



Port of Corpus Christi

Regular Session Meeting

Tuesday, July 8, 2014 8:15 AM

NOTICE OF MEETING

The Port Commission (“Commission”) of the Port of Corpus Christi Authority (“PCCA”) will hold a Regular Session Meeting on **Tuesday, July 8, 2014, at 8:15 AM**, at the Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas, or at the conclusion of the meeting of the Board of Pilot Commissioners for the Port of Corpus Christi Authority being held at the same time and place, if later.

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

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

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

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

The agenda for the meeting is as follows:

1. Call meeting to order; Pledge of Allegiance; Opening Prayer; and receive conflict of interest affidavits.
2. Approve the minutes of the June 10, 2014 Commission meeting. 5
3. Receive comments from the public. *(Each speaker will be limited to three minutes)* 13
4. Administer Oath of Office to newly hired Police Officers Jessica Tagle and Daniel Simmons. 14
5. Receive Windstorm Insurance Reform presentation from Commissioner Charles Zahn. 15
6. Receive Security Committee report. 16
7. Receive Strategic Planning Committee report. 17
8. Receive Audit Committee report. 18
9. Receive a presentation from the South Texas Military Facilities Task Force. 19
10. Approve a professional services agreement with Leigh Fisher for an organizational study of PCCA. 20
11. Approve the First Reading of a Franchise Granting The Texas Fuel and Asphalt Company, LLC, the right to cross the south bulkhead line of the Tule Lake Channel from its property adjacent to the channel and related rights. 26
12. Award a contract to Diamond K Services Inc., the lowest and best bidder based on bids received on June 30, 2014, for Inner Harbor Rail Upgrades and Improvements (2014). 37
13. 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.
13. A. Approve Corrective Amendment of Lease with voestalpine Texas Holding, LLC on the PCCA's La Quinta property to slightly modify the legal descriptions of the East Dock site and the West Dock site. 42

13. B. Approve 2014 Amendment of NuStar's 5.21-acre Lease Agreement to increase the size of the leased premises located along Joe Fulton International Trade Corridor near the North Side Open Storage Area.	53
13. C. Approve 2014 Amendment of NuStar's 8.42-acre Lease Agreement to decrease the size of the leased premises located along the Texaco Road near the North Side Open Storage Area.	67
13. D. Approve a Lease Agreement with CCC Group Inc. for ±2.62 acres located near Avery Point Turning Basin.	78
13. E. Approve the renewal of a Lease Agreement with Enterprise GC, L.P., for a .0061-acre tract located east of Navigation Blvd. and south of the Union Pacific right-of-way.	111
13. F. Approve an Easement and Right-of-Way agreement with AEP Texas Central Company for an overhead distribution line to Texas Lehigh's dock facility located along the Industrial Canal.	117
13. G. Approve an Easement Agreement with Koch Pipeline for an 8-inch petroleum pipeline near Navigation Blvd. and UpRiver Rd.	122
13. H. Approve a Telecommunications Cable System Easement Agreement with Time Warner Cable to serve the voestalpine Texas Holding, LLC, facility on the PCCA's La Quinta property.	139
13. I. Approve the purchase of a Local Area Network Switch Upgrade from the list of pre-qualified companies with the State of Texas Department of Information Resources.	154
13. J. Rescind the contract awarded to Maritime International and award an additional purchase order to Trelleborg's contract for the purchase of dock fenders and panels.	170
13. K. Award a contract to Gourley Contracting, LLC, the lowest and best bidder based on bids received on June 27, 2014, for Carpet Replacement at Ortiz Center.	173
13. L. Award a contract to Mako Contracting, LLC, the lowest and best bidder based on bids received on July 2, 2014, for Bulk Dock 2 Roadway Extension.	176
13. M. Approve the purchase of a winch truck from Grande Truck Center, the lowest and best bidder based on bids received June 30, 2014.	179
13. N. Approve the purchase of a crew cab truck with a crane and platform bed from Grande Truck Center, the lowest and best bidder based on bids received June 30, 2014.	182
14. Receive report from the Executive Director on upcoming community events, PCCA events and activities of the following PCCA departments during the preceding month: business development, community relations, government affairs, operations, engineering services, accounting, and human resources.	185
15. 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.	223
16. The Commission will go into executive session pursuant to §551.072 and §551.087 of the Texas Government Code to deliberate leasing PCCA property in the vicinity of the Inner Harbor and offering financial or other incentives to business prospects that PCCA seeks to have locate, stay or expand on this property and with which PCCA is conducting economic development negotiations.	224
17. The Commission will go into executive session (I) pursuant to §551.076 of the Texas Government Code to deliberate the deployment of security personnel and devices, and (ii) pursuant to §418.183(f) of the Texas Government Code to deliberate information collected for PCCA for the purpose of preventing, detecting, or investigating an act of	225

terrorism or related criminal activity in the Port of Corpus Christi, and which relates to an assessment of the risk or vulnerability of persons or property, including PCCA's critical infrastructure, to an act of terrorism or related criminal activity. The Commission will conduct a boat tour of the Inner Harbor in connection with its deliberation of the information described in this agenda item.

18. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate leasing all or part of PCCA's property on Harbor Island, and the Commission may take action on this agenda item in open session. 226
19. Adjourn

**OFFICIAL MINUTES OF PORT COMMISSION MEETING
JUNE 10, 2014**

The Port Commissioners of the Port of Corpus Christi Authority convened at the Congressman Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas, on Tuesday, June 10, 2014, at 8:19 a.m., for the regular monthly meeting of the Port Commission.

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

Present: Mr. John P. LaRue
Mr. Frank Brogan
Mr. Tony Alejandro
Ms. Patricia Cardenas
Mr. Dennis DeVries
Mr. David Krams
Mr. Ruben Medina
Ms. Sandra Terrell-Davis
Mr. John Pasch
Mr. Tom Mylett
Mr. Darrin Aldrich
Ms. Lynn Angerstein
Ms. Sherry DuBois
Mr. Tyler Fuhrken
Ms. Sarah Garza
Mr. Arturo Lopez
Ms. Sonya Lopez
Mr. Bert Perez
Ms. Maggie Turner
Mr. Richard Hernandez
Mr. Bennie Benavides
Ms. Teresa Betzold
Ms. Liz Cantu
Mr. Jesse Samu

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

Others Present: Ms. Sue Zimmermann
Cheniere

Mr. Rick DuPriest
W.L. Bates
Mr. Tom Moore
PCCA Consultant
Ms. Lillian Riojas
Valero
Mr. Scott Harris
L.A.N.
Mr. Fred Dotts
Ms. Nancy Zuniga
MDR
Mr. Chris Ramirez
Caller-Times
Mr. Fred Nardini
San Patricio
Mr. David Cave
CITGO
Capt. Jay Rivera
Aransas/CC Pilots
Mr. David Fields
Mr. Robert Swize
Gulf Compress
Mr. Mike Wike
Accutrans/CGMB
Mr. Bob Paulison
Port Industries
Ms. Matilda Saenz
Rep. Abel Herrero Ofc
Mr. Harry G. Plomarity

I.

Chair Hawley called the meeting to order and asked that any conflict of interest affidavits be submitted. None were submitted.

II.

On motion made by Mr. Valls and seconded by Ms. Canales, the Commission approved the minutes of May 13, 2014 Commission meeting in the form presented to the meeting.

III.

Chair Hawley asked for comments from the public. Capt. Jay Rivera gave a presentation on a new software program for the Aransas-Corpus Christi Pilots Assn. Mayor Nelda Martinez thanked the Commission for their work on the I-69 legislation.

IV.

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

V.

The Commission received a Security Committee report from the Chair of the committee, Mr. Zahn.

VI.

The Commission received a Strategic Planning Committee report from the Chair of the committee, Mr. Jones.

VII.

The Commission received an Audit Committee report from the Chair of the committee, Mr. Jones.

VIII.

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

**RESOLUTION OF APPRECIATION
FOR
JAMES S. (JIM) BOYD**

WHEREAS, James S. (Jim) Boyd was born in Corpus Christi, Texas, on June 20, 1932, and spent all of his life here except when attending Texas A&M College and while serving in the U.S. Army; and

WHEREAS Jim Boyd departed this life on May 13, 2014, leaving behind many loving family members and great friendships; and

WHEREAS, Jim spent his time and energies enhancing the Corpus Christi community by coaching little league and pony league baseball and the AAU Swim Team, bringing up the next generation of young men as a Boy Scout Scoutmaster, acting as Church Vestry for the Church of the Good Shepherd and as Regional Vice President and President of the Propeller Club; and

WHEREAS, Jim Boyd worked for over 40 years at Boyd-Campbell Company Inc. and was president from 1985 until his retirement in 1997; and

WHEREAS, Boyd-Campbell Company Inc. was founded by Jim's grandfather, James Lawrence Boyd, and Steele Campbell in 1926, and was one of the first stevedoring and shipping companies doing business in the Port of Corpus Christi; and

WHEREAS, Boyd-Campbell Company Inc. was the first shipper of cotton from the Port of Corpus Christi, and J. L. Boyd became the Port's first Executive Director; and

WHEREAS, Boyd-Campbell Company Inc. has long been recognized worldwide in the maritime industry and has provided jobs and economic benefits in the Coastal Bend area for many, many years; and

WHEREAS, Boyd-Campbell Company Inc. has seen four generations of Boyds running its operations, including James Lawrence Boyd; Tom Boyd, Sr.; Tom Boyd, Jr.; James S. Boyd; David S. Boyd; and James S. (Sonny) Boyd, Jr.

NOW THEREFORE BE IT RESOLVED by this Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, that the Port Commission and Staff wish to honor the memory of James S. (Jim) Boyd and convey to his family, friends, and the citizens of Corpus Christi, Texas, the profound impact that Jim Boyd had in Corpus Christi through his business and his volunteer efforts, and that the Port Commission and Staff, with the adoption of this resolution, wish to acknowledge their appreciation of Jim Boyd and his entire family for their contribution to the Port of Corpus Christi and the Coastal Bend by showing the value of hard work, family values and individual accomplishment; and

BE IT FURTHER RESOLVED that this resolution be made part of the permanent minutes of the Port Commission and that a signed original copy of this instrument be delivered to Jim's loving wife of 57 years, Kay.

IX.

On motion made by Mr. Jones and seconded by Mr. Zahn, the Commission authorized staff to submit a \$10,000,000 funding request to the Port Authority Advisory Committee to pay for certain infrastructure improvements at the La Quinta Terminal, including additional storage yard acreage, security improvements, and utility (electrical, water, sewer, etc.) improvements.

X.

