Time:	7 Days

\*\*\*\*\*

Original Contract Amount:	\$ 628,670.00
Total Amount of Previous Change Orders:	\$ 22,616.20
Amount of this Change Order:	\$ 73,150.00
Revised Contract Amount:	\$ 724,436.20

Notice To Proceed Date:	March 03, 2016
Original Contract Time:	125 Days
Previous Changes in Contract Time:	21 Days
Calendar Days for this Change Order:	7 Days
Revised Contract Time:	153 Days
Required Completion Date:	August 03, 2016

\*\*\*\*\*

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 Garrett Construction Co, as signed by their duly authorized representatives below.

**Port of Corpus Christi Authority**

**Garrett Construction Co**

By: _____	By: _____
Eileen Mink, EIT	Jon J. Garrett
Associate Project Engineer	President

By: _____	Date: _____
David L. Krams, P.E.	
Director of Engineering Services	

Date: April 29, 2016

**DATE:** May 17, 2016

**TO:** Port Commission

**FROM:** Tyler Fuhrken, Director of IT  
885-6150  
[Tyler@pocca.com](mailto:Tyler@pocca.com)

***AGENDA ITEM NO. 10-H***

**Approve Purchase of One Flir Ranger III LR Thermal Camera from Anixter Inc. in the Amount of \$57,750 with a PCCA Match of \$14,437.50 as Part of Security Equipment Upkeep Project (Security Grant 14)**

**SUMMARY:** Staff requests authority to issue a Purchase Order to Anixter, Inc., for the purchase of one Flir Ranger III LR thermal camera.

**BACKGROUND:** As part of the Security Grant 14 Security Equipment Upkeep Project, on March 3, 2016, a request for quotes was sent to two potential suppliers for a Flir Ranger III LR thermal camera through the Texas Directory of Information Resources (DIR) Cooperative Contracts Program. Two DIR quotes (see attached Quote Tabulation) were received by March 11, 2016. The apparent lowest quote was received from Anixter, Inc., in the amount of \$57,750 for the purchase of one Flir Ranger III LR thermal camera.

**ALTERNATIVES:** Rebid the purchase.

**CONFORMITY TO PORT POLICY:** 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.

**EMERGENCY:** None.

**FINANCIAL IMPACT:** This purchase is eligible for funding through the Port Security Grant 14 Security Equipment Upkeep Project. This grant requires a 25% match; therefore, PCCA will be responsible for \$14,437.50 of the total purchase amount. These grant funds expire in August 2016.

**STAFF RECOMMENDATION:** Staff recommends that a contract by Purchase Order be awarded to Anixter, Inc., in the amount of \$57,750 for the purchase of one Flir Ranger III LR thermal camera through Texas DIR contract DIR-SDD-2210.

All equipment comes with a one-year parts and labor warranty. This camera is compatible with existing analog monitoring and control equipment and will allow the Port to migrate to a high definition IP platform in the future. Installation will be done by Port staff. A pan / tilt platform will be purchased separately from Moog Inc. for \$11,342.60. Some additional miscellaneous materials totaling less than \$1,000.00 will be purchased separately through other vendors to complete installation.

**DEPARTMENTAL CLEARANCES:**

Originating Department	Security IT
Reviewed and Approved	Tyler Fuhrken
Security Committee	Approved
Legal	Dane Bruun
Senior Staff	Sean Strawbridge

**LIST OF SUPPORTING DOCUMENTS:**

Quote Tabulation





**QUOTATION**

Subject to attached terms, available at [anixter.com/termsandconditions](http://anixter.com/termsandconditions)

Date: 5/6/2016  
Quote #: 00884  
Customer #: 073701

BRUCE FORBES  
PORT OF CORPUS CHRISTI AUTHOR.  
PO BOX 1541

CORPUS CHRISTI, TX 78403  
Phone: 361 885-6176  
Fax:

Anixter Inc.  
Corporate Headquarters  
2301 Patriot Blvd.  
Glenview, IL 60026

\*\*\*DIR-SDD-2210\*\*\*

PRICE IS VALID UNTIL 6/30/2016

Item	Quantity	Anixter Catalog Number and Description	Unit	Unit Price	Extended Price
01	1	N/S FLIR 23166-205 FLIR RANGER LLL LR, 11 DEGREE TO 2.2 DEGREE. DUAL FOV LENS 50MM&250MM AUTO FOCUS ONE YR WARRANTY PRICING IS VALID UNTIL 6/30/16	EA	57750.00	\$57,750.00

**Page Total:** \$57,750.00

**Quote Total:** \$57,750.00

**TERMS** NET30, subject to credit approval

**F.O.B.** SHIP.PT., PREPAID

**SHIPMENT:** MATERIAL IN ANIXTER INVENTORY SUBJECT TO PRIOR SALE.

**NOTES:** ORDER ACCEPTANCE BASED UPON PRIOR CREDIT APPROVAL  
ALL MATERIAL IS NON-RETURNABLE W/O RETURN AUTHORIZATION

**\*\*Call to learn about special financing and lease-to-own options on orders over \$10,000.**

Please refer all inquiries to:

**MICHAEL STEABMAN-EU**

ANIXTER-SAN ANTONIO

3522 PAESANOS PKWY,STE303

Phone: 210-408-8031 X 20305

Fax: 210-408-2727

SHAVANO PARK, TX 78231

**COMMENTS:** COPPER CABLE PRICES VALID FOR 14 DAYS. ALL OTHER ITEMS  
VALID FOR 30 DAYS UNLESS NOTED AT THE ITEM LEVEL

**DATE:** May 17, 2015

**FROM:** John LaRue; 885-6189; [john@pocca.com](mailto:john@pocca.com)

**AGENDA ITEM NO. 11**

**EXECUTIVE DIRECTOR'S REPORT**

**SAFETY**

**Safety Program and Initiatives**

**SELECT INTERNATIONAL**

Safety has completed the first round of Select International SafetyMirror Workshops and 1 on 1 coaching sessions with the Port Police Department and Maintenance employees. The SafetyMirror Workshop was presented to Bulk Terminal employees and 1 on 1 coaching sessions will be scheduled shortly. The overall response has been positive with many employees commenting on the accuracy of the personal assessments and applicability in their daily work environment and tasks. Next on the schedule will be the employees located in the Admin and Annex Buildings.

**JOB SAFETY ANALYSIS (JSA)**

It is difficult to measure the success of things that do not happen however, as we continue to focus on performing JSAs positive experiences and comments from employees with regard to the practice indicate a progressive impact already. The JSA process was indicated as the catalyst for discussions that ultimately prevented what could have been a major incident that had the probability of severe repercussions.

**ON-THE-SPOT PROGRAM**

Comments from employees continue to demonstrate the importance of recognition and how encouraging the 'On the Spot' program has been thus far. Numerous employees have already turned in chips, eager to report what they were recognized for. The current session will continue until the end of May when participation will be documented and analyzed.



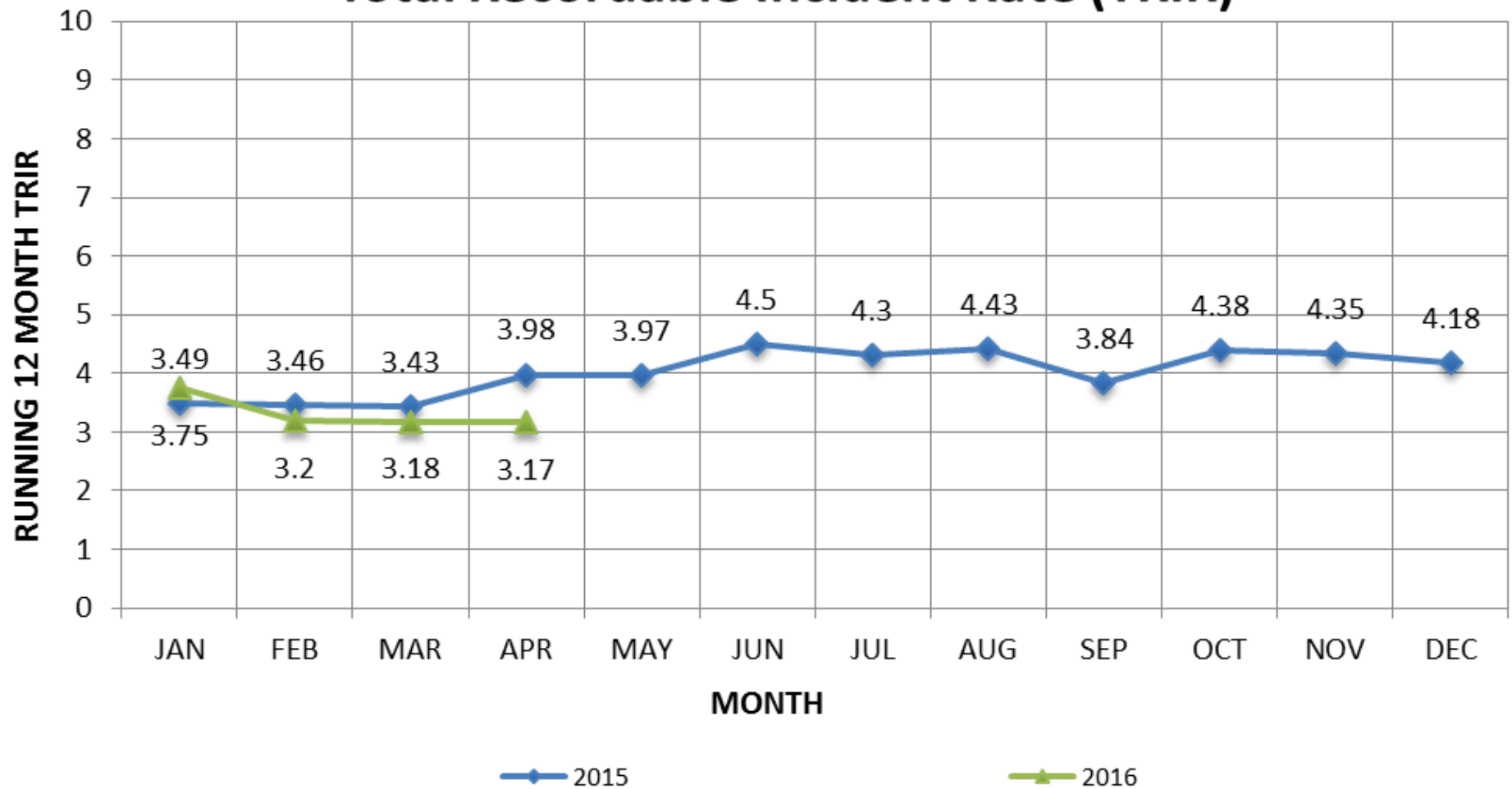
# Port of Corpus Christi Authority

## Monthly Safety Data Report

April 2016

PORTCORPUSCHRISTI										
	POCCA Employees Total		BMD Personnel		Maintenance Personnel		PD Personnel		Admin. & Annex Personnel	
Safety	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Number of Employees	204		21		41		50		92	
Work Hours	29,524	119,192	3,579	13,535	5,456	22,676	7,849	31,677	12,641	51,304
First Aid Cases	0	1	0	0	0	0	0	1	0	0
Recordable Injuries	1	1	0	0	0	0	0	0	1	1
Recordable Illnesses	0	0	0	0	0	0	0	0	0	0
Lost Time Cases	0	0	0	0	0	0	0	0	0	0
Number of Days Lost	0	0	0	0	0	0	0	0	0	0
Restricted Cases	0	0	0	0	0	0	0	0	0	0
Number of Days Restricted	0	0	0	0	0	0	0	0	0	0
TOTAL RECORDABLES	1	1	0	0	0	0	0	0	1	1
INCIDENT RATE (YTD)		1.68		0.00		0.00		0.00		3.90
Types of Injuries										
Slips/Trips/Falls	0	1	0	0	0	0	0	0	0	0
Struck By	1	1	0	0	0	0	0	0	1	1
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	1	2	0	0	0	0	0	0	1	1
Days Since Last Lost Time Case	Hours Since Last Lost Time Case		Days Since Last Recordable Injury/Illness			Hours Since Last Recordable Injury/Illness				
200	1,600		18			144				
Date of Last Lost Time Case	Date of Last Recordable			12 Month Rolling Average						
Wednesday, October 14, 2015	Wednesday, April 13, 2016			May 2015 - April 2016:			379,039	Manhours Worked		
				Total Recordable Incident Rate (TRIR):			3.17			

## 12 MONTH AVG Total Recordable Incident Rate (TRIR)





# SAFETY COMMUNICATIONS



PORT CORPUS CHRISTI®

## DID YOU KNOW?

### Behavioral Safety Meetings

#### What are the Benefits?

What if we are already familiar with the topics or job tasks discussed? Safety meetings give an opportunity for management and your safety department to communicate to employees how they can do their jobs safer and better.

The topics may be what you are familiar with or a topic that you have limited knowledge about. It may be easy to tune-out and not listen to the safety information presented. However, it is always important to listen to the information as if you have never heard it before. You may just learn something new regarding new and improved safety equipment or better ways to perform your job duties.

Information that is passed on in the Safety meeting has a purpose to stop you or your co-worker from being injured. Safety meetings also allow employees an opportunity to relay safety concerns or improvement ideas to their supervisors.

According to some experts, for a variety of reasons, unsafe acts typically account for 90% of all accidents. Safety meetings serve as a preventative measure against unsafe acts by educating employees on how they can do their job safely.

Participating in the Safety meetings and expressing your ideas and concerns may very well save your co-worker's life or even your own.

Gonzalez, M. "Behavioral Safety." *Toolbox Topics*, 15 Apr. 2016.

#### \*\*Safety Incentive\*\*

Call, text or email the Safety Manager or Teresa Bray with the benefits of a Safety meeting. Submissions will have their name put into a drawing for a safety incentive. Please be sure to include YOUR NAME!!

*No job is so important &  
No service is so urgent that we  
cannot take time to perform our  
work safely*  
—Bell System

**Picture  
This!**



APRIL SAFETY  
SUGGESTION WINNER  
IS:  
AUDRE DEBLER



## Safety Suggestions

- Response plan for suspicious odors.  
**Status:** In process
- To replace soap dispensers with new automatic soap dispensers  
**Status:** In process
- Provide better chairs for some PD areas.  
**Status:** Researching
- Replace or repair rusted stair case at BAT trailer.  
**Status:** Complete
- Provide barricade around pothole at Ortiz patio.  
**Status:** Complete
- Provide an ergonomic floor mat for Varidesk  
**Status:** Complete
- All tripping hazards in Air Handler rooms should be painted bright yellow.  
**Status:** In process
- Upright ladder leading below CD #10 to lift station need to be extended at the top for safer access.  
**Status:** In process
- Instructions over shutting off Air Handler to be added to Safety briefing.  
**Status:** Researching
- Fire exit doors should have a small window to view outside.  
**Status:** Researching
- The new walk way into PD from Hooks field should have restricted parking strips to prevent blockage.  
**Status:** In process
- The 2nd floor emergency exit with ladder is behind a restricted area. All personnel should have access to this exit.  
**Status:** Researching

Port TRIR: 3.18  
2016 Injuries:  
Slips/Trips/Falls = 2  
Struck By = 0  
Strain/Sprain = 0  
Cuts/Lacerations = 0

## **COMMUNITY RELATIONS**

### **Internal and Community events/meetings/sponsorships**

- Meeting with Libby Averyt, Gabe Guerra and Parrish Jones
- Transition Advisory Committee, Chamber of Commerce
- Meeting with Frank Jordan II, DRA
- Meeting with DRA, OPC, POCCA and TxDOT
- Meeting with Terry Mills, NAACP
- Del Mar Foundation, Board of Directors
- Meeting with Carmen Arias, Corpus Christi Hispanic Chamber of Commerce
- Meeting with Devin Bhakta, Corpus Christi Chamber of Commerce
- Meeting with Erin Wilder and Marcy Rodriguez, American Heart Association
- Meeting with Sara Longoria, March of Dimes
- Meeting with Dr. Gilda Ramirez, Corpus Christi Hispanic Chamber of Commerce
- Meeting with Sylvia Tryon, Corpus Christi Black Chamber of Commerce
- Meeting with Del Richardson, Dionisio Marquez and Frank Jordan, II, DRA
- Del Mar Crawfish Boil
- City of Ingleside City Council (with Nelda Olivo)
- Meeting with Father Farfaglia, Westside community
- Noche Mexicana
- Meeting, WBA Board of Directors
- Executive Board Meeting, Corpus Christi Hispanic Chamber of Commerce
- Board Meeting, Corpus Christi Hispanic Chamber of Commerce
- Conference call, Hillcrest ROW Management
- Attended CC to DC – Corpus Christi Chamber Advocacy Trip to Washington D.C.
- CC Women IN Leadership Symposium
- CR Coordinator organized the port float decorations with port maintenance and walked with port employees/families at the Buc Days Illuminated Night Parade
- CR Coordinator is organizing and signing up volunteers to the KEDT annual phone bank night with port employees scheduled for May 9th
- CR Coordinator assisted Port PD with a Port tour and presentation to the HELP second chance program
- CR attended the SCI Women's Business Center at the Empowerment Women's Brunch



## COMMUNICATIONS

### **APRIL STAFF & EMPLOYEE EVENTS**

- 2016 Marketing Plan and Creative
- Various PMOP Positive Engagement Campaign meetings
- Various Harbor Bridge Acquisition & Relocation Program related meetings
- Port Commission Mtg.
- Wellness Committee meetings and Luncheon
- CVB monthly meeting
- VCS Board Meeting
- Visit with C/ITGO officials
- Planning of upcoming tradeshow and conferences such as LNG Americas, Breakbulk, and ALACAT.
- Planning TX St Aquarium Summer camp
- Attended AAPA's Spring Conference
- Attended 50<sup>th</sup> Anniversary Banquet for Laredo Development foundation
- Various meetings coordinating the signing of MOU with Laredo
- Working on Employee Fit Healthy Award from Heart Association
- Supported voestalpine on arrival of first vessel
- Planned & attended voestalpine's reception

### **MULTIMEDIA COVERAGE FOR APRIL:**

#### **NEW MEDIA MARKETING MANAGEMENT**

- **PortOfCorpusChristi.com**
  - Our Broadcasts/SEACASTS news feed stories are original content; written to inspire organic growth with search engines.
  - [Western Hemisphere Ports Day 2016](#)
  - [Expanding Rail Infrastructure for the Future](#)

- **WEBSITE ANALYTICS (April 1 – 29, 2016)**

- 13,602 Sessions
- 29,965 Page Views
- 7,361 Unique Users

- **USER PROFILES**

<b>Country</b>	<b>Sessions</b>	<b>% Sessions</b>
United States	12,649	92.99%
United Kingdom	96	0.71%
Mexico	91	0.67%
India	86	0.63%
Canada	59	0.43%
Brazil	48	0.35%



• **TOP TRAFFIC SOURCES**

<b>Source</b>	<b>Sessions</b>	<b>%New Sessions</b>
Organic Search	6,619	49.60%
Direct	5,044	34.50%
Referral1	1,178	46.80%
Social	546	78.21%
Other	218	74.31%
Email	5	80.00%
Display	1	100.00%

**SOCIAL MEDIA – (April 1 – 29, 2016)**

**FACEBOOK**

- 4,470 Likes
- 27 New Likes
- 27,357 Total Reach (Organic)

**TWITTER**

- 1,380 Followers
- 36 New Followers
- 7,846 Impressions (Organic)

**MEDIA ADVISORIES/PRESS RELEASES**

[TAMACC to Host Statewide Women of Distinction Awards Luncheon](#)

Port Statement of Former Sherwin Alumina Property

**MEDIA MENTIONS/WEB STORIES (April 1 – 29, 2016)**

20 Mentions (See attached PortCCNewsAndSocial-4-2016)

**PHOTO | VIDEO | DOCUMENTARY**

- M&G/Del Mar Check presentation
- Port ad campaign imagery
- CD 14 construction
- M&G construction
- Arrival of 1<sup>st</sup> Vessel to voestalpine

**MEDIA, MARKETER, COMMUNITY AND PUBLIC RELATIONS**

Media inquiries re:

- Sherwin property –KRIS, KIII, Caller
- Hillcrest Voluntary Relocation Program – All local media
- Export of LNG & Panama Canal – Local, National & International Media
- Price of Crude Oil Impact to Port - WSJ
- M&G Del Mar Check Presentation
- Hillcrest/Washington Coles meetings
- Coordinate Publication/Release of Employee Newsletter

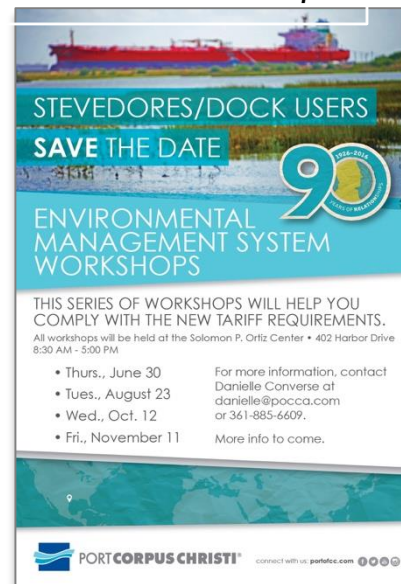
**MARKETING RECAP– MDR:**

**Marketing Recap:** In April, MDR assisted several departments with collateral materials. The HR Department has a new Job Posting Template which utilizes Port Branding, as well as new cards for employee birthdays and anniversaries. Business Development is currently reviewing the General Brochure and Breakbulk Sheet. The Port celebrated Ports Day with AAPA by posting branded social media graphics using both AAPA statistics as well as Port Corpus Christi statistics. MDR is currently re-designing the port's website and designing the conference booth for Expo Carga and ALACAT coming up this summer. A bid video is in the works to present to ALACAT for Corpus Christi to be the host city in 2018. More to come.

***Employee Anniversary Cards  
HR Department***



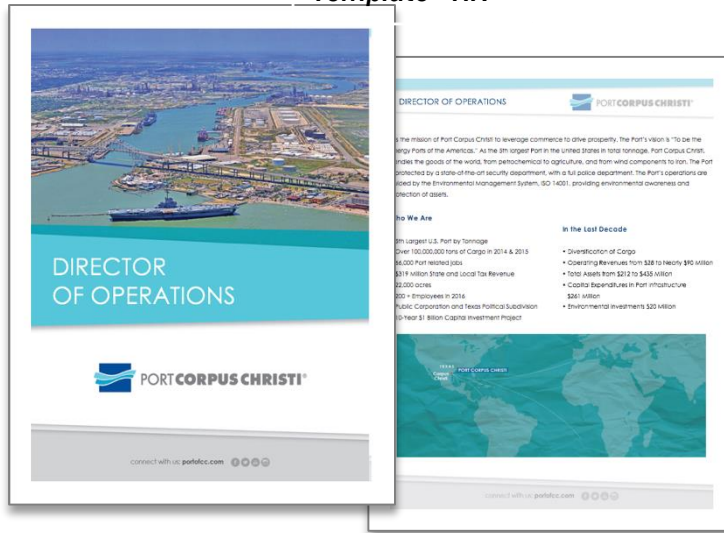
***Environmental Workshop  
eBlast – Environmental Dept.***



***Ports United Social Media  
Communications***



**Job Post  
Template - HR**



**MEDIA RECAP: 2016 CAMPAIGN**

New ad creative was launched in January 2016. MDR is developing a new website to better connect marketing with the sales team goals.

**ONLINE ADVERTISING - Click-thrus to portofcc.com**

<b>Feb. '16</b>	<b>Mar. '16</b>	<b>Apr. '16</b>	<b>May '16</b>
aapa-ports.org ajot.com breakbulk.com expansionsolutionsmagazin e.com heavyliftpf.com Latin Trade e-Newsletter transportjournal.com	aapa-ports.org ajot.com americaeconomia.com breakbulk.com centralamericadata.com expansionsolutionsmagazin e.com globaltrademag.com heavyliftpf.com joc.com latintrade.com transportjournal.com	aapa-ports.org ajot.com breakbulk.com centralamericadata.com expansionsolutionsmagazin e.com globaltrademag.com Guia Marítimo eNewsletter il-latam.com (Inbound Logistics Latin America) joc.com latintrade.com NACleanEnergy.com transportjournal.com T21.com.mx	aapa-ports.org ajot.com americaeconomia.com breakbulk.com centralamericadata.com expansionsolutionsmagazin e.com globaltrademag.com heavyliftpf.com joc.com Latin Trade e-Newsletter NACleanEnergy.com seatrade-maritime.com transportjournal.com T21.com.mx
109	159	217	<b>TBA</b>

**Notes: Latin Trade newsletter ads accounted for 27% of referral traffic with 59 clicks. AAPA banner visitors continue to spend the most time on the site with an average of 6 minutes followed by Journal of Commerce with 2:19 minutes. Overall avg. session lasted 1:08. Top three sites for referral traffic are Latin Trade (59), T21 (28), and Global Trade (24).**

## PRINTED ADVERTISING

Feb. '16	Mar. '16	Apr. '16	May '16
Assoc. de Importadores y Exportadores Fairplay Magazine** NASCO Annual Review San Patricio Business Directory Shale Magazine	Breakbulk Magazine** Expansion Solutions Mag*	Maritime Executive	WINDPOWER 2016 Show Dir.** Breakbulk Magazine Expansion Solutions* ** N. American Clean Energy**
Circulation 26,130	30,000	22,501	86,000

\*Includes full page editorial of Port with photos, negotiated with media buy.

\*\*Distributed at conference – bonus circulation.

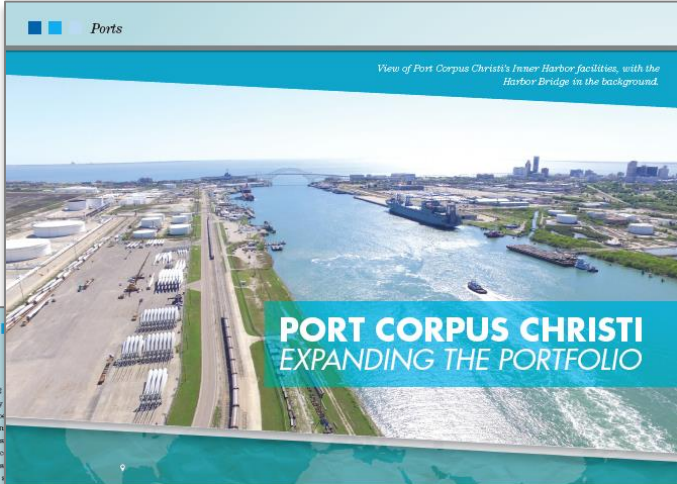




## BUILT ON PARTNERSHIPS

• 6 Laydown Yards, Rail & Highway Accessible  
 • Three Class I Rail Carriers  
 • Heavy Lift Capabilities  
 • Dockside Rail & Storage


**PORT CORPUS CHRISTI**  
 Moving America's Energy



View of Port Corpus Christi's inner harbor facilities, with the Harbor Bridge in the background.

## PORT CORPUS CHRISTI EXPANDING THE PORTFOLIO

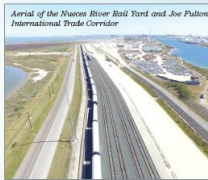
### Ports

**Rail Expansion** – Phase I of the Nueces River Rail Yard construction was completed in 2016 and celebrated with a ribbon cutting one year ago. Phase II is under construction currently and is scheduled for completion at the end of 2018. Once completed, the rail yard will be one of the largest on the Gulf of Mexico. The Nueces River Rail Yard consists of four parallel ladder tracks with a total yard capacity of 15,400 feet and 223 rail cars. At completion, the rail yard will increase to eight 8,000-foot-long unit train sidings. The total project cost is \$20.8 million, utilizing a \$10 million TIGER grant, a \$22 million grant from Texas Department of Transportation, \$6 million from Port Corpus Christi, and the remaining costs paid by Union Pacific, Kansas City Southern, Burlington Northern Santa Fe, and Genesee Wyoming.

**Harbor Bridge Replacement** – The City of Corpus Christi is moving forward with the construction of a new Harbor Bridge, which connects the city's north side with the North Beach Community and neighboring San Patricio County – where two of the Port's largest foreign investors are constructing facilities. The new bridge, a modern cable-stayed bridge, will greatly increase safety and provide a 205-foot navigational clearance that will accommodate entry into the Port's Inner Harbor for larger ships. Construction is expected to kickoff this summer, with a projected completion of spring 2021.

**Joe Fulton International Trade Corridor** – When the current Harbor Bridge experiences closures, traffic gets diverted through the Joe Fulton International Trade Corridor. Opened in 2007, the Corridor provides access to

about 12 miles of industry and green acre land, of which M&G Chemicals purchased a portion. The Port was recently granted \$3.3 million from the Texas Transportation Commission. These funds will be used to widen a portion of the Joe Fulton International Trade Corridor, greatly improving traffic safety as well as access to M&G Chemicals and the Port's new Oil Dock 14. Traffic flow on this road will become critical over the construction period of the new Harbor Bridge.



**Channel Improvement Project** – Port Corpus Christi received authorization under Section 1001 (40) of the Water Resources Development Act of 2007 for the following navigation and ecosystem restoration projects:

- Extend the Port's La Quinta Channel approximately 1.4 miles at -39' MLT
- Deepen the extension to -45' MLT to match the original La Quinta Ship Channel
- Construct an ecosystem restoration feature to protect endangered species, wetlands and seagrass
- Widen the Corpus Christi Ship Channel to 500' from the entrance at Port Aransas, Texas to the current Harbor Bridge

• Deepen the Corpus Christi Ship Channel from -45' to -52' MLT

• Add 200' wide barge shelves at -12' MLT across the Corpus Christi Bay

Half of the approved project has been completed. The La Quinta Ship Channel extension and deepening allow westlake Texas to construct and add a dock on the La Quinta Trade Gates. However, half of the project remains, as the Port continues to explore avenues to fund the deepening and widening the channel. This portion of the project becomes vital as vessel traffic increases from new industries opening late this year.

**Environmental Management**

Enhancing business development and environmental stewardship can be challenging, especially as more industry moves in as regulations get tighter. Port Corpus Christi adopted Environmental Management System in 2004 and 2007, a received ISO 14001 certification which it maintains today. Early this year, the Port Commission formally adopted a set of guidelines designed to further illustrate Port Corpus Christi's environmental leadership. Texas. The Port focuses on Air Quality, Water Quality, Solid & Liquid Waste, and Environmental Sustainability. As the Port approaches new operations and construction at Port facilities, the Port's precept play a major role in deciding and how a project is feasible.

Port Corpus Christi proudly celebrates its 90<sup>th</sup> anniversary amid rapid growth, strong partnerships and new relationships. To learn more about Port Corpus Christi and all it has to offer, visit [portofcc.com](http://portofcc.com) or follow on Facebook or Instagram.

[www.ExpansionSolutionsMagazine.com](http://www.ExpansionSolutionsMagazine.com) | XX

According to the National Cotton Council of America, Texas provides twenty-five percent of the country's supply of cotton. The state's vast landscapes are ideal for cotton farms and South Texas is home to many. When Port Corpus Christi opened in 1926, cotton was the main cargo. In fact, the first business to build on port property was the Aransas Compress Company. At that time, the Port had just four docks, and the cotton compress sat just behind Cargo Docks 1 and 2. By 1928, the Port was seeking additional funds to build two more docks to accommodate the cotton industry.

In 1930, large oil fields were discovered in Nueces County and its neighboring

counties. In 1934, the first oil refinery, The Taylor Refining Company, opened on the Corpus Christi Ship Channel. Things shifted quickly as Port Corpus Christi became an oil port.

This year marks the 90<sup>th</sup> anniversary for Port Corpus Christi and it continues to be an oil port. In 2014, roughly thirty-five percent of the Port's revenue was from oil refineries. By 2019, the Port projects that number to drop to approximately twenty-seven percent. New industries will account for forty-six percent of port revenue as they come on line later this year and ramp up in 2017. The Port will also begin moving more dry bulk like steel from TFOC America, Iron from westlake Texas, and PETITTA resin from M&G Chemicals.

One of the main reasons these and many other industries have chosen to locate at Port Corpus Christi is the abundance of natural gas. Whether it's to move it, store it, or consume it, new and expanding companies find value in being near the source. Even if oil and gas play a smaller role in future cargo movements, they'll have contributed value to the Port in diversifying cargo, jobs, salaries and the region's competitiveness.

### Infrastructure

With new businesses under construction – and investments totaling \$30 Billion – Port Corpus Christi is preparing its infrastructure to handle the influx of cargo movements by land, rail or sea.

XX | [www.ExpansionSolutionsMagazine.com](http://www.ExpansionSolutionsMagazine.com)

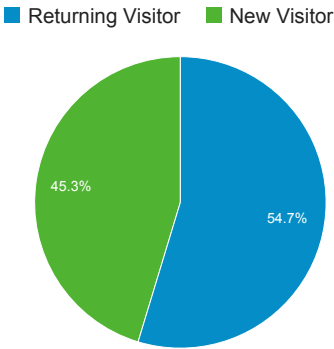
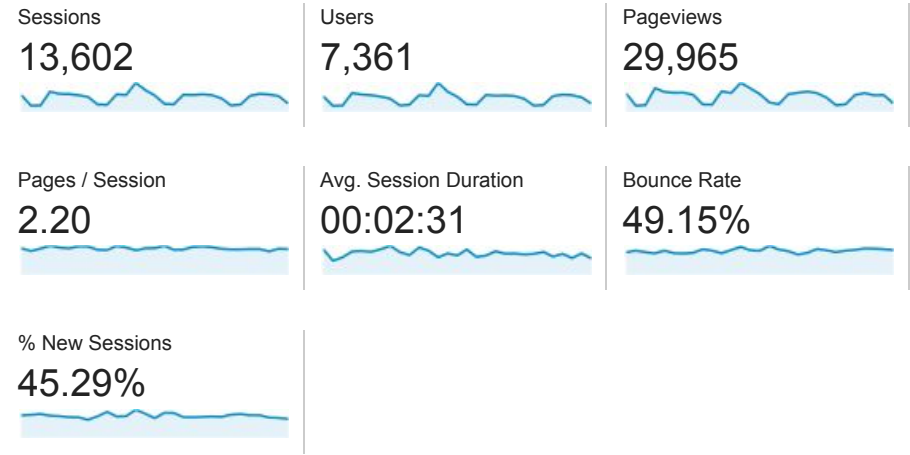
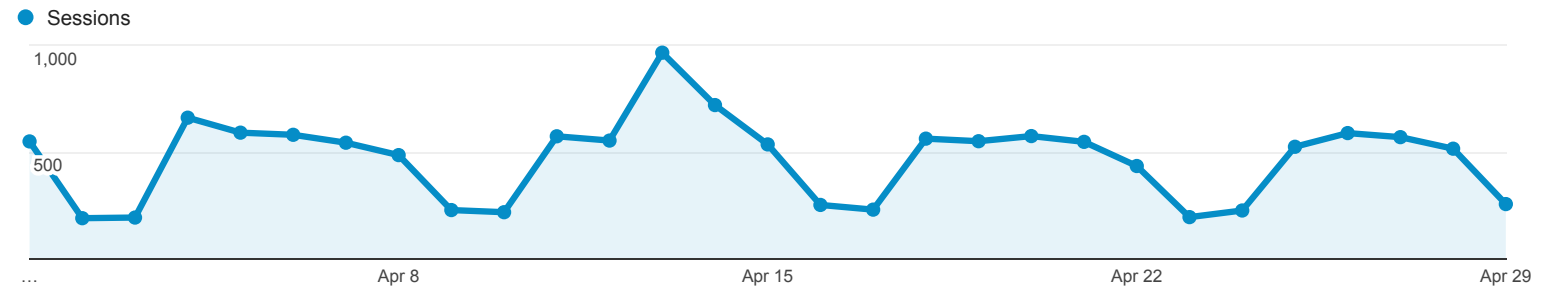
<b><u>Date/Time</u></b>	<b><u>Tweet text</u></b>	<b><u>impressions</u></b>	<b><u>engagements</u></b>
2016-04-26 17:40	Discharging salt at Cargo Dock 9 - #cargo #logistics #trav	326	12
2016-04-26 13:39	Employees prepare for Hurricane Season with @NWSCo	358	5
2016-04-08 15:41	M&G Chemicals & @DelMarCollege presente	1286	23
2016-04-07 17:20	@HEB thank you to Elizabeth for the cooking demonstr	75	0
2016-04-07 16:14	Looking forward to our fist employee wellness cooking	498	4
2016-04-06 13:21	John LaRue, Exe Dir part of A Look at Changing Energy T	523	5
2016-04-05 19:57	Camilo G from sister port Santa Marta, Col talks about	513	10
2016-04-05 18:02	Western Hemisphere Ports Day 2016 <a href="https://t.co/CDXmUJ0wNg">https://t.co/CDXmUJ0wNg</a> #freightkeepitmoving <a href="https://t.co/X5xlpFz4Ef">https://t.co/X5xlpFz4Ef</a>	565	9
2016-04-05 17:32	An incredible 100 million tons of cargo moved through l	394	7
2016-04-05 17:22	66,000 local jobs, all port connected! Western Hemisphere Ports Day 2016 #freightkeepitmoving #peoplemoveourport <a href="https://t.co/XcMejYu03l">https://t.co/XcMejYu03l</a>	462	11
2016-04-05 15:50	#portsdiver #portsunited #peoplemoveourport <a href="https://t.co/6AqbuozBSQ">https://t.co/6AqbuozBSQ</a>	268	0
2016-04-05 14:47	#portsdeliver <a href="https://t.co/6AqbuozBSQ">https://t.co/6AqbuozBSQ</a>	377	2
2016-04-05 14:46	#PortsUnited <a href="https://t.co/xhkOCsaRom">https://t.co/xhkOCsaRom</a>	283	1
2016-04-05 13:56	#PortsUnited #peoplemoveourport <a href="https://t.co/k176D9">https://t.co/k176D9</a>	402	3
2016-04-04 22:51	@AAPA_Seaports welcomes delegates from America's	48	0

Apr 1, 2016 - Apr 29, 2016

Audience Overview

All Users  
100.00% Sessions

Overview



Country		Sessions	% Sessions
1.	United States	12,649	92.99%
2.	United Kingdom	96	0.71%
3.	Mexico	91	0.67%
4.	India	86	0.63%
5.	Canada	59	0.43%
6.	Brazil	48	0.35%
7.	Spain	35	0.26%
8.	China	34	0.25%
9.	Germany	33	0.24%
10.	Colombia	32	0.24%





# PORTCORPUSCHRISTI

Event Tracker: April 2016

Commission	Sponsorship	non-local	International
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Start Date	Event/ organization	Time	Location	Event Type
April 1, 2016	Mission of Mercy - Mash Bash 2016	6:00 PM	Ortiz Center	Community Sponsorship
April 1, 2016	Holy Cross Spring Golf Tournament	8:00 AM	Gabe Lozano Golf Center	Community Sponsorship
April 2, 2016	Mission 911 Hockey Night	7:45 PM	ABC Center	Community Sponsorship
April 2, 2016	Cattle Baron's Ball		Nueces Delta Preserve	Community Sponsorship
April 3, 2016				
April 4, 2016				
April 5, 2016	TX A&M Islander Athletic Corp. Adv/LUNCH	11:30 AM - 1:00 PM	Water Street Seafood	Community Sponsorship
April 7, 2016	Del Mar Crawfish Boil	530 - 930	Concrete Street	Community Sponsorship
April 8, 2016	Texas A&M Islander Athletic Fund Golf Tournament		Corpus Christi Country Club	Community Sponsorship
April 8 - 10, 2016	Corpus Christi Black Chamber of Commerce Weekend Conference	5:30 PM Dinner	ABC/Meet & Greet Speaker following Dinner	Community Sponsorship
April 9, 2016	A&M Kingsville President's Legacy Ball			Community Sponsorship
April 9, 2016	Harvey Weil - Welder Wildlife Refuge	4:00	Rob & Bessie Welder Wildlife Foundation Refuge	Community Sponsorship
April 10, 2016				
April 11, 2016				
April 12, 2016	Christus Spohn Lyceum		ABC	Community Sponsorship

April 13, 2016	South Texas Chapter Trucking		Robstown	Tours/ Presentations
April 14, 2016	Children's Advocacy 3rd Annual Roast	6 pm - 9 pm	Omni Corpus Christi Hotel	Community Sponsorship
April 16, 2016	Pops in the Park	7:30 PM	Whataburger Field	Community Sponsorship
April 16, 2016	West Side Helping Hands "Noche Latina"		Gaslight Square Courtyard	Community Sponsorship
April 17, 2016				
April 18, 2016				
April 19, 2016	Commission Meeting	9:00 AM	Ortiz	Port
April 19, 2016	Laredo Development Foundation 50th Anniversary Celebration	6:45 PM	Laredo Country Club	Community Sponsorship
April 19-20, 2016	Visit to DC		Washington, DC	Meeting
April 20, 2016				
April 21, 2016	USO of South Texas 75th Reflection Thru the Years	6pm - 9pm	Lexington Museum	Community Sponsorship
April 22, 2016	Visit from Regional EDCs	8am- 3pm	Port	Meeting, Tour
April 22, 2016	La Noche Bonita - Beautify Corpus Christi	6:00 PM	Heritage Park	Community Sponsorship
April 24, 2016				
April 25, 2016				
April 26, 2016	Hurricane Breakfast		Ortiz	Port
April 27, 2016				
April 28, 2016				
April 29, 2016	voestalpine Reception		Ortiz	Special Event
April 29, 2016	TAMUCC		Port Admin	Tours/ Presentations
April 30, 2016	CASA Superhero Run/Walk	8:00 AM	Heritage Park	
April 30, 2016	Buc Days Parade			

## **GOVERNMENT AFFAIRS**

### **LOCAL**

- Attended Corpus Christi Chamber Government Affairs committee meeting.
- Attended PICC Public/Government Affairs committee meeting.
- Hosted Coastal Bend Council of Governments committee meeting.
- Attended Ingleside City Council meeting with Rosie Collin to obtain support for FASTLANE grant application.