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

**RESOLUTION IN SUPPORT OF CONGRESSIONAL ACTION
TO DESIGNATE TEXAS STATE HIGHWAY 44
FROM FREER IN DUVAL COUNTY TO CORPUS CHRISTI
IN NUECES COUNTY AS A "FUTURE SEGMENT OF INTERSTATE 69"**

WHEREAS, Interstate 69 (I-69) was originally designated as an interstate highway in 1956 and is envisioned to be a 1,600-mile major international trade corridor linking Mexico, the United States through parts of eight states (Texas, Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Indiana and Michigan) and Canada; and

WHEREAS, I-69 Texas is important to the connectivity of the state because it provides access to inland ports and sea ports along the Gulf Coast; provides strategic connections to major air cargo airports and major railroad truck-rail intermodal facilities; connects major east-west interstates in Texas, crossing I-10, I-20 and I-30; and improves connectivity and provides convenient access to national east-west routes from Texas' ports and cities as well as connecting with I-35, I-37 and I-45 allowing for access to additional national north-south routes; and

WHEREAS, with each overpass and every additional mile of I-69 upgrades, new doors open for economic development, new jobs and more efficient freight movements; and reduced travel times create new opportunities for families, giving them improved access to better jobs, university campuses, regional medical centers, shopping and greater recreational choices; and

WHEREAS, the Texas Department of Transportation initiated a four-year citizen/community-driven process to develop I-69 in Texas, creating a Citizens Advisory Committee and five segment committees created for the purpose of providing locally focused input and recommendations on developing I-69 in their communities; and

WHEREAS, the segment committee members identified a number of factors that support the need to develop I-69 in their communities including serving population growth and traffic growth, providing safer travel, improving emergency evacuation procedures, and maintaining and improving economic competitiveness; and

WHEREAS, the segment committee members also identified and considered local planning and environmental features, examined potential routes to serve as I-69 and important connecting facilities, and reviewed traffic and highway crash data along the routes under consideration; and

WHEREAS, the Segment Four Committee encompassed portions of US-59, US-77, US-281 and SH-44 and included the counties of Brooks, Cameron, Hidalgo, Jim Wells, Kenedy, Kleberg, Live Oak, Nueces, San Patricio, and Willacy; and the Segment Five Committee encompassed portions of US-59, US-77, US-281 and SH-44 and included the counties of Duval, Jim Wells, Live Oak, McMullen, Nueces, San Patricio, Webb, and Zapata; and

WHEREAS, the Segment Four and Five Committee members recognized their common needs and goals and decided to work and meet essentially as one committee and identified shared needs for US-77, US-281, US-59 and SH-44; and

WHEREAS, the Segment Four and Five Committee's priority recommendations included: designation of SH-44 to US-59 at Freer as an I-69 route; relief routes on SH-44 at Alice, San Diego and at Freer at the US-59/SH-44 intersection; as well as interim safety and capacity improvements along SH-44 at the intersection within Robstown and Alice or new interchanges along the route.

NOW, THEREFORE, BE IT RESOLVED that the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, hereby expresses its support for federal legislation to make Texas State Highway 44 a Future Segment of Interstate 69 as a High Priority Corridor on the National Highway System; and

BE IT FURTHER RESOLVED that the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, encourages members of the Texas congressional legislative delegation to sign on as co-authors and co-sponsors of any legislation that includes language designating SH-44 as a Future Segment of Interstate 69.

XI.

The Commission then considered a lease agreement with the City of Port Aransas for approximately 4.33 acres of PCCA's upland and submerged land located along the south side of the Corpus Christi Ship Channel near the Ferry Boat Landing at Port Aransas. The City has maintained a parking lot and public fishing pier on this property for many years, and has requested a new two-year lease on the property while the City completes the design and acquires funding for a new public fishing pier. On motion made by Mr. Zahn and seconded by Mr. Borchard, the Commission approved this lease agreement with the City of Port Aransas in the form presented to the meeting.

XII.

On motion made by Mr. Valls and seconded by Ms. Canales, the Commission approved, in the form presented to the meeting, a Cost-Sharing Agreement with voestalpine Texas Holding, LLC, for costs incurred by PCCA under its Mitigation Plan associated with the dock construction projects on PCCA's La Quinta property.

XIII.

On motion made by Mr. Borchard and seconded by Mr. Zahn, the Commission approved, in the form presented to the meeting, a professional services master agreement with WKMC Architects, Inc., and an initial service order with a not-to-exceed budget of \$90,000 to provide professional services as PCCA's coordinating architect for the new PCCA office facility.

XIV.

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

- B.** Approve first supplemental agreement to the outside city limit water service agreement with the City of Portland to provide potable water service to La Quinta Gateway Terminal property.

- C.** Approve first amendment to pipeline easement dated March 12, 2013 with Trafigura Terminals, LLC to update alignment of two 16” pipelines.
- D.** Approve first amendment to pipeline easement dated June 11, 2013 with Trafigura Terminal LLC for the addition of a 4” water line near Tule Lake Dredge Material Placement Area.
- E.** Approve water line easement agreement with San Patricio Municipal Water District at the PCCA’s La Quinta property.
- G.** Approve professional services master agreement and service order with Lockwood, Andrews and Newnam, Inc. for construction phase engineering services associated with the construction of a 12-inch water line on PCCA’s La Quinta property.
- H.** Approve service order with RVE, Inc., under its professional services master agreement, for engineering services associated with the underwater inspections of PCCA waterfront facilities.
- I.** Approve service order with Freese and Nichols, Inc., under its professional services master agreement, for plans to repair and improve the public storage pads at the Bulk Terminal.
- K.** Award contracts to FenderTeam Americas, Maritime International, and Trelleborg, lowest and best bidders based on bids received on May 30, 2014, for purchase of dock fenders and panels.

After discussing Item **A** on the Consent Agenda, upon motion duly made and seconded, the Commission awarded a contract to RVE Inc., for messenger services for 12 months effective July 1, 2014 at a cost not to exceed \$60,000.

With regard to Item **F** on the Consent Agenda, upon motion duly made and seconded, the Commission approved a professional services purchase order with Starcrest Consulting Group, LLC, in the amount of \$153,500 for the development of a complete emissions inventory for this region.

Concerning Item **J** on the Consent Agenda, upon motion duly made and seconded, the Commission awarded a contract to Haas-Anderson Construction, Ltd, in the amount of \$736,100.00 for construction of an all-weather laydown yard on approximately 4.5 acres of the Northside Storage Yard directly north of Cargo Dock 9, and granted the Director of Engineering Services a 4% contingency allowance for change orders under the contract in accordance with PCCA’s standard contingency guidelines.

XV.

The Executive Director reported on the following during his report: voestalpine La Quinta dredging; WRDA update; Austria trip; Hurricane preparedness; update on green gas permit; Texas Freight Mobility Plan hearing; PAAC and TxDot; and introduction of new employee

XVI.

Chair Hawley asked for comments from Commissioners.

At 9:58 a.m., the Chair announced that the Commission would go into executive session pursuant to §551.072; §551.074 and §551.087 of the Texas Government Code to deliberate agenda items 17, 18, 19 and 20.

At 11:28 a.m. the Commission reconvened into open session.

XVII.

This item was for executive session only: Deliberate selling property on the south side of the Inner Harbor.

XVIII.

This item was for executive session only: Deliberate leasing portions of PCCA's property in the vicinity of PCCA's Bulk Terminal and the offer of a financial or other incentive to business prospects that PCCA seeks to have stay or expand in or near the Bulk Terminal and with which PCCA is conducting economic development negotiations.

XIX.

This item was for executive session only: Deliberate purchasing property in San Patricio County.

XX.

This item was for executive session only: Deliberate the Executive Director's duties.

XXI.

On motion made by Mr. Borchard and seconded by Mr. Jones, the Commission approved the formation and functions of the following special committees of the Commission: (1) Organization Structure; (2) Asset Management; and (3) New Business Development. Chair Hawley then appointed the members and Chairs of each committee as follows:

- 1) Organizational Structure: Al Jones – Chair; David Engel and Richard Borchard
- 2) Asset Management: Charles Zahn – Chair; and Barbara Canales
- 3) New Business Development: Rick Valls – Chair; Barbara Canales and Judy Hawley

XXII.

There being no further business, the meeting adjourned at 11:28 a.m.

AGENDA ITEM NO. 3

No Attachment

AGENDA ITEM NO. 4

No Attachment

AGENDA ITEM NO. 5

No Attachment

AGENDA ITEM NO. 6

No Attachment

AGENDA ITEM NO. 7

No Attachment

AGENDA ITEM NO. 8

No Attachment

AGENDA ITEM NO. 9

No Attachment

DATE: July 8, 2014

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

AGENDA ITEM NO. 10

Approve a professional services agreement with Leigh Fisher for an organization study of PCCA.

PCCA management structure has remained virtually unchanged for many years. It was designed to deal with the port's customer base with an emphasis on the petrochemical industry. The range of opportunities presented by the development of the Eagle Ford Shale formation and the significant shift in cargo flow from import to outbound has resulted in increasing demand on our management structure.

A review of our organization is needed to ensure we can continue to meet our mission to "serve as a catalyst of regional economic growth". Staff recommends approval of a professional services agreement with Leigh/Fisher for an organizational study of PCCA. Leigh Fisher has a history of providing strategic planning and organizational reviews to the public and private transportation industry. References were checked with two of the top ten airports and one seaport. All three rated Leigh/Fisher as exceptional.

A summary of their scope of work and bio's on their key staff (Nick Davidson and Richard Batty) are attached for your review. If you have any questions, please call me.

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



June 13, 2014

Ms. Judy Hawley
Chairperson
Port of Corpus Christi Authority
PO Box 1541
Corpus Christi, TX 78403

Re: Port of Corpus Christi Authority – Management Organization Review

Dear Ms. Hawley:

Further to our recent meeting, LeighFisher is pleased to submit this proposal to undertake a management organization review for the Port of Corpus Christi Authority (PCCA). Our proposal is outlined under the following headings:

- Background and Objectives
- Scope of Services
- Schedule and Budget
- Key Staff

Background and Objectives

PCCA currently faces an unprecedented range of opportunities, driven by the Eagle Ford Oil Shale development, the burgeoning economy of the South Texas region, and the planned opening of the expanded Panama Canal. The impact of the South Texas energy “boom” has been significant for PCCA. Crude oil imports have declined, while outbound shipments of Eagle Ford crude have risen sharply. At the same time, existing Port industries are expanding, and PCCA is actively working with several private entities who are developing new manufacturing and processing plants on Port land.

Simultaneously, PCCA is responding to numerous expressions of interest from enterprises looking to develop facilities at the Port, which can take advantage of access to cheap oil and gas, as well as excellent maritime and rail transportation links. PCCA is currently coordinating a multi-billion dollar capital program, including both Port facility improvements and developer initiatives.

In response to these opportunities and challenges, PCCA recently completed a Strategic Plan, which is designed to provide a coordinated set of goals, objectives and action plans to achieve key outcomes for the Port. The Strategic Plan identifies the mission of PCCA as:

“....to serve as a regional economic development catalyst while protecting and enhancing its industrial base, and simultaneously working to diversify its international maritime cargo base”

The PCCA management organization structure has remained substantially unchanged for many years, and was configured to manage the operation and development of the Port in a “steady state” business environment. The PCCA Commission now wants to undertake a review of its management structure to ensure that it is configured and resourced appropriately to achieve the mission of the organization in a dynamic and opportunity-rich business environment, and to support the management and implementation of the Strategic Plan.

Ms. Judy Hawley
June 13, 2014

In this context, the specific objectives of the proposed management organization review would be to work in close coordination with the PCCA Commission and management staff to:

- ***Align the management organization structure with the PCCA Strategic Plan*** – To identify the organizational characteristics and resources necessary to implement the PCCA Strategic Plan
- ***Design a revised PCCA management organization structure*** – To enable PCCA to capitalize on opportunities and manage the challenges of growth effectively and efficiently
- ***Plan management and staff resources to deliver success*** – To identify the specific management and staff resources required to deliver key outcomes effectively, efficiently and consistently, in terms of key management capabilities, PCCA staff and outsourced services.

Scope of Services

The management organization review would be undertaken collaboratively, working closely with PCCA Commission members, senior management and staff. To achieve the objectives outlined above, LeighFisher proposes to undertake the scope of services outlined below, and illustrated in Figure 1:

- **TASK 1 – Organizational Objectives and Business Environment** – Working with the PCCA Commission and senior management, review the existing Strategic Plan and business context to identify:
 - Key goals, objectives and priorities, to serve as a foundation for organizational analysis and design
 - External challenges and opportunities facing the organization
 - Operational and business environment factors affecting PCCA
- **TASK 2 – Organizational Assessment** – Working with the Commission, management and staff focus groups, review the existing management organization structure to identify:
 - Strengths and weaknesses of the existing organization structure
 - “Pinch points” and capability “gaps” in relation to strategic goals, objectives and priorities
 - Spans of control, management layers, functional alignment, duplication, etc.
 - Principal organizational risks (resilience, succession, etc.)
 - Key objectives for organizational redesign
- **TASK 3 – Alternatives Analysis** – Develop and test organizational alternatives to achieve PCCA goals and objectives. The process to include:
 - Development of organizational design evaluation criteria
 - Development and testing of structural alternatives
 - Definition and design of cross functional teams
 - Recommendations re preferred organization structure alternative
 - Functional colocation recommendations as an input to new PCCA office configuration

Ms. Judy Hawley
June 13, 2014

- **TASK 4 – Resource Planning** – Review management and staffing in each PCCA functional area to determine required staffing levels in the context of business strategy and potential future growth:
 - Critical capabilities
 - Key management positions
 - Staffing levels
 - Outsourcing/insourcing
- **TASK 5 – Implementation Plan** – Develop a phased implementation plan for organizational change to include:
 - Key implementation steps and dependencies
 - Implementation schedule
 - Process for staff briefing and roll-out

It is proposed that the review would be directed by a Steering Committee, comprising, at a minimum, three Commission members and the Port Executive Director. The Steering Committee would be the decision-making body for the review, would review interim findings, and provide validation and direction to ensure that the results of the study meet PCCA expectations. It is envisioned that up to four Steering Committee meetings would be held during the Review, as shown in Figure 1. Interim briefing papers would be prepared for each Steering Committee meeting.

Schedule and Budget

LeighFisher proposes to complete the scope of services outlined above within a three month timeframe, as shown in Figure 1. Assuming an early July notice to proceed, we would plan to have a draft report completed by early October.

LeighFisher proposes to complete the scope of services outlined above for a not-to-exceed budget of \$120,000, excluding direct costs, travel and subsistence, which would be billed at actual costs.

Key Staff

The review would be undertaken by the following staff:

- **Nick Davidson (Director)** would serve as the Project Director, and would have overall responsibility for the successful completion of the project. He would be actively involved in all phases of the project, and would attend all Steering Committee meetings. Mr. Davidson leads LeighFisher's Management and Organization practice, and has 30 years management consulting experience. He recently led a comprehensive organizational review for the Houston Airport System, resulting in a new management organization structure configured to implement their recently completed Strategic Plan, together with staffing requirements for each functional component of the organization. Over his 27 years with LeighFisher, he has led strategic planning, organizational benchmarking and organizational development reviews for numerous airports and transportation enterprises (both public and private sector), in the United States and overseas. For fourteen years, Mr. Davidson served as the President of LeighFisher, and prior to joining LeighFisher was a manager for a large international management consulting firm in the UK.

Ms. Judy Hawley
June 13, 2014

- **Richard Batty (Director)** would serve as Project Manager and would be actively engaged in all phases of the review. Mr. Batty has over 25 years diverse management consulting experience, specializing in strategic planning, organizational design, and performance enhancement. He is currently Project Director for the development of a Strategic Plan for Massport, owner and operator of both port and airport facilities in Boston, and recently served as Project Manager for the organizational review of the Houston Airport System. Mr. Batty has broad experience of organizational development in numerous industry sectors including transportation, infrastructure and manufacturing, for clients in the United States, Europe and South America. Prior to joining LeighFisher, Mr. Batty was Head of Strategic Analysis for Network Rail in the UK, and was a manager for a large international management consulting firm in the UK.

* * * * *

We appreciate the opportunity to submit this proposal to assist PCCA with the re-invention of its management organization to meet the unique challenges and opportunities it now faces, and to accelerate the achievement of the goals and objectives included in its ambitious Strategic Plan.

We stand ready to commence the Review upon authorization. In the interim, please call me if you have any questions about this proposal.

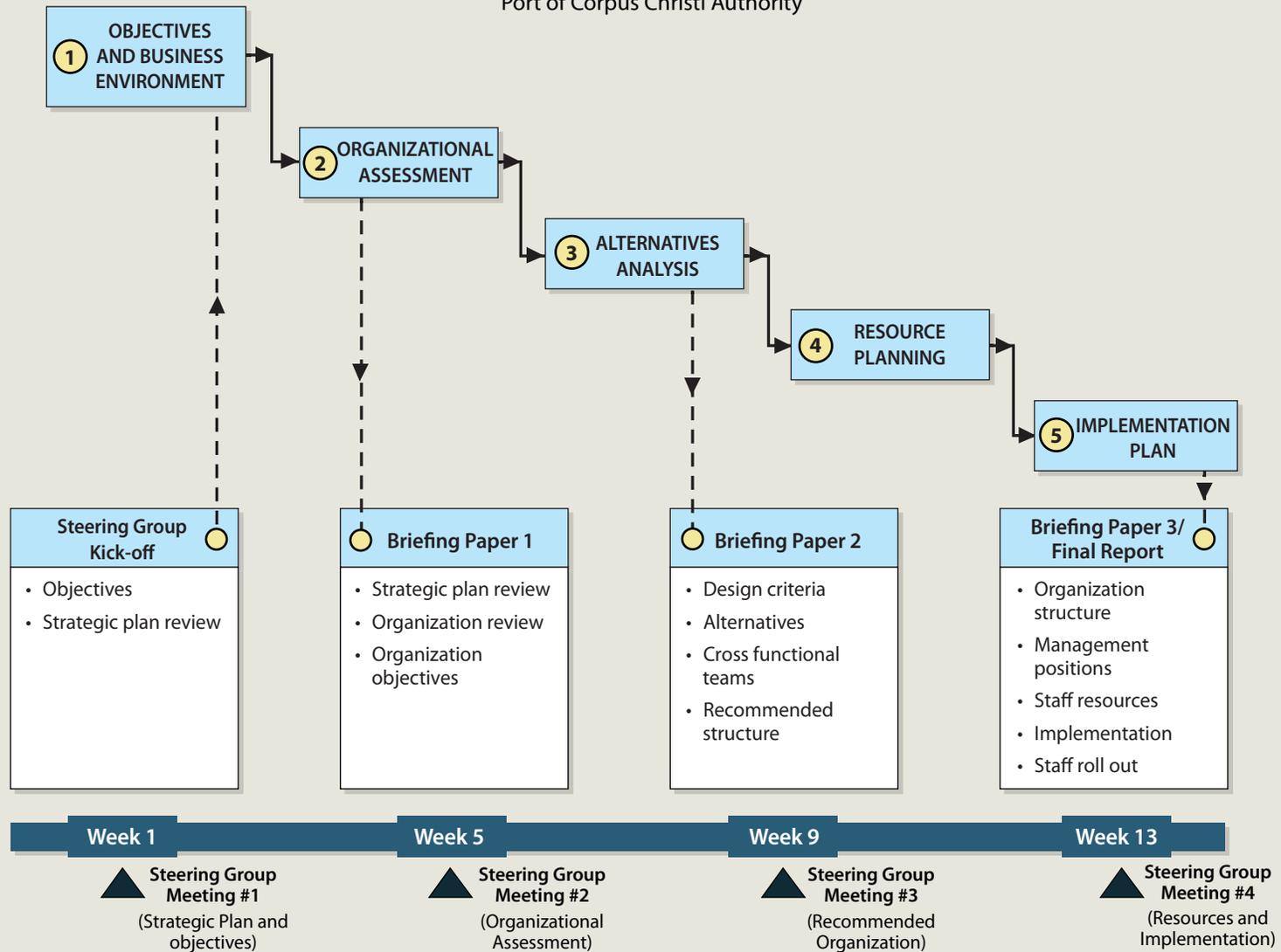
Sincerely,

Nick Davidson
Director

ND/sq
1105CRP

25

Figure 1
WORK PROGRAM AND SCHEDULE
 Port of Corpus Christi Authority



DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 11

Approve the First Reading of a Franchise Granting The Texas Fuel and Asphalt Company, LLC, the Right to Cross the South Bulkhead Line of the Tule Lake Channel from its Property Adjacent to the Channel and Related Rights

The Texas Fuel and Asphalt Company, LLC, (TTFAC) recently acquired a 16.8-acre tract of land located just east of the Interstate Grain Terminal, fronting on the south shore of Tule Lake Channel across from Bulk Dock 2, as shown on the attached Exhibit. The tract of land was formerly owned by Mary Dunn Meaney, and is currently vacant. Mrs. Meaney acquired the northernmost 1.03 acres of this property from the Nueces County Navigation District (now PCCA) in a mutual conveyance agreement dated July 5, 1957. The mutual conveyance provides that owner of the property conveyed to Mrs. Meaney by PCCA will not use it for any business seeking access to the ship channel without first obtaining a franchise from PCCA to cross the south bulkhead line of the channel. Staff has reviewed existing and past franchise agreements along this reach of the channel and has determined that no franchise is in place on the subject tract of land.

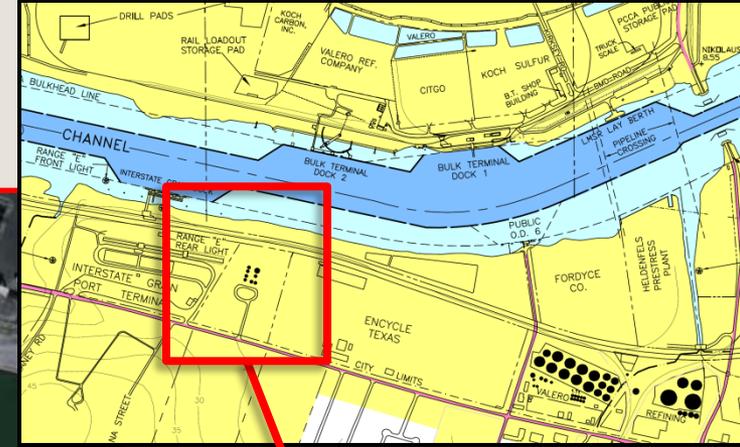
TTFAC has approached PCCA staff with plans to develop the property to store and transport road grade petroleum products, and, in connection therewith, has requested that a franchise be granted permitting them the right of access to the Corpus Christi Ship Channel for shipment of asphalt and related products. In exchange for the right to cross the south bulkhead line of the channel and certain dredging rights, TTFAC will pay the PCCA's normal franchise fees for privately owned docks, which is a rental charge equal to 50% of the PCCA's then current tariff wharfage rates.