### **STATE**

- Worked with port staff and consultants to submit RESTORE ACT grant application.
- Sean Strawbridge and Government Relations met with Senator Hinojosa to provide update on Harbor Bridge/Hillcrest relocation.

### **FEDERAL**

- Various meetings and conference calls with consultants to advance our Channel Improvement Project and La Quinta Aids to Navigation.
- Attended Coastal Bend to DC lobby day with community leaders, elected officials from the area.
- Worked with port staff and consultants to submit TIGER and FAST LANE grant applications.
- Working with congressional offices and consultants to monitor FY 2017-2018 budget, WRDA 2016, Harbor Maintenance Trust Fund, etc.

**Memorandum for Nelda Olivo**  
**Director of Government Affairs, Port of Corpus Christi Authority**

From: Brian Yarbrough and Janiece Crenwelge  
Date: April 30, 2016  
Re: Activities on behalf of Port Corpus Christi during April 2016

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**April 1:** Attend and monitor Senate Natural Resources and Economic Development Committee hearing on the permitting process in Texas and neighboring states. The committee is charged with making recommendations for eliminating unnecessary barriers in Texas' permitting process to ensure that the regulatory process is consistent and predictable.

**April 4:** Teleconference with Sen. Brandon Creighton staff regarding Port issues and May 4, 2016 hearing on the status of Texas ports and the expansion of the Panama Canal. Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

**April 5:** Meeting with office of Sen. Chuy Hinojosa regarding Port issues, interim studies and district activities. Attend and monitor for Port issues the House Government Transparency & Operation hearing. The committee is studying potential gaps in cybersecurity policies to ensure that personal information held by public agencies is secure; the committee will address whether industry-accepted cybersecurity standards have been met by public agencies and data centers and will determine ways to promote a culture of cybersecurity awareness among users of public information resources. The committee is also examining purchasing practices by public entities to ensure such practices are efficient and transparent.

**April 8:** Attend and monitor for Port issues the quarterly meeting of the Texas Ethics Commission. The Commission is engaged in rulemaking affecting the disclosure of interested parties in contracting and procurement. A new disclosure is required upon the making of a contract between a vendor and a governmental entity, the definition of which includes a special purpose district or authority. Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

**April 15:** Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

**April 19:** Teleconference with Sen. Brandon Creighton staff regarding Port issues and May 4, 2016 hearing on the status of Texas ports and the expansion of the Panama Canal. Attend and monitor for Port issues the House Appropriations Committee hearing on interim charges. The committee is examining fiscal policy challenges and/or economic disruptions in the 2016-17 biennium, including the long-term impact of price declines in oil and natural gas on the Texas economy and state budget.

**April 20:** Meeting with office of Rep. Abel Herrero regarding Port issues, interim studies and activities in the district.

**April 22:** Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

**April 25:** Teleconference with Nelda Olivo regarding communications with Senate Select Committee on Texas Ports and planning for Port visits by representatives from the Office of the Governor.

**April 27:** Research and preparation of draft testimony by the Port to the Senate Select Committee on Texas Ports in advance of the committee hearing scheduled for May 4, 2016.

**April 28:** Finalization, review and transmittal of draft testimony by the Port to Nelda Olivo in advance of the Senate Select Committee on Texas Ports committee hearing.

Attend and monitor for Port issues the House State Affairs Committee. The committee is studying if the state's infrastructure is adequately prepared for disasters, whether man-made or natural, including preparedness assessments of the maintenance and recovery of vital infrastructure such as transportation and utility systems. The committee will also determine if the state has sufficient authority and tools to ensure continued operation of the state's government and economy under existing budgetary and statutory authority and will make contingency recommendations to prevent collapse in the event of an economic disaster.

Attend and monitor for Port issues the joint hearing of the House Energy Resources and House Economic and Small Business Development Committees. The committees are studying the effects of the declining price of oil and the continuously depressed price of natural gas on the Texas economy and implications for the Texas budget; the committees will consider the impacts on local communities most dependent on oil and gas activity, including impacts on supporting economies such as retail, manufacturing, house industries, etc. The goal is to recommend strategies for sustained energy development and workforce growth during times of depressed energy prices.

**April 29:** Review of Texas Register for state agency actions relating to POCCA and transmittal to staff.

**April 1-30:** Conferences with offices of Sen. Hinojosa, Reps. Hunter, Lozano and Herrero, and staffs, regarding port issues. Review of and legal research on legislation enacted by the 84<sup>th</sup> Texas Legislature of interest to Port of Corpus Christi activities and operations. Weekly transmission of relevant rulemakings and public notices to John LaRue and Nelda Olivo.



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Firm Client: Port of Corpus Christi Authority, Texas

Primary Client Team: Barry Rhoads, Steven McKnight, Andrew Forbes, and Kaleb Froehlich

Services Period: April 1-30, 2016

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Summary of Services on behalf of Port of Corpus Christi Authority, Texas:

- Substantive consulting on federal government issues on behalf of PCCA
  - ▶ Engaged with local Coast Guard officials about issues and facts related to Aids to Navigation (ATON) issue
  - ▶ Arranged and attended meeting between Port representatives and Coast Guard on ATON issue
  - ▶ Drafted correspondence between Port and Coast Guard on ATON issue
  - ▶ Arranged and attended meeting between Port representatives and Office of Management and Budget on funding for Ship Channel Improvement Project
  - ▶ Arranged and attended meeting between Port representatives and Department of Transportation on TIGER and FASTLANE grant programs
  - ▶ Arranged and attended meeting between Port representatives and Surface Transportation Board on rail line approval process
- Legislative Liaison and Monitoring
  - ▶ Arranged Member and staff Congressional meetings for two Washington, DC trips by Port representatives on funding and other policy issues
  - ▶ Prepared talking points for Congressional meetings
  - ▶ Consulted with committee professional staff members re potential for gaining reimbursement for ATON for La Quinta Channel extension and WRDA legislation
  - ▶ Drafted proposed legislation for reimbursement for ATON for La Quinta Channel extension
  - ▶ Gained inclusion in Energy & Water appropriations bill report to change “New Start” policy as it applies to Corpus Christi Ship Channel Improvement Project
- Client Contact and Team Coordination
  - ▶ Engaged in regular telephone and e-mail contact on PCCA matters with Executive Director John LaRue and Government Relations Manager Nelda Olivo
  - ▶ Hosted office meeting and coordinated master schedule with other consultants for April DC visits by Port representatives
  - ▶ Reviewed news media coverage of new developments at Port and other PCCA activities and discussed same with PCCA representatives

## INFORMATION TECHNOLOGY

### Status of Information Technology Programs & Initiatives

- Migration from Novel to Microsoft – Novel GroupWise and network systems are no longer in use. All employees are now using Office 365 (email) and Active Directory (network) systems. Test groups in Active Directory have been created to roll out group policy. Group policy will further secure our environment and centralize management of our computers and networks. A project is underway to combine Office 365 and Active Directory passwords using federated services. This technology will give us the ability to develop a single sign on environment for enterprise applications.
- Electronic Workflows – The goal of this initiative is to limit the number of paper workflows that exist within the Port. Testing is completed for Employee Action Notices and all notices are now going through Docuware. Mobile application for Docuware is being configured so approvals can be made when approvers are not in the office.
- Data Center Colocation – Design of network and server environment for colocation data center is complete. Final pricing is submitted and we are under budget. Approval for project is on June Commission agenda.
- Phone System Replacement – Design of network and phone system is underway for our primary and DR site. Staff has chosen Cisco Unified Communications as the best fit for the Port. A demo of this system was provided to IT and Executive Assistants. All attending the demo were impressed with its features and see many improvements for communication and collaboration. Meetings with departments who have high demands of the phone system are being scheduled so the system can be accurately designed.
- Agenda Management – Granicus has been chosen by staff to replace existing commission agenda management software. Agreement has been signed and the project kickoff call is scheduled for May. Agenda template design has been chosen and implementation work is in progress.
- Data Circuit RFP – Proposals received for Data Circuit RFP which will provide services to a security camera location. Recommendation will be given to the Security Committee at the May meeting.



- Employee VPN – Enhanced VPN portal for employees is in design stage. The concept is for employees to access their data and applications in a more secure and efficient manner when out of the office. The project will be implemented with existing hardware and software at no additional cost.
- Virtualization of Servers (Port PD) – The design of the PD server virtualization is complete and all necessary quotes have been received. This project will go before the Security Committee at the May meeting.

**2015 Budgeted Projects**

- Data Center Colocation – This project will move the backup data center to a colocation facility in San Antonio. The site has been selected and approved by the Coast Guard. Port IT staff are in the final negotiations with the colocation and telecommunication providers. This project is scheduled to go before the Commission in March for approval. *Estimated project start date: 4/1/16*
- Phone Systems Replacement – Replacement of 10+ year old PBX phone system and consolidation of all sites into one system. This project will remove phone systems at Admin/Annex, HMO, PD, Maintenance and BMD. The existing design of our voice infrastructure is subpar for redundancy and cost effectiveness. Installing a VOIP phone system will allow for SIP trunks which will provide up to 50% reduction in long distance costs. *Estimated project start date: 6/1/16*
- Virtualization of Servers (Port PD) – Existing server infrastructure consists of out of date physical servers. This project would replace 15 to 20 servers with 3 to 4 servers utilizing virtualization. Virtualization introduces costs savings by reducing maintenance contracts along with a reduction in power and cooling needs. Virtualization of servers will also improve the redundancy of the systems they house by utilizing existing Port infrastructure for failover. *Estimated project start date: 4/1/16*
- Network Replacement (Port PD) – As identified in the Transportation Technology Associates Security Technology Master Plan, the network infrastructure for Port PD needs to be upgraded. Most equipment has reached end of life and is no longer supported by the manufacturer. This upgrade would allow for the transition from analog to digital cameras. *Estimated project start date: 5/1/16*

## **BUSINESS DEVELOPMENT**

### **WIND ENERGY CARGO**

- Staff initiated efforts towards appointments with various wind manufacturers, logistics providers, etc. during the American Wind Energy Association (AWEA) Expo (May 23-26).
- Staff collaborated with major trucking entity to ensure the exit of oversized components from the Southside terminal.
- Staff secured additional wind tower vessels with major manufacturer starting in Q3.

### **PROJECT CARGO**

- Continue coordinating the import shipments of plant equipment for M&G as well as in the support for the future logistics involving the receiving of raw materials to initiate product production.
- Staff initiated discussion with European logistics provider regarding new volumes of project cargo.

### **DRY BULK CARGO**

- Met with a cement batch entity seeking to lease a few acres to prepare product and store raw materials.
- The barite entity leasing property within Rincon is in its final testing process. It plans to start grinding thousands of tons within a few weeks. The raw material is to arrive via vessel and once grinded it will go out via truck as well as via rail.
- Working within the Master Development Plan team for the BMT. We have met with some tenants and proceeding with guidelines to formulate the plan.
- Received interest from an entity seeking to handle bulk cargo within a 10 year business plan. Requesting warehouse space to accommodate 100 thousand tons per year.
- Staff continued communication with major construction entity regarding project cargo movements, including collaboration with kick-off meetings in Corpus Christi in May.

### **GENERAL CARGO**

- One of our new manufacturing entities is seeking to lease open and covered storage space for more than one year. It is a difficult proposal as we do not have much, of either, available. However, pursuing to accommodate within areas not far from the Port.

**LATIN AMERICA TRADE**

- Continue dialogue with various energy companies which participated within the Latin America Petroleum Energy Summit. Two of these entities are moving forward with their business plans to handle LPG in ISO tank containers as well as via small tanker vessels.
- A 13 person, energy and manufacturing business delegation from Bolivia will be visiting our Port in early May. We've been working on the agenda/meetings and presentation.
- The potential exporter of frac sand (in super bags) as well as oil drilling equipment to Colombia, commented that they should have their import license within the next few weeks.

**GENERAL ACTIVITIES**

- Staff assisted with wind and project cargo identification for accurate billing of monthly storage.
- Staff continued with coordination efforts regarding Southside terminal resurfacing project, including a meeting with local stevedore for current and future cargo coordination purposes to allow timely end result.
- Staff participated in National Incident Management System (NIMS) training resources with 842<sup>nd</sup>.
- Staff participated at CCREDC presentation regarding new US manufacturing trend ex China.
- Internal Audit Staff participated in new Training for EMS.
- Staff collaborated with government affairs for letters of support for FASTLINE grant & TIGER grant.
- Staff collaborated with internal department and local stevedores regarding wheel base length on Sam Rankin.
- Staff collaborated with other internal departments regarding new Harbor Bridge potential laydown issues at Southside Terminal.
- Staff continued efforts with internal departments regarding future Southside laydown areas.

## **FOREIGN TRADE ZONE**

A meeting with Foreign Trade Zone (FTZ) operators and local Customs and Border Protection (CBP) officers is scheduled for Thursday, May 19. CBP will provide updates on the Automated Commercial Environment (ACE) system, status of compliance reviews and other FTZ procedures.

The voestalpine site was approved for activation by CBP in time for the arrival of their first vessel on April 30.

FTZ Manager continues working with Valero on an application to modify their FTZ boundaries to include an additional 6.7 acres along Up River Road into their zone.

Work continues with Tex-Isle Supply, Inc. on information required for CBP activation approval of their site which was approved for FTZ designation on April 12, 2016.

## OVATIONS

April was another great month here at the Ortiz Center, exceeding budgeted sales by over 10%. We are right on target to exceed budget for May as well.

The Grand Tasting held on April 14<sup>th</sup> designed to attract new and former customers, as well as inspire our existing customers, by showcasing all that the Ortiz Center has to offer was a huge success for both the Ortiz Center to showcase several of our new 2016 menu items, as well as our vendor partners. We look forward to turning many of these prospective guests into clients.

We are pleased to welcome M&G Chemicals to the Ortiz Center. The group is utilizing the Kleberg Room for the next 6 months for their new hire training and on-boarding. This month we were also proud to host for the first time the Tour of Texas Career Fair for SDI Gas and Gulf Stream Marine, as well as the University of Texas RGV On Tour recruiting event.

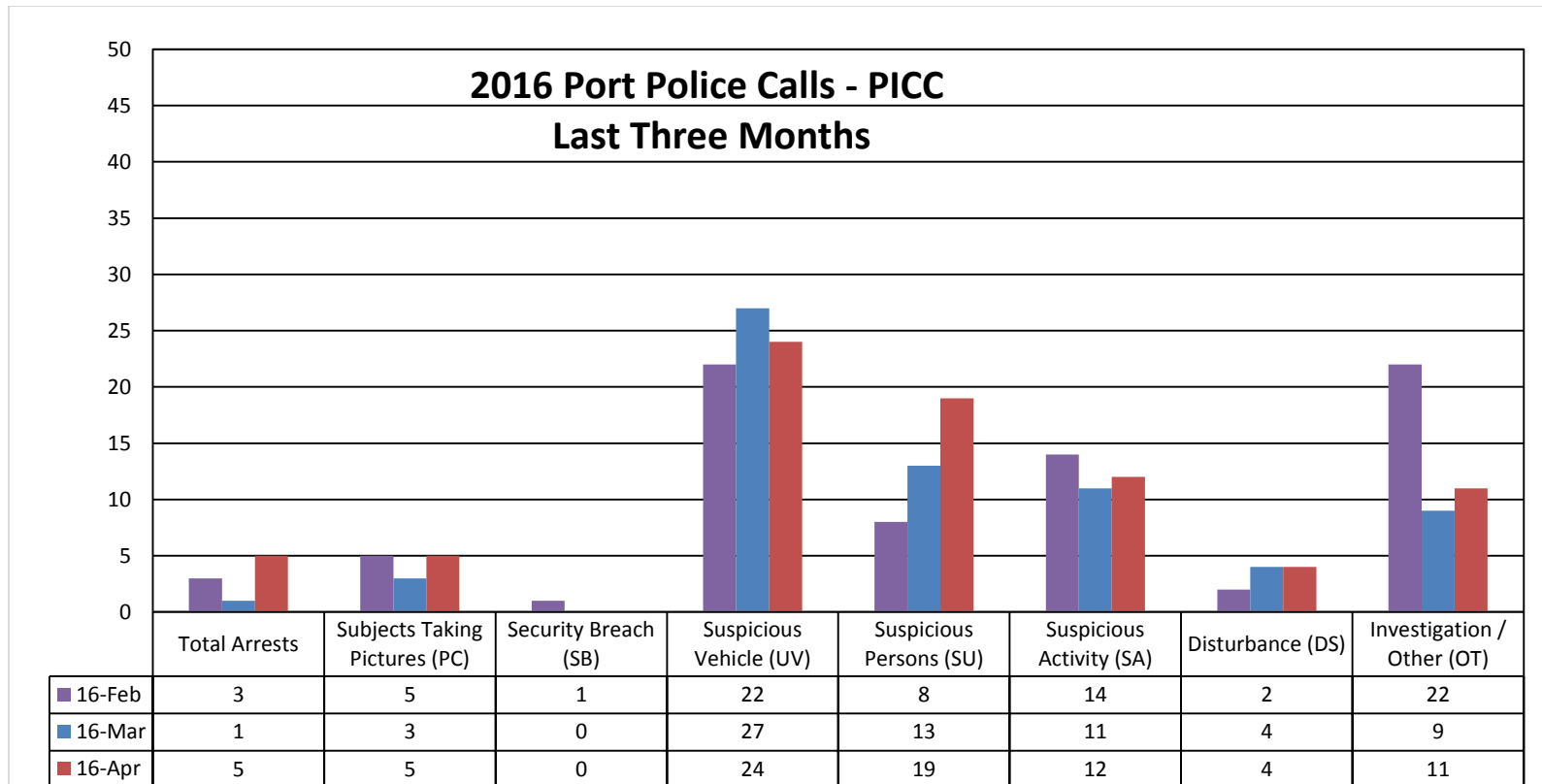
As part of our continued commitment to the community, we are pleased to report that the Ortiz Center provided almost \$78,000 in discounts and sponsorships to various non-profit and Community Based Organizations to date in 2016. The support given by the Ortiz Center assists these wonderful organizations in their ability to generate the resources needed to provide services throughout the Coastal Bend region.

Below are 2015 totals and numbers to-date for 2016 activity. \*April numbers are estimated.

<b>2015</b>	<b>Guest Attendance</b>	<b>Number of Events</b>	<b>Revenue</b>
January	5,113	42	\$216,694
February	2,639	27	\$75,227
March	5,397	40	\$197,604
<b>1st Quarter</b>	<b>13,149</b>	<b>109</b>	<b>\$489,525</b>
April	5,046	53	\$187,262
May	5,727	42	\$187,077
June	4,152	47	\$204,576
<b>2nd Quarter</b>	<b>14,925</b>	<b>142</b>	<b>\$578,915</b>
July	3,511	52	\$165,634
August	2,521	31	\$92,649
September	3,418	30	\$157,647
<b>3rd Quarter</b>	<b>9,450</b>	<b>113</b>	<b>\$415,930</b>
October	4,572	52	\$214,263
November	6,907	56	\$257,904
December	5,468	50	\$385,933
<b>4th Quarter</b>	<b>16,947</b>	<b>158</b>	<b>\$858,100</b>
<b>EOY Total</b>	<b>54,471</b>	<b>522</b>	<b>\$2,342,470</b>

<b>2016</b>	<b>Guest Attendance</b>	<b>Number of Events</b>	<b>Revenue</b>
January	4,621	41	\$149,911
February	4,366	39	\$204,082
March	4,553	50	\$199,597
<b>1st Quarter</b>	<b>13,540</b>	<b>130</b>	<b>\$553,590</b>
* April	5,033	51	\$206,080
May			
June			
<b>2nd Quarter</b>			
July			
August			
September			
<b>3rd Quarter</b>			
October			
November			
December			
<b>4th Quarter</b>			
<b>YTD Total</b>	<b>13,540</b>	<b>130</b>	<b>\$553,590</b>

## SECURITY



## OPERATIONS

### Harbormaster's Office April 2016

Ship Arrivals	Tankers	Freighters	Year to Date Ships
April 2016	90	28	531
April 2015	122	32	560

Barge Arrivals	Tank Barges	Freight Barges	Year to Date Barges
April 2016	387	13	1639
April 2015	412	1	2034

Shifting	Tankers	Freighters	Tank Barges	Freight Barges
April 2016	14	0	796	0
April 2015	18	6	867	0

	Average Daily Ship Arrivals	Average Daily Barge Arrivals
2016	3.93	13.33
2015	5.13	15.53

### Channel Disruptions April 2016

Channel Disruptions	Total Hours	Fog	Wind	Heavy Lift	AEP	Rig
March 2016	42.00	25.83	16.17	--	--	--
March 2015	93.55	86.55	7	--	--	13.5

Delays	Inbound Delays	Outbound Delays
March 2016	11	14
March 2015	41	34



**BULK TERMINAL****Current Projects**

- Replacing three-quarter belt covers with full belt covers 90% complete. Remaining covers will be installed when remaining conveyor idlers are purchased (2<sup>nd</sup> QTR 2016)
- Dust control for all pads and roads
- Preparing for pad resurfacing
- Installing cable tray along CB# 2
- Storm Water MGMT-Working with engineers to develop run-off strategy
- Replacing idlers on conveyors 75% complete. Awaiting purchase of remaining idlers scheduled for 2016 (Estimated 2<sup>nd</sup> QTR 2016)
- BT Office Renovation ongoing (Late May completion)
- Receiving bids for auxiliary power for BT office
- Receiving bids for concrete work associated with auxiliary power and water evacuation pump

**Activity at Bulk Terminal (Short Tons)**

- **Railcars**
  - Load rail cars: 0 railcars loaded for a total of 0 Pet coke
  - Unload rail cars: 0 railcars unloaded for a total of 0 Pet coke
- **Bulk Dock #1**
  - 32,508.25 Barite
  - 46,973.36 GBF Slag
- **Bulk Dock #2**
  - 141,207.22 Pet coke
- **Pads**
  - 70,369.60 Pet coke
  - 11,635.00 Sulfur

**YARDS & RAIL**

- Rail traffic down from March with ADM doing 895 railcars mixed wheat and sorghum,
- 1260 total revenue rail cars in Apr 2016 compared to 1191 revenue cars in Apr 2015
- Working on Agreement (CCPN 1997 Operating) with Welder, Strawbridge and Stroot.
- North Bank storage yard wind components departing by truck and rail, no issues,
- North Storage yard project cargo and wind cargo departing by trucks, **space tight**, FTZ areas set up for M&G cargo
- CD 14 and Rincon small amount cargo from M&G
- VESTAS loaded train tower sections south side departed
- GE empty blade train on spot ETD 04/30

- South side yard paving project started, **space is getting tight**, paving project may be put on hold for cargo arriving CD 8
- Bagged sugar out of CD 15 with exception of damaged bags – TP Host wants Port to remove the damaged sugar and bill them. Accounting and Maintenance notified
- Skyonic Salt terminal on Rincon inventory replenished 7000 MT 04/23
- Railroad rail car storage presentation to Commission Panel
- GWRR Coastal Region Pres, A. Chunko stated still negotiating with MG on plant switching

### **CARGO DOCKS**

- Freezer warehouse foundation being used for lay down by stevedores
- CD 8 – 7 vessels arrived April
- CD 9 – 2 vessels arrived April

### **MAINTENANCE**

#### **Ortiz Center**

Replaced light ballast in Nueces room, adjusted commissioners name tags to pictures, repaired flush valve in toilet and urinal in men's restroom, unclogged kitchen drain line

#### **Commissioners Court**

Set up and tear down stage

#### **Guard houses**

Adjusted sliding door and checked flooring repairs at Viola

#### **Administration building**

Assisted office personnel with office furniture move, checked and repaired dehumidifier in Patricia's office, repaired walls and painted Melinda's new office on 2<sup>nd</sup> floor, troubleshoot and repaired a/c thermostat in HR's office, replaced Texas flag and flag rope, troubleshoot generator malfunction and performed monthly generator inspections, repaired atrium lights

#### **Annex building**

Relocated wall in Real Estate's office, assisted office personnel with moving office furniture-maps-pictures, etc..., troubleshoot AC chiller unit- found deterioration of condenser and bad compressor, started getting quotes for replacement of compressor and condenser, removed construction materials and hauled to landfill, installed electrical and telephone drops to new wall at Real Estate offices, relocated light fixtures and replaced ceiling tiles in Real Estate offices, met with various contractors to attain bids for chillers and condenser replacement, relocated safe from Annex to Admin as per Peggy, replaced kitchen faucet and sprayer in engineering's break room, repaired walls and painted 3<sup>rd</sup> floor offices for Business Development, painted walls and replaced base

board in Environmental offices and conference room, installed “restricted area” signs at engineering and IT computer rooms, unclogged sanitary sewer drain on 1<sup>st</sup> floor handicap restroom, troubleshoot active alarm on generator and performed monthly generator inspections, installed restroom partition on second floor men’s restroom

**Port Security/PD**

Repaired sidewalk next to security sheds in the back, repaired outboard engine guard on 31 foot safe boat, performed monthly generator inspections

**BMD**

Repaired mini-split unit, replaced water lock-out valve at BMD 1 potable ship outlet

**Cargo Docks**

Monthly potable ship outlet flush and inspections, monthly fire sprinkler test and inspections, opened and repaired fire system deluge valve clapper at bldg. 26, continue separating power supply from East and West transfer warehouses

**Oil Docks**

Monthly potable ship outlet flush and inspections, replaced sink shut off valve at OD 7, repaired refrigerant hoses and shroud on a/c unit for OD 11, remount potable water meter for easier reading access at OD 7, fabricated and installed handrails on East structure of OD 1

**Fire Boat**

Repaired contactor coil on Main panel 1, assist Qual-Spec (contractor) checking thickness of fire piping in all the compartments, checked all interior and exterior lighting, Checked operation of high bilge alarms

**Gates, Fences and Roads**

Replaced latch and chain on gate #38B, backfilled Suntide Road potholes with asphalt, resurfaced La Quinta road at Voestalpine entrance, purchased and installed “do not block gate” sign at OD 11

**Maintenance shops**

Modified loading ramps on trailer #524, Crew sent to San Antonio to pick up the new crane for the work barge, conducted 1-to-1 coaching for Mirror safety training (26 employees individually), reorganized product and inventory sheets for Turner storage warehouses, Renewed TWIC cards for approximately 10 employees, conducted interviews to fill vacancies for Janitorial service workers and welder/plumber assistant positions

**Property Other**

Backfilled wash out area on between rail road and Harbor Drive, repaired light pole area lighting between OD 8 and 9, started planning and working on installing water-sewer and electrical at Turner building facility for DRA trailer installation, Replaced lamp and photocell on area lighting of North Bank Storage Yard, Continued prepping parade float, repaired storm drain water sample refrigerator from maintenance as requested by Danielle, performed generator inspections at Harbor Island and La Quinta

**Maintenance Routine**

Performed preventative Maintenance (PM) on vehicles, safe boat and equipment at the maintenance department. Performed routine inspection and PM on lights, water outlet. Performed ground keeping port wide. Over saw janitorial service on all port facilities.

**Personnel Status**

One maintenance employee start dedicated janitorial services to Admin and Annex bldgs. Effective date April 4<sup>th</sup>.

The janitorial crew started new working hours of operation. Effective date April 18<sup>th</sup>, new schedule is Monday-Friday 7:00 a.m. to 3:30 p.m.

One maintenance employee has been out since April 1<sup>st</sup> with back problems unrelated to work

One maintenance employee has been out since April 7<sup>th</sup> with foot problems unrelated to work.

One maintenance employee was on Funeral Leave April 21-23 due to brother's passing. Operations/Business Development Intern last day was April 27, 2016.

## Environmental Planning and Compliance Monthly Report

### Environmental Stewardship Measurements

Program Area	Measured Environmental Improvements Through Apr '16
Electrical Consumption*	10% Green Energy – 222,490 KWHs (through 3/31/2016)
Spent Liquids Recycled	890 gallons
Materials Recycled	36,670 lbs
Components Recycled	610
Regional Air Quality	~65 ppb (EPA standard of 70ppb)
Community Complaints	1
Notice of Violations	0
Tenant Audits Completed	3

### Important Announcements

The Bulk Terminal Air Monitoring Network Pilot Test was completed on January 31, 2016 and a presentation made to the Long Term Health Group and the Dona Park and Academy Heights Neighborhoods on April 13, 2016 at noon and 6:30 PM, respectively. During the presentation, residents complained of dust in the neighborhood during the previous month.

### 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
Bulk Terminal Air Monitoring Network – Pilot Program	Installation of six air monitors at the Bulk Terminal and one in Dona Park neighborhood.	4/31/2015	100%	Complete
	Completion of a pilot program.	1/31/2016	100%	Complete
	Evaluation of data and final report with recommendations on changes to the monitoring program.	3/31/2016	100%	Complete
	Presentation to community at Long Term Health Group / Dona Park residents.	4/13/2016	100%	Complete
	Routine operation of the monitoring network.	Ongoing	Ongoing	Ongoing
Environmental Management System	Development of revised Environmental Policy.	2/16/2016	100%	Complete
	Baseline, evaluate and expand EMS with new environmental leadership objectives and targets port wide and develop an environmental standards document. <Same as Strategic Plan Action Plan #5>	2/28/2018	15%	Started
	Develop environmental design criteria for incorporation in planning of new development in accordance with Environmental Policy.	12/31/2016	15%	Started
	Certification to ISO 14001:2015.	5/20/2016	60%	Ongoing
	Development of updated EMS video.	8/31/2016	5%	Ongoing
	Complete annual compliance evaluation.	5/31/2016	15%	Ongoing
	Completion of system wide Internal Audit.	6/15/2016	10%	Started
	Complete Management Review.	5/31/2016	15%	Ongoing

<b>Program</b>	<b>Description of Activities</b>	<b>Target Completion Date</b>	<b>% Complete</b>	<b>Status</b>
	Conduct quarterly EMS workshops for Stevedores.	11/30/2016	15%	Ongoing
Tenant Audit Program	Conduct routine annual audits of all leases on PCCA facilities.	Ongoing	2%	Ongoing
	Conduct routine lease-ending audits of terminated or completed lease agreements.	Ongoing	95%	Ongoing
	Conduct baseline assessments of properties as applicable for new lease agreements.	Ongoing	0%	Ongoing
Ozone Advance	Participation in Air Quality Committee and Ozone Advance Working Groups.	Ongoing	Ongoing	Ongoing
	Provide input to Annual Ozone Advance Report.	4/30/2016	95%	Ongoing
Storm Water	Conduct routine inspections and monitoring and sampling in accordance with applicable permits.	Ongoing	45%	Ongoing
	Complete annual reports for previous year in accordance with applicable permits.	1/30/2016	100%	Complete

### Environmental Projects Dashboard

Listed below are the budgeted capital, maintenance and professional services projects and the status of each:

<b><u>Project Description (Proj. #)</u></b>	<b><u>Consultant Agreement Type</u></b>	<b><u>Description of Activities</u></b>	<b><u>Target Completion Date</u></b>	<b><u>% Complete</u></b>	<b><u>Status</u></b>
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%	Ongoing
		Negotiations with Successful Vendor.	4/15/2016	30%	Started
		Commission approval of software purchase and implementation contract with successful vendor.	6/21/2016	0%	Not Started
		Purchase/implementation of EMIS software.	12/31/2016	0%	Not Started
General Electrical Consumption Reduction Projects (13-013A)	Pending	Negotiating project scope with electrical engineering firm.	03/31/2016	25%	Ongoing
		Design electrical consumption reduction improvements.	06/30/2016	0%	Not Started
		Advertise project for bid.	07/31/2016	0%	Not Started
		Award contract.	8/16/2016	0%	Not Started
		Construction of project.	11/30/2016	0%	Not Started
Geographic Information System Maintenance and Upgrade (15-017B)	Professional Services Agreement – Brown & Caldwell	Data migration.	1/15/2016	100%	Completed
		Conversion – application setup, testing, reporting setup.	5/31/2016	90%	Ongoing
		Deployment	6/30/2016	0%	Not Started
Investigation and Remediation of Contamination from La Quinta Pipeline Removal/Relocation (14-002B)	MA – 01-14 Golder & Associates, SO# 1,2,3	Prepare and submit Groundwater Classification and Drinking Water Survey Reports to TCEQ.	3/7/2016	100%	Ongoing
		Prepare and submit APAR to TCEQ.	8/31/2016	0%	Not Started
		Receive and respond to TCEQ comments.	9/30/2016	0%	Not Started
		Case closure with TCEQ.	11/30/2016	0%	Not Started
Investigation of Former J.I. Hailey Property (11-002B)	PO – Arcadis	Fieldwork for additional groundwater sample collection.	1/5/2016	100%	Completed
		Prepare and submit APAR Addendum to TCEQ.	2/28/2016	100%	Completed
		Receive and respond to TCEQ comments.	04/30/2016	0%	Not Started
		Case closure with TCEQ.	05/31/2016	0%	Not Started

<b><u>Project Description</u></b> <b><u>(Proj. #)</u></b>	<b><u>Consultant Agreement</u></b> <b><u>Type</u></b>	<b><u>Description of Activities</u></b>	<b><u>Target Completion Date</u></b>	<b><u>% Complete</u></b>	<b><u>Status</u></b>
Investigation of Property Near Lift Bridge (14-002C)	MA – 06-14 Apex TITAN, SO# 1,2,3	Additional fieldwork to collect groundwater samples and verification soil samples.	3/28/2016	100%	Ongoing
		Prepare and submit APAR to TCEQ.	5/31/2016	50%	Ongoing
		Respond to TCEQ comments.	7/31/2016	0%	Not Started
		Case closure with TCEQ.	8/31/2016	0%	Not Started
Storm Water Drainage Study (15-013A)	Pending	Negotiate scope of work and fees.	Pending	50%	Ongoing
		Complete field surveys.	Pending	0%	Not Started
		Receive final report.	Pending	0%	Not Started
Bulk Terminal Master Plan (11-047A)	Pending	Commission Approval for RFP for Market Study.	4/19/2016	100%	Completed
		Advertise RFP for Market Study	4/30/2016	95%	Not Started
		Shortlist firms and negotiate scope of work and fees.	5/25/2016	0%	Not Started
		Commission approval of agreement	6/17/2016	0%	Not Started
		Market Study Final Report	8/31/2016	0%	Not Started
		Advertise RFQ for Master Plan	9/30/2016	0%	Not Started
		Shortlist firms and negotiate scope of work and fees.	10/31/2016	0%	Not Started
		Commission approval of agreement	11/15/2016	0%	Not Started
		Master Plan – Final Draft	6/30/2017	0%	Not Started
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	95%	Ongoing
		Conduct source investigation/delineation of hot spots.	6/30/2016	5%	Not Started
		Develop final report summarizing source investigation and delineation of hot spots.	7/31/2016	0%	Not Started
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.	7/1/2016	10%	Ongoing
		Advertise for bid.	8/1/2016	0%	Not Started
		Commission approval for construction.	8/16/2016	0%	Not Started
		Construction completed.	3/31/2017	0%	Not Started
Landscape Enhancements (15-057A)	MA 13-07 LNV, SO#5	Phase I 60% design.	3/31/2016	50%	Ongoing
		Phase I 95% design submittal.	5/1/2016	0%	Not Started
		Phase I 100% design submittal and contract documents for advertisement.	6/1/2016	0%	Not Started
		Commission approval for construction.	8/16/2016	0%	Not Started
		Construction completed.	12/31/2016	0%	Not Started
Storm Water Quality Improvements at Maintenance Facility (15-059A)	Professional Services Agreement with Alan Plummer & Associates	95% Design submittal.	2/10/2016	100%	Completed
		100% Design submittal and contract documents for advertisement.	3/31/2016	75%	Ongoing
		Commission approval for construction.	6/21/2016	0%	Not Started
		Construction completed.	11/30/2016	0%	Not Started
Bulk Dock 2 Air Permit (16-030A)	Pending Commission Approval	Negotiate Master Agreement and Service Order.	3/15/2016	100%	Ongoing
		Prepare and submit air permit authorization for salt at Bulk Dock 1.	5/31/2016	0%	Not Started
		Prepare technical memo regarding removal/lowering of moisture content from existing permits.	5/31/2016	0%	Not Started



<b><u>Project Description</u></b> <b><u>(Proj. #)</u></b>	<b><u>Consultant Agreement</u></b> <b><u>Type</u></b>	<b><u>Description of Activities</u></b>	<b><u>Target Completion</u></b> <b><u>Date</u></b>	<b><u>% Complete</u></b>	<b><u>Status</u></b>
		Support Master Planning activities at the Bulk Terminal.	6/30/2017	0%	Not Started

### **Environmental Consultant Master Agreements and Service Orders**

Listed below are the Environmental Consultant Master Agreements and associated Service Order values:

<b><i>Consultant (MA#)</i></b>	<b><i>2015 Service Order Amounts</i></b>	<b><i>2016 Service Order Amounts</i></b>
Golder & Associates (01-14)	\$79,949	\$0
RPS, Inc. (02-14)	\$59,083	\$38,093
Trinity Consultants (03-14)	\$54,600	\$48,000
Rosengarten Smith and Associates, Inc. (04-14)	\$306,414	\$0
E2 ManageTech Inc. (05-14)	\$38,530	\$54,577
Apex TITAN, Inc. (06-14)	\$28,140	\$33,070.50
TRICORD Consulting, LLC (07-16)	NA	\$56,069
Alan Plummer Associates, Inc. (08-16)	NA	\$10,940

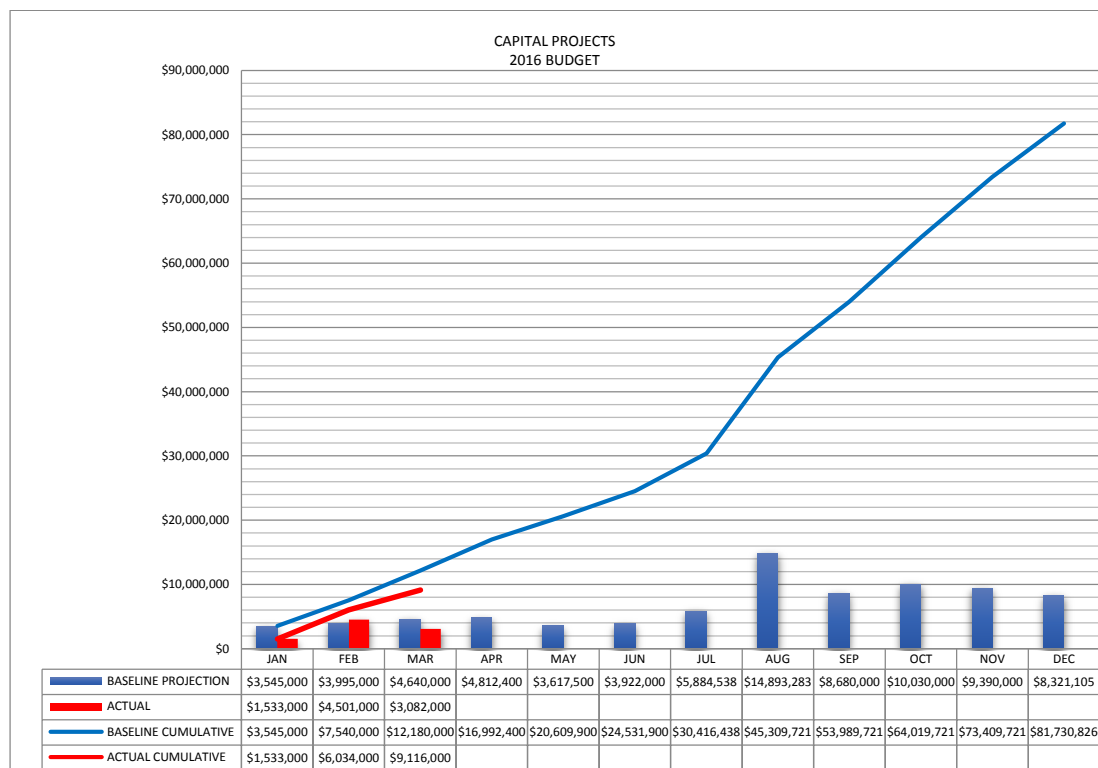
## ENGINEERING SERVICES

As of April 30, 2016 (billing through March 31, 2016), the Port of Corpus Christi Authority Department of Engineering Services had completed 8 projects and has 132 projects in progress. These projects consist of 62 Capital, 38 Maintenance, and 32 Professional Service projects. During April, \$3,474,000 was invoiced for ongoing work. To date this year approximately \$9,940,000 has been invoiced for work performed. Below is a table detailing the 2016 budget amount and the “to date” cost, for the capital, maintenance and professional services.