Actual revenue in connection with this franchise cannot be accurately estimated at the present time; however, approval of the requested franchise will allow access to the channel by TTFAC or future owners to conduct waterborne commerce, thereby generating a new revenue source that is not currently being realized.

Staff recommends that the Port Commission approve and pass the first reading of a franchise with The Texas Fuel and Asphalt Company, LLC. The second reading is scheduled for August 12, 2014.

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

The Texas Fuel and Asphalt Company, LLC Franchise Agreement



Company Property

FRANCHISE

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
TO
THE TEXAS FUEL AND ASPHALT COMPANY, LLC**

SECTION 1
GRANT OF ACCESS TO CHANNEL

Subject to the terms and conditions of this franchise, Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), hereby grants to The Texas Fuel and Asphalt Company, LLC, a Texas limited liability company, whose business mailing address is PO Box 9605, Corpus Christi, Texas 78469, its successors and permitted assigns (“Grantee”), for the term specified in this Section 1, the right of access to the Corpus Christi Ship Channel (“Channel”) from Grantee’s Land (hereinafter defined) for all purposes necessary, proper or expedient in connection with the use and operation of the docks and wharves constructed or to be constructed on Grantee’s Land and reasonably related to shipping property or commodities by water to, from, or across these docks and wharves. The term of this franchise shall begin when Grantee files its written acceptance of it with the Authority in accordance with Section 10 of this franchise and shall end on August 31, 2044. “Grantee’s Land” is that certain 1.03 acres of land situated in Nueces County, Texas, which is shown on the Authority’s Boundary Map attached hereto as Exhibit A and incorporated herein by reference, and being the easternmost 1.03 acres of the 7.48 acres of submerged land conveyed to Mary Dunn Meaney by the Nueces County Navigation District No. 1 by that certain Mutual Conveyance described in Section 7 of this franchise.

SECTION 2
USE OF AUTHORITY’S LAND

The Authority has established the south bulkhead line of the Channel, which is the line beyond which no structure may be built, and this line as it may be changed from time to time by the Authority is referred to herein as the “South Bulkhead Line.” The northerly boundary line of Grantee’s Land is the South Bulkhead Line. Grantee may cross the South Bulkhead Line (where it is adjacent to Grantee’s Land) and conduct and perform all dredging and excavation operations in, on and under the submerged lands owned by the Authority lying between the Channel and Grantee’s Land as may be necessary, proper or expedient in connection with the use of such submerged lands of the Authority as a means of access from Grantee’s docks and wharves to the Channel.

SECTION 3
RENTALS

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

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

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

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

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

SECTION 4
CONDITIONS

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

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

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

C. Plans. Before constructing any structure or commencing any work (including dredging or filling of submerged areas) on Grantee's Land or the Authority's submerged land lying between the Channel and the South Bulkhead Line for which a U. S. Department of the Army permit is required and before filing application for any such permit, Grantee will submit plans of such structure or work to the Authority for its approval. Grantee shall not begin such construction or work until it has obtained the Authority's written approval of such plans, which approval shall not be unreasonably withheld. Authority will review and approve or disapprove any such plans within sixty (60) days after its receipt of the plans. Grantee shall file with the Authority a copy of any permit or license it obtains from any governmental agency in connection with any construction or work described in this Section 4, and any documents placing conditions on or amending them in any way.

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

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

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

F. Pollution. Grantee shall take all reasonable precautions to prevent the pollution of the Channel and shall faithfully observe all regulations adopted by the Authority to prevent the discharge of pollutants into the Channel. Grantee shall also comply with all federal and state laws and regulations and municipal ordinances relating to maintaining water quality in the

Channel, and will file with the Authority copies of all permits received by Grantee relating to water quality to the extent relating to its activities hereunder.

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

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

SECTION 5
INDEMNITY

Grantee shall defend, indemnify and hold harmless Authority, its commissioners, officers, directors, managers, employees, and agents (for the purposes of this Section 5, the “Indemnified Parties”) from and against any and all expenses and liabilities for, and resulting from, the sole, joint, concurrent, or comparative negligence of Grantee, its agents or employees (collectively, “Grantee Parties”), in connection with the exercise by Grantee of the rights and privileges granted herein (each an “Indemnified Claim”) EVEN IF THE INDEMNIFIED CLAIM IS CAUSED BY THE JOINT, CONCURRENT, OR COMPARATIVE NEGLIGENCE OF THE INDEMNIFIED PARTIES; provided, however, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence of the Grantee Parties and the Indemnified Parties, then Grantee’s obligation to the Indemnified Parties shall only extend to the percentage of the total responsibility of the Grantee Parties in contributing to such Indemnified Claim. In Indemnified Claims against any Indemnified Party by or for an employee of a Grantee Party, the Grantee’s indemnification obligation under this Section 5 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers’ or workmen’s compensation acts, disability benefit acts, or other employee benefit acts.

SECTION 6
DEFAULT

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

SECTION 7
NO EFFECT ON MUTUAL CONVEYANCE

The rights and privilege of Grantee and the Authority arising out of that certain mutual conveyance dated June 29, 1957, of record in Volume 780, pages 503 through 512, Deed Records of Nueces County, Texas, executed by the Nueces County Navigation District No. 1 and by Mary Dunn Meaney (“Mutual Conveyance”), are hereby expressly recognized and confirmed and in no wise abridged, lessened or diminished by the granting of this franchise and its acceptance by Grantee or by any surrender, cancellation or forfeiture of the same.

SECTION 8
ASSIGNMENT

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

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

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

Grantee shall have the right to convey this franchise by mortgage, deed of trust or any other security instrument. If Grantee shall be in default of any of the covenants or conditions of this franchise, the holder of the mortgage, deed of trust or other security instrument may, before forfeiture is invoked by the Authority, make any and all payments and do and perform any and all acts or things which may be necessary to prevent a forfeiture of this franchise and the party making such payments or performing such acts or things shall thereby be subrogated to all rights of the Grantee under this franchise. The Authority agrees that if the holder of any mortgage, deed of trust or other security instrument delivers a copy of such instrument to the Authority, together with the address to which it desires notices to be sent, the Authority will send to the holder at the address specified copies of all written notices to be served on Grantee under and pursuant to the terms of this franchise. It is understood that the mortgagee, trustee and

beneficiary of any security instrument shall in no way be liable to the Authority for any payments or for the performance of any other covenants and conditions of this franchise until such time as it shall acquire by assignment or conveyance from Grantee or by foreclosure or other proceedings provided by law or by the terms of the security instrument all the right, title and interest of Grantee under this franchise; provided, however, that any party who shall acquire said right, title and interest of Grantee, as above provided, shall thereby become liable for all payments and the performance of all other covenants and conditions theretofore and thereafter required to be made by Grantee under the franchise, as fully and to the same extent as if Grantee itself would have been if it still had retained its right, title and interest hereunder.

SECTION 9
GENERAL

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

SECTION 10
PASSAGE AND ACCEPTANCE

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

[The Authority's signature page follows this page]

IN WITNESS WHEREOF, the Authority has caused this franchise to be signed by the Chairman of the Port Commission and attested by the Secretary of the Port Commission this ____ day of _____, 2014.

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

By: _____
Judy Hawley,
Port Commission Chairman

ATTEST:

Charles W. Zahn, Jr.,
Port Commission Secretary

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of _____, 2014, by Judy Hawley, Chairman of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, and Charles W. Zahn, Jr., Secretary of the Port Commission of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Port Authority.

NOTARY PUBLIC, STATE OF TEXAS

ACCEPTANCE OF GRANTEE

The Texas Fuel and Asphalt Company, LLC, hereby accepts the above and foregoing franchise covering 1.03 acres of land, which was granted to it by Port of Corpus Christi Authority of Nueces County, Texas, and further agrees that The Texas Fuel and Asphalt Company, LLC, its successors and permitted assigns, shall in all things be bound by the terms and conditions of said franchise.

EXECUTED this ____ day of _____, 2014.

THE TEXAS FUEL AND ASPHALT
COMPANY, LLC

By: _____

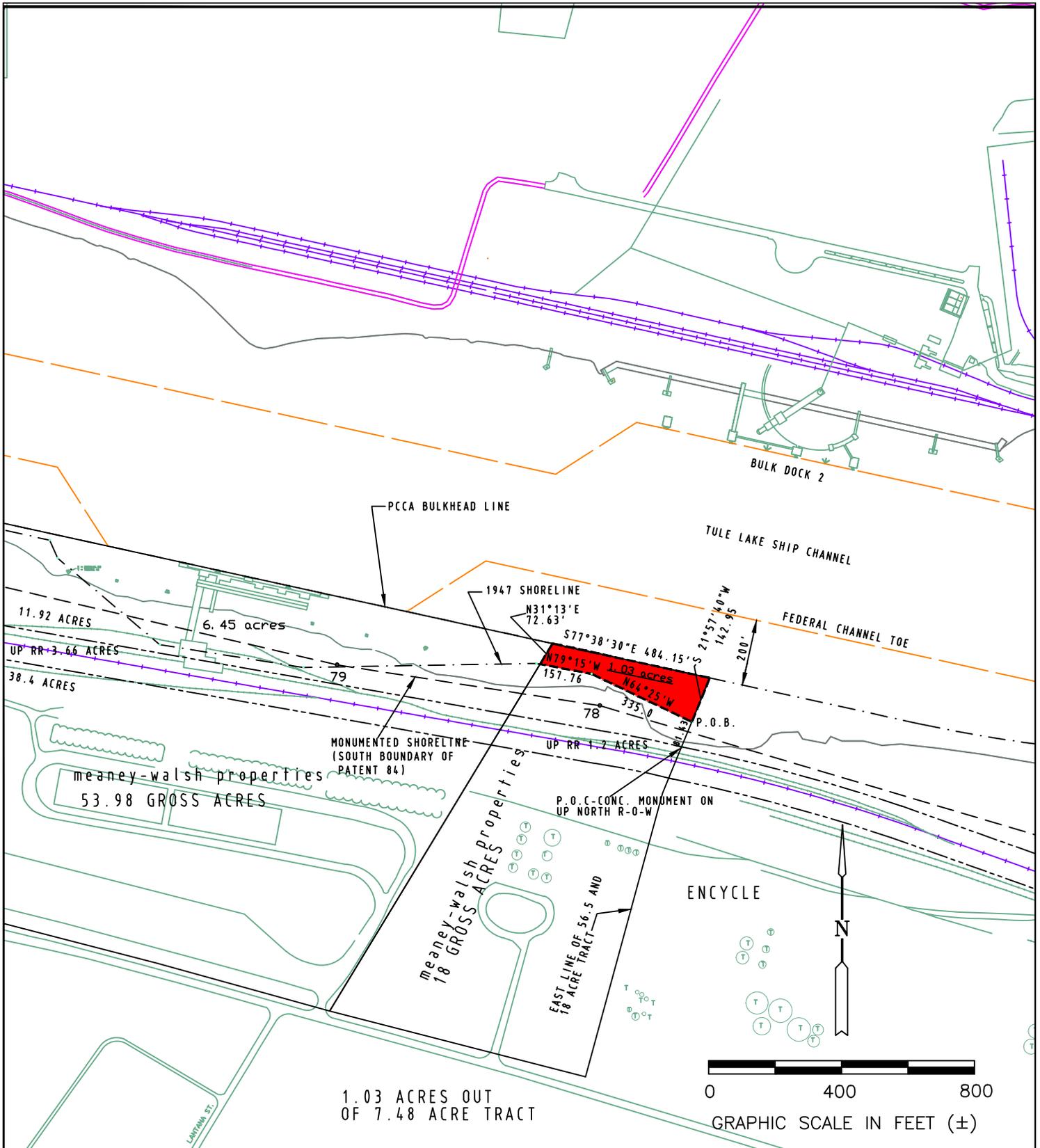
Printed Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2014, by _____, _____ of The Texas Fuel and Asphalt Company, LLC, on behalf of said company

NOTARY PUBLIC, STATE OF TEXAS



NO.	DATE	REVISION



PORT CORPUSCHRISTI

PORT OF CORPUS CHRISTI AUTHORITY

THE TEXAS FUEL AND ASPHALT COMPANY COMPANY, LLC FRANCHISE

SCALE: AS SHOWN

DWN. BY: RALPH

EXHIBIT A

DATE: JULY 2014

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 12

Award a Contract to Diamond K Services Inc., the Lowest and Best Bidder Based on Bids Received on June 30, 2014, for Inner Harbor Rail Upgrades and Improvements (2014)

The 2014 PCCA budget included \$1.5 million to upgrade and improve the inner harbor railroads to support current and projected port and tenant transportation requirements. Staff identified the rail track within the Bulk Terminal as requiring a significant amount of upgrades, improvements and maintenance. After thorough inspection and evaluation of the Bulk Terminal rail, four general areas were included for the design and development of plans and specifications for 2014. See attached exhibit.