Engineering Services April 2016 Report			
Project Type	No. of Projects	2016 Budget Amount	Expended to Date
Capital	14	\$81,730,826	\$9,116,000
Maintenance	13	\$4,005,000	\$712,000
Professional Services	11	\$2,425,000	\$112,000
<b>Total</b>	<b>38</b>	<b>\$88,160,826*</b>	<b>\$9,940,000</b>

\*Includes federal, state & other grants/funds by others – No land or software.

Below is a graphic representation of the 2016 Capital Project Budget and a forecast of monthly Project expenditure of the capital projects throughout the year. An actual monthly project expenditure tracking line is included to follow the progress as the year develops.



**CORPUS CHRISTI SHIP CHANNEL PLANNING, DEVELOPMENT,  
MAINTENANCE AND DESIGN**

**Corpus Christi Ship Channel - Channel Improvement Project (CCSC-CIP)**

- Authorized: WRDA 2007 and WRRDA 2014
- Project Elements:
  - Widening and Deepening the CCSC to -52 feet MLT
  - Adding barge shelves on both sides of the ship channel across Corpus Christi Bay.
  - Extending the La Quinta Channel 1.4 miles at -39 feet MLT
  - Constructing Ecosystem Restoration projects near Port Aransas and Ingleside on the Bay
- CCSC-CIP Status
  - La Quinta Extension Complete (2013)
  - Construction of Ecosystem Restoration Complete (2012)
  - Limited Reevaluation Report for Widening and Deepening Completed (December, 2015)
  - Pending Federal Funding. PCCA staff evaluating channel improvement implementation strategies.

**2016 Maintenance Dredging Schedule**

- Corpus Christi Ship Channel Entrance Channel
  - Includes Entrance Channel, Jetty Channel, and Inner Basin
  - Current Schedule:
    - Estimated Start Date: June, 2016
    - Estimated Completion Date: September, 2016
- Corpus Christi Ship Channel to Viola Turning Basin/La Quinta Channel
  - Includes Upper Bay, Portions of Inner Harbor, Portions of La Quinta and Options for Oil Dock's 1, 2, 4, 7, 8, & 11; Cargo Docks 8 & 9; Bulk Terminal Dock 2
  - Current Schedule:
    - Start Date: September, 2016
    - Estimated Completion Date: January, 2017

**MASTER AGREEMENTS AND SERVICE ORDERS**

Listed below are the Master Agreements implemented including values of Service Orders issued per year:

	2015	2016
HDR, Inc. (13-01)	\$401,150	\$49,900
Freese and Nichols, Inc. (13-02)	\$278,077	\$399,041
Govind Development, LLC (13-03)	\$176,500	
Naismith Engineering, Inc. (13-04)	\$176,780	
CH2M Hill (13-05)	\$279,380	\$1,061,385
RVE, Inc. (13-06)	\$225,665	\$48,900
LNV, Inc. (13-07)	\$468,517	
Lockwood, Andrews and Newnam, Inc. (14-01)	\$643,044	
Maverick Engineering (14-02)	\$8,000	
Coast & Harbor Engineering (14-03)	\$449,331	
WKMC Architects (14-04)	\$50,000	
Worley Parsons (15-01)	\$48,079	
LJA Engineering, Inc. (16-01)		\$128,494

**UPCOMING PROJECTS / REQUEST FOR PROPOSALS**

Purchase and Installation of Additional AEI Readers (Re-Bid) (15-055A)

May 20, 2016

## DESIGN PROJECTS

Project No.	Project Title	Project Manager	% Completed
<b><u>Capital</u></b>			
14-036A	New Port Office Facility (Preliminary)	BF	20
15-016A	Tule Lake Rail Yard Upgrades and Modifications	BF	10
14-023A	Fire System Pressurization Upgrades at Oil Docks	BP	60
14-028B	Equipment Storage Building	BP	60
14-030A	Public Storage Pads Upgrade	BP	80
14-044A	New Public Oil Dock 18	BP	20
15-047A	Chiller Replacement at Ortiz Center	BP	0
15-053A	Reconstruction of Sam Rankin Road (24/76)	BP	80
15-059A	Storm Water System Quality Improvements – Maintenance Facility	BP	80
09-019A	New Access Road to Good Hope DMPA	DJK	40
13-036A	Relocation of Suntide DMPA Drainage to Viola Turning Basin	DJK	90
14-045B	Construction of 8-inch Water Line at La Quinta Property	DJK	50
07-046C	Tule Lake Foundation Removal	DLM	90
13-054C	Security Grant 13 - La Quinta/GIWW Surveillance	DLM	70
14-060C	Security Grant 14 – Oil Dock 14 Access Control	DLM	100
15-043A	New Operator’s Cab for Gantry Crane	DLM	30
15-050A	Mike Carrell Road Construction	DLM	90
15-061C	Security Grant 15 – Perimeter Fencing at Bulk Terminal (25/75)	DLM	10
15-055A	Purchase and Installation of Additional AEI Readers	EM	90
15-030A	General Improvements to Oil Dock 6	JEM	80
15-015K	Storm Water Drainage Improvements at Public Fishing Areas	LGD	80
15-040A	Concrete Paving Under Conveyor Belt 2	LGD	30
15-041A	Improvements to Fire Protection Systems at Oil Docks 4, 7, 11	NEF	50
<b><u>Maintenance</u></b>			
15-018A	Roadway & Parking Lot Repairs (2015)	BP	90
15-035A	Upgrades and Repairs to Bulk Dock 2 Marine Structures	EM	60
15-037B	Repair Bridge to Oil Dock 12	EM	50
15-032A	Bulk Dock 1 Storage Building Upgrades	LGD	50

## CONSTRUCTION PROJECTS

Project No.	Project Title	Project Manager	% Completed
<b><u>Capital</u></b>			
14-028A	Bulk Terminal Office Renovation	BP	80
15-044A	Paving of Area Around CB-4 & CB-8	BP	30
13-032A	Construction of Oil Dock 14	DLM	80
13-043A	Nueces River Rail Yard Phase - II	DLM	40
13-054D	Security Grant 13 - Emergency Power	DLM	30
14-041A	Replace Dock House at Oil Dock 10	JEM	90
16-007A	Oil Dock 9 Breasting Structure Replacement	JEM	0
15-065A	Joe Fulton Corridor Waterline Extension	NEF	10
12-031A	La Quinta Terminal Mitigation – Aquatic Habitat	PDC	80
<b><u>Maintenance</u></b>			
15-019A	Inner and Outer Harbor Land Management *(2015)	BP	70
15-022A	Savage Lane Railroad Drainage	BP	90
15-012A	Re-Roofing of the William D Dodge III Security Command Center and Annex Building Eyebrows	BP	0
15-037A	Repair Bridge to Oil Dock 11	EM	0
15-038A	Resurfacing of North and South Side Open Storage Areas	EM	30
16-050A	Replace Conveyor Idlers	EM	0
15-039A	Fire Line Improvements at Oil Dock 2	JEM	0

## **WATER**

### **April, 2016 Activities:**

Efforts continued during the month of April by the City of Corpus Christi, the Port of Corpus Christi and the Port Industries Stakeholders and Technical Committee to develop a feasible and economically viable industrial desalinization project. Freese and Nichols is nearly complete with their study. The draft results of the rate impact analysis were reviewed and discussed by the technical and rate impact subcommittee on April 8<sup>th</sup>. The results of this impact analysis will be incorporated into the final draft of the feasibility study.

A meeting of the stakeholders committee was held on April 15<sup>th</sup> to review the final draft of the study. Extensive discussion was held regarding the projected costs of the water and the next steps in the development process. Freese and Nichols will incorporate the comments received into their final study and prepare a cost estimate for their next phase of services.

A meeting with representatives of the Guadalupe Blanco River Authority (GBRA) is being planned sometime in May to discuss their plans for a much larger proposed desalination project and a new off channel reservoir to be built along the lower reaches of the Guadalupe River. Both of these projects have potential short term and long term benefits to the Coastal Bend Region. GBRA has refined their project plans and cost estimates so that it can be compared against the project currently under study by local industry, the Port, the City of Corpus Christi and the San Patricio County Water District.



## HILLCREST VOLUNTARY REAL ESTATE ACQUISITION & RELOCATION PROGRAM

### SUMMARY OF ACTIVITIES

Date	Activity
3/29/16	Special Port Commission meeting to approve the Del Richardson & Associates, Inc. contract for Real Property Acquisition and Relocation Assistance Services in connection with the Harbor Bridge Replacement Project.
3/29/16	POCCA Voluntary buyout website live
4/01/16	Del Richardson & Associates, Inc. (DRA) executes agreement for Real Property Acquisition and Relocation Assistance Services DRA Contract start date
4/02/16	Communications news -Caller Times – Relocation firm aims to educate residents of their choices
4/02/16	Communications news -Caller Times – Northside history production to be released in the fall
4/04/16	Community Relations weekly staff meeting – Hillcrest Program update
4/05/16	Community Relations & Vicky Garza meeting- SharePoint and review/response of all incoming calls
4/05/16	Rosie Collin, Frank Jordan, Dionicio Marquez, Frank Jordan, Sean Strawbridge, Patricia Cardenas – meeting to address Hillcrest community outreach program protocol and strategies
4/05/16	DRA/POCCA initial workshop
4/06/16	Community Relations weekly staff meeting – Hillcrest Program update
4/07/16	TxDOT, Port and DRA monthly Harbor Bridge Neighborhood Action Plan meeting at Ortiz Center
4/11/16	DRA attended annual Lyceum event as POCCA guest
4/11/16	Community Relations weekly staff meeting – Hillcrest Program update
4/12/16	Terry Mills, NAACP meeting- DRA meet & greet logistics
4/12/16	Ron Navarro – Hillcrest resident, inquiry on DRA

<b>4/13/16</b>	<b>Rosie Collin, Frank Jordan and Liz Cantu – meeting to identify Hillcrest stakeholders/community leaders</b>
<b>4/14/16</b>	<b>Port Staff meeting to discuss roles and responsibilities for TxDOT Quarterly Report</b>
<b>4/15/16</b>	<b>DRA Submission of draft Community calendar</b>
<b>4/18/16</b>	<b>Conference call / Hillcrest ROW, Management meeting with OPC</b>
<b>4/18/16</b>	<b>Community Relations weekly staff meeting – Hillcrest Program update</b>
<b>4/18/16</b>	<b>Sergio Martinez – Hillcrest resident, inquiry on buyout letters and when they will be mailed out</b>
<b>4/18/16</b>	<b>Community Relations weekly staff meeting – Hillcrest Program update</b>
<b>4/18/16</b>	<b>Ron Navarro – Hillcrest resident, inquiry on community advisory council</b>
<b>4/18/16</b>	<b>Rosalinda Acorta – Hillcrest resident, inquiry on program timeline</b>
<b>4/18/16</b>	<b>DRA/POCCA initial workshop</b>
<b>4/19/16</b>	<b>DRA Set media relation strategy with POCCA</b>
<b>4/19/16</b>	<b>Communication news - Caller Times – Designers reveal updates on Harbor Bridge</b>
<b>4/19/16</b>	<b>PCCA Commission received a progress report from Del Richardson &amp; Associates Inc. on the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program. POCCA</b>
<b>4/19/16</b>	<b>PCCA and DRA attended TxDOT Right of Way Workshop for the Harbor Bridge Project Neighborhood Voluntary Program</b>
<b>4/19/16</b>	<b>Rosalinda Acosta – Hillcrest resident, inquired on program</b>
<b>4/19/16</b>	<b>DRA Set media relation strategy with POCCA</b>
<b>4/19/16</b>	<b>PCCA Commission received a progress report from Del Richardson &amp; Associates Inc. on the Hillcrest/Washington-Coles Voluntary Real Estate Acquisition and Relocation Assistance Program POCCA</b>
<b>4/19/16</b>	<b>Caller Times News – Contractor Harbor Bridge will be gone by Spring 2021</b>
<b>4/20/16</b>	<b>Maria DeLaGarza – Hillcrest resident, inquiry on upcoming Meet &amp; Greet</b>

<b>4/20/15</b>	<b>Communications news -Caller Times – Contractor: Harbor Bridge will be gone by spring 2021</b>
<b>4/21/16</b>	<b>DRA Submission of draft Relocation assistance management plan</b>
<b>4/21/16</b>	<b>POCCA/DRA Community outreach status meeting</b>
<b>4/21/16</b>	<b>Shanta Jackson Pelichet- Hillcrest resident, inquiry on Hillcrest Voluntary Acquisition and Relocation program</b>
<b>4/21/16</b>	<b>PCCA/DRA conference call to discuss draft Community Outreach Plan</b>
<b>4/21/16</b>	<b>DRA Modular buildings placed onsite at 2301 N Port Ave. location</b>
<b>4/22/16</b>	<b>DRA Submission of draft Communication plan to POCCA</b>
<b>4/22/16</b>	<b>Program Field Office permitting/Certificate of Occupancy process began</b>
<b>4/22/16</b>	<b>PCCA/DRA conference call to discuss draft Project Management Plan</b>
<b>4/26/16</b>	<b>“Meet &amp; Greet DRA” invite posted on website</b>
<b>4/26-5/3</b>	<b>DRA Contact Hillcrest residents to invite them to the May 4<sup>th</sup> event</b>
<b>4/27/16</b>	<b>Meet &amp; Greet invite send to all registered on website.</b>
<b>4/29/16</b>	<b>PCCA/DRA conference call to discuss draft Project Management Plan</b>
<b>4/30/16</b>	<b>Communications news -Caller Times – Bridge design to take more right of way in T.C. Ayers Park</b>

- (a) Total parcels acquired by ROW Contractor /total eligible parcels  
None – Anticipated program start 5/7/2016
- (b) Information on appraisals performed on specific properties  
None – Anticipated program start 5/7/2016
- (c) Relocation assistance provided and to whom (owner or tenant)  
None – Anticipated program start 5/7/2016
- (d) Restrictive covenant purchases and to whom  
None – Anticipated program start 5/7/2016

- (e) Title work performed  
None – Anticipated program start 5/7/2016
- (f) Other services related to relocation of residents during reporting period  
None – Anticipated program start 5/7/2016
- (g) Summary of Port's ROW Contractor Disadvantaged Business Enterprise (DBE) % Goal

DRA's contract with the Port of Corpus Christi Authority "POCCA" was executed on April 1st and received on April 5, 2016. Since that time, DRA has been very busy setting up the site office, looking for a temporary work site and staff housing, negotiating subcontract agreements, meeting stakeholders, attending meetings, workshops and working on the May 7, 2016 mandatory letter to the Hillcrest neighborhood residents, businesses and property owners.

In addition to DRA's project start-up activities, drafts of the Community Outreach Plan, Communications Plan, and Community Outreach Calendar of events proposed for May and the RAMP were completed and submitted to POCCA. Additionally, DRA negotiated the services of Sondra Alvarez owner of AB Consultants as a replacement for Olivarri and Associates, who was listed in the proposal but later declined to work on the project.

The DRA team participated in TXDOT training and learned some of the nuances between TXDOT policy and the Regulations (49 CFR Part 24). DRA is further reviewing all project related documents in an effort to develop programming for the Hillcrest Neighborhood acquisition, relocation and community outreach programs.

#### **Appendix B: Port of Corpus Christi Supplemental Information**

- B.1. Agenda Hillcrest Real Estate Acquisition & Relocation Kick-off Meeting
- B.2. Agenda Hillcrest Neighborhood Plan 4.7.16
- B.3. Agenda POCCA-DRA-OPC Team Meeting 4.13.16
- B.4. Agenda TXDoT 4.19.16 Workshop
- B.5. Agenda POCCA-DRA-OPC Conference Meeting 4.22.16
- B.6. Agenda Hillcrest Voluntary Acquisition & Relocation Program Conference Meeting 4.29.16
- B.7. Photo program field office
- B.8. Photo program field office
- B.9. April Communications newspaper stories
- B.10 April Financial statement report

**HILLCREST NEIGHBORHOOD RELOCATION PROJECT 15-6005A April 1-30, 2016**

Inv Date	Vendor	Explanation	Amount	Date Pd
<b>CONSULTANTS</b>				
03/28/16	Spitzer & Associates, Inc.	March 1-16, 2016 Professional Services	\$ 11,949.40	04/06/16
04/01/16	W.L. Bates (Rick DuPriest)	March 2016 Professional Services	\$ 500.00	04/13/16
04/20/16	Dell Richardson & Assoc.	April 2016 Pass Through Expenses (Field Ofc)	\$ 22,869.54	05/04/16
05/03/16	Dell Richardson & Assoc.	April 2016 Program Mgmt Fee	\$ 45,380.00	05/04/16
05/03/16	Dell Richardson & Assoc.	April 2016 Community Outreach Fee	\$ 30,800.00	05/04/16
05/03/16	Dell Richardson & Assoc.	Reimb Travel Expenses April 2016	\$ 2,577.90	05/04/16
		<b>Total Consultants</b>	<b>\$ 114,076.84</b>	
<b>LEGAL</b>				
03/22/16	Welder Leshin LLP	Legal Services for February 2016	\$ 20,155.00	04/06/16
		<b>Total Legal</b>	<b>\$ 20,155.00</b>	
<b>OFFICE SUPPLIES</b>				
04/05/16	Office Depot	Binders	\$ 76.89	05/11/16
		<b>Total Office Supplies</b>	<b>\$ 76.89</b>	
<b>EXPRESS MAIL</b>				
		<b>Total Express Mail</b>		
<b>BID NOTICES</b>				
01/29/16	Corpus Christi Caller-Times	R#175177 Real Property Acq Relo RFP	\$ 1,023.00	04/06/16
		<b>Total Bid Notices</b>	<b>\$ 1,023.00</b>	
<b>MEALS</b>				
03/04/16	Sam's Club		\$ 200.16	04/13/16
03/17/16	American Exp (John LaRue)	Lunch 2/22/16	\$ 46.97	04/13/16
		<b>Total Meals</b>	<b>\$ 247.13</b>	
<b>TECHNOLOGY</b>				
02/16/16	JP Morgan / Tyler Fuhrken	Domain Registration 5yrs	\$ 114.95	03/16/16
		<b>Total Technology</b>	<b>\$ 114.95</b>	
<b>FACILITY COST</b>				
04/28/16	W.W. Grainger, Inc.	Sewage Basin Fitting (Hillcrest Field Office)	\$ 14.17	05/11/16
04/07/16	Ovations at Ortiz Center	TXDot Meeting 04/07/16	\$ 1,241.50	04/27/16
		<b>Total Facility Cost</b>	<b>\$ 1,255.67</b>	
<b>AUDIO / VISUAL SERVICES</b>				
<b>TELEPHONE COST</b>				
03/01/16	AT&T TeleConference Serv	Conference Call on 02/04/16 (Peggy Mettlen)	\$ 13.07	04/13/16
		<b>Total Telephone Cost</b>	<b>\$ 13.07</b>	

## HILLCREST NEIGHBORHOOD RELOCATION PROJECT 15-6005A April 1-30, 2016

Inv Date	Vendor	Explanation	Amount	Date Pd
TOTAL EXPENSES TO DATE			<u>\$ 136,962.55</u>	



# Port of Corpus Christi Authority

## MONTHLY FINANCIAL RESULTS

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March 2016





PORT OF CORPUS CHRISTI AUTHORITY

FINANCIAL RESULTS

KEY METRICS

OPERATING REVENUES	OPERATING EXPENSES	NET INCOME(LOSS)	TONNAGE	SHIPS AND BARGES	CAPITAL PROJECTS
\$ 19,357,062	\$ 12,501,300	\$ 3,430,118	23,383,068	3,821	\$ 8,985,860
↓ -5% Actual	↑ 4% Actual	↑ 1307% Actual	↓ -9% Actual	↓ -16% Actual	
↓ -12% Budget	↓ -13% Budget	↓ -14% Budget			↓ -27% Budget

ALL METRICS

METRIC	YTD 2016 ACTUAL	YTD 2015 ACTUAL	% CHANGE	YTD 2016 BUDGET	% CHANGE
ASSETS	\$ 634,763,548	\$ 484,056,143	↑ 31%		
CASH & INVESTMENTS	\$ 166,914,814	\$ 163,876,120	↑ 2%		
ACCOUNTS RECEIVABLE	\$ 14,555,442	\$ 10,831,491	↑ 34%		
RESTRICTED ASSETS	\$ 87,989,792	\$ 35,525	↑ 247,584%		
LIABILITIES	\$ 143,287,765	\$ 28,845,674	↑ 397%		
NET POSITION	\$ 493,434,672	\$ 455,210,469	↑ 8%		
OPERATING REVENUES	\$ 19,357,062	\$ 20,407,199	↓ -5%	\$ 22,082,601	↓ -12%
OPERATING EXPENSES	\$ 12,501,300	\$ 11,992,600	↑ 4%	\$ 14,316,224	↓ -13%
NET OPERATING INCOME (LOSS)	\$ 6,855,762	\$ 8,414,599	↓ -19%	\$ 7,766,377	↓ -12%
NON OPERATING REVENUE (EXPENSES)	\$ (3,425,644)	\$ (8,698,717)	↓ -61%	\$ (3,793,805)	↓ -10%
NET INCOME (LOSS)	\$ 3,430,118	\$ (284,118)	↑ 1,307%	\$ 3,972,572	↓ -14%
TONNAGE	23,383,068	25,627,065	↓ -9%		
SHIPS	407	408	↓ 0%		
BARGES	1,244	1,562	↓ -20%		
SHIPS & BARGES	1,651	1,970	↓ -16%		
RAIL CARS	3,821	4,623	↓ -17%		
CAPITAL PROJECTS	\$ 8,985,860			\$ 12,262,700	↓ -27%



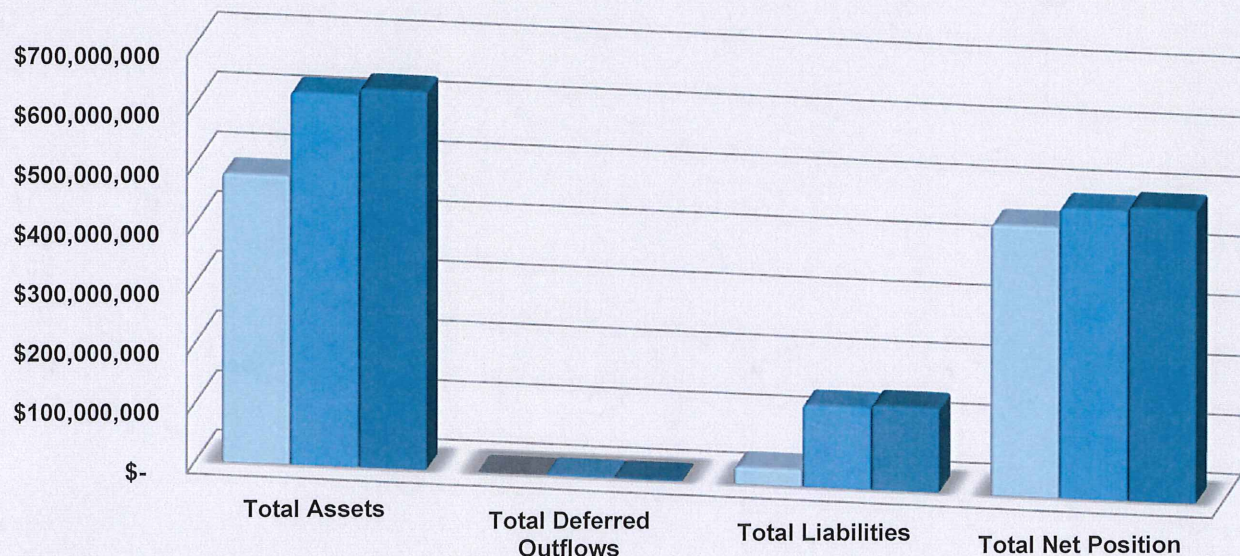
# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

### STATEMENT OF NET POSITION

	March	December	Annual Change	%	March	Year-Over-Year Change	%
	2016	2015			2015		
Cash/ Investments	\$ 166,914,814	\$ 155,618,723	\$ 11,296,091	7%	\$ 163,876,120	\$ 3,038,694	2%
A/R	\$ 14,555,442	\$ 17,592,762	\$ (3,037,320)	-17%	\$ 10,831,491	\$ 3,723,951	34%
Restricted Assets	\$ 87,989,792	\$ 90,967,295	\$ (2,977,503)	-3%	\$ 35,525	\$ 87,954,267	247,584%
P P & E, net	\$ 361,693,387	\$ 355,995,268	\$ 5,698,119	2%	\$ 300,648,598	\$ 61,044,789	20%
Other	\$ 3,610,113	\$ 3,967,987	\$ (357,874)	-9%	\$ 8,664,409	\$ (5,054,296)	-58%
<b>Total Assets</b>	<b>\$ 634,763,548</b>	<b>\$ 624,142,035</b>	<b>\$ 10,621,513</b>	<b>2%</b>	<b>\$ 484,056,143</b>	<b>\$ 150,707,405</b>	<b>31%</b>
Deferred Outflows-Pension	\$ 1,958,889	\$ 1,958,889	\$ -	0%	\$ -	\$ 1,958,889	100%
<b>Total Deferred Outflows</b>	<b>\$ 1,958,889</b>	<b>\$ 1,958,889</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>\$ 1,958,889</b>	<b>100%</b>
Current Liabilities	\$ 10,997,963	\$ 7,241,469	\$ 3,756,494	52%	\$ 6,608,107	\$ 4,389,856	66%
Unearned Income	\$ 12,833,505	\$ 12,401,441	\$ 432,064	3%	\$ 18,143,714	\$ (5,310,209)	-29%
Long-term Debt	\$ 115,000,000	\$ 115,000,000	\$ -	0%	\$ -	\$ 115,000,000	100%
Other	\$ 4,456,297	\$ 4,347,870	\$ 108,427	2%	\$ 4,093,853	\$ 362,444	9%
<b>Total Liabilities</b>	<b>\$ 143,287,765</b>	<b>\$ 138,990,780</b>	<b>\$ 4,296,985</b>	<b>3%</b>	<b>\$ 28,845,674</b>	<b>\$ 114,442,091</b>	<b>397%</b>
Investment in Net Assets	\$ 290,093,226	\$ 287,147,608	\$ 2,945,618	1%	\$ 291,644,572	\$ (1,551,346)	-1%
Restricted Net Position	\$ 36,042,967	\$ 36,153,709	\$ (110,742)	0%	\$ 35,525	\$ 36,007,442	101,358%
Unrestricted Net Position	\$ 167,298,479	\$ 163,808,827	\$ 3,489,652	2%	\$ 163,530,372	\$ 3,768,107	2%
<b>Total Net Position</b>	<b>\$ 493,434,672</b>	<b>\$ 487,110,144</b>	<b>\$ 6,324,528</b>	<b>1%</b>	<b>\$ 455,210,469</b>	<b>\$ 38,224,203</b>	<b>8%</b>

### Statement of Net Position





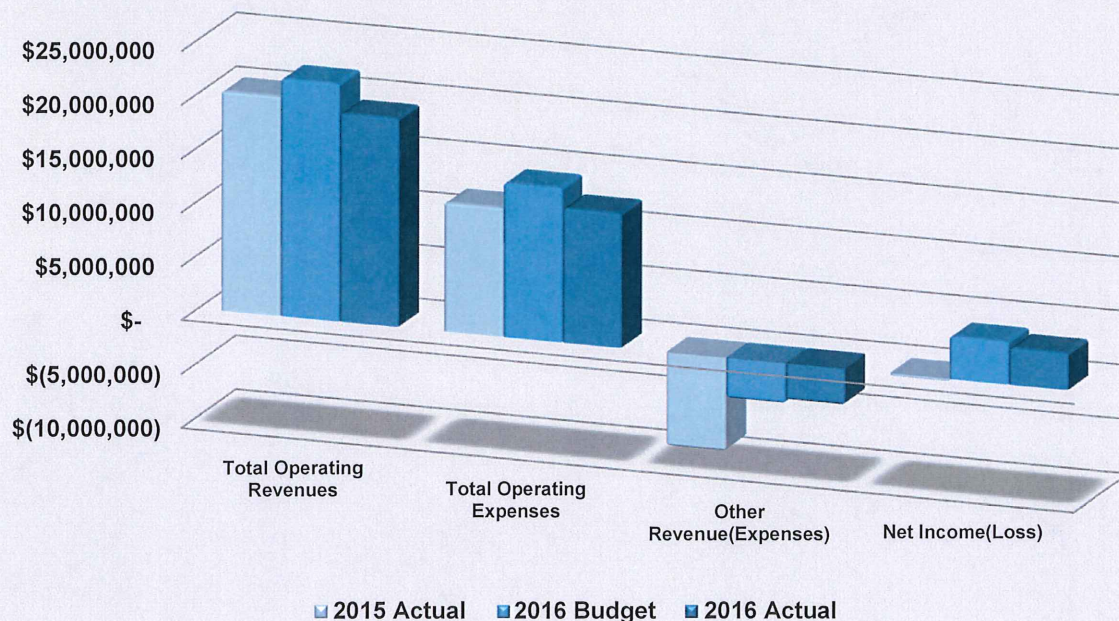
# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

### STATEMENT OF REVENUES AND EXPENSES

	March			Change			
	2016		2015	Budget	%	Actual	%
	Actual	Budget	Actual				
Wharfage	\$ 10,272,229	\$ 11,694,278	\$ 11,190,001	\$ (1,422,049)	-12%	\$ (917,772)	-8%
Dockage	\$ 2,990,271	\$ 3,867,491	\$ 3,618,779	\$ (877,220)	-23%	\$ (628,508)	-17%
Security	\$ 1,493,788	\$ 1,783,130	\$ 1,636,538	\$ (289,342)	-16%	\$ (142,750)	-9%
Other Shipping Services	\$ 1,736,731	\$ 2,370,053	\$ 1,828,376	\$ (633,322)	-27%	\$ (91,645)	-5%
Building and Land Rental	\$ 2,864,043	\$ 2,367,649	\$ 2,133,505	\$ 496,394	21%	\$ 730,538	34%
<b>Total Operating Revenues</b>	<b>\$ 19,357,062</b>	<b>\$ 22,082,601</b>	<b>\$ 20,407,199</b>	<b>\$ (2,725,539)</b>	<b>-12%</b>	<b>\$ (1,050,137)</b>	<b>-5%</b>
Employee Services	\$ 4,507,425	\$ 5,112,157	\$ 4,438,775	\$ (604,732)	-12%	\$ 68,650	2%
Maintenance	\$ 1,086,614	\$ 1,710,558	\$ 1,035,616	\$ (623,944)	-36%	\$ 50,998	5%
Utilities/ Telephone	\$ 381,343	\$ 329,000	\$ 375,167	\$ 52,343	16%	\$ 6,176	2%
Insurance	\$ 444,535	\$ 522,127	\$ 495,793	\$ (77,592)	-15%	\$ (51,258)	-10%
Prof/ Contracted Services	\$ 1,419,634	\$ 1,765,733	\$ 1,366,652	\$ (346,099)	-20%	\$ 52,982	4%
Operator/ Event Expenses	\$ 383,548	\$ 325,173	\$ 330,159	\$ 58,375	18%	\$ 53,389	16%
Admin/Trade Dvlp/Other	\$ 990,459	\$ 1,081,013	\$ 891,568	\$ (90,554)	-8%	\$ 98,891	11%
Depreciation	\$ 3,287,742	\$ 3,470,463	\$ 3,058,870	\$ (182,721)	-5%	\$ 228,872	7%
<b>Total Operating Expenses</b>	<b>\$ 12,501,300</b>	<b>\$ 14,316,224</b>	<b>\$ 11,992,600</b>	<b>\$ (1,814,924)</b>	<b>-13%</b>	<b>\$ 508,700</b>	<b>4%</b>
<b>Net Operating Income(Loss)</b>	<b>\$ 6,855,762</b>	<b>\$ 7,766,377</b>	<b>\$ 8,414,599</b>	<b>\$ (910,615)</b>	<b>-12%</b>	<b>\$ (1,558,837)</b>	<b>-19%</b>
Interest Income	\$ 595,971	\$ 178,479	\$ 184,751	\$ 417,492	234%	\$ 411,220	223%
Other Revenue	\$ 15,579	\$ 62,704	\$ 17,621	\$ (47,125)	-75%	\$ (2,042)	-12%
Gain(Loss) Disposal of Assets	\$ -	\$ -	\$ (5,900,777)	\$ -	-	\$ 5,900,777	-100%
Interest/Bond Expense	\$ (1,037,194)	\$ (1,034,988)	\$ (261)	\$ (2,206)	0%	\$ (1,036,933)	397,292%
Other Expense	\$ (3,000,000)	\$ (3,000,000)	\$ (3,000,051)	\$ -	0%	\$ 51	0%
<b>Other Revenue(Expenses)</b>	<b>\$ (3,425,644)</b>	<b>\$ (3,793,805)</b>	<b>\$ (8,698,717)</b>	<b>\$ 368,161</b>	<b>-10%</b>	<b>\$ 5,273,073</b>	<b>-61%</b>
<b>Net Income(Loss)</b>	<b>\$ 3,430,118</b>	<b>\$ 3,972,572</b>	<b>\$ (284,118)</b>	<b>\$ (542,454)</b>	<b>-14%</b>	<b>\$ 3,714,236</b>	<b>1,307%</b>

### Statement of Revenues & Expenses





## PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

<u>Public Oil Docks</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 6,501,637	\$ 7,820,894	\$ (1,319,257)
Operating Expenses	\$ (528,977)	\$ (583,439)	\$ 54,462
Net Operating Income(Loss)	\$ 5,972,660	\$ 7,237,455	\$ (1,264,795)
Other Revenue(Expenses)	\$ (251,997)	\$ (251,997)	\$ -
Net Income(Loss)	\$ 5,720,663	\$ 6,985,458	\$ (1,264,795)

<u>Private Oil Docks</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 4,061,094	\$ 3,708,451	\$ 352,643
Operating Expenses	\$ (8,836)	\$ (12,699)	\$ 3,863
Net Operating Income(Loss)	\$ 4,052,258	\$ 3,695,752	\$ 356,506
Other Revenue(Expenses)	\$ -	\$ -	\$ -
Net Income(Loss)	\$ 4,052,258	\$ 3,695,752	\$ 356,506