A substantial portion of Sites 1 and 4 require an upgrade of the older, deteriorated under-sized 90-lb rail to 115-lb rail. Work will include full replacement of the rail track section, including the rail, treated timber ties, rail hardware, precast concrete and composite crossings, and reconstructing the track bed with new material to a higher elevation to improve drainage. For Sites 2 and 3, the work will consist of adding ballast to level the rails and improve drainage, replacing selected timber ties, and adding rail anchors in curved sections to stabilize track gauge. This maintenance work is outside the limits of that required to be performed by the PCCA's third party rail operator.

Of the four sites, staff identified Site 4 as the most critical need and therefore the Contract Documents were structured with Site 4 as the Base Bid and Sites 1 through 3 as Additive Bid Items 1, 2 and 3, respectively. Not included in the Contract Documents are the costs associated with the disposal of existing soils below the rail track that contain pet coke and other off-spec ores from past and present operations. At the completion of the project, the Port will evaluate this material and arrange for the proper disposal of any contaminated material.

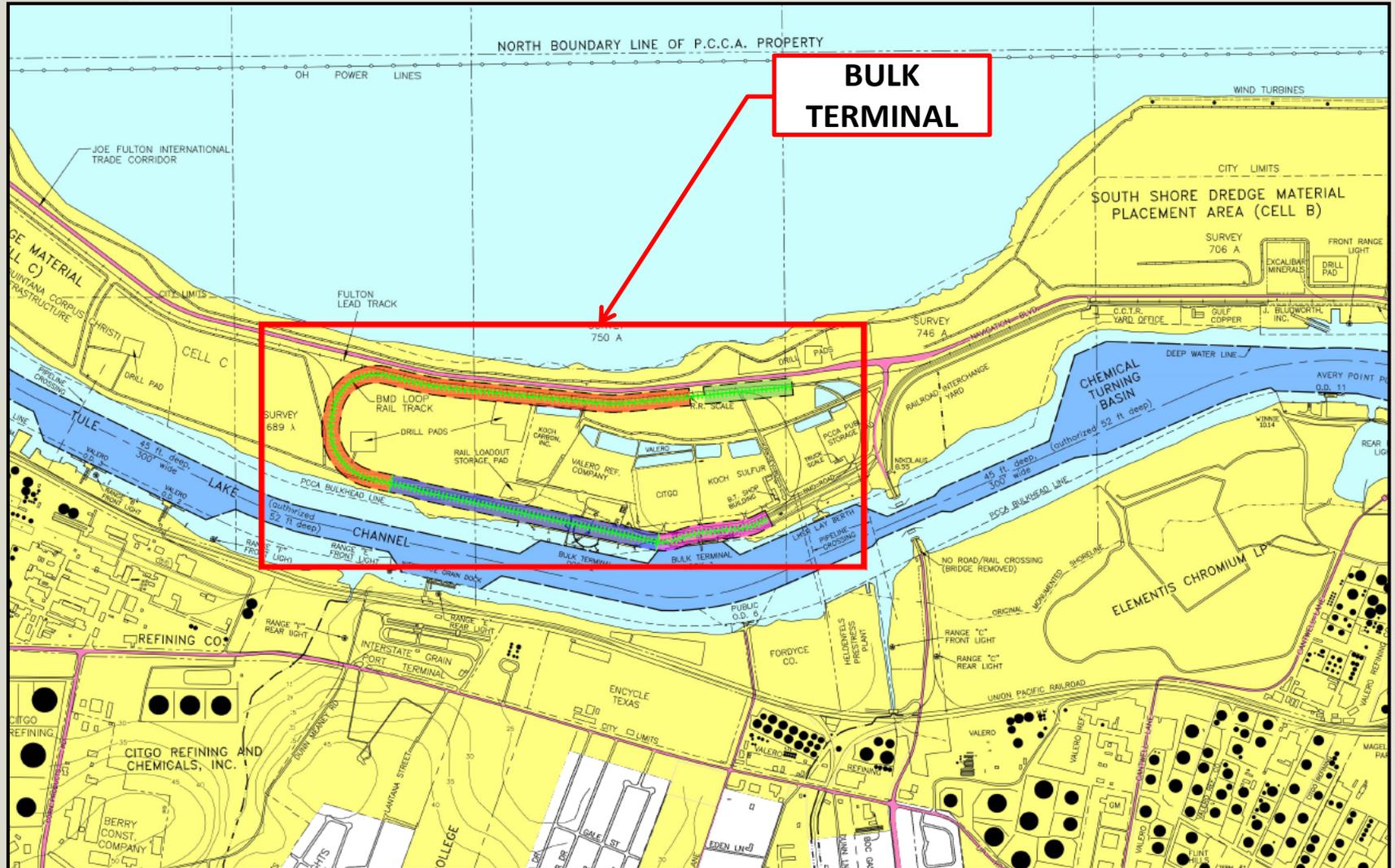
On June 30, 2014, we received four responses to our Notice to Bidders. Based on the available budget, staff is recommending award of the Base Bid and Additive Bid Items 2 and 3. The apparent low bidder for this combination and all potential bid award combinations is Diamond K Services Inc. with a Base Bid amount of \$807,334.72, Additive Bid Item 2 in the amount of \$116,266.20, and Additive Bid Item 3 in the amount of \$18,663.15. Diamond K Services Inc. is a rail contractor from Cuero, Texas, that has performed satisfactory work for the PCCA on the Fulton Lead Track rail grinding project and general track maintenance throughout the Port.

Staff recommends that a contract be awarded to Diamond K Services Inc. in the total amount of \$942,264.07 for the Base Bid and Additive Bid Items 2 and 3. Staff also recommends that the Director of Engineering Services be authorized a 6% contingency in accordance with the standard contingency guidelines for rehabilitation projects. Work included for Additive Bid Item 1 (Site 1) not awarded at this time will be deferred to 2015. Staff will continue to monitor the site for any required immediate repairs.

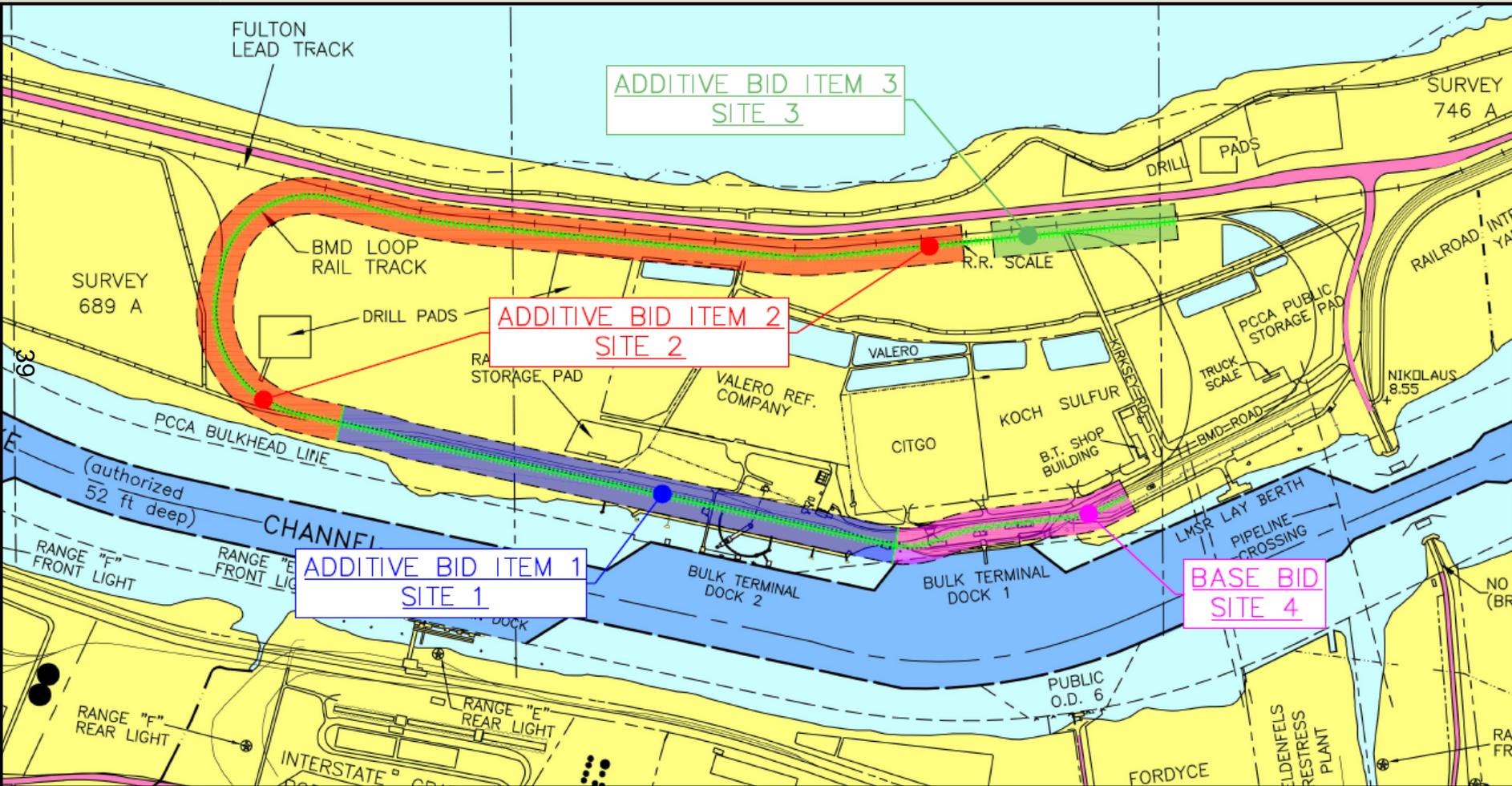
LEAD CONTACT: David Krams; 885-6134; krams@pocca.com