<u>Dry Cargo Docks</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 1,642,909	\$ 2,607,162	\$ (964,253)
Operating Expenses	\$ (730,557)	\$ (704,599)	\$ (25,958)
Net Operating Income(Loss)	\$ 912,352	\$ 1,902,563	\$ (990,211)
Other Revenue(Expenses)	\$ -	\$ -	\$ -
Net Income(Loss)	\$ 912,352	\$ 1,902,563	\$ (990,211)

<u>Bulk Terminal</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 2,232,253	\$ 2,416,387	\$ (184,134)
Operating Expenses	\$ (1,284,245)	\$ (1,624,624)	\$ 340,379
Net Operating Income(Loss)	\$ 948,008	\$ 791,763	\$ 156,245
Other Revenue(Expenses)	\$ -	\$ (249)	\$ 249
Net Income(Loss)	\$ 948,008	\$ 791,514	\$ 156,494

<u>Conference Center</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 580,929	\$ 472,170	\$ 108,759
Operating Expenses	\$ (635,986)	\$ (566,222)	\$ (69,764)
Net Operating Income(Loss)	\$ (55,057)	\$ (94,052)	\$ 38,995
Other Revenue(Expenses)	\$ 898	\$ 927	\$ (29)
Net Income(Loss)	\$ (54,159)	\$ (93,125)	\$ 38,966



## PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

<u>Property and Buildings</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 1,956,995	\$ 2,537,404	\$ (580,409)
Operating Expenses	\$ (1,141,519)	\$ (1,924,893)	\$ 783,374
Net Operating Income(Loss)	\$ 815,476	\$ 612,511	\$ 202,965
Other Revenue(Expenses)	\$ (411,475)	\$ (411,474)	\$ (1)
Net Income(Loss)	\$ 404,001	\$ 201,037	\$ 202,964

<u>Other Facilities</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 871,813	\$ 679,772	\$ 192,041
Operating Expenses	\$ (805,063)	\$ (646,158)	\$ (158,905)
Net Operating Income(Loss)	\$ 66,750	\$ 33,614	\$ 33,136
Other Revenue(Expenses)	\$ (3,371,515)	\$ (3,371,517)	\$ 2
Net Income(Loss)	\$ (3,304,765)	\$ (3,337,903)	\$ 33,138

<u>Port Security</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 1,507,640	\$ 1,840,361	\$ (332,721)
Operating Expenses	\$ (2,213,932)	\$ (2,243,814)	\$ 29,882
Net Operating Income(Loss)	\$ (706,292)	\$ (403,453)	\$ (302,839)
Other Revenue(Expenses)	\$ 3	\$ -	\$ 3
Net Income(Loss)	\$ (706,289)	\$ (403,453)	\$ (302,836)

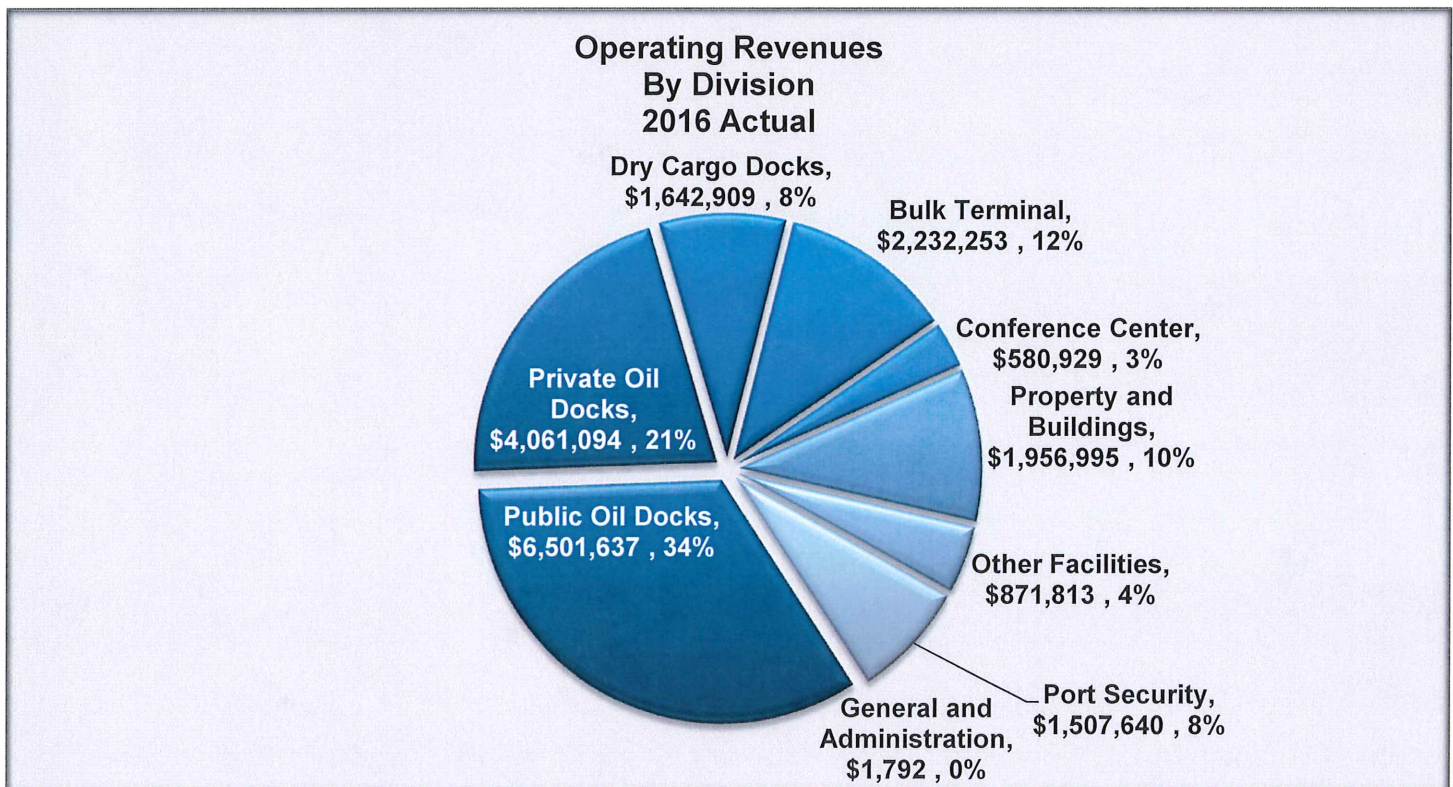
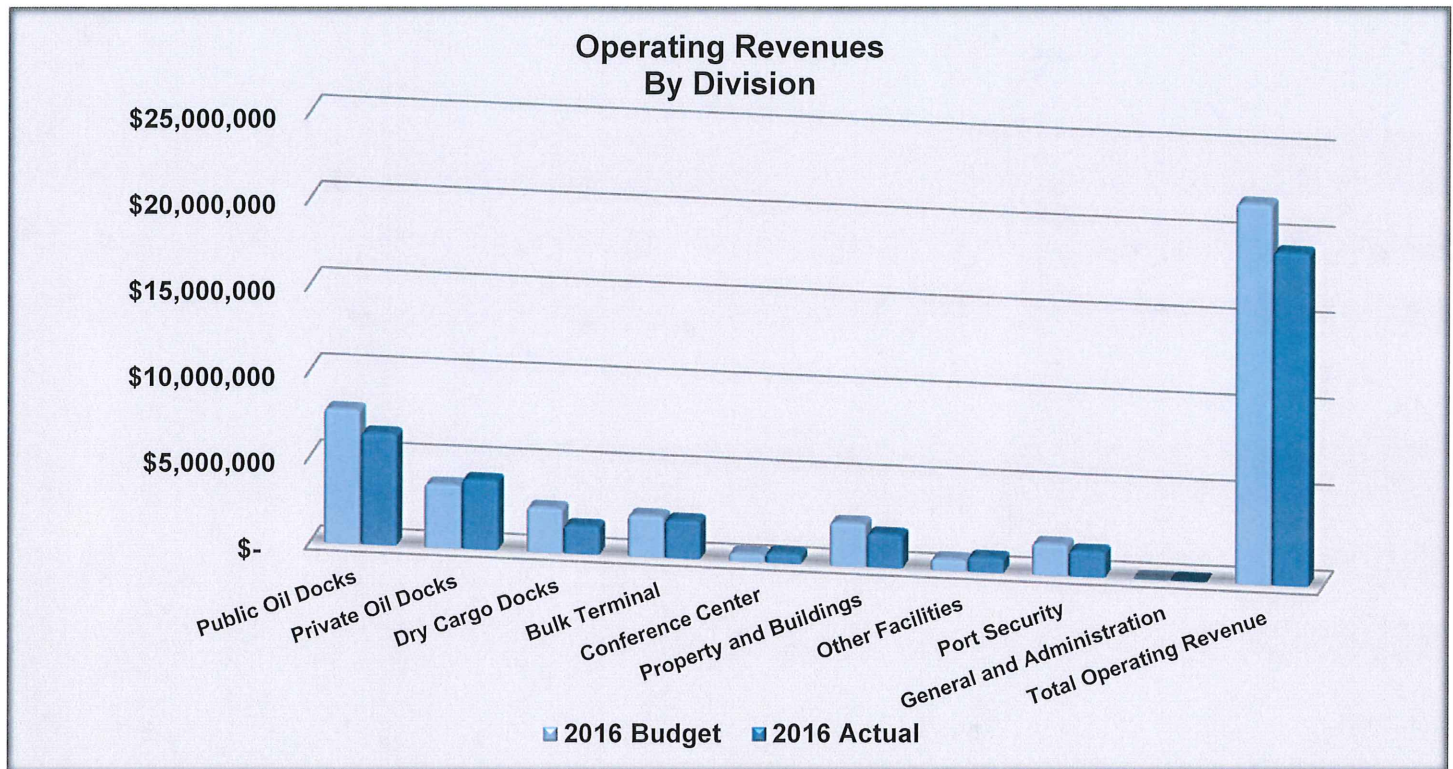
<u>General and Administration</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 1,792	\$ -	\$ 1,792
Operating Expenses	\$ (5,152,185)	\$ (6,009,776)	\$ 857,591
Net Operating Income(Loss)	\$ (5,150,393)	\$ (6,009,776)	\$ 859,383
Other Revenue(Expenses)	\$ 608,442	\$ 240,505	\$ 367,937
Net Income(Loss)	\$ (4,541,951)	\$ (5,769,271)	\$ 1,227,320

<u>Total</u>	March		
	2016		Variance
	Actual	Budget	
Operating Revenues	\$ 19,357,062	\$ 22,082,601	\$ (2,725,539)
Operating Expenses	\$ (12,501,300)	\$ (14,316,224)	\$ 1,814,924
Net Operating Income(Loss)	\$ 6,855,762	\$ 7,766,377	\$ (910,615)
Other Revenue(Expenses)	\$ (3,425,644)	\$ (3,793,805)	\$ 368,161
Net Income(Loss)	\$ 3,430,118	\$ 3,972,572	\$ (542,454)



# PORT OF CORPUS CHRISTI AUTHORITY

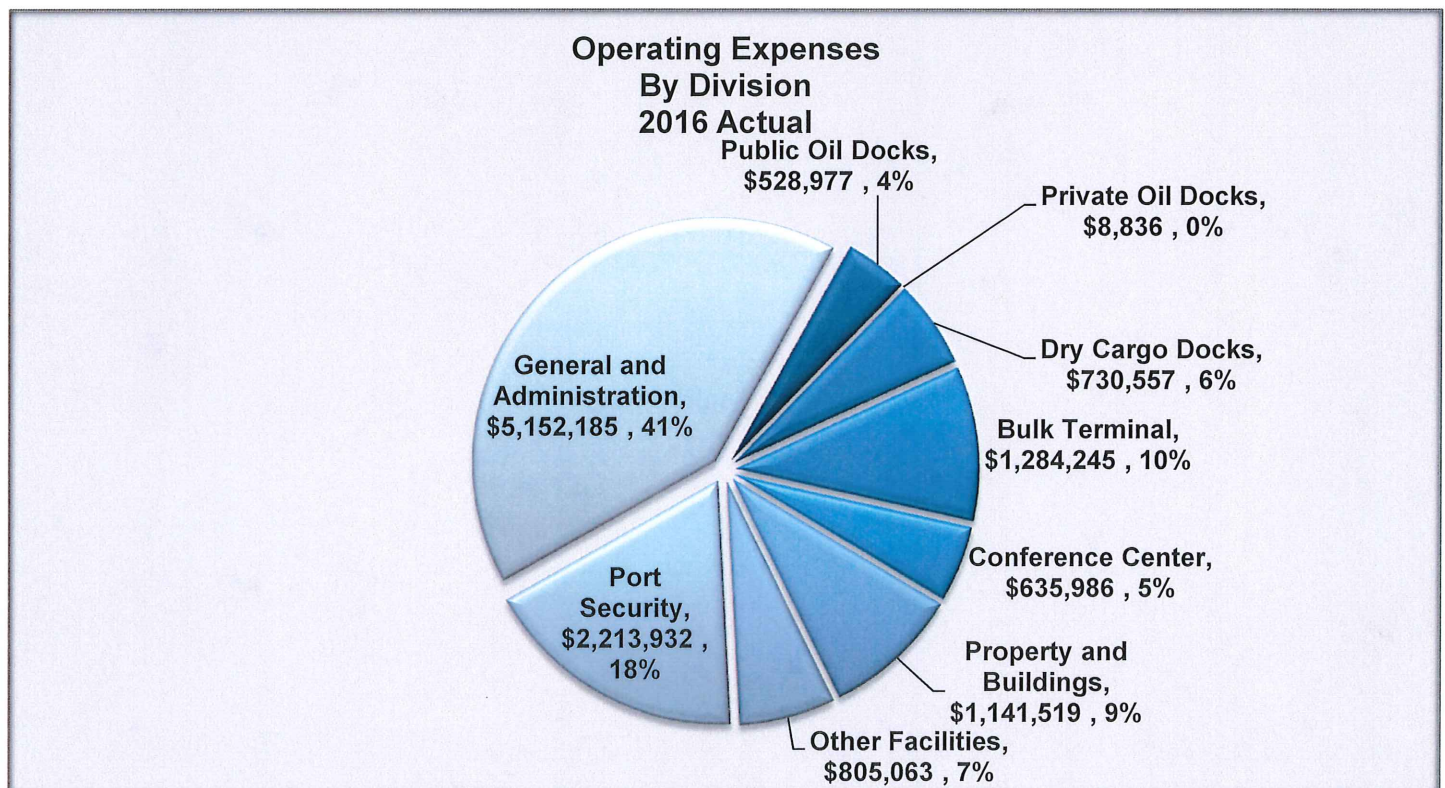
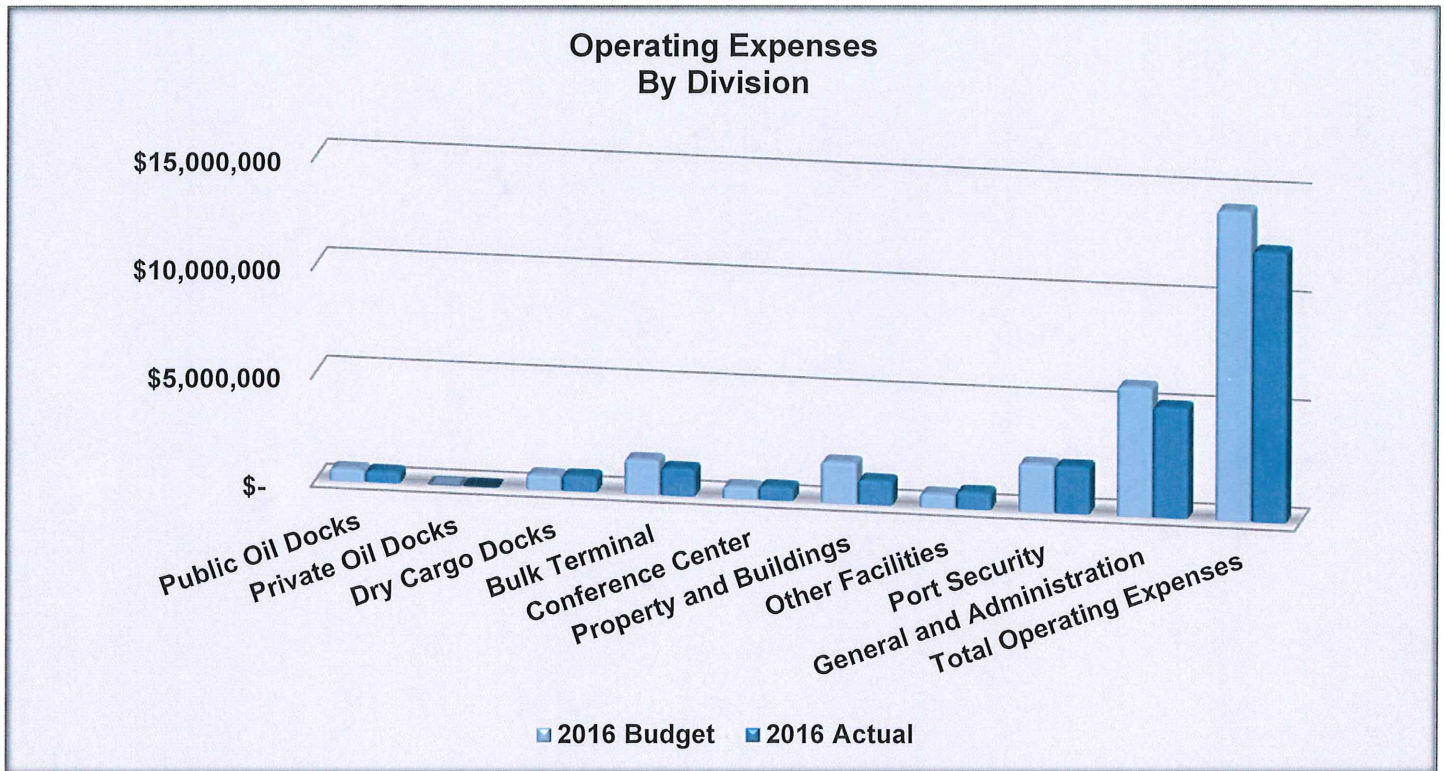
## FINANCIAL RESULTS





# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS



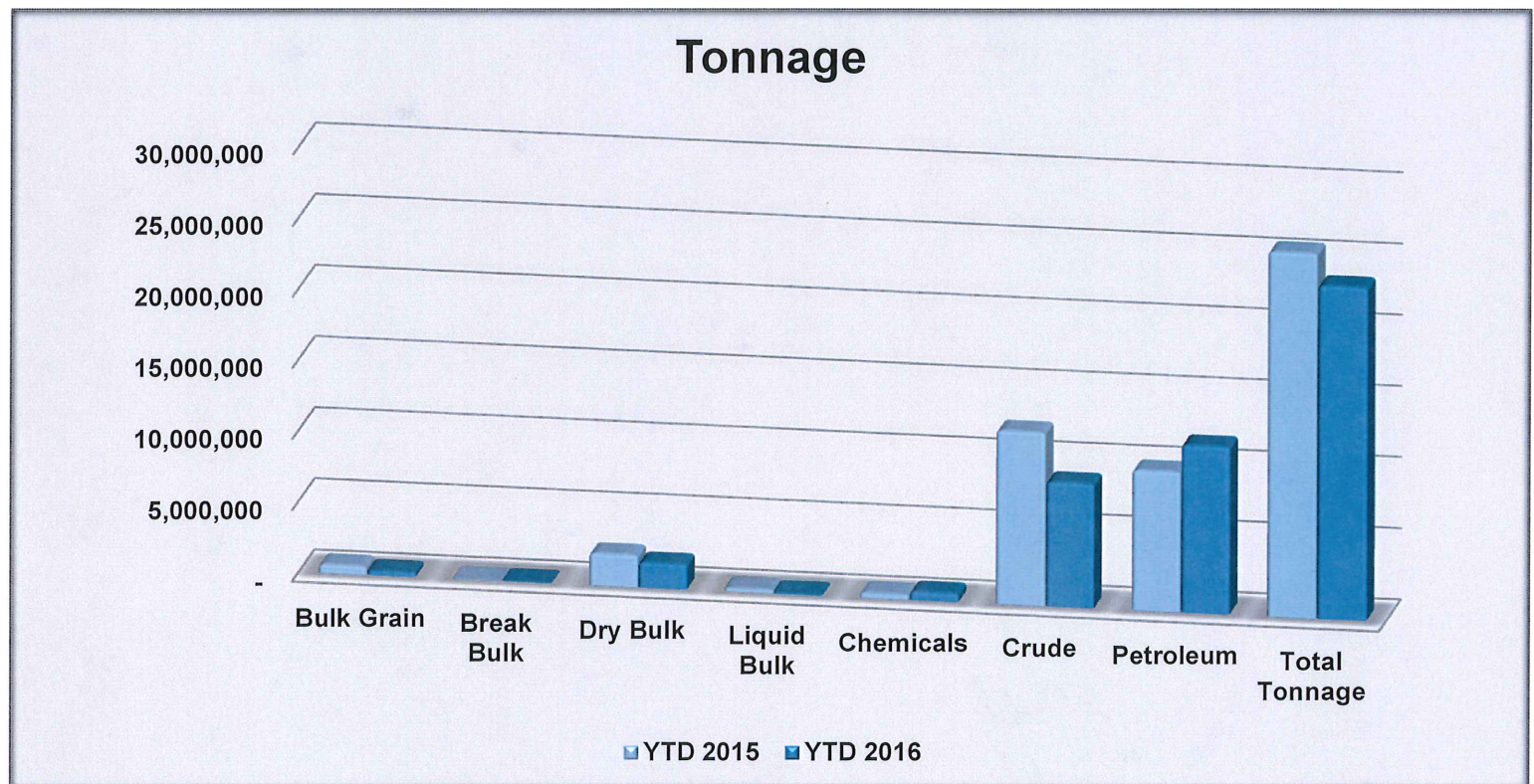


# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

### TONNAGE

	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2016	2015			2016	2015		
Bulk Grain	270,880	128,873	142,007	110%	328,313	621,038	(292,725)	-47%
Break Bulk	16,995	10,525	6,470	61%	57,028	36,177	20,851	58%
Dry Bulk	499,577	760,487	(260,910)	-34%	1,774,196	2,258,941	(484,745)	-21%
Liquid Bulk	40,851	123,333	(82,482)	-67%	115,232	293,076	(177,844)	-61%
Chemicals	267,435	163,456	103,979	64%	612,571	387,472	225,099	58%
Crude	2,977,480	3,965,576	(988,096)	-25%	8,732,888	12,187,186	(3,454,298)	-28%
Petroleum	3,949,239	3,435,259	513,980	15%	11,762,840	9,843,175	1,919,665	20%
<b>Total Tonnage</b>	<b>8,022,457</b>	<b>8,587,509</b>	<b>(565,052)</b>	<b>-7%</b>	<b>23,383,068</b>	<b>25,627,065</b>	<b>(2,243,997)</b>	<b>-9%</b>





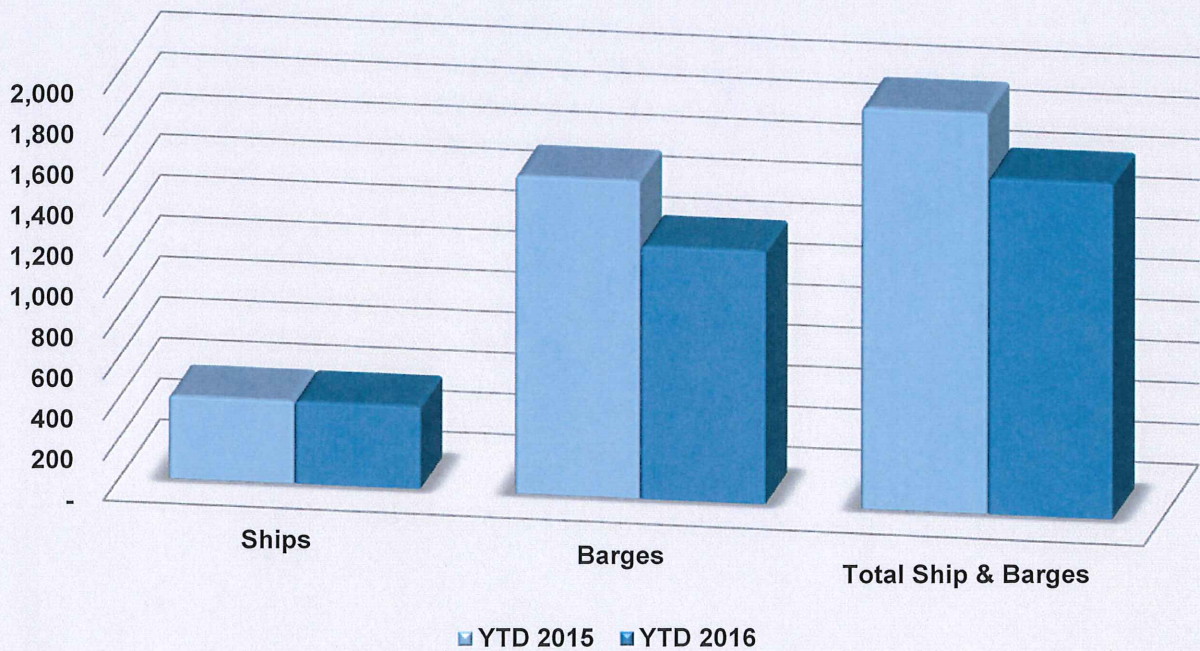
# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

### SHIP & BARGE MOVEMENTS

	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2016	2015			2016	2015		
Ships	139	144	(5)	-3%	407	408	(1)	0%
Barges	393	528	(135)	-26%	1,244	1,562	(318)	-20%
<b>Total Ship &amp; Barges</b>	<b>532</b>	<b>672</b>	<b>(140)</b>	<b>-21%</b>	<b>1,651</b>	<b>1,970</b>	<b>(319)</b>	<b>-16%</b>

### Ships & Barges



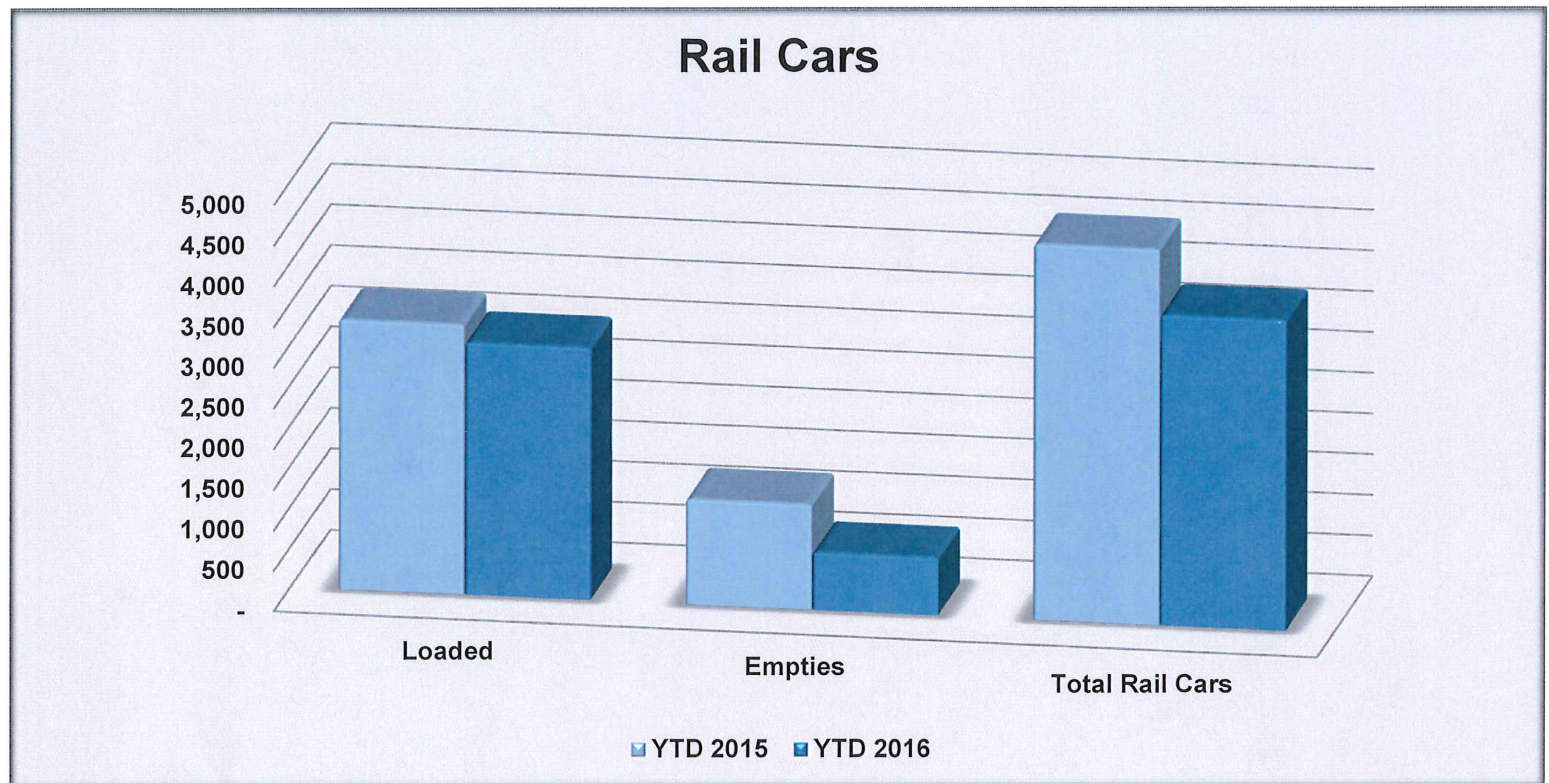


# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

### RAIL CARS

	March		Mth Over Mth Change	%	YTD		Year Over Year Change	%
	2016	2015			2016	2015		
Loaded	1,879	692	1,187	172%	3,105	3,321	(216)	-7%
Empties	316	545	(229)	-42%	716	1,302	(586)	-45%
<b>Total Rail Cars</b>	<b>2,195</b>	<b>1,237</b>	<b>958</b>	<b>77%</b>	<b>3,821</b>	<b>4,623</b>	<b>(802)</b>	<b>-17%</b>





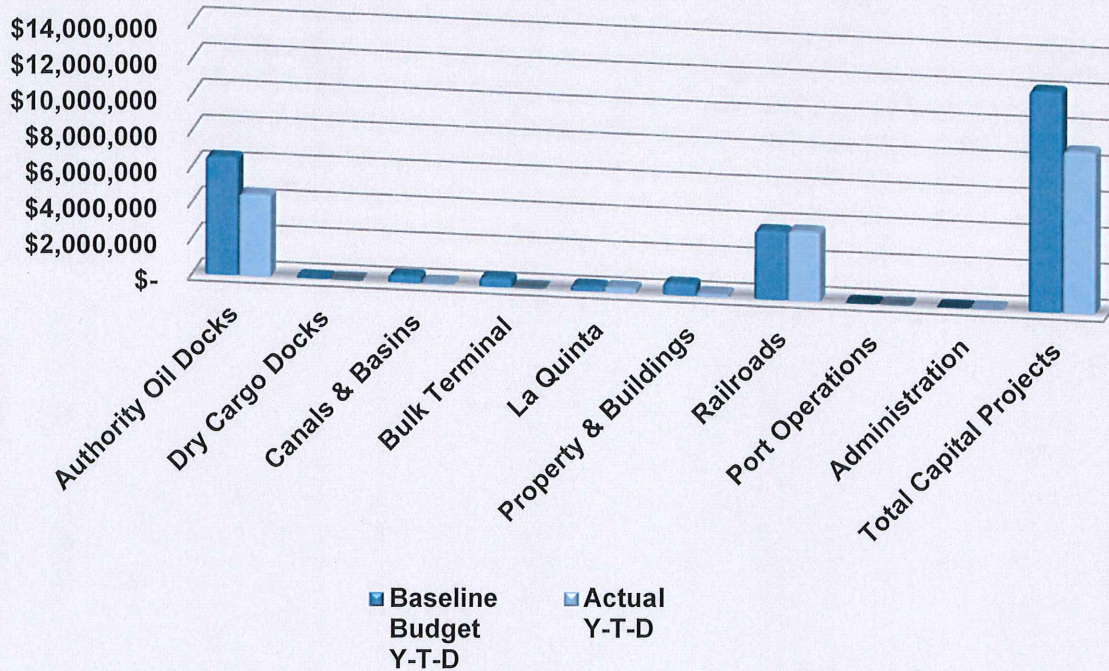
# PORT OF CORPUS CHRISTI AUTHORITY

## 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	\$ 13,530,000	\$ 4,553,441	\$ 8,976,559	\$ 6,550,000	\$ 4,553,441	\$ (1,996,559)
Dry Cargo Docks	\$ 1,200,000	\$ -	\$ 1,200,000	\$ 30,000	\$ -	\$ (30,000)
Canals & Basins	\$ 23,996,321	\$ 60,256	\$ 23,936,065	\$ 402,700	\$ 60,256	\$ (342,444)
Bulk Terminal	\$ 5,397,500	\$ 4,807	\$ 5,392,693	\$ 500,000	\$ 4,807	\$ (495,193)
La Quinta	\$ 9,637,500	\$ 284,915	\$ 9,352,585	\$ 285,000	\$ 284,915	\$ (85)
Property & Buildings	\$ 36,196,305	\$ 175,345	\$ 36,020,960	\$ 670,000	\$ 175,345	\$ (494,655)
Railroads	\$ 17,110,000	\$ 3,879,236	\$ 13,230,764	\$ 3,825,000	\$ 3,879,236	\$ 54,236
Port Operations	\$ 1,086,000	\$ 6,200	\$ 1,079,800	\$ -	\$ 6,200	\$ 6,200
Administration	\$ 1,355,000	\$ 21,660	\$ 1,333,340	\$ -	\$ 21,660	\$ 21,660
<b>Total Capital Projects</b>	<b>\$ 109,508,626</b>	<b>\$ 8,985,860</b>	<b>\$ 100,522,766</b>	<b>\$ 12,262,700</b>	<b>\$ 8,985,860</b>	<b>\$ (3,276,840)</b>

### Capital Projects





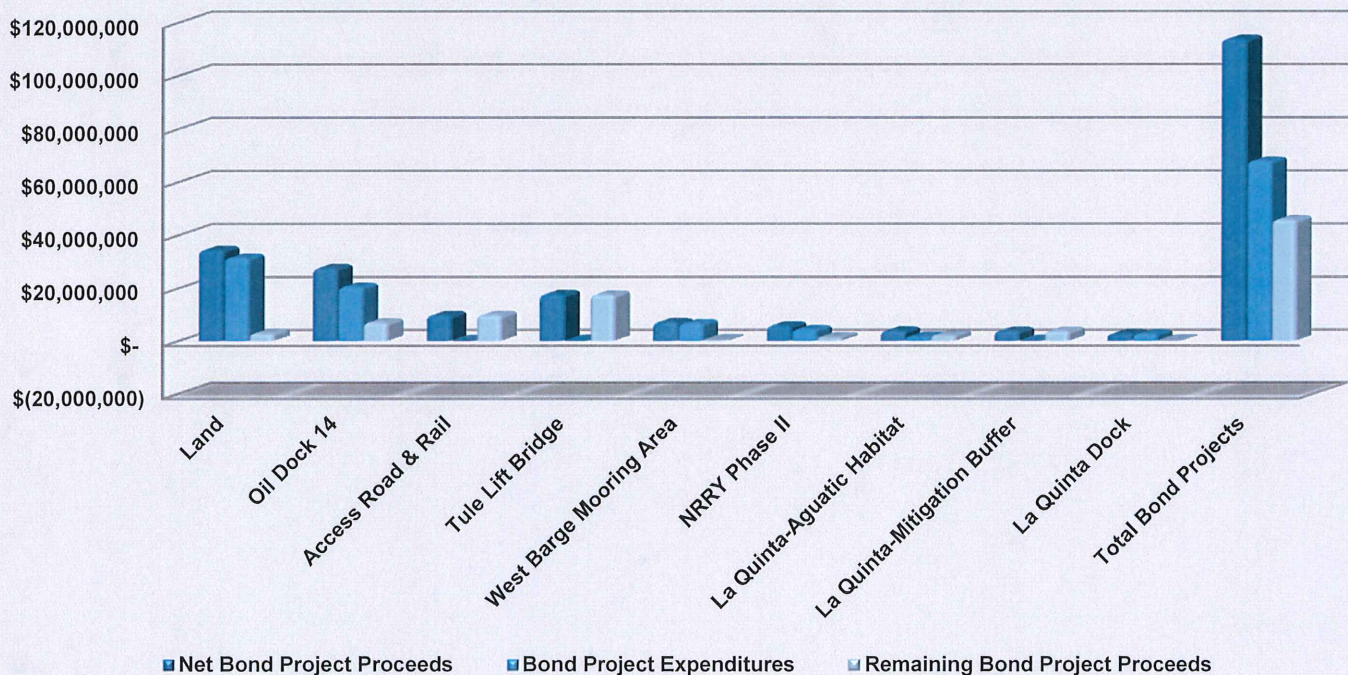
# PORT OF CORPUS CHRISTI AUTHORITY

## FINANCIAL RESULTS

### BOND PROJECT PROCEEDS - (As of March 2016)

	Bond Project Proceeds	Bond Issuance Expenses	Net Bond Project Proceeds	Bond Project Expenditures	Remaining Bond Project Proceeds
Land	\$ 34,960,000	\$ 349,499	\$ 34,610,501	\$ 31,642,940	\$ 2,967,561
Oil Dock 14	\$ 28,000,000	\$ 279,919	\$ 27,720,081	\$ 20,602,236	\$ 7,117,845
Access Road & Rail	\$ 10,000,000	\$ 99,126	\$ 9,900,874	\$ (13,456)	\$ 9,914,330
Tule Lift Bridge	\$ 18,000,000	\$ 179,948	\$ 17,820,052	\$ 142,002	\$ 17,678,050
West Barge Mooring Area	\$ 7,280,000	\$ 72,779	\$ 7,207,221	\$ 6,745,456	\$ 461,765
NRRY Phase II	\$ 6,000,000	\$ 59,983	\$ 5,940,017	\$ 4,469,724	\$ 1,470,293
La Quinta-Aquatic Habitat	\$ 4,020,000	\$ 40,188	\$ 3,979,812	\$ 1,686,229	\$ 2,293,583
La Quinta-Mitigation Buffer	\$ 3,940,000	\$ 39,388	\$ 3,900,612	\$ 20,872	\$ 3,879,740
La Quinta Dock	\$ 2,800,000	\$ 27,992	\$ 2,772,008	\$ 2,669,863	\$ 102,145
<b>Total Bond Projects</b>	<b>\$ 115,000,000</b>	<b>\$ 1,148,822</b>	<b>\$ 113,851,178</b>	<b>\$ 67,965,865</b>	<b>\$ 45,885,313</b>

### Bond Project Proceeds (As of March 2016)



***AGENDA ITEM NO. 12***

**Comments from Commissioners**

**NO ATTACHMENT**



**PORT OF CORPUS CHRISTI AUTHORITY  
LEASE AGREEMENT SUMMARY  
OIL DOCK 15**

Lessee: Martin Operating Partnership L.P.  
4200 Stone Road, Kilgore, Texas 75662

Leased Premises: Exclusive use of 4.44 acres, of unimproved upland and submerged land, as depicted on Exhibit A (Legal Description) and Exhibit B (Plat of Leased Premises) attached to Agreement as Appendix One ("Oil Dock 15").