INNER HARBOR RAIL UPGRADES

38



INNER HARBOR RAIL UPGRADES



INNER HARBOR RAIL UPGRADES



40

BASE BID

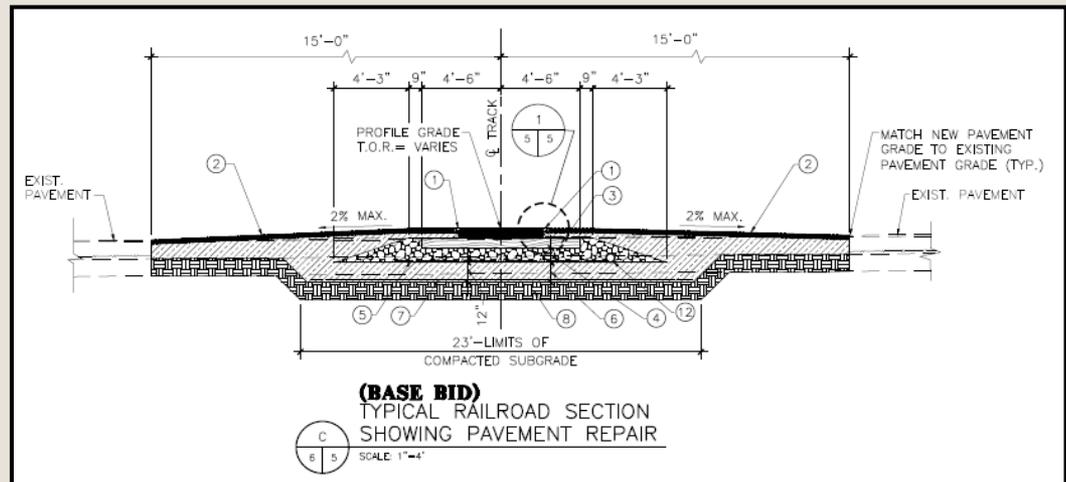
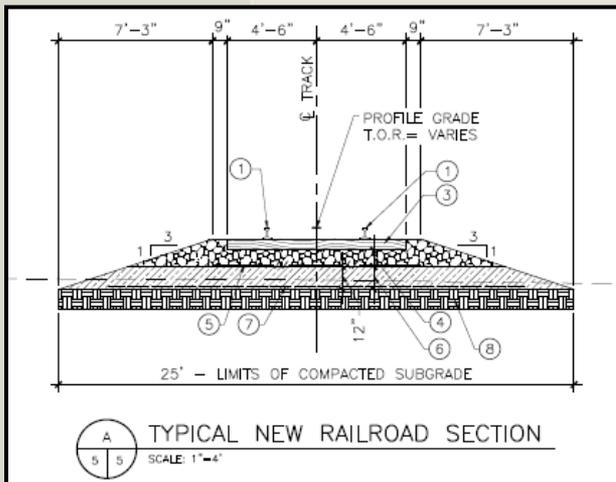
Replace existing rail with 115-lb AREMA rail, timber cross ties, timber and concrete crossings, and turnouts, adding ballast, reworking track bed, and pavement repairs

ADDITIVE BID ITEM #1

Replace existing rail, timber cross ties, timber crossings, rail turnouts, and adding ballast for reworking track bed and resurfacing track

ADDITIVE BID ITEM #2 & 3

resurface track feet by adding ballast, replacing intermittent ties, adding anchor clips, and tamping to grades





BID TABULATION FOR INNER HARBOR RAILROAD UPGRADES AND IMPROVEMENTS
PROJECT NO. 14-016A
Bid Opening: June 30, 2014 at 3:00 pm

Company Name	Bid Bond or Cashier's Check	Base Bid ^A	Additive Bid Item 1 ^B	Additional Calendar Days Add Bid Item 1	Additive Bid Item 2 ^C	Additional Calendar Days Add Bid Item 2	Additive Bid Item 3 ^D	Additional Calendar Days Add Bid Item 3	Time of Delivery*	Addend No. 1	Addend No. 2	Staff's Recommended Award: Base Bid + Add Bid 2 & 3
Diamond K Services, Inc.	5% Bid Bond	\$807,334.72	\$2,170,783.76	120	\$116,266.20	15	\$18,663.15	2	75	X	X	\$942,264.07
Railworks Track Systems, Inc.	5% Bid Bond	\$866,311.00	\$2,555,499.00	150	\$187,357.50	16	\$35,952.00	4	103	X	X	\$1,089,620.50
Berry Contracting LP dba Bay Ltd	5% Bid Bond	\$988,255.60	\$2,914,298.00	180	\$133,546.20	30	\$33,056.75	20	120	X	X	\$1,154,858.55
Balfour Beatty Infrastructure	5% Bid Bond	\$1,057,212.50	\$2,462,783.50	45	\$135,797.00	12	\$23,112.00	5	87	X	X	\$1,216,121.50

*In calendar days

41

^A BASE BID - SITE 4: Includes replacing existing rail with 115 lb. AREMA rail, timber cross ties, timber and concrete crossings, and turnouts, adding ballast, reworking track bed, and pavement repairs for 1,196 track feet for SITE 4. This is a Lump Sum bid item.

^B ADDITIVE BID ITEM 1 - SITE 1: Includes replacing existing rail, timber crossties, timber crossings, rail turnouts, and adding ballast for reworking track bed and resurfacing track for 6,575 track feet for SITE 1. This is a Lump Sum bid item.

^C ADDITIVE BID ITEM 2 - SITE 2: Includes resurfacing 5,346 track feet by adding ballast, replacing intermittent ties, adding anchor clips, and tamping to grades for SITE 2. This is a Lump Sum bid item.

^D ADDITIVE BID ITEM 3 - SITE 3: Includes resurfacing 857 track feet by adding ballast, replacing intermittent ties, adding anchor clips, and tamping to grades for Site 3. This is a Lump Sum bid item.

Read By: David L. Krams, P.E.

Tabulated By: Jacob Morales, P.E.

Checked & Prepared By: Melinda Maldonado

Date: June 30, 2014

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-A

**Approve Corrective Amendment of Lease with voestalpine Texas Holding, LLC,
on the PCCA's La Quinta Property to Slightly Modify the
Legal Descriptions of the East Dock Site and the West Dock Site**

On April 9, 2013, the Port Commission approved a long-term lease agreement with voestalpine Texas Holding, LLC. The agreement became effective on May 1, 2013.

Two of the parcels of land covered under the lease agreement are submerged parcels located along the north shoreline of Corpus Christi Bay, at the site of which voestalpine plans to construct two ship docks. One of the parcels was designated as the East Dock site and the other parcel was designated as West Dock site, and each parcel was described and depicted on survey drawings attached to the lease agreement entitled Exhibit B-1 and Exhibit B-2.

At the time the lease agreement was approved, the final boundaries of the respective dock sites were being modified, and while the new surveys had been ordered, they were not yet complete. Those surveys were completed on May 8, 2013, and revised Exhibits B-1 and B-2 were provided to the PCCA and voestalpine. The East Dock site described in Exhibit B-1 was reduced from 6.062 acres to 5.907 acres, and the West Dock site remained unchanged at 4.729 acres. The revised dock sites are shown on the attached drawings.

While voestalpine has been paying the proper rent based on the revised legal descriptions, the original Lease Agreement was never formally amended to reflect the changes in the descriptions of the dock sites. Both parties now wish to amend the Lease Agreement to replace the original Exhibits B-1 and B-2 with the revised Exhibits B-1 and B-2 dated May 8, 2013. Accordingly, PCCA counsel has prepared the attached Corrective Amendment of Lease, which has been reviewed and approved by voestalpine.

Staff recommends approval of the Corrective Amendment of Lease with voestalpine Texas Holding, LLC.

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

CORRECTIVE AMENDMENT OF LEASE

This Corrective Amendment of Lease (“*Corrective Amendment*”) is made effective as of May 1, 2013, by and between the **Port of Corpus Christi Authority of Nueces County, Texas**, a navigation district operating under Article XVI, Section 59 of the Texas Constitution (hereinafter called “*Landlord*”), and **voestalpine Texas Holding LLC** or its assigns (hereinafter called “*Tenant*”), a Delaware Limited Liability Company (Landlord and Tenant each herein called a “*Party*” and together the “*Parties*”). This Corrective Amendment includes all Exhibits hereto.

Recitals

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated May 1, 2013 (“*Original Lease Agreement*”), the first page and signature page of which are attached hereto as **Attachment One**; and

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

WHEREAS, Landlord and Tenant entered into a Memorandum of Lease with respect to the Original Lease Agreement effective as of May 1, 2013 (the “*MOL*”); and

WHEREAS, after the Original Lease Agreement was executed but before the MOL was executed the Parties agreed to slightly modify the legal descriptions of the East Dock Site and the West Dock Site; and

WHEREAS, the legal descriptions of the East Dock Site and the West Dock Site in the MOL are accurate, and the Parties wish to correct the legal descriptions of the Dock Sites in the Original Lease Agreement to conform with legal descriptions of the Dock Sites attached to the MOL for the sake of good order;

NOW THEREFORE, for and in consideration of the agreements set forth herein and the amount of ten dollars (\$10.00) in hand paid, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Effective as of May 1, 2013, the following corrective changes shall be made to the Original Lease Agreement without the need for any further action by the Parties:

A. **Exhibit B-1** attached to this Corrective Amendment, which is the correct legal description of the East Dock Site, shall be substituted for and replace **Exhibit B-1** attached to the Original Lease Agreement.

B. **Exhibit B-2** attached to this Corrective Amendment, which is the correct legal description of the West Dock Site, shall be substituted for and replace **Exhibit B-2** attached to the Original Lease Agreement.

C. The definition of “**East Dock Site**” in Section 1.01 of the Original Lease Agreement is corrected to now read in its entirety as follows:

“East Dock Site” means the surface estate of that certain tract or parcel of land in San Patricio and Nueces Counties, Texas, the northern boundary line of which abuts the southernmost boundary line of the Dock Access Strip and Conveyor Corridor portion of the Plant Site, the southern portion of which comprises submerged lands situated in Nueces County, Texas, and containing 5.907 acres, more or less, including approximately 1,060’ of frontage along the La Quinta Ship Channel extension, all as more particularly described on Exhibit B-1.

D. The definition of “**West Dock Site**” in Section 1.01 of the Original Lease Agreement is corrected to now read in its entirety as follows:

“West Dock Site” means the surface estate of that certain tract or parcel of land in Nueces County, Texas, the eastern boundary line of which abuts the western boundary line of the East Dock Site, the southern portion of which comprises submerged lands situated in Nueces County, Texas, and containing 4.729 acres, more or less, including approximately 1,030’ of frontage along the La Quinta Ship Channel extension, all as more particularly described on Exhibit B-2.

2. Landlord acknowledges and agrees that Tenant has been paying the correct amount of rent on the Dock Sites since the inception of the Original Lease Agreement and this Corrective Amendment will not change the amount of basic rent payable for the Dock Sites under Section 4.01(d) of the Original Lease Agreement.