Use: For the exclusive operation and maintenance of an oil dock capable of loading and unloading ships and barges transporting crude oil, condensate and other liquid bulk petroleum products.

Term: Initial Term -Five (5) Years

Options: If Commencement of Commercial Operations occurs during the Initial Term, Lessee shall have the right and option to extend:  
Four (4) options @ Five (5) years each

Start Date: June 1, 2016 (Effective Date)

Construction: Subject to the terms and conditions of this Agreement, the Authority will construct a new oil dock on the Land which meets the general design criteria attached to Agreement as Appendix One. The location of Oil Dock 15 on the Land is shown on Exhibit B of Agreement.

Except as otherwise provided in the Agreement, the Authority will install on Oil Dock 15 or the Land, as appropriate, the equipment and improvements which meet the general design criteria attached hereto as Appendix Two (collectively, the "Dock 15 Equipment").

Subject to the terms and conditions of the Agreement, the Authority will dredge a berth for Oil Dock 15 adjacent to Oil Dock 15 ("Dock 15 Berth"). The Dock 15 Berth will have a berth length of 1,100 feet and an initial water depth of 45 feet to accommodate a 950 foot length overall (LOA) vessel. The Dock 15 Berth will not be part of the Leased Premises described in the Lease but will be for the exclusive use of the Lessee hereunder during the Term of this Lease Agreement.

Exclusive Use  
Payment: Lessee shall pay the Authority an exclusive use payment in the amount of

OD#15 Lease Summary  
05/12/2016

**PORT OF CORPUS CHRISTI AUTHORITY  
LEASE AGREEMENT SUMMARY  
OIL DOCK 15**

\$10,000,000, paid over two installments, the first of which is not later than 30 days from the Effective Date of the Lease Agreement; the Second is to be paid no later than 30 days from commencement of construction.

Annual Base Rent:

Initial Term:

Year 1 \$111,000.00 (Fifty percent (50%) of Annual Base Rent)

Years 2-5 Annual Base Rent of \$222,000 multiplied by Annual CPI Factor for current lease year

Additional Fees:

Wharfage Fees:

Subject to Authority's applicable Wharfage Rate in effect at time of loading or unloading for Liquid Bulk Cargo on the first day of Commissioning Period, multiplied by the sum of the total number of Barrels of Liquid Bulk Cargo loaded and unloaded onto ships or barges during such month while berthed at the Lessee's Oil Dock

Dockage Fees:

Subject to Authority's applicable Vessel Dockage Rate in effect at time of loading or unloading on the first day of Operational Period, multiplied by the sum of the total number Vessel Length Overall (LOA) for ships or barges during such month while berthed at the Lessee's Oil Dock

Adjustment of Rent: The Annual Base Rent for the Initial Term and any Option Period will be adjusted by an Annual CPI Adjustment Factor. "**CPI**" means the Consumer Price Index for All Urban Consumers (CPI-U), Not Seasonally Adjusted, for the U.S. City Average for All Items, 1982-84=100 (Unadjusted), published by the United States Department of Labor, Bureau of Labor Statistics.

**PORT OF CORPUS CHRISTI AUTHORITY  
LEASE AGREEMENT SUMMARY  
OIL DOCK 15**

Capital Recovery  
Payments:

Capital Recovery Payments are equal to (i) fifty-four and one-half percent (54.5%) of the lesser of the Total Project Cost or the Maximum Project Cost (the “Recoverable Project Cost”), divided by (ii) forty-eight (48) months. For example, if the Recoverable Project Cost is Nineteen Million Five Hundred Thirty-Six Thousand Fifty Eight Dollars (\$19,536,058), the monthly Capital Recovery Payment would be Two Hundred Twenty-One Thousand Eight Hundred Fifteen Dollars (\$221,816) x 48 months or a total Capital Recovery Payment of \$10,647,168. Capital Recovery Payments commence June 1, 2017 through May 31, 2021.

Minimum Annual  
Guaranteed  
Throughput:

First Operational Period (Years 2-5) minimum annual guarantee of 21,900,000 Barrels of Liquid Bulk Cargo at 100% of published wharfage rate. The 2016 guaranteed revenue example is  $(21,900,000 \times \$0.0987^{(1-1-2016)}) = \$2,161,530$  Minimum Annual Guarantee (“MAG”) Revenue in each of the first four operational years.

In all subsequent operational years, the minimum annual guaranteed throughput is 29,200,000 Barrels of Liquid Bulk Cargo at 100% of the published wharfage rate. The 2016 revenue example is  $(29,200,000 \times \$0.0987^{(1-1-2016)}) = \$2,882,040$  Minimum Annual Guarantee Revenue in each of the first four operational years.

In each of the operational years, the Minimum Annual Guarantee shall be 29,200,000 Barrels of Liquid Bulk Cargo, or 60% of the Actual Annual Throughput for the previous year, whichever is greater. After the initial term, in no event shall the Minimum Annual Guarantee be less than 29,200,000 Barrels of Liquid Bulk Cargo

Remarks:

Authority is responsible for all maintenance dredging of the OD 15 Berth, while Lessee is responsible for all maintenance of the Oil Dock 15 structures and Dock 15 Equipment.

**LEASE AGREEMENT**

between

**PORT OF CORPUS CHRISTI AUTHORITY  
OF NUECES COUNTY, TEXAS**  
(*“Authority”*)

and

**MARTIN OPERATING PARTNERSHIP L.P.,  
a Delaware limited partnership**  
(*“Lessee”*)

Effective June 1, 2016

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**ATTACHMENTS:**

Exhibit A – Legal Description of Leased Premises or Land  
Exhibit B – Map or Plat of Leased Premises or Land  
Exhibit C – Oil Dock 15 Berth – Map or Plat  
Exhibit D – New Martin Pipeline – Conceptual Routes  
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Appendix One- General Design Criteria – Oil Dock 15  
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Appendix Four- Original Lessee Facilities

Schedule 1 – Preliminary Cost Projections

## **LEASE AGREEMENT**

This **LEASE AGREEMENT** is entered into this \_\_\_\_ day of May 2016, but is made effective as of June 1, 2016 (the “*Effective Date*”) for all purposes, by and between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called “*Authority*”), and **MARTIN OPERATING PARTNERSHIP L.P.**, a Delaware limited partnership with a permit to do business in Texas, whose principal address is 4200 Stone Road, Kilgore, Texas 75662 (hereinafter called “*Lessee*”). This Lease Agreement together with all renewals, extensions, and modifications is referred to herein as the “*Lease Agreement*” or the “*Lease*”.

### **RECITALS:**

(a) Lessee and Authority are parties to that certain Lease Agreement for Authority’s Cargo Dock 10 dated May 14, 2013, whereby Lessee has exclusive use of Cargo Dock 10 as a public oil dock capable of loading and unloading OGVs (as defined herein) transporting crude oil, condensate and other liquid bulk petroleum products.

(b) The Texas Department of Transportation has notified Lessee that as a result of its US 181 Harbor Bridge Replacement Project, Lessee will need to vacate Cargo Dock 10. Lessee desires to relocate its loading and unloading operations to real property owned by the Authority.

(c) Authority owns the surface estate of a tract of land in Nueces County, Texas, containing 4.44 acres, more or less, of upland and submerged land on the north side of the Corpus Christi Turning Basin of the Corpus Christi Ship Channel in the Inner Harbor of the Port of Corpus Christi, which tract is more particularly described in **Exhibit A** attached hereto (the “*Land*”). A map or plat of the Land is attached hereto as **Exhibit B**.

(d) Subject to the terms and conditions of this Agreement, the Authority will construct a new oil dock on the Land which meets the general design criteria attached hereto as **Appendix One** (“*Oil Dock 15*”). The location of Oil Dock 15 on the Land is shown on **Exhibit B** attached hereto.

(e) Except as otherwise provided in this Agreement, the Authority will install on Oil Dock 15 or the Land, as appropriate, the equipment and improvements which meet the general design criteria attached hereto as **Appendix Two** (collectively, the “*Dock 15 Equipment*”).

(f) Subject to the terms and conditions of this Agreement, the Authority will dredge a berth for Oil Dock 15 adjacent to Oil Dock 15 (“*Dock 15 Berth*”) as shown in **Exhibit C**. The Dock 15 Berth will have a berth length of 1,100 feet and an initial water depth of 45 feet to accommodate a 950 foot length overall (LOA) vessel. The Dock 15 Berth will meet the general design criteria attached hereto as **Appendix Three**. The Dock 15 Berth will not be part of the Leased Premises described in the Lease but will be for the exclusive use of the Lessee hereunder during the Term of this Lease Agreement.

(g) Lessee wishes to lease the Land, together with Oil Dock 15 and the Dock 15 Equipment, and to obtain exclusive use of the Dock 15 Berth during the term of this Lease Agreement

for purposes of operating and maintaining an oil dock capable of loading and unloading ships transporting crude oil, condensate and other liquid bulk petroleum products.

(h) Authority desires to lease the Land, together with Oil Dock 15 and the Dock 15 Equipment, to Lessee in accordance with the terms of the Lease and to grant Lessee the exclusive right to use the Dock 15 Berth during the term of this Lease Agreement for the consideration provided herein.

(i) Subject to the terms and conditions of this Agreement, the Lessee will construct a new pipeline from Lessee's existing tank farm, located on land leased from the Authority pursuant to that certain Lease Agreement dated May 19, 2011 ("***Lessee's Crude Terminal***"), to the Leased Premises (the "***New Martin Pipeline***") and will connect the New Martin Pipeline to the Dock 15 Equipment in order to load and unload ships and barges at Oil Dock 15 with Liquid Bulk Cargo. The conceptual routes of the New Martin Pipeline are generally shown on **Exhibit D** attached hereto.

(j) In order to expedite the design and construction of Oil Dock 15, the Dock 15 Equipment, and the Dock 15 Berth (collectively, the "***Ship Dock Facilities***"), the Parties initiated conceptual and preliminary engineering design phases of the Ship Dock Facilities prior to executing this Lease Agreement.

NOW, THEREFORE, for and in consideration of the covenants and agreements set forth herein, Authority and Lessee agree as follows:

## **ARTICLE 1 DEFINITIONS**

### **Section 1.01. Certain Definitions**

As used in this Lease, each of the following terms shall have the meaning set forth or referred to in this Section:

"***Actual Annual Throughput***" means, with respect to any Operational Year, the sum of (1) the total number of Barrels of Liquid Bulk Cargo loaded onto OGVs during such Operational Year while berthed at Oil Dock 15, plus (2) the total number of Barrels of Liquid Bulk Cargo unloaded from OGVs during such Operational Year while berthed at the Oil Dock 15, plus (3) the total number of Barrels of Liquid Bulk Cargo deemed to have been loaded or unloaded at Oil Dock 15 during such Operational Year under the terms of Section 3.08 or 3.09, plus (4) the total number of Barrels of Liquid Bulk Cargo loaded on or unloaded from an inland barge during such Operational Year while berthed at Oil Dock 15, provided Oil Dock 15 has proper inland barge berthing capability as outlined in Section 5.01(g).

"***Additional Charges***" has the meaning given to it in Section 4.10.

"***Adjusted Actual Throughput***" means, with respect to any Operational Year, the sum of (1) the Actual Annual Throughput for that Operational Year, plus (2) the Carryover Throughput for that Operational Year. The Adjusted Actual Throughput shall be expressed as a certain number of Barrels of Liquid Bulk Cargo. For example, if the Actual Annual Throughput for an Operational

Year is 30,000,000 Barrels of Liquid Bulk Cargo and the Carryover Throughput for that Operational Year is 1,000,000 Barrels of Liquid Bulk Cargo, the Adjusted Actual Throughput for that Operational Year would be 31,000,000 Barrels of Liquid Bulk Cargo.

**“Agreed Environmental Baseline”** has the meaning given to it in Section 18.01(f).

**“Annual Base Rent”** means, with respect to any Lease Year, the annual rent for that Lease Year stated in or calculated in accordance with Section 4.03 or Section 4.04, as the case may be.

**“Applicable Environmental Laws”** has the meaning given to it in Section 18.02(a).

**“Applicable Laws”** means all applicable limitations, restrictions, conditions, standards, prohibitions and requirements of any law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority, or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Leased Premises, including but not limited to all applicable zoning ordinances and building codes, flood disaster laws and health laws and regulations.

**“Approved Consultant”** has the meaning given to it in Section 18.01(b).

**“Approved Plans”** has the meaning given to it in Section 6.01(b).

**“Authority”** has the meaning given to it in the introductory paragraph of this Lease Agreement.

**“Authority Parties”** means the Authority, its Port Commissioners, directors, managers, employees and agents.

**“Authority’s Tariff”** means the Authority’s Tariff 100-A naming rules, rates and regulations applying to the public and private wharves in the Port of Corpus Christi, or any successor tariff published by the Authority from time to time.

**“Authority’s Wharfage Rate”** means, as of any given day, the wharfage rate for Liquid Bulk Cargo as published in the Authority’s Tariff on that day.

**“Bankruptcy Laws”** has the meaning given to it in Section 14.01.

**“Barrel”** means a 42 gallon barrel.

**“Barge Fendering System”** has the meaning given to it in Section 5.01(g).

**“Baseline Environmental Site Assessment”** has the meaning given to it in Section 18.01(b).

**“Baseline Report Date”** has the meaning given to it in Section 18.01(f).

**“Business Day”** means any day other than Saturday or Sunday or any other day on which banks in Texas are permitted or required to be closed.

**“Capital Recovery Payment”** has the meaning given to those terms in Section 4.02(b).

**“Cargo Dock 10 Lease”** has the meaning given to it in Section 3.08(a).

**“Cargo Dock 10 Leased Premises”** has the meaning given to it in Section 3.08(a).

**“Carryover Throughput”** means, with respect to any Operational Year after the First Operational Year, the lesser of (1) sixty percent (60%) of the number of Barrels by which the Actual Annual Throughput for the prior Operational Year exceeds the Minimum Guaranteed Throughput for that Operational Year, or (2) sixty percent (60%) of the Minimum Guaranteed Throughput for the current Operational Year.

**“City”** has the meaning given to it in Section 9.03.

**“Civil and Marine Work”** has the meaning given to it in Section 3.02(b).

**“Claims”** has the meaning given to it in Section 8.03(a)(1) for purposes of Section 8.03.

**“Commencement Date”** means the day after the Delivery Date.

**“Commencement of Commercial Operations”** means that Lessee has commenced transporting Liquid Bulk Cargo to or from the Leased Premises via Oil Dock 15 after the Delivery Date. Lessee will promptly give notice to Authority when the Commencement of Commercial Operations occurs.

**“Construction Contract”** has the meaning given to it in Section 3.03(b).

**“Construction Period”** means the period beginning on the Effective Date and ending on the Delivery Date.

**“Contaminant”** has the meaning given to it in Section 18.02(a)(2).

**“Contamination”** has the meaning given to it in Section 18.02(a)(3).

**“Contractor”** means, with respect to a Person, any contractor, with whom such Person contracts to perform work or supply materials or labor in relation to the Ship Dock Facilities, including any subcontractor of any tier, supplier or materialman directly or indirectly employed pursuant to a subcontract with a Contractor

**“CPI”** means the Consumer Price Index for All Urban Consumers (CPI-U), Not Seasonally Adjusted, for the U.S. City Average for All Items, 1982-84=100 (Unadjusted), published by the United States Department of Labor, Bureau of Labor Statistics. If the Bureau of Labor Statistics of the United States Department of Labor ceases to exist or to publish statistics concerning the purchasing power of the consumer dollar during the Term of this Lease, then any successor index shall replace CPI for the remainder of the Term, however, should CPI cease to exist without a known successor, then the remaining CPI adjustments called for in this Lease will be made by

using the most nearly comparable statistics published by a recognized financial authority, as shall be mutually agreed by the Parties.

**“CPI Adjustment Factor”** means, with respect to any Lease Year after the first Lease Year, a fraction, the numerator of which is the most current CPI available as of the first day of such Lease Year, and the denominator of which is the CPI for the same month of the prior year; provided, however, that the CPI Adjustment Factor for any Operational Year shall never be less than one. By way of example, the CPI Adjustment Factor for the second Lease Year would be the CPI for February 2017 divided by the CPI for February 2016, unless the CPI for February 2016 is greater than the CPI for February 2017, in which case the Annual CPI Adjustment Factor would be 1.

**“Defend”** has the meaning given to it in Section 8.03(a)(2) for purposes of Section 8.03.

**“Delivery Date”** has the meaning given to it in Section 3.04(d).

**“Design Engineer”** means any professional engineering consulting firm engaged by the Authority and approved by Lessee to design the Ship Dock Facilities.

**“Disposal”** has the meaning given to it in Section 18.02(a)(4).

**“Dock 15 Berth”** has the meaning given to it in paragraph (f) of the Recitals to this Agreement.

**“Dock 15 Equipment”** has the meaning given to it in paragraph (e) of the Recitals to this Agreement.

**“Effective Date”** has the meaning given to it in the introductory paragraph of this Lease Agreement.

**“Environment”** has the meaning given to it in Section 18.02(a)(5).

**“Environmental Liabilities”** has the meaning given to it in Section 18.02(a)(6).

**“Environmental Work”** has the meaning given to it in Section 18.02(d)(4).

**“Equalization Value of the Land”** or **“Equalization Value”** has the meaning given to it in Section 4.08(a).

**“Estimated Project Cost”** has the meaning given to it in Section 3.01(b).

**“Event of Default”** has the meaning given to it in Section 14.01.

**“Exclusive Use Payment”** has the meaning given to it in Section 4.01.

**“Extension Period”** has the meaning given to it in Section 2.02(b).



***“Final Baseline Environmental Site Assessment”*** has the meaning given to it in Section 18.01(f).

***“Final Plans and Specifications”*** has the meaning given to it in Section 3.02(a).

***“First Operational Year”*** means the period beginning on the Commencement Date and ending on May 31, 2018. The First Operational Year may have more or less than 365 days. For example, if the Commencement Date is March 24, 2017, the First Operational Year begins on March 24, 2017 and ends on May 31, 2018.

***“force majeure”*** has the meaning given to it in Section 19.13.

***“Full Replacement Cost”*** has the meaning given to it in Exhibit F.

***“Governmental Authority”*** means any municipality, county, state, the United States of America, or any other governmental body, subdivision, agency, or authority, but expressly excluding the Port of Corpus Christi Authority of Nueces County, Texas.

***“Indemnify”*** has the meaning given to it in Section 8.03(a)(3) for purposes of Section 8.03.

***“Indemnified Claims”*** has the meaning given to it in Section 8.03(b).

***“Indemnified Parties”*** has the meaning given to it in Section 18.02(f).

***“Indemnified Persons”*** has the meaning given to it in Section 8.03(a)(4) for purposes of Section 8.03.

***“Initial Environmental Site Assessment”*** has the meaning given to it in Section 18.01(b).

***“Initial Term”*** has the meaning given to it in Section 2.02(a).

***“Interim Period”*** has the meaning given to it in Section 3.08(c).

***“Land”*** has the meaning given to it in paragraph (c) of the Recitals to this Agreement.

***“Last Operational Year”*** has the meaning given to it in the definition of Operational Year.

***“Lease”*** or ***“Lease Agreement”*** has the meaning given to it in the introductory paragraph of this Lease Agreement.

***“Lease Payments”*** means, collectively, the Exclusive Use Payment, Capital Recovery Payments, Annual Base Rent, Wharfage Deficit Payments, Additional Charges and any other payments required under this Lease.

***“Lease Year”*** means the twelve-month period beginning on the Effective Date and each successive twelve-month period thereafter during the Term of this Lease.

***“Leased Premises”*** has the meaning given to it in Section 2.01(a).

***“Leasehold Estate”*** means the leasehold estate and Lessee’s other rights created by this Lease, including Lessee’s ownership interest in the Original Lessee Facilities (but not the New Lessee Facilities).

***“Leasehold Mortgage”*** has the meaning given to it in Section 15.01.

***“Lessee”*** has the meaning given to it in the introductory paragraph of this Lease Agreement.

***“Lessee’s Crude Terminal”*** has the meaning given to it in paragraph (i) of the Recitals to this Agreement.

***“Lessee’s Facilities”*** means the Original Lessee Facilities, the New Lessee Facilities, and the New Pipeline, collectively.

***“Lessee Parties”*** has the meaning given to it in Section 8.03(a)(5) for purposes of Section 8.03.

***“Lessee’s Repair and Maintenance Obligations”*** has the meaning given to it in Section 7.01(a).

***“Liquid Bulk Cargo”*** means all liquid bulk cargo, including but not limited to crude and refined petroleum, condensate, petroleum products, petrochemicals, chemicals, and other bulk liquids, but specifically excluding liquefied natural gas.

***“Lowest and Best Bid”*** means, in connection the Authority’s request for bids for construction of any portion of the Ship Dock Facilities, the bid submitted by the lowest responsive and responsible bidder whose bid meets the minimum requirements stated in the bid documents.

***“Maximum Project Cost”*** has the meaning given to it in Section 3.01(b).

***“Mechanical and Electrical Work”*** has the meaning given to it in Section 3.02(b).

***“Mineral Operator”*** has the meaning given to it in Section 2.04.

***“Minimum Guaranteed Throughput”*** means, for any Operational Year, the number of Barrels of Liquid Bulk Cargo specified for that Operational Year in Section 4.05.

***“New Lessee Facilities”*** has the meaning given to it in Section 6.01(a).

***“New Martin Pipeline”*** has the meaning given to it in paragraph (i) of the Recitals to this Agreement.

***“New Pipeline”*** means that portion of the New Martin Pipeline on the Leased Premises.

**“Notice Deadline”** has the meaning given to it in Section 2.02(b).

**“OGV”** means any commercial ocean-going ship or commercial ocean-going barge. An inland barge is not an OGV.

**“Oil Dock 15”** has the meaning given to it in paragraph (d) of the Recitals to this Agreement.

**“Operational Period”** means the period commencing on the first day of the First Operational Year and ending on the last day of the Last Operational Year.

**“Operational Year”** means the First Operational Year, the Second Operational Year, and each successive twelve-month period thereafter during the Term of this Lease; provided, however, that if this Lease terminates or expires during an Operational Year, the period from the first day of such Operational Year to the last day of the Term shall be deemed to be an Operational Year (the **“Last Operational Year”**).

**“Original Lessee Facilities”** has the meaning given to it in Section 3.06(b).

**“Parties”** means Authority and Lessee.

**“Party”** means Authority or Lessee, as the case may be.

**“Permanent Lessee Facilities”** means all of the following Lessee’s Facilities, if any, on or to the Leased Premises: (i) office buildings, (ii) roads, (iii) underground pipelines or conduit for potable water, sewer, storm water drainage, natural gas, or electricity, (iv) Lessee’s underground and/or above ground pipelines and supports and accessories for crude and refined petroleum, condensate, petroleum products, petrochemicals, chemicals, and other bulk liquids, and (v) Lessee’s underground and/or above ground pipelines and supports and accessories for natural gas serving the Dock 15 Equipment.

**“Permitted Encumbrances”** has the meaning given to it in Section 2.05.

**“Permitted Transferee”** has the meaning given to it in Section 13.01.

**“Permitted Uses”** has the meaning given to it in Section 5.01(a).

**“Person”** means any individual (including, the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other business entity.

**“Plans”** has the meaning given to it in Section 6.01(b).

**“Policies”** has the meaning given to it in **Exhibit F**.

**“Preliminary Cost Projections”** has the meaning given to it in Section 3.01(b).

**“Proceedings”** has the meaning given to it in Section 11.01.

**“Program”** has the meaning given to it in Section 18.02(h).

**“Project Commissioning Date”** has the meaning given to it in Section 3.04(c).

**“Project Commissioning Process”** means the process of verifying (by testing and inspecting) and documenting that the Dock 15 Equipment, as a whole, and every operational component of the Dock 15 Equipment has been installed and is operating in accordance with the Final Plans and Specifications for the Mechanical and Electric Work.

**“Property Insurance”** has the meaning given to it in **Exhibit F**.

**“Punch List”** has the meaning given to it in Section 3.04(e).

**“Qualified MAI Appraiser”** means an independent appraiser who is MAI certified and has greater than ten (10) years’ experience appraising land such as the Land.

**“Rating Agency”** means Standard & Poor’s Corporation, Moody’s Investors Service, Inc. or any other nationally recognized rating agency if both of the foregoing cease to exist.

**“Recoverable Project Cost”** has the meaning given to it in Section 4.02(b).

**“Release”** has the meaning given to it in Section 18.02(a)(7).

**“Removable Lessee Facilities”** means all of the Lessee’s Facilities on the Leased Premises other than the Permanent Lessee Facilities.

**“Removal Period”** means the one hundred eighty (180) day period following the expiration or termination of this Lease during which Lessee will be required to remove the Removable Lessee Facilities from the Leased Premises.

**“Request for Bids”** has the meaning given to it in Section 3.03(a).

**“Review Period”** has the meaning given to it in Section 18.01(c).

**“Second Operational Year”** means the period beginning on June 1, 2018, and ending on May 31, 2019.

**“Second Opinion”** has the meaning given to it in Section 18.01(e).

**“Ship Dock Facilities”** has the meaning given to it in paragraph (j) of the Recitals to this Agreement.

***“Substantially Complete”*** means that in the opinion of the Authority the Ship Dock Facilities are suitable for use for their intended purpose, but may still require minor miscellaneous work or adjustments.

***“Substantial Completion Notice”*** has the meaning given to it in Section 3.04(d).

***“Tax Protest Deposit”*** has the meaning given to it in Section 9.02(b).

***“Term”*** means the period from the Effective Date until the earlier of the date upon which this Lease (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 Lease.

***“Termination of Extension Notice”*** has the meaning given to it in Section 2.02(b).

***“Third Party Transfer”*** has the meaning given to it in Section 13.03.

***“Total Project Cost”*** has the meaning given to it in Section 4.02(a).

***“Transfer Notice”*** has the meaning given to it in Section 13.01(b).

***“USACE Permit”*** has the meaning given to it in Section 3.01(a).

***“VCU”*** has the meaning given to it in Section 3.05.

***“Wharfage Deficit Payment”*** means the amount payable to Authority pursuant to Section 4.05 for Lessee’s failure to meet the Minimum Guaranteed Throughput.

**Section 1.02.      Other Definitions**

Capitalized terms in this Lease which are not defined in Section 1.01 are defined in the text of this Lease. The terms defined in Section 1.01 or in the text of this Lease shall apply throughout this Lease.

**Section 1.03.      Number and Gender**

In this Agreement, terms defined in the singular have the corresponding plural meaning when used in the plural and vice versa and words in one gender include all genders.

**Section 1.04      Headings**

The division of this Agreement into articles, sections and other subdivisions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and shall not be considered part of this Agreement.

**Section 1.05.      References to this Agreement**

The words “herein,” “hereby,” “hereof,” “hereto” and “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular portion of it. The words “Article,” “Section,” “paragraph,” “sentence,” “clause,” “Exhibit,” “Schedule” and “Appendix” mean and refer to the specified article, section, paragraph, sentence, clause, exhibit, schedule or appendix of, or to, this Agreement. All Exhibits and Appendices and any other attachments to this Lease are incorporated in this Lease by this reference.

**Section 1.06.      References to Any Person**

A reference in this Agreement to any Person at any time refers to such Person’s permitted successors and assigns.

**Section 1.07.      Meaning of Including**

In this Agreement, the words “include,” “includes” or “including” mean “include without limitation,” “includes without limitation” and “including without limitation,” respectively, and the words following “include,” “includes” or “including” shall not be considered to set forth an exhaustive list.

**Section 1.08.      Consents and Approvals**

Unless specified otherwise, wherever the provisions of this Agreement require or provide for or permit an approval or consent by either Party, such approval or consent, and any request therefor, must be in writing (unless waived in writing by the other Party).

**Section 1.09.      Currency**

All statements of or references to dollar amounts or money in this Agreement are to the lawful currency of the United States of America.

**Section 1.10.      References to Time, Calculation of Time**

Unless otherwise indicated, for purposes of this Lease Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day. All references to time herein are to time in Corpus Christi, Texas.

**ARTICLE 2  
LEASE OF PREMISES AND TERM OF LEASE**

**Section 2.01.      Lease of Leased Premises**

(a) Subject to Lessee’s making the Exclusive Use Payment in accordance with Section 4.01, effective as of the Effective Date, the Authority hereby leases to Lessee all of its right, title



and interest in and to the Land, together with Oil Dock 15 and the Dock 15 Equipment to be constructed and installed thereon, and all rights, privileges, and appurtenances to the Land (collectively, the “**Leased Premises**”) for the Term, and agrees to promptly commence with finalizing the design and construction of Oil Dock 15 and the Dock 15 Equipment. By executing this Lease and making the Exclusive Use Payment, Lessee hereby agrees to lease the Leased Premises in accordance with the terms and conditions of this Lease.

(b) Authority and Lessee hereby acknowledge and agree that it is the express intent of both Parties that this Lease Agreement constitutes a lease of the Leased Premises under the laws of the State of Texas and it in no way constitutes a sale of the Leased Premises for any purpose.

**Section 2.02. Term**

(a) The “**Initial Term**” shall begin on the Effective Date and end at 11:59 p.m., on May 31, 2021.

(b) This Lease shall automatically extend and continue in full force and effect under all the terms and conditions set forth herein for four (4) additional periods of five (5) years each as provided in this Section 2.02(b) (each an “**Extension Period**”) unless Lessee provides written notice to Authority at least one hundred eighty (180) days prior to the end of the Initial Term or the then effective Extension Period (the “**Notice Deadline**”), irrevocably stating that Lessee does not elect to extend this Agreement for an additional five-year period (the “**Termination of Extension Notice**”). Notwithstanding anything to the contrary contained in this Lease, this Lease shall not be automatically extended and Lessee shall be deemed to have given a Termination of Extension Notice, if on the Notice Deadline, Lessee is (1) in default of any material obligation in this Lease, (2) notice of such default has been provided to the Lessee, and (3) any applicable grace period provided in this Lease Agreement for curing such default has expired.

**Section 2.03. Termination for Failure to Commence Commercial Operations**

Commencement of Commercial Operations must occur within one-hundred eighty (180) days after the Commencement Date. If Commencement of Commercial Operations does not occur within one-hundred eighty (180) days after the Commencement Date, subject to extension in the event force majeure, the Authority may, prior to actual Commencement of Commercial Operations by Lessee, terminate this Lease by giving the Lessee no less than thirty (30) days’ prior written notice of such termination, whereupon the Term of this Lease will be deemed terminated. If, however, Commencement of Commercial Operations occurs before Lessee’s receipt of the termination notice, the termination notice will be of no force and effect.

**Section 2.04. Quiet Enjoyment**

The Authority agrees that so long as no Event of Default has occurred hereunder, the Authority will not disturb Lessee’s possession of the Leased Premises, except in accordance with this Lease. Authority represents and warrants that there are no liens, leases or purchase options affecting the Leased Premises as of the Effective Date. Authority agrees to warrant and forever defend Lessee’s right to occupancy of the Leased Premises against the claims of any and all persons whomsoever lawfully claiming the same or any part thereof, by, through or under

Authority (but not otherwise), subject to the Permitted Encumbrances. However, the Authority agrees that in the event that any mineral owner of part or all of the Leased Premises or a lessee in an oil, gas or mineral lease granted by any mineral owner (collectively, the “**Mineral Operator**”) attempts to utilize the Land, the Authority will take all actions available to it to prevent such use of the surface of the Land, including, but not limited to, providing the Mineral Operator with other real property upon which to conduct surface operations.

**Section 2.05. Permitted Encumbrances**

This lease of the Leased Premises is subject to all of the following: (i) the provisions of this Lease Agreement, (ii) the lawful use of the Leased Premises by any Mineral Operator, other than Authority, of part or all of the Leased Premises or a lessee in an oil, gas or mineral lease granted by any mineral owner, other than Authority, of all or part of the Leased Premises, (iii) to the extent valid and enforceable as to the Leased Premises, those matters of record in Nueces County, Texas, as of the Effective Date, including, but not limited to, patents, restrictive covenants, permits, licenses, easements, and rights-of-way, which are specifically shown in **Exhibit E**, (iv) any unrecorded easements or rights-of-way expressly consented to in writing by Lessee, and (v) all Applicable Laws (collectively, the “**Permitted Encumbrances**”).

**Section 2.06. Reservation of Minerals**

All or part of the Land was patented to the Authority by the State of Texas. Under the terms of the patent, the State of Texas reserved the minerals in, on and under the Land. Authority waives any rights it may have to use the surface of the Land during the Term, except as otherwise expressly provided herein.

**ARTICLE 3**

**CONSTRUCTION OF SHIP DOCK FACILITIES; ORIGINAL LESSEE FACILITIES**

**Section 3.01. Prior Work on the Ship Dock Facilities**

(a) Prior to the Effective Date, Lessee performed conceptual and preliminary engineering designs of an oil dock and berth similar in size, location and capacity to Oil Dock 15 and the Dock 15 Berth. In addition, Lessee has obtained a U.S. Army Corps of Engineers Permit for the construction and maintenance dredging of the dock and berth (the “**USACE Permit**”). As part of the consideration for this Lease, Lessee, to the extent permissible, hereby assigns to the Authority all of its interest in the conceptual and preliminary engineering designs for Oil Dock 15 and the Dock 15 Berth and its interest in the USACE Permit. The Authority shall seek and use all reasonable efforts to obtain an amendment to the USACE Permit that authorizes Dock 15 Berth to be dredged as provided in Section 3.04(b).

(b) Prior to the Effective Date, engineers for the Authority and engineers for the Lessee jointly developed an estimate of the projected costs for construction of the Ship Dock Facilities. This estimate is attached to this Lease Agreement as **Schedule 1** and incorporated herein (the “**Preliminary Cost Projections**”). The total projected cost of the Ship Dock Facilities in the Preliminary Cost Projections is Nineteen Million Five Hundred Thirty-Six Thousand Fifty-Eight Dollars (\$19,536,058) (the “**Estimated Project Cost**”) For purposes of this Lease Agreement, the

term “**Maximum Project Cost**” means one hundred twenty percent (120%) of the Estimated Project Cost.

**Section 3.02. Final Design, Cost, and Construction of the Ship Dock Facilities**

(a) The Authority has engaged or will engage the services of a Design Engineer to complete the engineering design work for the Ship Dock Facilities and to prepare final for construction plans for the Ship Dock Facilities taking into consideration the Preliminary Cost Projections. The Authority and Lessee will continue to work together with the Design Engineer after the Effective Date to expedite the Design Engineer’s preparation of proposed final plans and specifications for the Ship Dock Facilities. The final construction plans and specifications for the Ship Dock Facilities must be approved in writing by an authorized representative of Lessee prior to Authority’s seeking competitive bids for the construction of the Ship Dock Facilities, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate Lessee’s review and approval of the plans and specifications, the Authority will provide Lessee an electronic copy and two (2) hard copy sets of final plans and specifications that clearly define the project. The drawings must be prepared on a standard engineering format and be signed and sealed by a Professional Engineer licensed to practice in the State of Texas. Any approval, comments or denial of such proposed final plans and specifications by the Lessee shall be promptly made to the Authority within ten (10) Business Days after Lessee receives the plans. Further, Lessee shall prepare detailed written comments or responses to the proposed plans in order to direct Authority on the action needed to have the proposed plans revised and approved. Time is of the essence as to approval of these plans and specifications. Therefore, to facilitate approval of the final construction plans and specifications, the Authority will provide the Lessee with the opportunity to review the design, plans, and specifications at regular intervals during the design process, and written comments provided by the Lessee at these interim review points will be forwarded to the Design Engineer for consideration and incorporation into the design, as appropriate. The plans and specifications for the Ship Dock Facilities as finally approved by Lessee and Authority are referred to herein as the “**Final Plans and Specifications**.”

(b) Notwithstanding anything to the contrary contained in Section 3.02(a), the Authority and Lessee understand and agree that it may be more advantageous and expeditious for the Design Engineer to generally divide the Ship Dock Facilities into its civil and marine components (the “**Civil and Marine Work**”) and its mechanical and electrical components (the “**Mechanical and Electrical Work**”) and may separately purchase long lead time equipment such as loading arms. If the Parties agree to do this, the Design Engineer will prepare and the Parties will review one set of Final Plans and Specifications for the Civil and Marine Work, a separate set of Final Plans and Specifications for the Mechanical and Electrical Work, and any separate equipment purchase contracts as needed.

**Section 3.03. Request for Bids**

(a) Once the Authority has received from the Design Engineer the Final Plans and Specifications for either or both the Civil and Marine Work and/or the Mechanical and Electrical Work for the Ship Dock Facilities, as the case may be, or any separate equipment purchase contracts, the Authority will prepare a request for competitive bids for that phase of the construction of the Ship Dock Facilities as described in the Final Plans and Specifications (“**Request for Bids**”). The Authority shall publish the Request for Bids in accordance with the requirements of Chapter 60 of the Texas Water Code within thirty (30) days after the date on which Lessee and the Authority approve the Final Plans and Specifications.

(b) The Authority will notify Lessee of the dollar amount of each bid received and its preliminary determination of the Lowest and Best Bid as soon as practicable after the bids are opened. If the Parties agree that the apparent Lowest and Best Bid for the work to be performed is reasonable, then, subject to the approval of the Authority’s Port Commission, the Authority will award a construction contract (each a “**Construction Contract**”) to the bidder submitting the Lowest and Best Bid, and the Authority shall pay for the construction of the facilities constructed in accordance with the terms of the applicable Construction Contract.

#### **Section 3.04. Construction and Commissioning of the Ship Dock Facilities**

(a) If the Authority awards one or more Construction Contracts for the construction of the Ship Dock Facilities, the Authority shall cause the Ship Dock Facilities to be constructed in accordance with the Final Plans and Specifications. The Authority shall provide Lessee with regular construction updates, including costs spent to-date, for the work performed under the awarded Construction Contract(s).

(b) The Authority shall cause its Contractor to dredge the Dock 15 Berth in accordance with **Exhibit C** and **Appendix Three** and in accordance with the terms and conditions of the USACE Permit, which the Authority shall get amended to permit a 1,100 foot ship berth. The Authority acknowledges and understands that it will be responsible for paying any tipping or dredge disposal fees arising out of the Authority’s capital, new work, dredging obligations under this Section 3.04(b), but any such fees will be part of the Total Project Cost. Parties acknowledge the existing USACE Permit includes a 750 foot ship berth, and should the USACE Permit not be amended in time to construct the 1,100 foot ship berth during the initial construction of the Civil and Marine Work components of the Ship Dock Facilities, Authority will expedite the design, bid, award and construction of a separate construction contract to expand the ship berth from 750 feet to 1100 feet upon receipt of the required permit amendment and approvals.

(c) The Authority shall cause its Contractor to give the Authority and Lessee at least thirty (30) days’ advance notice of the date upon which it intends to begin the Project Commissioning Process (the “**Project Commissioning Date**”). Lessee agrees that it will have the New Martin Pipeline complete to deliver Liquid Bulk Cargo to the Dock 15 Equipment on the Project Commissioning Date. The Authority will give Lessee written notice when the Contractor is actually ready to begin the Project Commissioning Process, and Lessee agrees to provide an OGV at Oil Dock 15 to receive Lessee provided crude oil for purposes of the Project Commissioning Process of the Dock 15 Equipment and related loading accessories within thirty (30) days after the date on which Lessee receives the Authority’s notice. The Authority shall be responsible for any demurrage on the OGV provided by Lessee for the Project Commissioning Process that is attributable to a delay in

beginning the Project Commissioning Process caused by the fault of the Authority, its agents, contractors, employees, or invitees. Should additional work be required on the Dock 15 Equipment in order to complete the Project Commissioning Process, Lessee agrees to continue providing crude oil and the necessary OGVs (with thirty (30) days' notice) to Oil Dock 15 until the Project Commissioning Process has been completed. Lessee acknowledges that the Substantial Completion Notice could be delayed significantly if Lessee is unable to provide the New Martin Pipeline and the required OGVs in a timely fashion to perform and complete the Project Commissioning Process. The Authority agrees that no dockage at Oil Dock 15 will be charged to Lessee during the Project Commissioning Process. The Project Commissioning Process will end on the day that the Authority and Lessee agree in writing that the Dock 15 Equipment is operating in accordance with the Final Plans and Specifications for the Mechanical and Electrical Work.

(d) As soon as the Authority determines that the Ship Dock Facilities are Substantially Complete, which will not be before completion of the Project Commissioning Process, the Authority shall give the Lessee written notice of this determination (the "***Substantial Completion Notice***"). Lessee agrees to assume full responsibility for operating and managing Oil Dock 15 and the Dock 15 Equipment in accordance with the terms and conditions of this Lease beginning at 12:01 a.m. on the following day (the "***Delivery Date***").

(e) As soon as practicable after Authority gives Lessee the Substantial Completion Notice, Authority, in coordination with Lessee, will develop a complete punch list of unfinished items for the Ship Dock Facilities (the "***Punch List***"). Authorized representatives for Authority and Lessee shall sign the Punch List to indicate their approval thereof, and this Punch List may be amended, as required, to better ensure the Punch List includes all the items required to be performed by the Contractor to complete all work included in the Final Plans and Specifications for the Ship Dock Facilities. Authority will work with the Contractor(s) to ensure completion of the Punch List items in a timely fashion. The Lessee will continue to provide access to the Ship Dock Facilities until the Authority's Contractor(s) and subcontractors have completed the Punch List; provided, however, that these Contractor(s) and subcontractors shall not interfere with Lessee's commercial operations. Authority shall require the Authority's Contractors and subcontractors working on the Punch List items to (1) follow all applicable safety rules and regulations, (2) comply fully with Lessee's access program requirements, and (3) comply with other reasonable restrictions imposed by Lessee.

### **Section 3.05. Equipment Donated or Installed by Lessee**

Prior to the Effective Date, Lessee ordered a vapor combustion unit ("***VCU***") with instrumentation for Oil Dock 15. This VCU has a capacity of up to thirty thousand (30,000) Barrels per hour. Lessee has agreed to sell the VCU and have it delivered to the Authority by a date and to a location reasonably determined by the Authority for Two Hundred Seventy Thousand Seven Hundred Fifty Dollars (\$270,750). The Authority shall pay the purchase price of the VCU to Lessee within thirty (30) days after the date of delivery of the VCU. The delivery date will be no earlier than September 1, 2016 and no later than November 1, 2016. Furthermore, Lessee has agreed to sell and deliver the VCU to the Authority on the condition that it be installed on the Leased Premises and leased back to Lessee as part of the Dock 15 Equipment during the Term of the Lease. The Authority will be responsible for installing the VCU on the upland portion of the Land consistent with the representations made in the Texas Commission on Environmental Quality air permit application filed

by Lessee. In the event that the Authority and Lessee mutually agree to install the VCU in a manner different than represented in the air permit application, Lessee will be responsible for an amendment to the air permit application prior to the Project Commissioning Process. Lessee agrees to execute a Bill of Sale or similar instrument to evidence Lessee's sale of the VCU to the Authority upon its delivery to the Leased Premises.

### **Section 3.06. New Martin Pipeline and Original Lessee Facilities**

(a) Lessee shall have the New Martin Pipeline completed, tested, and ready for use to support the Project Commissioning Process on or before the date upon which the Authority's Contractor is ready to begin Project Commissioning process; provided that the Authority has granted to Lessee all necessary easements for the installation of such pipeline no later than ninety (90) days after the Effective Date of this Lease Agreement.

(b) Lessee understands and agrees that it will be installing certain additional facilities necessary to operate Oil Dock 15, such as: on site portable restrooms; cameras to monitor dock activities; dock equipment; and portable gangways (collectively, the "***Original Lessee Facilities***"). A more complete list of the Original Lessee Facilities is attached hereto as **Appendix Four**. Authority will make the Leased Premises available to the Lessee as of the Effective Date and the Lessee shall install the Original Lessee Facilities on the Leased Premises before the Ship Dock Facilities are Substantially Complete. The Original Lessee Facilities will be owned and maintained by Lessee during the Term of this Lease.

(c) While constructing or maintaining the New Martin Pipeline or the Original Lessee Facilities, or carrying on its activities on the Leased Premises and other Authority owned property, Lessee must comply with the *Antiquities Code of Texas* (Texas Natural Resources Code, Chapter 191) and applicable rules promulgated thereunder by the Texas Historical Commission, or its successor. Lessee shall undertake its activities in a manner consistent with public policy relating to the location and preservation of archeological sites and other cultural resources in, on, or under public lands. Lessee shall use the highest degree of care and all reasonable safeguards to prevent the taking, alteration, damage, destruction, salvage, or excavation of cultural resources and/or cultural landmarks. Upon discovery of an archeological site, Lessee shall immediately give written notice of such discovery to Authority and to the Texas Historical Commission, as set out in the Historical Commission's rules. Lessee, its Contractors and employees, shall have no right, title, or interest in or to any archaeological articles, objects, artifacts, or other cultural resources located or discovered on the Leased Premises and other Authority owned property. To the extent that Lessee encounters an archeological site upon the Lease Premises which causes any construction delay, any deadline contained herein for the construction of the New Pipeline or Lessee's Facilities shall be extended by the same time period as the construction delay.

### **Section 3.07. Future Easements**

Authority agrees that it will grant Lessee an easement, utilizing the Authority's historical form of easement agreement and rates in effect at the time, giving Lessee the right to construct pipelines and other utilities connecting Oil Dock 15 with Lessee's Crude Terminal. In addition, Authority will cooperate with Lessee in granting future easements to Lessee for pipelines and utilities for the benefit of the Leased Premises at the rates in effect at that time.



**Section 3.08. Use of Oil Dock 1 during the Construction Period**

(a) The Authority and Lessee entered into a lease agreement dated May 14, 2013 for an oil dock at the Authority's Cargo Dock 10 (the "***Cargo Dock 10 Lease***") located on the north side of the Corpus Christi Turning Basin (the "***Cargo Dock 10 Leased Premises***"). The Cargo Dock 10 Lease provides that if the Authority is notified by any state or federal agency that the use of the Cargo Dock 10 Leased Premises interferes with the design, construction, or relocation of the Harbor Bridge or any of the related bridge facilities, Authority may at Authority's sole discretion, terminate the Cargo Dock 10 Lease (that is, terminate Lessee's right to continue commercial operations at Cargo Dock 10 after the date of the termination notice) by giving Lessee written notice of termination and Lessee shall have 180 days from the date of said notice to vacate and surrender the Cargo Dock 10 Leased Premises to the Authority.

(b) Inasmuch as the Authority has already been notified by the Texas Department of Transportation that Lessee's use of the Cargo Dock 10 Leased Premises interferes with the Harbor Bridge Replacement Project, the Parties agree that, without any further notice from the Authority, the Cargo Dock 10 Lease will terminate on March 31, 2017, and Lessee will remove or cause to be removed all of its personal property and equipment (e.g., pipelines, loading arms, hoses, etc.) from the Cargo Dock 10 Leased Premises no later than March 31, 2017.

(c) The Parties acknowledge it is unlikely that the Commencement Date will occur before the date of termination of the Cargo Dock 10 Lease (i.e., March 31, 2017). If the Commencement Date does not occur before March 31, 2017, the period between March 31, 2017, and the Commencement Date is referred to herein as the "***Interim Period***." Lessee's only viable loading dock during the Interim Period will be the Authority's Oil Dock 1. The Authority agrees that if other companies with loading capacity at their own private oil docks are using the Authority's Oil Dock 1 during the Interim Period, which use interferes with the Lessee's use of Oil Dock 1, the Authority will take all available reasonable actions to cause such companies to use their available private oil docks when possible, so as to maximize the total amount of Liquid Bulk Cargo moving through the Port of Corpus Christi.

**Section 3.09. Use of Other Public Oil Docks during the Operational Period**

Lessee agrees that it will use Oil Dock 15 for its OGVs whenever possible after Lessee receives the Substantial Completion Notice. The Authority understands, however, that Lessee may be required to load or unload an OGV or inland barge at one of the Authority's other public oil docks from time to time because Oil Dock 15 is occupied by another OGV or inland barge or is incapacitated in some way or is otherwise unable to accommodate the applicable OGV or inland barge. In such event, Lessee shall provide timely notice to Authority of the Oil Dock 15 incapacitation, and the total number of Barrels of Liquid Bulk Cargo loaded onto or unloaded from such OGV or inland barge at the other public dock during such period of incapacitation will be deemed to have been loaded or unloaded at Oil Dock 15 for purposes of this Lease Agreement, including the Minimum Guaranteed Throughput and the Actual Annual Throughput.

**ARTICLE 4  
LEASE PAYMENTS**

**Section 4.01. Exclusive Use of Dock 15 Berth**

Lessee agrees to deliver or cause to be delivered to the Authority Ten Million Dollars (\$10,000,000) for the exclusive use of the Dock 15 Berth, as described in paragraph (h) of the Recitals (the “***Exclusive Use Payment***”). The Exclusive Use Payment shall be paid in two equal installments, the first being due the later of (i) thirty (30) days after receipt of the USACE Permit or (ii) thirty (30) days after the Effective Date, and the second being due thirty (30) days after receipt by the Lessee of written notice from the Authority that it has commenced actual construction of Oil Dock 15. If Lessee fails to pay either installment of the Exclusive Use Payment to the Authority by its due date, the Authority may terminate this Agreement by providing written notice to the Lessee. If this Lease terminates pursuant to this Section 4.01, neither Party shall have any further obligations hereunder.

**Section 4.02. Total Project Cost and Capital Recovery Payments**

(a) Within thirty (30) Business Days after making the final payments due under the Construction Contract(s) awarded by the Authority to construct the Ship Dock Facilities, the Authority will provide the Lessee with a statement showing the total amount the Authority actually paid to the Contractor(s) under the Construction Contract(s) and to the Design Engineer for work on the Ship Dock Facilities, together with all other expenditures made by the Authority in connection with the design and construction of the Ship Dock Facilities including but not limited to construction and material testing, inspection services, construction administration, engineering during construction, and the like (collectively, the “***Total Project Cost***”); provided, however, that the Authority’s internal costs will not be included in the Total Project Cost.

(b) For purposes of this Lease Agreement, the term “***Capital Recovery Payment***” means a payment equal to the result of (i) fifty-four and one-half percent (54.5%) of the lesser of the Total Project Cost or the Maximum Project Cost (the “***Recoverable Project Cost***”), divided by (ii) forty-eight (48). For example, if the Recoverable Project Cost is Eighteen Million Dollars (\$18,000,000), the Capital Recovery Payment would be Two Hundred Four Thousand Three Hundred Seventy-Five Dollars (\$204,375).

(c) As a material inducement for the Authority to enter into this Agreement and construct the Ship Dock Facilities, Lessee hereby agrees to make forty-eight (48) monthly Capital Recovery Payments to the Authority on or before the first (1<sup>st</sup>) day of each and every calendar month during the four-year period beginning May 1, 2017 and ending April 30, 2021. The first Capital Recovery Payment shall be due and payable on or before May 1, 2017 and the last Capital Recovery Payment shall be due and payable on or before April 1, 2021.

(d) If the Total Project Cost has not been finally determined by April 15, 2017, the Parties will use the Estimated Project Cost for purposes of determining the amount of the Capital Recovery Payments until the Recoverable Project Cost has been finally determined, at which time Lessee and the Authority will true-up the Capital Recovery Payments made to date and determine the exact amount of the remaining Capital Recovery Payments. In any case, the sum of the Capital Recovery Payments shall equal 54.5% of the Recoverable Project Cost.

(e) If this Lease or Lessee's right to possession of the Leased Premises terminates in accordance with Section 2.03 or due to an Event of Default by Lessee before Lessee has paid 54.5% of the Recoverable Project Cost as required under this Section 4.02, Lessee shall pay to the Authority within ten (10) Business Days after the date of such termination an amount equal to the amount by which 54.5% of the Recoverable Project Cost exceeds the sum of the Capital Recovery Payments actually made to the Authority on or before such termination.

**Section 4.03. Annual Base Rent during the Initial Term**

(a) Subject to the reduction provided for Section 4.03(d), for the first Lease Year of the Initial Term, Lessee shall pay to Authority an Annual Base Rent equal to the product of (i) the number of acres in the Leased Premises on the first day of the first Lease Year, multiplied by (ii) Fifty Thousand Dollars (\$50,000).

(b) Subject to the reduction provided for in Section 4.03(d), for each Lease Year of the Initial Term after the first Lease Year of the Initial Term, Lessee shall pay to Authority an Annual Base Rent equal to the product of (i) the Annual Base Rent for the prior Lease Year, multiplied by (ii) the CPI Adjustment Factor for the current Lease Year.

(c) The Annual Base Rent for each Lease Year during the Initial Term shall be paid in equal monthly installments of one-twelfth ( $1/12^{\text{th}}$ ) of the Annual Base Rent for such Lease Year and shall be paid on the first (1st) day of each calendar month during such Lease Year, in advance, commencing on the first (1st) day of such Lease Year.

(d) Notwithstanding anything to the contrary contained in this Section 4.03, the monthly installments of the Annual Base Rent due and payable during the Construction Period shall be sixty percent (60%) of the amount otherwise payable pursuant to Section 4.03.

**Section 4.04. Annual Base Rent During Each Extension Period**

(a) The Annual Base Rent for the first Lease Year of each Extension Period shall be determined as follows:

(1) If the Authority causes the Equalization Value of the Land to be redetermined for an Extension Period in accordance with Section 4.08, the Annual Base Rent for the first Lease Year of such Extension Period will be equal to the product of (i) the number of acres in the Leased Premises on the first day of this first Lease Year, multiplied by (ii) ten percent (10%) of the Equalization Value of the Land per acre for such Extension Period as determined in accordance with Section 4.08(b),

(2) If the Authority does not cause the Equalization Value of the Land to be redetermined for an Extension Period in accordance with Section 4.08, the Annual Base Rent for the first Lease Year of such Extension Period will equal the product of (i) the Annual Base Rent for the prior Lease Year, multiplied by (ii) the CPI Adjustment Factor for the first Lease Year of such Extension Period.

(b) For each Lease Year of an Extension Period after the first Lease Year of such

Extension Period, Lessee shall pay to Authority an Annual Base Rent equal to the product of (i) the Annual Base Rent for the prior Lease Year, multiplied by (ii) the CPI Adjustment Factor for the current Lease Year.

(c) The Annual Base Rent for each Lease Year during an Extension Period shall be paid in equal monthly installments of one-twelfth ( $1/12^{\text{th}}$ ) of the Annual Base Rent for such Lease Year and shall be paid on the first (1st) day of each calendar month during such Lease Year, in advance, commencing on the first (1st) day of such Lease Year.

**Section 4.05. Wharfage Deficit Payments for Insufficient Adjusted Actual Throughput**

(a) Lessee guarantees that the Adjusted Actual Throughput for each Operational Year will equal or exceed the Minimum Guaranteed Throughput (as hereinafter defined) applicable to that Operational Year.

(b) For purposes of this Lease Agreement, the “**Minimum Guaranteed Throughput**” for the First Operational Year will equal the product of (1)\_sixty thousand (60,000) Barrels of Liquid Bulk Cargo, multiplied by (2) the actual number of days in the First Lease Year.

(c) For purposes of this Lease Agreement, the “**Minimum Guaranteed Throughput**” for the Second Operational Year, the third Operational Year, and the fourth Operational YearTerm will equal twenty-one million nine hundred thousand (21,900,000) Barrels of Liquid Bulk Cargo.

(c) For purposes of this Lease Agreement, the “**Minimum Guaranteed Throughput**” for the Second Operational Year, third Operational Year and fourth Operational Year will equal twenty-one million nine hundred thousand (21,900,000) Barrels of Liquid Bulk Cargo for each Operational Year.

(d) For purposes of this Lease Agreement, the “**Minimum Guaranteed Throughput**” for each Operational Year during any Extension Period will equal the greater of (i) twenty-nine million two hundred thousand (29,200,000) Barrels of Liquid Bulk Cargo, or (ii) sixty percent (60%) of the Actual Annual Throughput for the prior Operational Year.

(e) Notwithstanding anything to the contrary contained in this Section 4.05, for purposes of this Lease Agreement, the “**Minimum Guaranteed Throughput**” for the Last Operational Year shall equal the product of (i) the Minimum Guaranteed Throughput for that Operational Year, calculated under Section 4.05(c) or Section 4.05(d), as is applicable, multiplied by (ii) a fraction, the numerator of which is the number days in the Last Operational Year, and the denominator of which is 365; provided, however that if the Last Operational Year occurs within the First Operational Year the “**Minimum Guaranteed Throughput**” for the Last Operational Year shall equal the product of of (1)\_sixty thousand (60,000) Barrels of Liquid Bulk Cargo, multiplied by (2) the actual number of days in the Last Lease Year.

(f) If the Adjusted Actual Throughput for any Operational Year is less than the Minimum Guaranteed Throughput for that Operational Year, Lessee agrees to make a Wharfage Deficit Payment to the Authority within sixty (60) days after the end of such Operational Year equal to the product of (A) the number of Barrels by which the Minimum Guaranteed Throughput

exceeds the Adjusted Actual Throughput for such Operational Year, multiplied by (B) the Authority's Wharfage Rate for Liquid Bulk Cargo on the last day of such Operational Year. Lessee hereby agrees to make the Wharfage Deficit Payments described in this Section 4.05 as a material inducement for the Authority to enter into this Lease Agreement and construct the Ship Dock Facilities.

(g) Lessee shall keep and maintain a complete and accurate set of books and records showing all of the foregoing information in order that the Authority may ascertain therefrom the amount of any Wharfage Deficit Payment payable to the Authority hereunder, and such books and records shall be subject to the inspection of the Authority, its agents and attorneys, with three (3) days' prior written notice during normal hours of business operations.

#### **Section 4.06. Late Payment Penalties**

If Lessee should fail to pay Authority any sum to be paid by Lessee to Authority hereunder within thirty (30) days after such payment is due, interest on the unpaid amount shall accrue at a rate of twelve percent (12%) per annum or the maximum rate allowed by law, whichever is less, from the date payment was due until the date payment is made. Failure to pay such interest within thirty (30) days after Lessee's receipt of written demand shall be an Event of Default under this Lease. Following the dishonor of any check presented for payment, Authority shall have the right, at Authority's option, to require all further payments to be made by certified check or wire transfer. For purposes of this Section, any adjustment payment made by Lessee to correct a prior underpayment shall be treated as due on the date such underpayment was due.

#### **Section 4.07. Place of Payment**

All Lease Payments and any other payments required to be made by Lessee to Authority hereunder shall be (i) made by electronic transfer to an account to be designated in writing by Authority, (ii) delivered to the Authority's administrative offices at 222 Power Street, Corpus Christi, Texas, or such other physical address as Authority may designate in writing from time to time, or (iii) mailed to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at such other mailing address as Authority shall designate in writing. All Lease Payments and any other payments required to be made by Lessee to Authority hereunder must be paid in legal tender of the United States of America without notice, demand, abatement, deduction or offset, except as otherwise provided herein.

#### **Section 4.08. Equalization Value of the Land**

(a) The "*Equalization Value of the Land*" or "*Equalization Value*" means the approximate fair market value per acre of the Land (without this Lease or any improvements) as determined by or on behalf of the Authority from time to time. The Equalization Value of the Land for the Initial Term has been fixed at Five Hundred Thousand Dollars (\$500,000) per acre.

(b) Authority may determine the Equalization Value of the Land with respect to each Extension Period in accordance with the following procedures:

(1) To determine the Equalization Value of the Land with respect to an Extension Period, the Authority must give Lessee written notice of its good faith estimate of the current fair market value per acre of the Land (exclusive of this Lease or any improvements) at least ninety (90) days prior to the beginning of such Extension Period. Unless Lessee objects to the Authority's proposed Equalization Value of the Land with respect to an Extension Period as provided herein, the Equalization Value of the Land for such Extension Period shall be Authority's proposed Equalization Value.

(2) If Lessee is not notified of a new Equalization Value of the Land with respect to an Extension Period at least ninety (90) days before the beginning of such Extension Period, it shall be conclusively presumed that Authority has waived its right to determine the Equalization Value of the Land with respect to that Extension Period.

(3) In the event Lessee does not agree with the Authority's proposed Equalization Value of the Land for an Extension Period, Lessee shall have the option, to be exercised in writing to Authority within ten (10) days after the date notice is received by the Lessee of the proposed Equalization Value, to request that the Equalization Value of the Leased Premises for such Extension Period be determined by appraisal as provided in this subsection (b).

(4) If Lessee asks to have the Equalization Value of the Land determined by appraisal, within ten (10) days after such request, the Authority and the Lessee will agree on a Qualified MAI Appraiser to prepare a written appraisal establishing the Equalization Value of the Land. The Parties shall each pay one-half (1/2) of the cost of the appraisal.

(5) The selected appraiser will have thirty days (30) from retention to determine the Equalization Value of the Land (exclusive of this Lease or any improvements) for the applicable Extension Period, and the Equalization Value of the Land for such Extension Period shall be the Equalization Value determined by the appraiser, and the appraiser's decision will be final and binding on the Parties to this Lease Agreement.

(6) For a period of ten (10) days after the later of (i) the date that the Authority delivers its good faith estimate of the current fair market value per acre of the Land, and (ii) the date the Lessee receives a written report from the selected appraiser, Lessee shall have the option to terminate this Lease Agreement and surrender the Leased Premises effective at Midnight, Central Time, on the day before the beginning of the applicable Extension Period

#### **Section 4.09. Fees Payable under Authority's Tariff**

Although not part of the Lease Payments required under this Lease, Lessee acknowledges, understands and agrees to pay the Authority's wharfage fees on all Liquid Bulk Cargo moving across Oil Dock 15, the Authority's dockage fees on all OGVs and inland barges berthed at Oil



Dock 15 or adjacent to a ship berthed at Oil Dock 15, the Authority's security surcharge on all wharfage and dockage, and all other Authority charges applicable to Oil Dock 15 or business being conducted at Oil Dock 15 under the Authority's Tariff, as amended from time to time for which the Lessee is responsible under the Authority's Tariff. Lessee understands and agrees that a failure to pay any amounts due by Lessee under the Authority's Tariff, within the time periods described in the Authority's Tariff shall constitute a breach of this Lease.

#### **Section 4.10. Additional Charges**

All taxes payable by Lessee pursuant to Section 9.02, insurance premiums payable by Lessee pursuant to **Exhibit F**, insurance deductibles payable pursuant to Section 10.03, utility charges payable by Lessee pursuant to Section 9.01, reimbursement for removing Removable Lessee Facilities payable by Lessee pursuant to Section 12.02(a), reimbursement for environmental cleanup and mitigation payable by Lessee pursuant to Sections 18.02(d) and 18.02(e), and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Leased Premises which are payable by Lessee under the terms of this Agreement, which may arise or become due during the Term, or by reason of events then occurring, shall be paid or discharged by Lessee as additional payment obligations hereunder (together, "***Additional Charges***"). **Lessee shall indemnify, defend and save the Authority Parties harmless from and against any and all loss, cost or damage, including, without limitation, reasonable attorneys' fees, incurred or sustained by any of them as a result of the failure of Lessee to timely and fully pay all such Additional Charges due and payable.**

#### **Section 4.11. Net Rent**

Authority and Lessee do each state and represent that it is their respective intention that this Lease be interpreted and construed as a net lease and that all Lease Payments shall be paid by Lessee without abatement, deduction, diminution, deferment, suspension, or set off.

### **ARTICLE 5 USE OF SHIP DOCK FACILITIES AND LEASED PREMISES**

#### **Section 5.01. Permitted and Prohibited Uses**

(a) The Land and the Ship Dock Facilities may be used for loading and unloading (1) OGVs and (2) inland barges (after the Barge Fendering System required by Section 5.01(g) has been installed), and for transporting Liquid Bulk Cargo to or from Oil Dock 15. The foregoing uses of the Leased Premises and the Ship Dock Facilities are collectively referred to in this Lease Agreement as the "***Permitted Uses***."

(b) Lessee will not use the Land or the Ship Dock Facilities for any purpose other than the Permitted Uses without the express prior written consent of the Authority, which may be given or withheld by the Authority's Port Commission in its sole discretion. The foregoing restriction shall not prohibit the transport of any materials to or from the Leased Premises for the construction, operation, maintenance, and repair of any of the Lessee's Facilities.

(c) Lessee will not use, occupy or permit the use or occupancy of the Land or the Ship Dock Facilities for any purpose or in any manner which would violate (i) orders, injunctions, writs, statutes, rulings, rules, regulations, directives, permits, certificates or ordinances of any Governmental Authority applicable to Lessee, the Land or the Ship Dock Facilities, including zoning, environmental and utility conservation matters; (ii) Authority's Tariff; (iii) applicable insurance requirements; or (iv) the Permitted Encumbrances.

(d) The Parties agree that neither Party will voluntarily permit any portion of the Land to be used for the purpose of drilling an oil or gas well, and Authority acknowledges that the drilling of any oil or gas well on the surface of the Land would interfere with and be injurious to Lessee's proposed use or uses of the Land and Ship Dock Facilities for industrial purposes.

(e) Lessee hereby represents and warrants to Authority that Lessee's construction, occupancy, operation or use of the Land and Ship Dock Facilities will be and remain in compliance with Applicable Laws in all material respects.

(f) Authority hereby represents and warrants to Lessee that Authority's construction, of the Ship Dock Facilities will be in compliance with Applicable Laws in all material respects.

(g) No inland barges may be loaded or unloaded or moored at Oil Dock 15 unless Authority installs at Lessee's expense an Authority approved independently supported barge fendering system on Oil Dock 15 ("***Barge Fendering System***") to protect it from damage due to the berthing, loading and unloading of inland barges. In such event, the Barge Fendering System shall become part of Oil Dock 15.

#### **Section 5.02. Rights of Authority to Access the Leased Premises**

Authority reserves the right, subject to Lessee's consent, not to be unreasonably withheld, to install, maintain, inspect and repair gas lines, water lines, sewer lines, pipelines, power transmission lines, fiber optic cable, and related poles and attachments on the perimeter of the Leased Premises and in other locations within the Leased Premises, which do not interfere (in Lessee's sole but reasonable opinion) with Lessee's intended use of the Leased Premises. Authority also reserves the right, subject to Lessee's consent, not to be unreasonably withheld, to grant easements and rights of way on the perimeter of the Leased Premises and in other locations within the Leased Premises, which do not interfere (in Lessee's sole but reasonable opinion) with Lessee's intended use of the Leased Premises, for gas lines, water lines, sewer lines, pipelines, power transmission lines, fiber optic cable, and related poles and attachments. The locations of any such lines or easements or rights of way shall be subject to Lessee's prior written approval, in its sole but reasonable discretion, provided in no event shall Lessee be required to approve any location that shall or may interfere with Lessee's intended use of the Leased Premises. Authority has the right to use third parties for the performance of the rights reserved to Authority in this Section, provided Authority shall cause such third party contractors to (1) follow all applicable safety rules and regulations, (2) comply with Lessee's access program requirements including insurance, and (3) comply with other reasonable restrictions imposed by Lessee.

#### **Section 5.03. Mooring of Vessels**

Only OGVs (not to exceed the design limitations of the Dock 15 Berth as shown on **Exhibit C**) and inland barges (after installation of the Barge Fendering System) being loaded or unloaded by Lessee may be moored along the water frontage of Oil Dock 15. Mooring non-commercial ships of third-parties (unrelated to Lessee's operations or unaffiliated with Lessee), including pleasure craft and houseboats, is prohibited.

**Section 5.04. Laborers and Materials**

**Lessee will pay for all labor and services performed for, materials used by, or furnished to, any Contractor employed by Lessee with respect to the Leased Premises and defend, indemnify and hold Authority and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by Lessee's failure to pay for labor or materials provided to the Leased Premises at the direction of Lessee or any Contractor employed by Lessee.** If Lessee elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with such labor, services or materials, Lessee agrees to include Authority as an additional obligee thereunder.

**Section 5.05. Building Code**

All of the Lessee's Facilities must comply with all applicable building codes and the provisions of the Port of Corpus Christi Authority Design and Construction Guidelines found in the current Port of Corpus Christi Authority Project Manual, which may be obtained from Authority's Department of Engineering Services and which are applicable to all of the Authority's tenants. In instances where applicable building codes and the Port of Corpus Christi Authority Project Manual do not agree, the more stringent standard will apply.

**Section 5.06. Side Yard Limits**

None of the Lessee's Facilities, other than fences, may be constructed within five (5) feet of the boundary of the Leased Premises except upon the express written consent of Authority.

**Section 5.07. Signs**

Except as may be required by Applicable Law, Lessee may not place any signs at or on the Leased Premises nor paint any signs on any building on the Leased Premises unless first approved in writing by the Director of Engineering Services of Authority, which approval shall not be unreasonably denied, delayed or conditioned. Lessee must remove all its signs when this Lease Agreement expires or terminates and repair any damage resulting from erecting or removing the signs.

**Section 5.08. Floodplain**

Lessee acknowledges that Lessee has been advised by Authority that the Leased Premises is in the currently effective FEMA 100-year floodplain and that construction of improvements on the Leased Premises must conform to Applicable Laws pertaining to construction of Lessee's Facilities in a floodplain.

**ARTICLE 6**  
**NEW LESSEE FACILITIES; ALTERATION OF SHIP DOCK FACILITIES**

**Section 6.01. Approval of New Lessee Facilities**

(a) With the approval of the Authority in accordance with this Section 6.01, Lessee shall be permitted to construct such improvements on the Leased Premises after the Delivery Date as it deems necessary or desirable in connection with the uses of the Leased Premises permitted in this Lease Agreement (collectively, the “***New Lessee Facilities***”), provided these improvements do not interfere with or substantially modify Oil Dock 15 or the Dock 15 Equipment. Any New Lessee Facilities will be owned by Lessee during the Term of this Lease.

(b) Lessee must submit to Authority plans (the “***Plans***”) for any New Lessee Facilities and they 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 New Lessee Facilities must be submitted to Authority for its prior approval. The drawings must be prepared on a standard engineering format (24” x 36” drawings) and in an electronic file format acceptable to the Authority and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. In addition, a detailed site plan (minimum 1" = 50' scale) depicting the location and physical layout of the New Lessee Facilities must be submitted to the Authority. The Authority will respond to the request for review of the Plans within thirty (30) Business Days after submittal. The Authority may take no exception to the Plans, take no exception subject to comments, request additional information, or disapprove the Plans. The final Plans as accepted by the Authority are referred to herein as the “***Approved Plans***.” The Authority’s acceptance of Approved Plans for New Lessee Facilities may never be construed as representing or implying that the New Lessee Facilities are properly designed.

**Section 6.02. Construction of New Lessee Facilities**

(a) Lessee shall, at its sole cost and expense, provide all work and materials of whatsoever nature necessary to construct the New Lessee Facilities in accordance with the Approved Plans relating thereto. All New Lessee Facilities shall be constructed promptly and in a good and workmanlike manner and in compliance with Applicable Laws and the Approved Plans.

(b) Lessee shall, at its sole cost and expense, obtain any and all requisite building, construction, zoning and other licenses, variances, permits and approvals relating to the construction of the New Lessee Facilities.

(c) Upon issuance of all necessary permits, Lessee shall promptly undertake the construction of the New Lessee Facilities and diligently prosecute such construction to completion. The following provisions shall govern the construction of the New Lessee Facilities:

(i) During construction, Lessee shall pay for all electricity, water and other utilities consumed in performing such construction. Lessee shall be responsible for the

removal of all construction debris and trash relating to the construction of the New Lessee Facilities.

(ii) All such work shall conform to the applicable statutes, ordinances, laws, codes and governmental regulations. Meter cost fees, tapping, use and capital charges incurred by reason of supplying utilities to the Leased Premises during construction are to be paid by Lessee.

(iii) All of the Contractors performing any such work shall be licensed contractors, capable of performing quality workmanship.

(iv) Lessee shall take all reasonably necessary measures to minimize any damage, disruption or inconvenience in the area of the Leased Premises caused by such construction, and make adequate provision for the safety and convenience of all persons affected thereby. Dust, noise and other effects of such construction shall be controlled using accepted methods customarily utilized in order to control such conditions. Lessee shall not permit dirt, debris, equipment, trash or the like to be located outside of the Leased Premises, except as otherwise agreed to by Authority and Lessee.

(v) Within sixty (60) days after the completion of the work depicted on the Approved Plans, Lessee will provide Authority with one (1) 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) New Lessee Facilities on the Leased Premises may not be constructed nearer than 8.5 feet to the centerline of any existing railroad track on or adjacent to the Leased Premises, except upon the express written approval of Authority.

(e) While constructing or maintaining New Lessee Facilities, or carrying on its activities, on the Leased Premises, Lessee must comply with the *Antiquities Code of Texas* (Texas Natural Resources Code, Chapter 191) and applicable rules promulgated thereunder by the Texas Historical Commission, or its successor. Lessee shall undertake its activities on the Leased Premises in a manner consistent with public policy relating to the location and preservation of archeological sites and other cultural resources in, on, or under public lands. Lessee shall use the highest degree of care and all reasonable safeguards to prevent the taking, alteration, damage, destruction, salvage, or excavation of cultural resources and/or cultural landmarks on the Leased Premises. Upon discovery of an archeological site, Lessee shall immediately give written notice of such discovery to Authority and to the Texas Historical Commission, as set out in the Historical Commission's rules. Lessee, its Contractors and employees, shall have no right, title, or interest in or to any archaeological articles, objects, artifacts, or other cultural resources located or discovered on the Leased Premises.

### **Section 6.03. Alterations, Improvements and Additions to Ship Dock Facilities**

(a) Lessee shall have no right to and shall not make any alterations, improvements and/or additions to the Ship Dock Facilities without first obtaining Authority's prior written approval, which shall not be unreasonably withheld. Prior to making any such alterations,

improvements or additions, Lessee shall submit to Authority plans and specifications therefor for Authority's prior written approval.

(b) No alterations, improvements or additions to the Ship Dock Facilities shall be undertaken until Lessee shall have procured and paid for, so far as the same may be required from time to time, all federal, state and local permits and authorizations of the various Governmental Authorities having jurisdiction thereof.

(c) All such alterations, improvements and/or additions to the Ship Dock Facilities shall be done promptly and in a good and workmanlike manner and in compliance with Applicable Laws. The cost of any such alterations, improvements and/or additions shall be paid by Lessee so that the Leased Premises and all portions thereof shall at all times be free of liens for labor and materials supplied to the Leased Premises, or any portion thereof.

(d) All improvements, additions and alterations to the Ship Dock Facilities made or installed by Lessee shall immediately, upon completion or installation thereof, become the property of Authority without payment therefor by Authority, and shall be surrendered to Authority on the expiration of the Term (unless the Parties agree to the contrary).

## **ARTICLE 7 REPAIRS AND MAINTENANCE OF SHIP DOCK FACILITIES**

### **Section 7.01. Repairs and Maintenance of the Dock 15 Equipment**

(a) At Lessee's sole cost and expense throughout the Term, Lessee shall take good care of the Dock 15 Equipment and shall keep the same in good order, condition and repair, ordinary wear and tear excepted. Lessee shall timely and properly repair and maintain all of the Dock 15 Equipment in accordance with the highest of the following standards: (i) the manufacturer's recommended maintenance schedule which is necessary so as not to void, diminish or impair any warranty for such item from time to time in effect; or (ii) that which is generally recognized as the industry standard for the required maintenance and repair of each such item. If the foregoing standards cannot be achieved, Lessee at Lessee's cost will replace the item with a new item or construction that does meet the foregoing standards. All of Lessee's obligations and requirements described in this Section 7.01 are herein collectively referred to as "*Lessee's Repair and Maintenance Obligations*."

(b) Authority or Authority's wharfinger, at Authority's expense, may inspect the Dock 15 Equipment, and the systems or segments thereof, at any reasonable time to determine Lessee's compliance with this Section 7.01. In the event such inspection(s) discloses a failure on the part of Lessee to properly and/or timely perform Lessee's Repair and Maintenance Obligations, Authority shall deliver to Lessee, in writing, a copy of such inspection(s) report. Thereafter, as part of Lessee's Repair and Maintenance Obligations, Lessee shall promptly undertake necessary corrective action to remedy such failure. If such failure is of a material nature, upon the completion of the corrective action, at Lessee's sole cost and expense, Lessee shall cause a further inspection report to be prepared by an independent inspector, qualified in the specific discipline, setting forth the manner in and extent to which such corrective action was taken. Such further inspection(s) report shall be promptly delivered to Authority for the Authority's approval.



(c) If Lessee does not timely or properly perform Lessee's Repair and Maintenance Obligations as herein provided, after thirty (30) days' notice to Lessee (except in the event of an emergency or extraordinary condition), Authority may, but is not obligated to, make necessary and required repairs, replacements or maintenance. Lessee shall pay to Authority all of Authority's actual costs incurred in connection therewith, plus a fee of ten percent (10%) of such cost, forthwith upon being billed therefor. Authority may, but shall not be required to, enter the Leased Premises at all reasonable times upon reasonable notice (except in the instance of an emergency) to make necessary and required repairs to the Dock 15 Equipment, as Authority deems reasonably necessary and which Lessee failed to do as required in this Lease after written notice from Authority.