3. This Corrective Amendment shall be binding on the successors and assigns of the Parties.

4. This Corrective 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 Corrective 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.

5. Except as herein specifically corrected, the Original Lease Agreement is ratified and confirmed and is in full force and effect.

[The signature page follows this page.]

IN WITNESS WHEREOF, the Parties have caused this Corrective Amendment to be executed by their duly authorized offices at Corpus Christi, Texas, as of the dates provided below each signature, to be effective, however, for all purposes, as of May 1, 2013.

LANDLORD:

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

By: _____

John P. LaRue
Executive Director

Date: _____, 2014

TENANT:

voestalpine Texas Holding LLC

By: _____

Name: _____

Title: _____

Date: _____, 2014

By: _____

Name: _____

Title: _____

Date: _____, 2014

ATTACHMENT ONE**LEASE AGREEMENT**

This LEASE AGREEMENT is made effective as of the 1st day of May, 2013 (the "*Effective Date*"), by and between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS** (hereinafter called "*Landlord*"), pursuant to authorization by its Port Commission, and **voestalpine Texas Holding LLC** or its assigns (hereinafter called "*Tenant*"), a Delaware Limited Liability Company (Landlord and Tenant each herein called a "*Party*" and together the "*Parties*"). This Lease Agreement together with all Exhibits and other attachments hereto and all renewals, extensions, and modifications hereof signed by the Parties is called herein this "*Lease*" or this "*Lease Agreement*". Capitalized terms shall have the meanings ascribed to those terms under the provisions of this Lease, including the definitions section provided in Section 1.01 of this Lease and as otherwise provided in Section 1.02.

RECITALS

WHEREAS, Landlord is the owner in fee simple of the Plant Site and the Dock Sites; and

WHEREAS, Tenant and its Affiliates desire to develop, construct and operate a hot briquetted iron ("*HBI*") facility and other related iron and steel facilities, including the processing of iron and steel, in multiple phases at the Plant Site (the "*Hot Iron Project*"); and

WHEREAS, the Hot Iron Project is currently proposed to be developed in multiple phases, with the first phase being the construction of an HBI plant ("*HBI Plant*") on the most southeastern portion of the Plant Site as depicted on Exhibit C ("*Phase 1*"), and with the second and subsequent phases to be the development and construction of additional related iron and steel facilities on the portion of the Plant Site to the west and north of Phase 1 (all phases subsequent to Phase 1, herein called "*Phase 2*" whether one or more); and

WHEREAS, to support Phase 1, Tenant desires to develop, construct, and operate a high performance dock (the "*East Dock*") on the East Dock Site for unloading iron ore pellets and loading of HBI and other iron and steel related products (the "*East Dock Project*" as depicted in the layout in Exhibit D attached hereto); and

WHEREAS, to support Phase 2, Tenant desires to have the right to develop, construct, and operate a second high performance dock (the "*West Dock*") on the West Dock Site of a size sufficient to handle the loading and unloading of Panamax or baby cape vessels and related facilities (the "*West Dock Project*"); and

WHEREAS, the Parties further wish to set forth herein certain rights, obligations and agreements related to the contemplated Phase 2 development of the Hot Iron Project and the West Dock Project; and

WHEREAS, the East Dock Site and the West Dock Site are sometimes collectively referred to herein as the "*Dock Sites*" and the East Dock and the West Dock are sometimes collectively referred to herein as the "*Tenant Docks*" and individually each a "*Tenant Dock*"; and

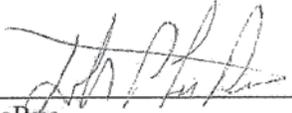
R JOL

ATTACHMENT ONE

IN WITNESS WHEREOF, this Lease Agreement is executed in duplicate originals, each of which shall be deemed to be an original, and all constituting one and the same instrument at Corpus Christi, Texas, as of the dates provided below each signature, to be effective however, for all purposes, as of the Effective Date.

LANDLORD:

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

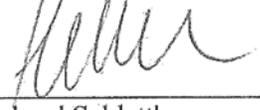
By: 

John P. LaRue
Executive Director

Date: 4-30, 2013

TENANT:

voestalpine Texas Holding LLC

By: 

Bernhard Schlattl
CEO

Date: 30 April, 2013

By: 

Erich Pizzera
CTO

Date: 30 April, 2013

EXHIBIT B-1**Surveying & Hydro Excavation Services**

802 N. Navigation Blvd., Suite 102
Corpus Christi, Texas 78408

5.907-Acre Tract "EAST DOCK SITE"

FIELD NOTES to describe the boundary of a 5.907-acre tract of land herein referred to as the "East Dock Site" being a portion of a called 930.28-acre tract known as Tract II and a portion of a called 21.98-acre tract known as Tract IV – Submerged Tract, both in "Exhibit A" of a called 1089.34-acre tract described in a deed to the Port of Corpus Christi Authority of Nueces County, Texas as recorded in Document No. 1998005467, Official Records, Nueces County, Texas and being a portion of a called 4140.6-acre tract of submerged land conveyed by the State of Texas to Nueces County Navigation District No. 1 by Patent 106 dated August 9, 1951 as recorded in Volume 522, Page 201, Deed Records, Nueces County, Texas also being out of a portion of the T.T. Williamson Survey, Abstract 288, in San Patricio County, Texas and the State of Texas Submerged Land Tracts, Tract 1, in Nueces County, Texas, said 5.907-acre tract being more particularly described by metes and bounds as follows;

COMMENCING at a brass disk set in concrete known as a United States National Geodetic Survey monument marked "Quintana 1933", said monument having Texas State Plane Coordinates of X= 1377525.05 and Y= 17211356.21, thence South 86°23'30" East a distance of 2,042.49 feet to a 5/8" iron rod with red plastic cap stamped "HYDRO EX SURVEYING" found for an exterior corner of a 475.52-acre tract of land recently surveyed and monumented in November 2012 within the limits of said 1089.34-acre tract for an exterior corner of the 5.907-acre tract herein described for the **POINT OF BEGINNING**;

THENCE North 78°20'12" East, along the south line of said 475.52-acre tract, a distance of 198.27 feet to a 5/8" iron rod with same red plastic cap found for an exterior corner of said 475.52-acre tract and for an exterior corner of the herein described tract;

THENCE South 11°39'48" East, a distance of 165.18 feet to a point for an interior corner of the herein described tract;

THENCE North 78°20'12" East, a distance of 74.81 feet to a point for the west line of a called 58.07-acre tract of submerged lands known as Tract 1, Parcel 6 described in a deed to BPU Reynolds, Inc. as recorded in Document No. 2001000017, Deed Records, Nueces County, Texas for the northeast corner of the herein described tract;

THENCE South 07°00'40" East, along the west line of said 58.07-acre tract, a distance of 235.60 feet to a point for the southwest corner of said 58.07-acre tract, for a bend point in the P.O.C.C.A. North Bulkhead Line, and for the southeast corner of the herein described tract;

THENCE South 78°20'12" West, along said north bulkhead line, a distance of 1060.00 feet to a point for the southwest corner of the herein described tract;

THENCE North 11°39'48" West, a distance of 200.00 feet to a point for the northwest corner of the herein described tract;

EXHIBIT B-1

THENCE North 78°20'12" East, a distance of 791.48 feet to a point for an interior corner of the herein described tract;

THENCE North 07°29'58" West, a distance of 200.53 feet to a 5/8" iron rod with same red plastic cap found for an exterior corner of said 475.52-acre tract and for an exterior corner of the herein described tract and the **POINT OF BEGINNING, CONTAINING** within these metes and bounds 5.907 acres (257,293 square feet) of land, more or less.

A record drawing of even date herewith accompanies this legal description.

These field notes represent a survey made on the ground under my direction and are true and correct to the best of my knowledge. The information of record noted herein was provided by the Port of Corpus Christi Authority.

5-8-2013
 Date



Michael D. Stridde
 Michael D. Stridde R.P.L.S. #3589

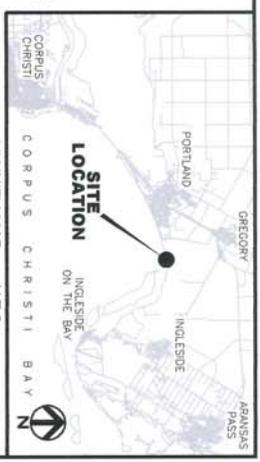


Point of Commencement
 NGS MONUMENT
 "QUINTANA 1933"
 FOUND 518' IRON ROD W/ CAP
 N. 17211356.21
 E. 1377525.05
 ELEV. 31.12
 P.O.C.C.A.
 4.7552-Acres
 (Recent Survey on
 Nov. 2012)

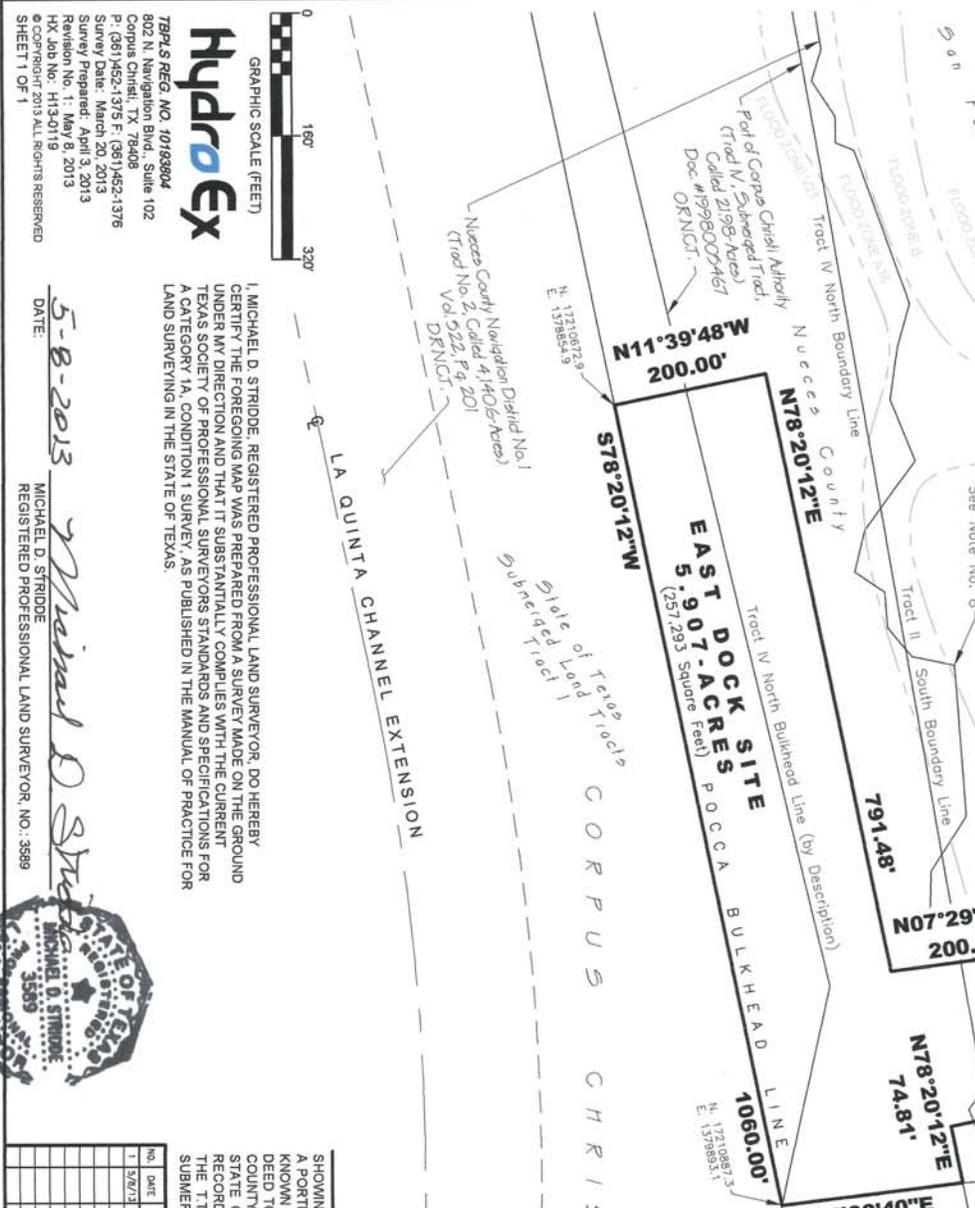
POINT OF BEGINNING
 FOUND 518' IRON ROD W/ CAP
 N. 17211227.66
 E. 1379563.49
 TEXAS STATE PLANE COORDS.,
 SOUTH ZONE 4205, NAD 83