(d) In order to facilitate Lessee's obligations under this Section 7.01, on the Delivery Date the Authority will assign all of its rights in any manufacturer's warranty covering any portion of the Dock 15 Equipment to the Lessee.

**Section 7.02. Repairs and Maintenance of Oil Dock 15**

(a) At Lessee's sole cost and expense throughout the Term, Lessee shall take good care of Oil Dock 15 and shall keep the same in good order and condition and shall make and perform all maintenance and repair thereof. Lessee's maintenance and repair responsibilities shall include, without limitation, the maintenance of Oil Dock 15, including the dock platform, fender systems, breasting structures, mooring facilities, erosion control relating to the Oil Dock 15, and all structural components of the Oil Dock 15 and appurtenances. When used in this Section 7.02, "**repairs**" shall specifically include, without limitation, all necessary replacements, renewals and alterations.

(b) When Oil Dock 15 requires any repairs other than minor repairs, upon discovery by Lessee, it shall promptly notify the Authority of the need for such repairs and Lessee shall timely and properly make such repairs to return Oil Dock 15 to the condition that existed on the Commencement Date, ordinary wear and tear excepted. The time permitted for Lessee to effectuate these repairs shall be extended for such period as may reasonably be necessary; provided, however, that Lessee shall continuously, diligently and in good faith prosecute the same. All such repairs made by the Lessee shall be at least equal in quality to the original work and, in all events, shall be made by the Lessee in compliance with Applicable Laws. The necessity for such repairs shall be measured by the standards which are appropriate for improvements of similar construction and class.

(c) In addition, Authority or Authority's wharfinger, at Authority's expense, may inspect Oil Dock 15, and the systems or segments thereof, at any reasonable time to determine whether any repairs are needed. In the event such inspection(s) disclose any necessary repairs, Authority shall deliver to Lessee, in writing, a copy of such inspection(s) report. Thereafter, Lessee shall promptly undertake to make such repairs.

(d) If Lessee does not timely or properly perform Lessee's repair obligations under this Section 7.02 and if Lessee does not commence such repair obligations within sixty (60) days after receiving written notice from the Authority to make such repairs and continuously, diligently and

in good faith prosecute the same to completion, Authority may undertake the required repairs. Lessee shall pay to Authority all of Authority's actual costs incurred in connection therewith, plus a fee of ten percent (10%) of such cost, forthwith upon being billed therefor. Authority may enter the Leased Premises at all reasonable times upon reasonable notice to make required repairs to Oil Dock 15 which Lessee failed to make as required in this Lease after written notice from Authority in accordance with this this Section.

**Section 7.03. Maintenance and Special Dredging of the Dock 15 Berth**

(a) The Authority will be responsible for performing or causing to be performed all maintenance dredging required for the Dock 15 Berth. The Authority agrees to maintain the Dock 15 Berth to a depth equal to the maintained depth of the portion of the Corpus Christi Ship Channel directly adjacent to the Dock 15 Berth, and no deeper than the permitted depth of the Dock 15 Berth, excluding advanced maintenance and allowable overdepth.

(b) After the Dock 15 Berth is constructed, the Authority will include the Dock 15 Berth in its regular maintenance dredging program for public docks. Authority will coordinate with Lessee on dock closures to perform maintenance dredging to minimize impacts to Lessee's operations.

(c) Lessee agrees (i) provided that the Authority has properly maintained the depth of the Dock 15 Berth, to ensure the Approved Vessels berthed at Oil Dock 15 are loaded to limits preventing them from striking the bottom due to lowering of the water level from passing vessels, and (ii) to inform the Authority if Lessee becomes aware that the Dock 15 Berth is in need of dredging maintenance.

(d) Authority shall be responsible for any fees and charges the Authority must pay to the U.S. Army Corps of Engineers or Federal Government for the right to use, or raise the height of the levees of, any Federally designated dredge material placement area to accommodate maintenance dredge material from Dock 15 Berth.

**ARTICLE 8  
LESSEE'S INSURANCE AND INDEMNITY**

**Section 8.01. Lessee's Insurance**

Lessee shall satisfy the insurance requirements set forth in **Exhibit F** attached hereto, which is incorporated in this Lease Agreement.

**Section 8.02. Waiver of Subrogation**

**Subject to this Section 8.02, Authority and Lessee each hereby waive any and every claim for recovery from the other (regardless of the negligence of the non-waiving party) for any and all loss or damage to the Ship Dock Facilities or to the Lessee's Facilities, which loss or damage is covered by the provisions of any property insurance policy carried, or would have been covered by the provisions of any property insurance policy required to be carried, by either Party pursuant to this Lease. Inasmuch as this mutual waiver will preclude (subject to**

this Section 8.02) the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Authority and Lessee each agree to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of such insurance coverage by reason of such waiver. Anything in this Section 8.02 to the contrary notwithstanding, if at any time during the Term the waiver of subrogation clause required to be maintained by Authority and Lessee, respectively, is no longer available on terms which are commercially reasonable, then Authority and Lessee shall, in good faith, find a mutually acceptable alternative to the benefits afforded each other as a result of such mutual waiver of subrogation.

**Section 8.03. Indemnification by Lessee**

(a) As used in this Section 8.03, each of the following terms shall have the meanings set forth as follows:

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

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

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

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

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

(b) Subject to the terms of this Section 8.03, Lessee shall Defend and Indemnify the Indemnified Persons from and against all Claims resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the following matters (these Claims being referred to herein as the ***“Indemnified Claims”***):

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

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

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

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

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

But, in each such case, only to the extent of the negligence or other legal fault of Lessee or Lessee Parties.

(c) The Indemnities and obligations to Defend in this Section 8.03 shall be enforced to the fullest extent permitted by Applicable Laws for the benefit of the applicable Indemnified Persons, are independent of, and will not be limited by, each other or any insurance obligations in this Lease (whether or not complied with) and shall survive the expiration or termination of this Lease until all Claims against the Indemnified Persons are time-barred under Applicable Laws.

(d) In claims against any Indemnified Persons by or for an employee of a Lessee Party, the Lessee's indemnification obligation under this Section 8.03 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against any Indemnified Persons liable to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Indemnified Persons or a settlement by the Indemnified Persons, Lessee expressly agrees to reimburse and hold harmless the Indemnified Persons for the damages based on such judgment or settlement to the extent provided in this Section 8.03.

(e) Except as otherwise expressly limited in this Section 8.03, it is the intent of the Parties that all indemnity obligations and liabilities contracted for in this Lease Agreement be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on the Land or as the result of an indemnification agreement with a third party), and will not be limited by any exclusive liability provision of the Texas Workers' Compensation Act. The indemnity contained in this Section 8.03 applies, without monetary limitation, to any violation of any law, rules or regulations referred to in Section 18.02 in effect during the Term of this Lease Agreement, and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the Term of this Lease Agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any law, rules or regulations referred to in Section 18.02 at the time of its existence or occurrence.

(f) If any action or proceeding is brought against any Indemnified Persons by reason of any Indemnified Claim described in this Section 8.03, the Indemnified Persons will be represented by their general counsel, or another attorney selected by the Indemnified Persons and approved by Lessee, which approval will not be unreasonably withheld.

(g) If Lessee should fail or refuse, after written notice to Lessee that the Indemnified Persons intend to make a settlement of an Indemnified Claim, to participate in the settlement of such Indemnified Claim, then the Indemnified Persons may settle with the claimant without prejudice to the Indemnified Persons' indemnity rights set forth herein.

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

#### **Section 8.04. Notice of Claims**

The Authority shall give the Lessee prompt and timely notice of any Claims made or instituted against it or any Authority Parties, of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to Section 8.03. Subject to the prior rights, if any, of insurers, the Lessee shall be entitled to control the defense and any compromise of any such Claims to the extent of any actual or potential claim for indemnification made or reserved by the Authority, but the Lessee shall give the Authority the opportunity to participate in the defense and any compromise of any such Claim to the extent of the Authority's interest therein.

### **ARTICLE 9 UTILITIES, SECURITY AND TAXES**

#### **Section 9.01. Utilities, Securities and Other Services**

(a) Lessee agrees to pay when due all charges it incurs for the following services to the Leased Premises: (i) water, gas, electricity, and any other utilities, (ii) garbage service, (iii) security or guard services, (iv) railroad services in connection with the Leased Premises, and (v) firefighting services provided by the Refinery Terminal Fire Company and/or the City of Corpus Christi Fire Department in response to fires at the Leased Premises or on OGVs and inland barges docked at Oil Dock 15. Authority will not furnish any of these services to Lessee except pursuant to a separate written agreement between the Parties. If at Lessee's request or because of Lessee's failure to pay for services to the Leased Premises Lessee has contracted for, Authority (following written notice to Lessee and an opportunity to cure for at least thirty (30) days after such notice) provides any such services to the Leased Premises or pays the cost for any such services, Lessee will pay to Authority the reasonable cost of such services as additional rent upon receiving Authority's invoice. Payment shall be made pursuant to the terms of said invoice.

(b) Lessee will provide, at its expense, its own security safeguards for the Leased Premises and Lessee's Facilities. Lessee and its security employees or contractor will cooperate with Authority's Port Police Department, and will comply, to the extent applicable, with the requirements of Authority's Tariff Item 669 or as Item 669 may appear in a replacement of Authority's Tariff.

**Section 9.02. Property Taxes**

(a) During the Term of this Lease, Lessee covenants and agrees to pay, before any fine, penalty, interest or cost may be added thereto for nonpayment thereof, all ad valorem or real estate taxes, including any “payments-in-lieu-of-taxes,” assessments, fees or charges imposed on the Lessee’s Facilities or Lessee’s leasehold interest in the Leased Premises during the Term of this Lease. Lessee shall pay all such taxes, assessments, fees or charges directly to the Governmental Authority charged with the collection thereof. Lessee shall deliver to the Authority, promptly on request, copies of the receipted tax bills or other evidence reasonably satisfactory to the Authority showing payment of such taxes, assessments, fees or charges.

(b) Lessee may, at its expense, contest any tax, assessment, fee or charge for which it is responsible under this Section. If a tax, assessment, fee or charge for which Lessee is responsible under this Section is imposed on Authority, Authority at Lessee’s request (i) shall designate Lessee or a tax professional selected by Lessee as Authority’s agent pursuant to Section 1.111 of the Texas Tax Code to receive Notices of Appraised Value with regard to the Leased Premises or leasehold interest and to protest the appraised value or taxability of the Leased Premises or leasehold interest, and (ii) shall take such other reasonable requested actions as under applicable law are necessary to satisfy procedural requirements to allow Lessee to contest a tax, assessment, fee or charge for which Lessee is responsible under this Section. Except as provided in Section 9.02(c), Lessee need not pay the tax, assessment, fee or charge while the contest is pending. Except as provided in Section 9.02(c), Lessee may prevent Authority from paying any tax, assessment, fee or charge that Lessee is contesting under this Section, pending resolution of the contest; provided, if such tax, assessment, fee or charge is imposed on Authority, Authority may require Lessee to deposit with Authority the full amount of the tax, assessment, fee or charge plus the amount of any penalty that is expected to be imposed for failing to make timely payment and one (1) year of interest at the rate imposed by the entity levying the tax, assessment, fee or charge (the “***Tax Protest Deposit***”). When the contest is resolved, Lessee must pay the tax, penalty and interest imposed and may use the Tax Protest Deposit to pay any tax, assessment, fee or charge, plus any penalty or interest, due under the final resolution and keep any balance of the Tax Protest Deposit. If the Tax Protest Deposit is insufficient to pay these amounts, Lessee must immediately pay the balance due to the entity imposing the tax, assessment, fee or charge. In all cases of a tax protest, the Tax Protest Deposit is the property of Lessee and the Authority shall hold the Tax Protest Deposit in escrow for the benefit of Lessee and release the monies as directed by Lessee at any time.

(c) Notwithstanding the provisions of Section 9.02(b), Authority may pay, or require Lessee to pay, any tax, assessment, fee or charge for which Lessee is responsible under this Section, pending resolution of Lessee’s contest of the tax, assessment, fee or charge, if payment is demanded by a holder of a mortgage on the Leasehold Estate or if failing to pay will subject all or part of the Leased Premises to forfeiture or loss.

(d) Any of said taxes, fees or charges that are payable by Lessee for the tax year in which the Term of this Lease begins, as well as during the year in which this Lease Agreement expires or is terminated, shall be apportioned so that Lessee shall pay its proportionate share of the taxes, fees or charges for such periods of time. Lessee may pay such taxes, fees or charges in installments as and when such installments become due. Lessee must deliver to Authority



evidence of payment of all taxes, fees or charges, which Lessee is obligated to pay hereunder concurrently with making such payment.

**Section 9.03.     Annexation Notice**

Should Lessee receive notice from the City of Corpus Christi (“**City**”) of the City’s intent to amend its annexation plan to include all or part of the Leased Premises and Lessee gives the City notice of Lessee’s request to have all or part of the Leased Premises placed in an industrial district and be bound by the terms of an industrial district agreement with the City pursuant to Section 42.044 of the Texas Local Government Code, Authority hereby covenants to (i) fully cooperate with the process necessary to exclude all or part of the Leased Premises from any proposed amended annexation plan of the City and (ii) execute any resulting industrial district agreement as the owner of the Leased Premises, pursuant to Section 42.044 of the Texas Local Government Code.

**ARTICLE 10  
DESTRUCTION AND RESTORATION**

**Section 10.01.     Restoration of Oil Dock 15 and/or the Dock 15 Equipment**

If all or any part of Oil Dock 15 or the Dock 15 Equipment is destroyed or damaged by any casualty during the Term of this Lease Agreement, the Authority shall restore the damaged portions of Oil Dock 15 and the Dock 15 Equipment to their previous condition, provided Lessee pays the amount of the insurance deductible, if any, in accordance with Section 10.01. Authority shall repair and restore the same with diligence and as soon as reasonably practicable under the circumstances. The Annual Base Rent and the Minimum Guaranteed Throughput shall be abated for each day Lessee is unable to use Oil Dock 15 or the Dock 15 Equipment as a result of the destruction or damage unless the destruction or damage was caused by the sole negligence of Lessee. The Capital Recovery Payments and dockage and wharfage payments will not be abated during this period. Authority’s obligation hereunder shall not be affected by the unavailability or insufficiency of insurance proceeds.

**Section 10.02.     Restoration of Lessee’s Facilities**

If all or any part of the Lessee’s Facilities are destroyed or damaged by any casualty during the Term of this Lease Agreement, Lessee will promptly commence and thereafter prosecute diligently to completion the restoration of the same as nearly as possible to the condition, quality and class they were in immediately prior to such casualty. Any restoration undertaken pursuant to this Section 10.02 shall in all respects substantially conform to the provisions of the original plans for the damaged Lessee’s Facilities, or shall be built in accordance with such new or modified plans and specifications as may be prepared by Lessee and approved by the Authority at the time, such approval not to be unreasonably withheld, conditioned or delayed. Lessee’s obligation hereunder shall not be affected by the unavailability or insufficiency of insurance proceeds.

**Section 10.03.     Property Insurance Deductible**

If all or any part of Oil Dock 15 or the Dock 15 Equipment is destroyed or damaged by any casualty occurring during the Term of this Lease Agreement after the Delivery Date, Lessee shall pay to the Authority, as an Additional Charge, the amount of the deductible under the Property Insurance policy described in Exhibit D.

**ARTICLE 11  
CONDEMNATION****Section 11.01.     Total Condemnation**

If during the Term, the entire Leased Premises shall be taken as the result of the exercise of the power of eminent domain ("*Proceedings*"), this Lease and all right, title and interest of Lessee hereunder shall terminate on the date of vesting of title pursuant to such Proceedings, and Authority shall be entitled to and shall receive the total award made in such Proceedings, except to the extent Federal funds form a part of such award or separate award, then to the extent moving costs and loss of personalty for the exclusive benefit of Lessee are included, Authority shall share with Lessee the amount so allocated for such moving costs and loss of personalty and Lessee shall have the right to pursue any separate award for such items to the extent available under then applicable law. Notwithstanding the foregoing, any obligations of Authority or Lessee hereunder that arose or accrued prior to the date of the foregoing termination shall survive and remain in full force and effect subsequent to such date of termination. Except as specifically provided above in this Section 11.01, Lessee hereby assigns any interest in such award, damages, consequential damages and compensation to Authority.

**Section 11.02.     Partial Condemnation**

If during the Term, less than the entirety of the Leased Premises that does not unreasonably alter the Permitted Uses shall be taken in any such Proceedings, then this Lease shall, upon vesting of title in the Proceedings, terminate as to the portion of the Leased Premises so taken. If the portion of the Leased Premises taken shall substantially and materially interfere with or inhibit the Permitted Uses, Lessee may, at its option, terminate this Lease as to the remainder of the Leased Premises. Lessee shall not have the right to terminate this Lease pursuant to the preceding sentence, however, if that portion of the Leased Premises not taken can reasonably be utilized by Lessee with substantially the same utility and efficiency as prior to the taking. Such termination as to the remainder of the Leased Premises shall be effected by Lessee's written notice to Authority, given not more than sixty (60) days after the date of vesting of title in such Proceedings, and shall specify a date not more than sixty (60) days after the giving of such notice as the date for such termination. Upon the date specified in such notice, the Term and all right, title and interest of Lessee hereunder, shall cease and terminate. Notwithstanding the foregoing, any obligations of Authority or Lessee hereunder that arose or accrued prior to the date of the foregoing termination shall survive and remain in full force and effect subsequent to such date of termination. If this Lease is terminated as provided in this Section 11.02, Authority shall receive the award as is provided in Section 11.01. In the event that Lessee elects not to terminate this Lease as to the remainder of the Leased Premises, the rights and obligations of Authority and Lessee shall be governed by the provisions of Section 11.03.

**Section 11.03. Restoration after Condemnation**

If, in the case of a partial taking, this Lease is not terminated as provided in Section 11.02, this Lease shall, upon vesting of title pursuant to the Proceedings, terminate as to the parts so taken, and Lessee shall have no claim or interest in the award, damages, consequential damages and compensation, or any part thereof. The Authority, in such case, covenants and agrees promptly to restore that portion of the Leased Premises not so taken to a complete architectural and mechanical unit for the Permitted Uses as provided in this Lease. In the event that the net amount of the award (after deduction of all costs and expenses, including, without limitation, attorneys' fees) that may be received by the Authority in any such Proceedings as a result of such taking is insufficient to pay all costs of such restoration work, Authority shall pay such "shortfall."

**Section 11.04. Annual Base Rent Adjustment**

In the event of a partial taking of the Leased Premises under Section 11.02, the Annual Base Rent payable hereunder during the period from and after the date of vesting of title pursuant to such Proceedings to the earlier of the termination of this Lease or until the Authority causes the Equalization Value of the Land to be redetermined for an Extension Period in accordance with Section 4.08, shall be computed by multiplying the applicable Annual Base Rent then being paid by Lessee, by a fraction, the numerator of which is the number of acres of Land after such taking, and the denominator of which is the number of acres of the Land immediately prior to such taking.

**ARTICLE 12**  
**OBLIGATIONS ON TERMINATION**

**Section 12.01. Return of Leased Premises**

At the expiration or termination of the Term of this Lease, Lessee will surrender the Leased Premises to the Authority in good order and repair, except for reasonable wear and tear or except as otherwise specifically provided in this Lease. Upon the expiration or termination of this Lease Agreement, the Authority may, without further notice, enter upon, reenter, possess, and repossess itself of the Leased Premises by force, summary proceedings, ejectment, or otherwise, and may dispossess and remove Lessee from the Leased Premises and may have, hold, and enjoy the Leased Premises free of any claim by Lessee with respect thereto. The Authority shall not be deemed to have accepted a surrender of the Leased Premises by Lessee, or to have extended the Term, other than by execution of a written agreement specifically so stating.

**Section 12.02. Removal of Removable Lessee Facilities**

(a) During the Removal Period, Lessee shall remove or cause to be removed from the Leased Premises all of the Removable Lessee Facilities, and shall repair any damage caused by the removal of such Removable Lessee Facilities. Any items of the Removable Lessee Facilities that are not removed by Lessee within the Removal Period shall be considered abandoned and shall thereupon become the property of the Authority, without cost to the Authority and without any payment to Lessee; provided, however, that the Authority, after notice to the Lessee with reasonable opportunity to cure, may demolish, remove and/or dispose of any Removable Lessee

Facilities which Lessee fails to remove, and Lessee shall be required to reimburse the Authority as an Additional Charge, for the actual costs the Authority incurs in demolishing, removing and/or disposing of such Removable Lessee Facilities and repairing any damage to the Leased Premises caused by such demolition and/or removal.

(b) Trade fixtures which are installed by Lessee may be removed by Lessee, at its expense, provided Lessee removes the same and repairs any damage caused by such removal during the Removal Period. Any trade fixtures not removed by Lessee during the Removal Period shall be considered abandoned by Lessee, and will automatically become Authority's property.

(c) Lessee shall not be obligated to pay the Annual Base Rent or Wharfage Deficit Payments for Insufficient Adjusted Actual Throughput that accrues during the Removal Period so long as Lessee is diligently prosecuting the removal of the Removable Lessee Facilities.

### **Section 12.03. Holding Over**

If Lessee fails to surrender possession as required under Section 12.01, then, for each month, or portion thereof, after the termination of the Term or of Lessee's rights of possession hereunder, whether by lapse of time or otherwise, during which Lessee remains in possession of the Leased Premises, or any portion thereof, after such termination, Lessee shall pay to the Authority a sum equal to two hundred percent (200%) of the Annual Base Rent being charged Lessee at the end of the Term of this Lease, and Lessee will be subject to all other terms of this Lease Agreement applicable to a tenant at sufferance. The provisions of this Section 12.03 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Authority provided herein at law or at equity, and the Authority's acceptance of the additional rent in the event of a holdover by Lessee shall not act as a waiver or limitation on any such other rights or remedies (including, without limitation, any direct, indirect or consequential damages).

## **ARTICLE 13 ASSIGNMENTS, SUBLEASES AND TRANSFERS**

### **Section 13.01. Permitted Transfers**

(a) Except as otherwise permitted in Article 15, Lessee shall not sublet the Leased Premises, or any portion thereof, nor assign, mortgage, pledge, transfer or otherwise encumber or dispose of this Lease, or any interest herein, or in any manner assign, mortgage, pledge, transfer or otherwise encumber or dispose of its interest or estate in the Leased Premises, or any portion thereof, without first obtaining Authority's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, such consent shall not be required if (i) an assignment of Lessee's rights under this Lease results from the merger of Lessee into or with another entity, an assignment by operation of law, or an assignment to an entity which purchases the Lessee's Crude Terminal (each a "***Permitted Transferee***"), and (ii) the Permitted Transferee shall either assume all of the obligations of Lessee hereunder or become a guarantor of all such obligations (payment and performance), in either instance, in form and content reasonably acceptable to Authority. In all other instances of an assignment of this Lease or the subletting or all or a part of the Leased Premises, Authority's prior written consent shall be required, which consent shall not be unreasonably withheld, conditioned or delayed, provided there is no material

change in the Permitted Uses and Lessee remains primarily liable for all of the obligations of Lessee hereunder, except as hereafter provided in this Section 13.01.

(b) In all instances of an assignment of this Lease or subletting of all or any portion of the Leased Premises, regardless of whether to a Permitted Transferee, Lessee shall advise Authority thereof, in writing ("**Transfer Notice**"), not less than thirty (30) days prior to the effective date thereof. Such notice shall set forth with reasonable specificity the identity of the proposed assignee or sublessee and proposed terms and provisions of such assignment or subletting. Authority may charge Lessee, as a part of Additional Charges, for any reasonable costs or expenses incurred by Authority occasioned in connection with any proposed sublease, assignment, mortgage, pledge, transfer or other encumbrance or disposal of this Lease, or any interest herein, by Lessee.

(c) In the event Authority consents to an assignment of all of Lessee's interest under this Lease to anyone that is not a Permitted Transferee and such assignee (i) assumes, in writing and in form and content reasonably acceptable to Authority, all of Lessee's past, present and future obligations under this Lease, and (ii) such assignee has had an "investment grade" corporate credit rating for a continuous period of not less than twelve (12) months prior thereto as determined by a Rating Agency, then upon the execution and delivery by Authority and such assignee of the foregoing assumption, Lessee shall thereafter be released and discharged from and not be liable for any obligations under this Lease. However, if at the foregoing time, such assignee has not had such determined "investment grade" senior debt credit rating for twelve (12) continuous months, Lessee shall remain liable for all of the obligation of Lessee under this Lease until such assignee has maintained for twelve (12) continuous months a senior debt credit rating of "investment grade" determined as aforesaid.

### **Section 13.02. Subsequent Assignments**

Anything in this Lease to the contrary notwithstanding, and notwithstanding any consent by Authority to any sublease of the Leased Premises, or any portion thereof, or to any assignment of this Lease or of Lessee's interest or estate in the Leased Premises, or any other permitted sublease or assignment hereunder, except to a subsequent Permitted Transferee, no sublessee shall assign its sublease nor further sublease the Leased Premises, or any portion thereof, and except to a subsequent Permitted Transferee, no assignee shall further assign its interest in this Lease or its interest or estate in the Leased Premises, or any portion thereof, nor sublease the Leased Premises, or any portion thereof, without Authority's prior written consent in each instance, which consent may be given or withheld in Authority's sole discretion. No such subsequent assignment or subleasing shall relieve Lessee from any of Lessee's obligations in this Lease.

### **Section 13.03. Transfer Upside**

For any assignment or subletting of all or any portion of the Leased Premises to anyone other than a Permitted Transferee ("**Third Party Transfer**"), Lessee shall pay to Authority fifty percent (50%) of any and all compensation (whether in cash or cash equivalent) received by Lessee resulting from such Third Party Transfer, after Lessee has first recouped from such compensation all commercially reasonable out-of-pocket costs and expenses paid by Lessee in connection with such Third Party Transfer.

**Section 13.04. Recapture**

To the extent any Third Party Transfer is for the entire balance of the then remaining Term (excluding any Extension Periods not then in effect), Authority may elect, by written notice to Lessee within fifteen (15) days following Authority's receipt of written notice from Lessee of Lessee's intent to pursue prospects for such a Third Party Transfer, to recapture the entire Leased Premises if the Third Party Transfer is an assignment of this Lease or so much of the Leased Premises that is the subject of such a Third Party Transfer subletting. In such event, this Lease, in the instance of an assignment, and the portion(s) of this Lease pertaining to so much of the Leased Premises that is proposed to be sublet, shall in each instance terminate and be of no further force and effect from and after the date that is thirty (30) days subsequent to the date Authority exercises its right to recapture as aforesaid. Notwithstanding the foregoing, any obligations of Authority or Lessee hereunder that arose or accrued prior to the date of the foregoing termination shall survive and remain in full force and effect subsequent to such date of termination. In the event Authority fails to so notify Lessee of Authority's election to recapture, Authority's right to recapture in respect to the subject proposed Third Party Transfer shall, subject to the following, be deemed waived. If such Third Party Transfer is not consummated within twelve (12) months following the date of Lessee's notice to Authority to pursue a Third Party Transfer, then Authority's rights pursuant to this Section 13.04 shall be reinstated.

**Section 13.05. Ineffective Assignment**

Lessee's failure to comply with all of the foregoing provisions and conditions of this Article 13 shall (regardless of whether Authority's consent is required under this Article 13), at Authority's sole option, render any purported assignment or subletting null and void and of no force and effect.

**ARTICLE 14  
DEFAULT****Section 14.01. Event of Default**

An “*Event of Default*” by the Lessee shall occur:

- (1) if the Lessee fails to pay when due any of the Lease Payments payable under this Lease, and any such default shall continue for thirty (30) days after the receipt of written notice thereof by the Lessee; or
- (2) if the Lessee fails in any material respect to keep, perform, or observe any material covenant, condition, agreement, or obligation under this Lease (other than the payment of Lease Payments) that is to be kept, performed or observed by Lessee, and shall fail to cure, correct or remedy such failure within sixty (60) days after Lessee has received written notice specifying such failure, unless such failure cannot be cured using commercially reasonable efforts within such period of sixty (60) days, in which case such failure shall not be deemed to continue if the Lessee proceeds with due diligence to cure the failure and diligently completes the curing thereof; or



(3) if default shall be made by Lessee under the provisions of Article 13 relating to assignment, sublease, or other transfer of Lessee's interest in this Lease or in the Leased Premises or in the income arising therefrom; or

(4) if the Lessee shall be adjudicated bankrupt or be declared insolvent under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (hereinafter collectively called "**Bankruptcy Laws**"), or if the Lessee shall (i) apply for or consent to the appointment of, or the taking of possession by, any receiver, custodian, trustee, or liquidator (or other similar official under Bankruptcy Laws) of the Lessee or of any substantial portion of the Lessee's property; (ii) admit in writing its inability to pay its debts generally as they become due; (iii) make a general assignment for the benefit of its creditors; (iv) file a petition commencing a voluntary case under or seeking to take advantage of any Bankruptcy Law; or (v) acquiesce in writing to, any petition commencing an involuntary case against the Lessee pursuant to any Bankruptcy Law; or

(5) if an order for relief against the Lessee shall be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against the Lessee shall be entered pursuant to any other Bankruptcy Law, or if a petition commencing an involuntary case against the Lessee or proposing the reorganization of the Lessee under the Federal Bankruptcy Code shall be filed in and approved by any court of competent jurisdiction and not be discharged or denied within ninety (90) days after such filing, or if a proceeding or case shall be commenced in any court of competent jurisdiction seeking (i) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of the Lessee, (ii) the appointment of a receiver, custodian, trustee, or liquidator (or other similar official under Bankruptcy Laws) of the Lessee or of any substantial portion of the Lessee's property, or (iii) any similar relief as to the Lessee pursuant to any Bankruptcy Law, and any such proceeding or case shall continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect for ninety (90) days.

#### **Section 14.02. Rights and Remedies of Authority**

(a) Upon the occurrence of any Event of Default, Authority may, subject to any judicial process and notice to the extent required by Title 4, Chapter 24 of the Texas Property Code, as may be amended, in addition to all other rights and remedies afforded Authority hereunder or by law or equity, take any of the following actions:

(1) Terminate this Lease by giving Lessee written notice thereof, in which event, Lessee shall pay to Authority the sum of (i) all Lease Payments accrued hereunder through the date of termination, (ii) all amounts due under Section 14.03, and (iii) an amount equal to (A) the total Lease Payments (including the Capital Recovery Payments, Annual Base Rent, and Wharfage Deficit Payments) that Lessee would have been required to pay for the remainder of the term of this Lease discounted to present value at a per annum rate equal to the "Prime Rate" as published on the date this Lease is terminated by The Wall Street Journal, Southwest Edition, in its listing of "Money Rates", minus (B) the then present fair rental value of the Leased Premises for such period, similarly discounted; or

(2) Terminate Lessee's right to possession of the Leased Premises without terminating this Lease by giving written notice thereof to Lessee, in which event Lessee shall pay to Authority (i) all Lease Payments and other amounts accrued hereunder to the date of termination of possession, (ii) all amounts due from time to time under Section 14.03, and (iii) on the applicable due date all Lease Payments and other sums required hereunder to be paid by Lessee during the remainder of the Term of this Lease, reduced by any net sums thereafter received by Authority through reletting the Leased Premises during such period. Authority shall use reasonable efforts to relet the Leased Premises on such terms and conditions as Authority in its sole discretion may determine (including a term different from the term of this Lease, rental concessions, and alterations to, and improvement of the Leased Premises); however, Authority shall not be obligated to relet the Leased Premises before leasing other portions of the Authority's real estate. Authority shall not be liable for, nor shall Lessee's obligations hereunder be diminished because of, Authority's failure to relet the Leased Premises or to collect rent due for such reletting. Lessee shall not be entitled to the excess of any consideration obtained by reletting over the Lease Payments due hereunder. Re-entry by Authority in the Leased Premises shall not affect Lessee's obligations hereunder for the unexpired term of the Lease; rather, Authority may, from time to time, bring action against Lessee to collect amounts due by Lessee, without the necessity of Authority's waiting until the expiration of the term of the Lease. Unless Authority delivers written notice to Lessee expressly stating that it has elected to terminate this Lease, all actions taken by Authority to exclude or dispossess Lessee of the Leased Premises shall be deemed to be taken under this Section 14.02(a)(2). If Authority elects to proceed under this Section 14.02(a)(2), it may at any time thereafter, upon written notice to Lessee, terminate this Lease and, in such event, neither Authority nor Lessee shall have any further rights, obligations or liabilities hereunder after the date of termination, except to the extent that any covenants of this Lease are expressly said to survive termination of this Lease.

(b) Notwithstanding anything to the contrary contained in this Section 14.02, Lessee shall not be deemed to have waived any requirements of Authority to mitigate damages upon an Event of Default as required by law.

### **Section 14.03. Payments on Default**

Upon the occurrence of any Event of Default, Lessee shall pay to Authority all reasonable costs incurred by Authority (including court costs and reasonable attorneys' fees and expenses) in (i) obtaining possession of the Leased Premises, (ii) removing and storing Lessee's or any other occupant's property, (iii) reasonably repairing, restoring or otherwise putting the Leased Premises into a reasonably marketable condition, (iv) if Lessee is dispossessed of the Leased Premises and this Lease is not terminated, reletting all or any part of the Leased Premises (including brokerage commissions, cost of Lessee finish work, and other costs incidental to such reletting), (v) performing Lessee's obligations which Lessee failed to perform, and (vi) enforcing its rights, remedies, and recourses arising out of the Event of Default.

**Section 14.04. Default by Authority**

Authority shall in no event be charged with default in the performance of any of its obligations hereunder, unless and until Authority shall have failed to correct any such default within thirty (30) days (or such additional time as is reasonably required to correct any such default) following delivery of written notice from Lessee to Authority specifying any obligations Authority has failed to perform. If Authority fails to keep, perform, or observe any of the covenants, agreements, terms, or provisions contained in this Lease that are to be kept, performed or observed by Authority, and if Authority fails to remedy the same within thirty (30) days after the Authority has been given a written notice specifying such default, then in such event Lessee may pursue any and all rights and remedies available to Lessee at law or in equity, including, without limitation, enforcement of the performance of this Lease by any method and one or more claims for damages.

**Section 14.05. No Waiver**

Any waiver, expressed or implied, by either Authority or Lessee to any breach of any agreement, covenant or obligation contained in this Lease Agreement shall operate as such only in the specific instance, and shall not be construed as waiver to any subsequent breach of such agreement, covenant or obligation.

**ARTICLE 15  
MORTGAGEE PROTECTIONS****Section 15.01 Lessee's Right to Encumber**

It is agreed that Lessee shall at all times during the Term of this Lease, without the consent of Authority (but provided written notice and a copy of the security instruments are delivered to Authority), have the right to mortgage or convey by deed of trust or any other security instrument the leasehold rights of Lessee created by this Lease Agreement ("***Leasehold Mortgage***"); provided, however, that the Leasehold Mortgage will at all times be subject to and shall recognize the superior right, title and interest of Authority to the fee interest underlying the Leased Premises, including Oil Dock 15 and the Dock 15 Equipment, and to Authority's rights hereunder to require Lessee's payment of all Lease Payments due hereunder and Lessee's full and faithful performance of all covenants and conditions of this Lease Agreement due Authority.

**Section 15.02. Waiver of Authority's Lien**

Authority hereby waives any contractual or statutory Authority's lien Authority has or may have on the personal property Lessee places on the Leased Premises.

**Section 15.03. Holder of Leasehold Mortgage**

(a) In the event at any time during the Term of this Lease Agreement Lessee or anyone holding under Lessee shall be in default of any of the covenants or any of the conditions of this Lease Agreement, then and in such event the holder of the Leasehold Mortgage may, before forfeiture or termination is invoked by Authority, make any and all payments and do and perform

any and all acts or things which may be necessary or required to prevent a forfeiture or termination of this Lease Agreement; and the party making such payments or performing such acts or things shall thereby and thereupon be subrogated to all the rights of Lessee under this Lease Agreement. Authority agrees that, if requested in writing by the holder of any Leasehold Mortgage, it will send to the said holder, at the address specified in the written request, copies of all written notices of demand which Authority may serve upon Lessee, or anyone holding under Lessee, under and pursuant to the Terms of this Lease Agreement, and the holder of the Leasehold Mortgage shall have thirty (30) days to cure such default from Authority's delivery to such holder of such notice of demand, notwithstanding anything to the contrary contained herein.

(b) It is understood, however, that the holder of the Leasehold Mortgage shall in no way be liable to Authority for the payment of any Lease Payments or for the performance of any other covenants and conditions under this Lease Agreement until such time as it shall acquire by conveyance from Lessee, or by foreclosure or other proceedings provided by law or by the terms of the Leasehold Mortgage, all the right, title and interest of Lessee under this Lease Agreement; provided, however, that any party who shall acquire said right, title and interest of Lessee as above provided shall thereupon and thereby become liable for the full performance and all payments theretofore and thereafter required to be made by Lessee under the covenants and conditions of this Lease Agreement, as fully and completely and to the same extent as Lessee itself would have been if it still had retained its right, title and interest under this Lease Agreement.

(c) If this Lease is terminated or rejected in connection with the bankruptcy or insolvency of Lessee, then the Leasehold Mortgagee shall have the right and option, exercisable by delivering written notice to Authority not later than thirty (30) days after receipt from Authority of written notice of such termination or rejection (which notice Authority agrees to give) to elect to receive, in its own name or in the name of its third party designee, a new lease of the Leased Premises for the unexpired balance of the Term on the same terms and conditions as herein set forth, and Authority agrees to execute such new lease if the Leasehold Mortgagee or its third party designee cures any then uncured Event of Default reasonably susceptible by its nature of being remedied by such Leasehold Mortgagee or its third party designee, including the payment of any amount of accrued but unpaid Lease Payments due hereunder.

(d) Authority agrees to execute an estoppel certificate and such other reasonable agreements as may be requested by the holder of a Leasehold Mortgage.

(e) Authority agrees upon request by the Lessee to execute an agreement with Lessee's lender in a form substantially similar to that certain Authority Consent and Agreement executed by the Authority and Royal Bank of Canada dated May 14, 2013 covering the Leasehold Estate.

## **ARTICLE 16**

### **DISPUTE RESOLUTION AND MEDIATION**

#### **Section 16.01. Dispute Resolution**

In the event a dispute arises between the Parties regarding the application or interpretation of, or in any way relating to, this Lease, 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 resort to mediation, under the provisions of Section 16.02.

**Section 16.02. Mediation**

Authority and Lessee agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Lease Agreement before a mediator to be agreed upon by Authority and Lessee. Authority and Lessee must agree upon a mediator within fifteen (15) Business Days after a written request for mediation by either Party, and if Authority and Lessee are unable to agree upon a mediator within such time period either Party may request that the American Arbitration Association appoint a mediator. The mediator will schedule a mediation meeting at a time and place determined by the mediator. Authority and Lessee will each pay one-half of the costs of mediation to the mediator. 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.

**ARTICLE 17  
GENERAL PROVISIONS****Section 17.01. Compliance with Authority's Tariff**

Lessee must comply with the requirements of Item 669 of Authority's Tariff to the extent the same apply to Lessee, its agents, servants and employees. Lessee 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

**Section 17.02. Inspection**

Lessee will permit Authority and Authority's agents, representatives or employees to enter on the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this Lease Agreement, so long as any such inspection does not interfere with the operations of Lessee's Facilities and is done in compliance with Lessee's safety requirements.

In an emergency, Authority, its agents, servants and employees, may use any reasonable means to open any gate or door into or on the Leased Premises without any liability for doing so, except that Authority must provide notice to Lessee prior to entry or as soon as possible thereafter. Entry into the Leased Premises by Authority for any purpose permitted herein shall not constitute a trespass nor an eviction (constructive or otherwise), nor entitle Lessee to any abatement or reduction of rent, nor constitute grounds for any claim by Lessee (and Lessee hereby waives any

such claim) for damages for any injury to or interference with Lessee's business, for loss of occupancy or quiet enjoyment or for consequential damages.

**Section 17.03. No Partnership or Third Party Beneficiaries**

The relationship between Authority and Lessee at all times shall remain solely that of Authority and Lessee and not be deemed a partnership or joint venture. This Lease Agreement is for the sole benefit of Authority and Lessee and no other person, entity or third party unless the benefit to a person, entity or third party is expressly stated in this Lease Agreement.

**Section 17.04. Payments and Notices**

(a) All payments, notices, demands or requests from Lessee to Authority shall be given to Authority, Attention: Executive Director, 222 Power Street, Corpus Christi, Texas 78401, or fax number (361) 882-7110 at such other address or fax number as Authority shall request in writing.

(b) All payments, notices, demands or requests from Authority to Lessee shall be given to Lessee, Attention: Chief Operating Officer at P. O. Box 191, Kilgore, Texas 75663, or fax number (903) 988-7915 with a copy of any notice, demand or request to the Lessee's General Counsel at the same address, or at such other address or fax number as Lessee shall request in writing.

(c) Notices required to be given to either Party may be given by certified first-class mail, by overnight delivery or by fax, to the appropriate Party at its address or fax number listed above. Notice 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, addressed to the Party to be served. In all other cases, notice will be considered delivered when received at the address or fax number stated for the addressee's receipt of notice. Either Party may change the address or fax number for notice by giving the other Party written notice as provided in this paragraph.

**Section 17.05. Estoppel Certificate**

On request, Lessee will execute an estoppel certificate, in a form reasonably acceptable to Lessee, that states the Effective Date and termination date of the Lease, describes any rights to extend the Term of the Lease, lists any defaults by Authority, and provides any other information regarding the terms of this Lease reasonably requested by the Authority.

**Section 17.06. Abatement**

Lessee's covenant to make Lease Payments and Authority's covenants are independent. Except as otherwise provided, Lessee is not entitled to abatement of Lease Payments for any reason.



**ARTICLE 18  
CONDITION AND CARE OF LEASED PREMISES**

**Section 18.01. Inspection and Acceptance of Leased Premises**

(a) As of the Effective Date of this Lease Agreement, Lessee understands and agrees that the Leased Premises are being leased in an “As Is Where Is” condition, and Lessee accepts the Leased Premises in the condition it exists on the Effective Date as reasonably suited and fit for Lessee’s intended uses of the Leased Premises. Lessee acknowledges that Authority has made no express warranties with regard to the Leased Premises, except as expressly set forth in this Lease Agreement. To the maximum extent permitted by applicable law, Authority hereby disclaims, and Lessee waives the benefit of, any implied warranties, including implied warranties of habitability, or fitness or suitability for Lessee’s intended uses of the Leased Premises.

(b) Authority shall cause a mutually agreed environmental consultant (the “*Approved Consultant*”) to perform an Initial Environmental Site Assessment of the Land, which shall include soil sampling and analysis, in accordance with ASTM’s environmental assessment standards (the “*Initial Environmental Site Assessment*”). Authority agrees to consult with Lessee concerning the scope of the soil sampling and analysis. Not later than thirty (30) days after the Effective Date, Authority will provide Lessee with copies of the Initial Environmental Site Assessment.

(c) Lessee shall have thirty (30) days from Lessee’s receipt of the Initial Environmental Site Assessment to review such report (the “*Review Period*”). During the Review Period, Lessee may terminate this Lease Agreement by providing written notice to the Authority in the event that the Initial Environmental Site Assessment reveals any condition affecting the Land, which is not acceptable to Lessee in its sole discretion.

(d) Authority shall cause the Approved Consultant to perform a Baseline Environmental Site Assessment of the Land in accordance with ASTM’s environmental assessment standards (the “*Baseline Environmental Site Assessment*”). Not later than thirty (30) days prior to the Commencement Date, Authority will provide Lessee with copies of the Baseline Environmental Site Assessment.

(e) Lessee shall have thirty (30) days from Lessee’s receipt of the final copies of the Baseline Environmental Site Assessment to provide written notice to the Authority of any disagreement with the recognized environmental conditions on the Land contained in the Baseline Environmental Site Assessment. If Lessee provides written notice of any such disagreement, Lessee shall proceed to obtain, at Lessee’s expense, a second opinion regarding the environmental condition of the Land by another nationally recognized environmental consultant (the “*Second Opinion*”). To the extent that the Second Opinion differs from the conclusions of the Baseline Environmental Site Assessment regarding the recognized environmental conditions on the Land, the Parties shall discuss the differing conclusions and attempt to resolve the issues. If the issues remain unresolved for more than thirty (30) days after the date of the Second Opinion, either Party may resort to the dispute resolution provisions herein provided.

(f) If (i) the Lessee does not provide timely written notice of any objection to the recognized environmental conditions on the Land contained in Baseline Environmental Site

Assessment, (ii) the Second Opinion concurs with those recognized environmental conditions, and/or (iii) the Authority and Lessee agree to resolution of any remaining objections, then the Authority shall direct the Approved Consultant to reissue the Baseline Environmental Site Assessment with the agreed upon changes, if any, and the reissued report shall become the ***“Final Baseline Environmental Site Assessment.”*** The Final Baseline Environmental Site Assessment shall be evidence of, for purposes of the Lease, the baseline condition of the Land (the ***“Agreed Environmental Baseline”***) as of the date the Final Baseline Environmental Site Assessment is issued (the ***“Baseline Report Date”***).

(g) Authority shall be responsible for any Environmental Liabilities arising from (i) conditions or circumstances constituting the Agreed Environmental Baseline (as defined above), (ii) any other conditions or circumstances first arising or occurring on, under or which migrate from the Leased Premises prior to the Baseline Report Date but are discovered after the Baseline Report Date, or (iii) any conditions or circumstances which Lessee can prove or which Authority agrees were caused by Authority, its agents, contractors, employees or invitees subsequent to the Baseline Report Date.

(h) Notwithstanding anything else in this Lease to the contrary, Lessee shall be responsible for any Environmental Liabilities to the extent arising from conditions or circumstances first arising or occurring on, under, or which migrate from the Leased Premises during the Term of this Lease, and that are caused by acts of Lessee, its agents, contractors, employees, or invitees after the Baseline Report Date.

## **Section 18.02. Environmental Representations and Restrictions**

(a) **Definitions.** The following definitions shall apply:

(1) ***“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 human health or safety, Contaminants 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 2606; the Texas Solid Waste Disposal Act, Chapter 361, Texas Health and Safety Code; the Texas Clean Air Act, Chapter 382, Texas Health and Safety Code; the Oil Spill Prevention Act of 1991, Chapter 40, Texas Natural Resource Code; Chapter 26, Texas Water Code, Subchapters D, G, I and J; 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).

(2) **“Contaminant”** means any substance, material, constituent, waste, chemical, or other thing defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “toxic substances,” “solid wastes,” “industrial wastes,” “industrial solid or hazardous wastes,” “universal waste,” “wastes” or words of similar import, under Applicable Environmental Laws. Contaminant also includes (a) anything considered toxic, explosive, corrosive, reactive, flammable, radioactive, or ignitable, (b) any lead or lead-based paint, pesticide, polychlorinated biphenyls, dioxins, hydrocarbon, petroleum, petroleum based substances, petroleum product or petroleum additive (including but not limited to lead), diesel, fuels, gasoline, natural gas or natural gas products, dry cleaning products or solvents (as well as any and all ingredients, degradation or daughter products or byproducts or constituents thereof of any of the foregoing), (c) any other chemical, material, waste or substance, (or constituent thereof), which is in any way regulated under the Applicable Environmental Laws by any Governmental Authority, including mixtures thereof with other materials, and including any regulated building materials such as asbestos and lead, or (d) any other substance, material, constituent, waste, or chemical that may adversely affect or pose a threat to human health and the Environment.

(3) **“Contamination”** means the presence, or threat of one or more Contaminants in the Environment: (a) which has or reasonably may result in pollution, degradation, adverse impact, damage, threat or injury, to human health or the Environment, or (b) which is not allowed by or in compliance with Applicable Environmental Laws.

(4) **“Disposal”** means the discharging, depositing, injecting, dumping, spilling, leaking, or placing of Contaminants, whether containerized or uncontainerized, into or on land or water so that the Contaminants or any constituent thereof may be emitted into the air, discharged into surface water or groundwater, or introduced into the Environment in any other manner.

(5) **“Environment”** means (a) the waters of the United States, the waters of any state, the contiguous zone or ocean waters and (b) any other surface water, ground water, drinking water supply, and (c) any land surface or subsurface strata or sediment, and (d) the ambient air or atmosphere, as well as the animals, organisms, plants or natural resources located in, under or thereon.

(6) **“Environmental Liabilities”** means any and all actual, potential or threatened administrative, regulatory, or judicial actions, suits, allegations, demands, demand letters, claims, causes of action, proceedings, liens, notices of noncompliance or violation, investigations by Governmental Authorities or the Authority, obligations, damages (including but not limited to natural resource damages), liabilities (including strict liabilities under such statutes as, CERCLA, RCRA or other Applicable Environmental Laws), accrued or unaccrued losses, diminution of property value, injuries, costs (including but not limited to cleanup, remediation, removal, remedial, investigative, containment, closure or post-closure, restoration and/or monitoring costs), settlements, assessments, fines,

penalties, interest, legal or attorney's fees and costs of court relating to or concerning the Environment, Applicable Environmental Laws, Contaminants or Contamination.

(7) **"Release"** means to dispose of, discharge, deposit, spill, leak, pump, pour, emit, empty, dump, seep, drain, run or otherwise introduce into the Environment.

(8) To the extent the Applicable Environmental Laws establish a meaning for **"Release"**, **"Disposal"**, **"Dispose"** or other terms which is broader than that specified in this Lease Agreement such broader meaning will apply to such terms used in this Lease Agreement.

(b) **General Environmental Covenants.** Lessee hereby covenants and agrees:

(1) That, without limitation of Section 5.01, in its use of the Leased Premises, Lessee will not violate any Applicable Environmental Laws.

(2) Except in compliance with Applicable Environmental Laws in all material respects, in no event will Lessee, or its agents, representatives, employees, contractors, consultants or invitees (i) Release or Dispose of any Contaminants on, near or about the Leased Premises, or (ii) construct, install, maintain, use or otherwise operate on the Leased Premises any petroleum or chemical underground storage tank.

(3) If a change in any Applicable Environmental Laws makes any previously acceptable activity of Lessee prohibited, Lessee must immediately cease the prohibited activity upon the Leased Premises until such time Lessee's activity is brought into compliance and advise Authority in writing within five (5) days.

(4) That without the prior written consent of Authority, except in compliance with Applicable Environmental Laws in all material respects, Lessee, and its agents, representatives, employees, contractors, consultants or invitees, will not bring onto, or knowingly permit to remain on the Leased Premises any asbestos, petroleum or petroleum products, explosives or Contaminants (i) by sources located at the Leased Premises and at levels or concentrations that exceed those under Applicable Environmental Laws, or (ii) that are not part of the Agreed Environmental Baseline.

(5) That Lessee will not engage in or knowingly permit any action which would cause, suffer or allow, or knowingly fail to take any action to reasonably prevent, any Contamination of or from the Leased Premises by sources originating from the Leased Premises or the Dock 15 Berth, except as part of the Agreed Environmental Baseline.

(c) **Release Reporting, Notification and other Responsibilities:**

(1) In the event of a Release by Lessee, its agents, representatives, employees, contractors, consultants, or invitees of any Contaminant to surface, subsurface, water, or air, Lessee must stop the Release as soon as practicable; and notify the Authority of such Release or if such Release is reportable to Governmental Authorities under Applicable Environmental Laws, within 24 hours, or such other time prescribed by Applicable Environmental Laws, notify the proper Governmental Authorities, as well as Authority, of the date, time, and nature of the Release, including, but not limited to, a description of the Contaminants discharged or released. If the initial notification to Authority is not in writing Lessee will provide a written explanation of the details of the Release at the same time that any required written explanation is provided to applicable Governmental Authorities, together with an MSDS for each of the said Contaminants.

(2) Lessee agrees to promptly furnish Authority copies of all documents, reports, notices, orders, or correspondence received or submitted by Lessee and its agents, representatives, employees, contractors or consultants from or to a Governmental Authority relating to any Release described in Section 18.02(c)(1), including, but not limited to any citation, notice of violation, notice of enforcement, enforcement action or penalty regarding the Leased Premises.

(3) Lessee agrees to manage its Liquid Bulk Cargo loading operations at Oil Dock 15 in compliance with all Applicable Environmental Laws. Lessee must take all reasonably necessary precautions at Lessee's expense to prevent pollution from Lessee's activities at Oil Dock 15 in violation of Applicable Environmental Laws. Lessee will obtain all required permits for Lessee's operations as and when required for such operations and will maintain these permits throughout the duration of such operations.

**(d) Cleanup and Remediation Obligations:**

(1) Lessee covenants that, to the extent required under Applicable Environmental Laws, it will promptly respond to and bear the sole burden, duty, responsibility and cost for any and all Environmental Liabilities associated with or arising from Contamination of the Leased Premises (or to any other location to which Contamination may have migrated) caused by the breach of any provision of this Lease by Lessee or the acts or knowing omissions of Lessee or any of its successors, agents, representatives, employees, contractors, consultants or invitees.

(2) In addition to the other rights and remedies of Authority under this Lease or as may be provided by law, if Authority reasonably determines or has a good faith reason to believe that Contamination, an actual Release by Lessee and its agents, representatives, employees, contractors, consultants, or invitees of Contaminants, in violation of Applicable Environmental Laws, or a violation by Lessee and its agents, representatives, employees, contractors, consultants, or invitees of Applicable Environmental Laws has occurred, Authority may, at its election and at any time during the Term of this Lease or thereafter, (i) cause the Leased Premises, any adjacent premises of Authority, or other location to which

Contamination may have migrated to be tested, investigated, or monitored for the presence of any Contaminant, (ii) cause to be performed any required cleanup, removal or remediation of, or other response to, the Contamination of the Leased Premises, and any other location to which Contamination may have migrated, and (iii) cause to be performed any required restoration of the Leased Premises and any other location to which the Contamination may have migrated, but only if in each case twenty (20) Business Days after Authority's written request to Lessee to perform such work, Lessee does not commence the same. The cost and expense of any such work undertaken by Authority shall be reimbursed by Lessee to Authority within thirty (30) days after receipt of Authority's bill to the extent such cost and expense results from any Contamination detected or responded to by the Authority that is caused by the acts of Lessee, its agents, contractors, employees, or invitees after the Baseline Report Date and during the Term of this Lease.

(3) Authority may also, at its election, require Lessee, at Lessee's sole cost and expense, to perform such work as needed to investigate, test, monitor for, remove, remediate, or cleanup any Contamination to the extent that such Contamination is caused by the acts of Lessee, its agents, contractors, employees, or invitees after the Baseline Report Date and during the Term of this Lease, and restore the Leased Premises and any other location to which such Contamination may have migrated, in which event, Lessee shall promptly commence to perform and thereafter diligently prosecute to completion such work, using one or more contractors and a supervising consulting engineer approved in advance by Authority. This Section shall survive the cancellation, termination or expiration of the Lease, howsoever brought about.

(4) Lessee agrees that any work performed by or at the behest of Lessee in connection with any Release of Contaminants or the violation of any Environmental Laws (the "***Environmental Work***") will comply with all Applicable Environmental Laws including those requiring appropriate characterization, handling, transport and disposal of materials incident to such work. Except in the case of emergency, or in the event Applicable Environmental Laws require more rapid response, Lessee further agrees to provide Authority with final work plans for any Environmental Work at least ten (10) days prior to the time it commences. Authority takes no responsibility and assumes no liability whatsoever for the Environmental Work.

(5) Also, in the event of a Release other than that for which Authority has responsibility under Section 18.01(g), Authority accepts no liability or responsibility for ensuring that Lessee's workers, including without limitation those conducting testing, construction and maintenance activities on the Leased Premises, are satisfactorily protected from residual contaminants described in 29 Code of Federal Regulations. Except for matters for which Authority has responsibility under Section 18.01(g), Lessee shall assess all human health risks from vapor transport or direct contact with or other exposure to residual hazardous substances or contaminants and incorporate such engineering and institutional controls as may be required to sufficiently protect human health of onsite workers



and transient visitors.

(e) **Additional Access by Authority.** In addition to any other rights of access provided herein, if Authority reasonably believes a condition constituting substantial endangerment exists in connection with the Leased Premises, Contaminants or a violation of Applicable Environmental Laws, Authority may enter the Leased Premises at any time without notice, take any actions it deems necessary to address the situation and the cost and expense thereof shall be reimbursed by Lessee within thirty (30) days after rendition of Authority's bill, but only to the extent such cost and expense results from any Contamination or other condition detected or responded to by the Authority that is caused by the acts of Lessee, its agents, contractors, employees, or invitees after the Commencement Date and during the Term of this Lease.

(f) **RELEASE AND INDEMNITY FOR ENVIRONMENTAL LIABILITIES.** NOTWITHSTANDING ANY OTHER PROVISION IN THIS LEASE AND WITHOUT LIMITING THE PROVISIONS OF SECTION 8.03, LESSEE COVENANTS THAT LESSEE SHALL ASSUME AND BE RESPONSIBLE FOR, AND SHALL WAIVE ALL CLAIMS, RELEASE, INDEMNIFY, DEFEND, AND HOLD AUTHORITY, ITS PORT COMMISSIONERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SUB-CONTRACTORS, OWNERS, INVITEES, LICENSEES, AND AGENTS (THE "**INDEMNIFIED PARTIES**") HARMLESS FROM AND AGAINST ANY AND ALL ENVIRONMENTAL LIABILITIES (WHENEVER AND WHEREVER THEY MAY ARISE, INCLUDING OFF-SITE LOCATIONS) CAUSED BY, ARISING OUT OF, OR RESULTING FROM: (1) ANY ACTIVITIES OR OPERATIONS CONDUCTED BY OR ON BEHALF OF LESSEE IN CONNECTION WITH OR AS A RESULT OF THE LEASE, WHETHER PERMITTED OR AUTHORIZED BY THE LEASE, (2) LESSEE'S FAILURE TO COMPLY WITH THE TERMS OF THE LEASE, (3) ANY BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY OF LESSEE UNDER THE LEASE, (4) ANY CONTAMINATION OR ENVIRONMENTAL LIABILITIES TO THE EXTENT CAUSED BY ACTS OF LESSEE AND/OR ITS AGENTS, REPRESENTATIVES, EMPLOYEES, CONTRACTORS, CONSULTANTS OR INVITEES, OR (5) LESSEE'S ACTS OR OMISSIONS IN CONNECTION WITH THE LEASED PREMISES OR THE LEASE. THIS PROVISION SHALL SURVIVE THE CANCELLATION, TERMINATION OR EXPIRATION OF THIS LEASE, HOWSOEVER BROUGHT ABOUT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECTION 18.02(f), IT IS EXPRESSLY PROVIDED AND AGREED BY AND BETWEEN THE PARTIES THAT LESSEE SHALL NOT OBLIGATED TO INDEMNIFY AND HOLD THE INDEMNIFIED PARTIES HARMLESS FROM THEIR OWN NEGLIGENCE.

IN CLAIMS AGAINST THE INDEMNIFIED PARTIES BY OR FOR AN EMPLOYEE OF LESSEE, ITS AGENTS, REPRESENTATIVES, EMPLOYEES, CONTRACTORS, CONSULTANTS OR INVITEES, THE LESSEE'S INDEMNIFICATION OBLIGATION UNDER THIS SECTION 18.02(f) SHALL NOT BE LIMITED BY A LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE BY OR FOR THE LESSEE, ITS AGENTS, REPRESENTATIVES, EMPLOYEES, CONTRACTORS, CONSULTANTS OR INVITEES, UNDER WORKERS' OR WORKMEN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS, OR OTHER EMPLOYEE BENEFIT ACTS. IF AN INDEMNIFIABLE ACTION FOR DAMAGES IS BROUGHT BY AN INJURED EMPLOYEE

OF LESSEE, A LEGAL BENEFICIARY, OR AN INSURANCE CARRIER AGAINST ANY OF THE INDEMNIFIED PARTIES TO PAY DAMAGES FOR THE INJURY OR DEATH OF SUCH EMPLOYEE UNDER CHAPTER 417 (THIRD-PARTY LIABILITY), TEXAS LABOR CODE, THAT RESULTS IN A JUDGMENT AGAINST ANY OF THE INDEMNIFIED PARTIES, OR A SETTLEMENT BY ANY OF THE INDEMNIFIED PARTIES, LESSEE EXPRESSLY AGREES TO REIMBURSE AND HOLD HARMLESS THE INDEMNIFIED PARTIES, FOR THE DAMAGES BASED ON SUCH JUDGMENT OR SETTLEMENT AS PROVIDED IN THIS SECTION 18.02(f).

(g) **Environmental Restoration.** Lessee covenants that upon cancellation, termination or expiration of the Lease (howsoever brought about), Lessee shall at its own cost, restore the Premises to substantially the same baseline condition as it existed at the commencement of the Lease or, if an earlier lease existed between Lessee, or its predecessors and Authority for all or any part of the Leased Premises, the restoration obligation will require that the Premises be restored to the same condition as of commencement of the earliest lease. The restoration obligations will include any remediation, cleanup or other actions necessary to remediate all Contamination to the extent caused by Lessee and its agents, representatives, employees, contractors, consultants, or invitees after the Commencement Date during the Term of the Lease for all or any part of the Leased Premises, and to address all impacts associated with such Contamination. Notwithstanding anything herein to the contrary, under no circumstances will Lessee be required to remediate, restore, or otherwise respond to Contamination or Contaminants beyond the manner in which the Authority remediates, restores, or otherwise responds to Contamination or Contaminants on the Authority's property similarly situated to the Land.

(h) **Authority's Tenant Audit Program:** Lessee will cooperate with the Authority's Tenant Audit Program (the "**Program**"). The audit will consist of a scheduled review of Lessee's operations and activities, a review of Lessee's environmental management programs, and a tour of the Leased Premises. Authority staff involved in the Program intend to gain an understanding of Lessee's operations and activities and what measures the Lessee is utilizing to comply with the Applicable Environmental Laws, this Lease Agreement, and the Authority's Tariff. The Program seeks to achieve cooperative conservation between Authority and Lessee relating to the use, enhancement and enjoyment of natural resources and protection of the Environment. The audit will be conducted at a minimum annually and more frequently if determined by Authority staff to be necessary. A letter from Authority staff setting forth staff's observations will be provided to Lessee following the audit. If Authority staff observe an alleged violation of Applicable Environmental Laws, this Lease Agreement, or Authority's Tariff, Lessee will be notified of the same in writing. Upon notice, Lessee is required to immediately take action to come into compliance, and must notify Authority in writing within ten (10) days of Lessee's response to Authority's allegations. Except as may be requested by Authority, or except in the event of emergency or as necessary to meet requirements of Applicable Environmental Laws, no physical or invasive testing shall be conducted on the Leased Premises without: (1) providing prior reasonable notice to Authority advising of the purpose of such testing, (2) obtaining written approval to conduct such testing, and (3) obtaining advance approval of the scope and work plans for such testing. All information, test results or reports that may be generated in the course of such environmental assessment and testing shall be promptly furnished to Authority. In addition, upon cancellation, termination or expiration of the Lease (howsoever brought about), Lessee shall perform a final environmental assessment or audit of the Premises at its sole cost and expense

following the then applicable version of ASTM Standard Practice 1527. The Program may be modified from time to time as operations progress at the sole discretion of Authority; however, such modifications shall not unreasonably interfere with Lessee's use and enjoyment of the Leased Premises.

(i) **Continuing Obligations.** All of the obligations, warranties and representations in this Section 18.02 are continuing and must be true and correct for the entire Term of this Lease, and all of such provisions, representations and warranties will survive expiration or termination of this Lease Agreement until the date that is five (5) years after the termination or expiration of the Lease. The obligations, warranties and representations in this Section 18.02 are binding on Lessee's successors and Permitted Transferees (as defined in Section 13.01).

(j) **Renegotiation of Environmental Covenants.** From time to time during the Term (but not more frequently than once every five (5) years), to the extent that the Authority provides written notice to Lessee evidencing Authority's reasonable belief (in reasonable detail) that the environmental protections in this Lease are no longer adequate and not commensurate with the environmental protections in the Authority's standard long-term leases at that time of the notice, then upon Lessee's receipt of such notice the Parties will commence a dialog in good faith to discuss possible adjustments to the environmental covenants contained herein to bring them into compliance with the environmental protections in the Authority's standard long-term leases at that time.

### **Section 18.03. Permits Required by Applicable Environmental Laws**

Lessee must obtain and maintain in effect at all times during the Term of this Lease Agreement all permits, licenses, permissions, authorizations, and consents required by Applicable Environmental Laws and necessary for Lessee's construction, installation, maintenance, use and operation of the Lessee's Facilities and Lessee's use and occupancy of, and operations at, the Leased Premises. Lessee will provide Authority's Department of Environmental Planning & Compliance with a copy of these permits, licenses, permissions, authorizations and within three (3) Business Days of written request to Lessee from Authority.

## **ARTICLE 19 MISCELLANEOUS**

### **Section 19.01. Parties Bound**

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

### **Section 19.02. Applicable Law**

**THIS LEASE 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 LEASE AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.** Authority and Lessee agree that if any

controversy or claim arising out of or related to this Lease Agreement cannot be resolved pursuant to and in accordance with the deadlines set forth in Sections 16.01 and 16.02, then either Party may elect to resolve the controversy or claim through litigation filed and maintained in the federal or state courts located in Corpus Christi, Nueces County, Texas. Authority and Lessee each submits to the exclusive jurisdiction of said courts and waives the right to change venue.

**Section 19.03. Severability**

If any part of this Lease Agreement is for any reason found to be unenforceable, all other portions nevertheless remain enforceable.

**Section 19.04. Time of Essence**

Time is of the essence with respect to each date or time specified in this Lease Agreement by which an event is to occur.

**Section 19.05. Rights and Remedies Cumulative**

The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either Party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Parties may have by law, statute, ordinance or otherwise. All the rights and remedies may be exercised and enforced concurrently or whenever occasion for the exercise arises.

**Section 19.06. Attorneys' Fees**

In the event Authority or Lessee breach or default upon any of the terms of this Lease Agreement and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay the reasonable attorneys' fees, legal expenses and costs incurred by the prevailing Party.

**Section 19.07. Contractual Relationship**

Nothing contained in this Lease Agreement shall create a contractual relationship with or a cause of action in favor of a third party against Authority or Lessee.

**Section 19.08. Public Disclosure**

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

keep confidential the business terms of this Lease to the extent permitted by law. Authority shall provide immediate notice to Lessee of any open records request and allow Lessee to seek protective order within the statutory time limits.

(b) In the event that Authority is requested to disclose any information regarding Lessee or the transactions contemplated hereby which can be withheld under the Texas Public Information Act, Authority will provide the Lessee with prompt prior notice so that the Lessee may seek a protective order or other appropriate remedy and/or waive the right to have the information withheld.

**Section 19.09. Brokers**

**Lessee hereby warrants and represents unto Authority that it has not incurred or authorized any brokerage commission, finder's fees or similar payments in connection with this Lease Agreement, and agrees to defend, indemnify and hold harmless Authority from and against any claim for brokerage commission, finder's fees or similar payment arising by virtue of authorization by, through or under Lessee in connection with this Lease Agreement.**

**Authority hereby warrants and represents unto Lessee that it has not incurred or authorized any brokerage commission, finder's fees or similar payments in connection with this Lease Agreement, and agrees to defend, indemnify and hold harmless Lessee from and against any claim for brokerage commission, finder's fees or similar payment arising by virtue of authorization by, through or under Authority in connection with this Lease Agreement.**

**Section 19.10. Authority**

Each of Lessee and Authority warrants and represents unto the other Party that (a) (if applicable) it is a duly organized and existing legal entity, in good standing in the state of Texas, (b) it has full right and authority to execute, deliver and perform this Lease Agreement, (c) the person executing this Lease Agreement on behalf of Lessee and Authority was authorized to do so, and (d) upon request, it will deliver to the other Party reasonable evidence of its authority to execute this Lease Agreement. This Lease Agreement has been duly and validly executed and delivered by Authority, does not violate any agreement to which Authority is a party, and constitutes a legal, valid and binding obligation of Authority enforceable against Authority in accordance with its terms.

**Section 19.11. Recording**

Upon the request of either Party to this Lease, Authority and Lessee shall execute a Memorandum of Lease, in the form agreed upon by the Parties, and either Party may record the Memorandum of Lease in the appropriate Real Property Records. Neither Party to this Lease may record this Lease without the express written consent of the other Party.

**Section 19.12. Interpretation**

Both Authority and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this Lease Agreement. Accordingly, no presumption will apply in favor of either Authority or Lessee in the interpretation of this Lease Agreement or in the resolution of the ambiguity of any provision hereof.

**Section 19.13. Force Majeure**

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

(b) Notwithstanding the foregoing, any extension of time for *force majeure* shall be conditioned upon the Party seeking an extension of time delivering written notice of such *force majeure* to the other Party within fifteen (15) Business Days of the event causing the *force majeure*. The maximum period of time which a Party may delay any act or performance of work due to *force majeure* shall be sixty (60) days unless repairs cannot reasonably be completed or commenced within such 60 days, then such time shall be extended as reasonably necessary to complete the repairs due to the force majeure event.

**Section 19.14. Entire Agreement**

This Lease Agreement, including any exhibits hereto, constitutes the Parties’ final and mutual agreement with respect to the subject matter hereof. There are no written or oral representations or understandings regarding the subject matter of this Lease Agreement that are not fully expressed in this Lease Agreement. No change, waiver or discharge is valid unless in a writing that is signed by the Party against whom it is sought to be enforced.

*[Signature Page Follows This Page]*

**SIGNATURE PAGE TO LEASE AGREEMENT**

(Port of Corpus Christi Authority to Martin Operating Partnership L.P.)

**IN WITNESS WHEREOF**, this Lease Agreement is executed in duplicate originals, each of which shall be deemed to be an original, as of the dates provided below each signature, to be effective for all purposes as of the Effective Date

***“Authority”***

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

By: \_\_\_\_\_  
John P. LaRue, Executive Director

Date: , 2016

**STATE OF TEXAS           §  
                                     §  
COUNTY OF NUECES   §**

This instrument was acknowledged before me on the \_\_\_\_ day of May, 2016, by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

\_\_\_\_\_  
Notary Public, State Of Texas



***“Lessee”***

**MARTIN OPERATING PARTNERSHIP L.P.,  
a Delaware limited partnership**

By: Martin Operating GP LLC, its general partner

By: Martin Midstream Partners L.P., its sole member

By: Martin Midstream GP LLC, its general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2016

**STATE OF TEXAS           §**

**§**

**COUNTY OF GREGG       §**

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2016,  
by \_\_\_\_\_, the \_\_\_\_\_ of Martin Midstream GP  
LLC, the general partner of Martin Midstream Partners L.P., the sole member of Martin Operating  
GP LLC, the general partner of Martin Operating Partnership L.P., on behalf of said entity.

\_\_\_\_\_  
Notary Public, State Of Texas

**EXHIBIT A**

**Legal Description of Land**

**EXHIBIT B**

**Map or Plat of Land**

**EXHIBIT C**

**Matt or Plat of Oil Dock #15 Berth**

**EXHIBIT D**

**New Martin Pipeline – Conceptual Route**

**EXHIBIT E**

**Permitted Encumbrances**

**EXHIBIT F****LESSEE'S INSURANCE REQUIREMENTS**

Without limiting the indemnity obligations or liabilities of Lessee or its insurers provided in this Lease Agreement, before commencing any material activities on the Leased Premises or the Ship Dock Facilities under this Lease Agreement, Lessee shall procure and maintain at its sole expense during the Term of the Lease, and during any time period following expiration or termination of the Lease in which Lessee is required to perform additional work on the Leased Premises, 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) *Property Insurance.* Special form ("all risk") property insurance with no exclusions, except the standard printed exclusions, at Full Replacement Cost (hereinafter defined), covering Oil Dock 15, the Dock 15 Equipment, and Lessee's Facilities (the "***Property Insurance***"). Coverage shall include, without limitation, the following: primary and excess flood, windstorm, named storm, earthquake, and debris removal. The term "***Full Replacement Cost***" shall mean the actual replacement cost of Oil Dock 15 as shall be provided to Lessee by the Authority from time to time, the Dock 15 Equipment, and Lessee's Facilities, including the cost of demolition and debris removal and without deduction for depreciation. The Authority shall be named as an additional insured on the Property Insurance. Authority shall be named as loss payee on the Property Insurance with respect to proceeds attributable to damage to Oil Dock 15 and the Dock 15 Equipment. Lessee shall not be a loss payee with respect to proceeds attributable to damage to Oil Dock 15 and the Dock 15 Equipment, but Lessee shall be the loss payee on the Property Insurance with respect to proceeds attributable to damage to the Lessee's Facilities. The proceeds of the Property Insurance shall be used for the restoration of the property so insured as provided in Section 10.01, except that if this Lease is terminated in accordance with Section 10.01 following a casualty, the proceeds applicable to Oil Dock 15 and the Dock 15 Equipment shall be paid to the Authority and the proceeds applicable to Lessee's Facilities shall be paid to Lessee. Lessee shall provide to the Authority a copy of the Property Insurance policy document and any specific endorsements to the Property Insurance policy which reflect the above coverage requirements.

(2) *Workers' Compensation and Employer's Liability Insurance.* For all its employees engaged in performing work on the Leased Premises or the Ship Dock 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 \$500,000 limit for each for bodily injury by accident, and at least a \$500,000 limit for each employee for bodily injury by disease. Under the Worker's Compensation policy, Lessee shall provide a Waiver of Subrogation in favor of the Authority Parties on the Certificate of Insurance. In the event that the work of Lessee's employees on the Leased Premises 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 Lessee shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.



(3) *Commercial General Liability Insurance.* Commercial General Liability (CGL) insurance coverage, which shall cover or be endorsed to cover bodily injury, personal injury, broad form property damage, operations hazard, owner's protective coverage, contractual liability, products and completed operations liability, and time element pollution coverage, 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, but only with respect to liabilities arising out of any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property occurring on the Leased Premises or the Ship Dock Facilities, in each case arising out of (i) the use or occupancy of the Leased Premises or the Ship Dock Facilities by Lessee or any Lessee Party, or (ii) the condition, use, malfunction, defect, or explosion of any of the Dock 15 Equipment, or (iii) the construction, alteration, repair or maintenance of the Lessee's Facilities..

(4) *Automobile Liability Insurance.* When any motor vehicles (owned, non-owned or hired by Lessee) are used in connection with work being performed on the Leased Premises, the Lessee shall provide or cause to be provided Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage.

(5) *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 be endorsed to name the Authority Parties as additional insureds, non-contributory basis, but only with respect to liabilities arising out of any injury to or death of or claim of injury to or death of any person or any damage to or loss of or claim of damage to or loss of property occurring on the Leased Premises or the Ship Dock Facilities, in each case arising out of (i) the use or occupancy of the Leased Premises or the Ship Dock Facilities by Lessee or any Lessee Party, or (ii) the condition, use, malfunction, defect, or explosion of any of the Dock 15 Equipment, or (iii) the construction, alteration, repair or maintenance of the Lessee's Facilities.

(7) *Pollution Legal Liability Insurance.* Pollution Liability insurance covering bodily injury, property damage, including cleanup, and other losses caused by pollution conditions occurring during the Term of this Lease and arising directly from Lessee's operations at the Leased Premises or the Ship Dock 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.

Lessee shall deliver to Authority, prior to the commencement of any material activity by Lessee on the Leased Premises, as proof of the insurance required of Lessee, a certificate or certificates of insurance (and any endorsements required to provide evidence of the insurance coverages required under this Lease) 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 Lease, Lessee 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, Lessee shall notify the Authority of such changes. In the event that Lessee 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 Lessee 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 Lessee 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 Lessee'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.

Lessee shall deliver to Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies. The company writing each of the Policies, except for Lessee'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). Lessee shall deliver to Authority a copy of the most recent audited financial statements of Lessee's captive insurance company, which is presented on a consolidated basis with Martin Resource Management Corporation, before commencing any material activities on the Leased Premises or the Ship Dock Facilities under this Lease Agreement. Lessee represents and warrants to the Authority that the financial statements of Lessee's captive insurance company are audited annually by a certified public accountant. Lessee shall submit a copy of the audited financial statements of Lessee'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, Lessee 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. If Lessee exercises the option to self-insure, then (i) Lessee 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 Lessee elects to self-insure, Lessee will self-insure Authority in the same manner as an additional insured using self-insurance programs maintained by Lessee or Lessee's corporate parent. If Lessee elects to self-insure or to maintain insurance required herein subject to deductibles and/or retentions exceeding \$50,000, Authority and Lessee shall maintain all rights and obligations between themselves as if Lessee 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. Lessee 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 Lessee 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.

***AGENDA ITEM NO. 14***

**Executive Session**

**NO ATTACHMENT**

***AGENDA ITEM NO. 15***

**Executive Session**

**NO ATTACHMENT**

***AGENDA ITEM NO. 16***

**Executive Session**

**NO ATTACHMENT**

***AGENDA ITEM NO. 17***

**Executive Session**

**NO ATTACHMENT**



***AGENDA ITEM NO. 18***

**Executive Session**

**NO ATTACHMENT**

***AGENDA ITEM NO. 19***

**Executive Session**

**NO ATTACHMENT**