P.O.C.C.A.
 4.7552-Acres
 (Recent Survey on
 Nov. 2012)

San Patricio County
 Drainage District
 Called 2891-Acre
 Drainage Easement
 Called File #522152
 RFRSPCT



NOTES:
 1. ACCOMPANYING FIELD NOTES HAVE BEEN PREPARED
 2. BASIS OF BEARING OF THIS SURVEY MATCH THOSE AS SHOWN ON
 THE 1,089.34-ACRE TRACT SURVEY KNOWN AS THE "LA QUINTA
 PROPERTY" AS SURVEYED BY PYLE & ASSOCIATES, INC. ON APRIL
 12, 2004.
 3. ALL BEARINGS, DISTANCES, AND COORDINATES SHOWN HEREON
 ARE GRID, BASED ON THE TEXAS STATE PLANE COORDINATE
 SYSTEM, SOUTH ZONE 4205, NAD 83.
 4. FOUND 518' IRON ROD (OR AS NOTED)
 5. ALL EASEMENT RESEARCH HAS BEEN PERFORMED BY STEWART
 TITLE GUARANTY COMPANY.
 6. BY GRAPHIC PLOTTING ONLY, THIS PROPERTY LIES WITHIN FLOOD
 ZONE A16 (EL. 12), AREAS OF 100-YEAR FLOOD, BASE FLOOD
 ELEVATIONS AND FLOOD HAZARD FACTORS DETERMINED, AND
 FLOOD ZONE V21 (EL. 15), AREAS OF 100-YEAR COASTAL FLOOD
 WITH VELOCITY (WAVE ACTION); BASE FLOOD ELEVATIONS AND
 FLOOD HAZARD FACTORS DETERMINED, ACCORDING TO THE
 FLOOD INSURANCE RATE MAP OF SAN PATRICIO COUNTY, TEXAS,
 PANEL NOS. 485506 0418 C AND 485560 0419 C, BOTH WITH
 EFFECTIVE DATES: MARCH 18, 1985.
 7. THE LOCATION OF ABSTRACT LINES ARE SHOWN FROM
 INFORMATION OF RECORD PROVIDED BY THE TEXAS GENERAL
 LAND OFFICE WEBSITE: WWW.GLO.TEXAS.GOV
 8. THE EXISTING SHORELINE SHOWN HEREON DEPICTS THE
 SHORELINE AS SURVEYED BY DAVID PYLE, L.A.S., AS NOTED ON
 FEBRUARY 2004 SURVEY OF THE POCOA "LA QUINTA" PROPERTY.
 THIS SURVEY HAS BEEN PREPARED TO ACCOMPANY THE TITLE
 COMMITMENT ISSUED BY STEWART TITLE GUARANTY COMPANY,
 G#F# 1359330025; EFFECTIVE DATE: MARCH 05, 2013. ALL
 PLOTTABLE, APPLICABLE SCHEDULE B ITEMS ARE SHOWN HEREON.



5.907-ACRE TRACT SURVEY PLAT OF A

SHOWING THE BOUNDARY OF A 5.907-ACRE TRACT OF LAND HEREIN REFERRED TO AS THE "EAST DOCK SITE" BEING A PORTION OF A CALLED 930.28-ACRE TRACT KNOWN AS TRACT II AND A PORTION OF A CALLED 21.98-ACRE TRACT KNOWN AS TRACT IV - SUBMERGED TRACT, BOTH IN "EXHIBIT A" OF A CALLED 1089.34-ACRE TRACT DESCRIBED IN A DEED TO THE PORT OF CORPUS CHRISTI AS RECORDED IN DOCUMENT #1999005467, OFFICIAL RECORDS, NUECES COUNTY, TEXAS AND BEING A PORTION OF A CALLED 4140.6-ACRE TRACT OF SUBMERGED LAND CONVEYED BY THE STATE OF TEXAS TO NUECES COUNTY NAVIGATION DISTRICT NO. 1 BY PATENT 106 DATED AUGUST 9, 1951 AS RECORDED IN VOLUME 522, PAGE 201, DEED RECORDS, NUECES COUNTY, TEXAS ALSO BEING OUT OF A PORTION OF THE T.T. WILLIAMSON SURVEY, ABSTRACT 289, IN SAN PATRICIO COUNTY, TEXAS AND THE STATE OF TEXAS SUBMERGED LAND TRACTS, TRACT I, IN NUECES COUNTY, TEXAS.

789'S REG. NO. 10193904
 802 N. Navigation Blvd., Suite 102
 Corpus Christi, TX 78408
 P: (361)452-1375 F: (361)452-1376
 Survey Date: March 20, 2013
 Revision No. 1: May 6, 2013
 HX Job No.: H134019
 ALL RIGHTS RESERVED
 SHEET 1 OF 1

GRAPHIC SCALE (FEET)
 0 160' 320'

HydroEx

I, MICHAEL D. STRIDDE, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING MAP WAS PREPARED FROM A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND THAT IT SUBSTANTIALLY COMPLES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION 1 SURVEY, AS PUBLISHED IN THE MANUAL OF PRACTICE FOR LAND SURVEYING IN THE STATE OF TEXAS.

DATE: 5-8-2013
 MICHAEL D. STRIDDE
 REGISTERED PROFESSIONAL LAND SURVEYOR, NO.: 3599

No.	DATE	REVISION
1	5/8/13	ADJUSTED BULKHEAD LINE

PORT OF CORPUS CHRISTI AUTHORITY
 BOUNDARY OF MORE OR LESS
 5.907-ACRES OUT OF THE
 PORTS LA QUINTA PROPERTY
 "EAST DOCK SITE"

SCALE AS NOTED
 SHM, BY HYDRO EX
 DATE 4/26/2013
 SHEET 1 OF 1

EXHIBIT B-2



Surveying & Hydro Excavation Services

802 N. Navigation Blvd., Suite 102
Corpus Christi, Texas 78408

4.729-Acre Tract “WEST DOCK SITE”

FIELD NOTES to describe the boundary of a 4.729-acre tract of submerged lands herein referred to as the “West Dock Site” being a portion of a called 21.98-acre tract known as Tract IV – Submerged Tract, in “Exhibit A” of a called 1089.34-acre tract described in a deed to the Port of Corpus Christi Authority of Nueces County, Texas as recorded in Document No. 1998005467, Official Records, Nueces County, Texas and being a portion of a called 4140.6-acre tract of submerged land conveyed by the State of Texas to Nueces County Navigation District No. 1 by Patent 106 dated August 9, 1951 as recorded in Volume 522, Page 201, Deed Records, Nueces County, Texas also being out of the State of Texas Submerged Land Tracts, Tract 1, in Nueces County, Texas, said 4.729-acre tract being more particularly described by metes and bounds as follows;

COMMENCING at a brass disk set in concrete known as a United States National Geodetic Survey monument marked “Quintana 1933”, said monument having Texas State Plane Coordinates of X= 1377525.05 and Y= 17211356.21, thence South 69°17’44” East a distance of 1,378.51 feet to an unmarked point for the northwest corner of a called 5.907-acre tract referred to as the “East Dock Site”, by separate instrument, and for the northeast corner of the herein described tract for the **POINT OF BEGINNING**;

THENCE South 11°39’48” East, along the west line of said 5.907-acre tract, a distance of 200.00 feet to a point on the P.O.C.C.A. North Bulkhead Line for the southwest corner of said 5.907-acre tract and for the southeast corner of the herein described tract;

THENCE South 78°20’12” West, along said north bulkhead line, a distance of 1030.00 feet to a point for the southwest corner of the herein described tract;

THENCE North 11°39’48” West, being 1030 feet west and parallel to the west line of said 5.907-acre tract, a distance of 200.00 feet to a point for the northwest corner of the herein described tract;

THENCE North 78°20’12” East, being 200 feet north and parallel to the north bulkhead line, a distance of 1030.00 feet to a point for the northwest corner of said 5.907-acre tract and for the northeast corner of the herein described tract and the **POINT OF BEGINNING**, **CONTAINING** within these metes and bounds 4.729 acres (206,000 square feet) of land, by calculation.

A record drawing of even date herewith accompanies this legal description.

These field notes of a submerged land tract represent a survey made by calculation only and not on the ground under my direction and are true and correct to the best of my knowledge. The information of record noted herein was provided by the Port of Corpus Christi Authority.

5-8-2013
Date



Michael D. Stridde
Michael D. Stridde R.P.L.S. #3589



T.T. Williamson Survey
A - 286
T.T. Williamson Survey
A - 288

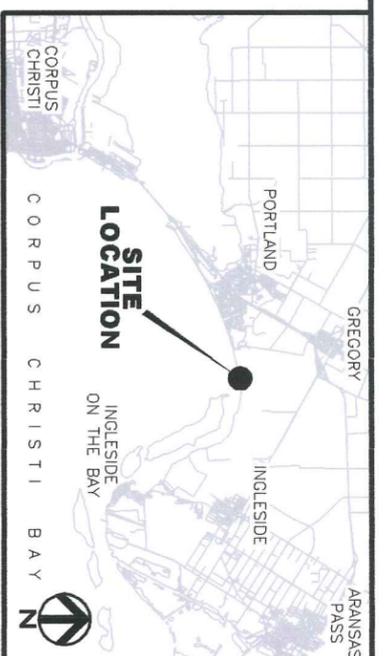
POINT OF COMMENCEMENT
NGS MONUMENT
"QUINTANA 1933"
N. 17211356.21
E. 1377525.05
ELEV. 31.12'

Part of Corpus Christi Authority
Remainder of 1089.34-Acre Tract
(Tract II, Called 930.28-Acres)
Doc. #1998005467
OR.N.C.T.

POINT OF BEGINNING
UNMARKED POINT
N. 17210868.84
E. 1378814.53
TEXAS STATE PLANE COORDS.,
SOUTH ZONE 4205, NAD 83

P.O.C.C.A.
475.52-Acres
(Recent Survey
on Nov. 2012)

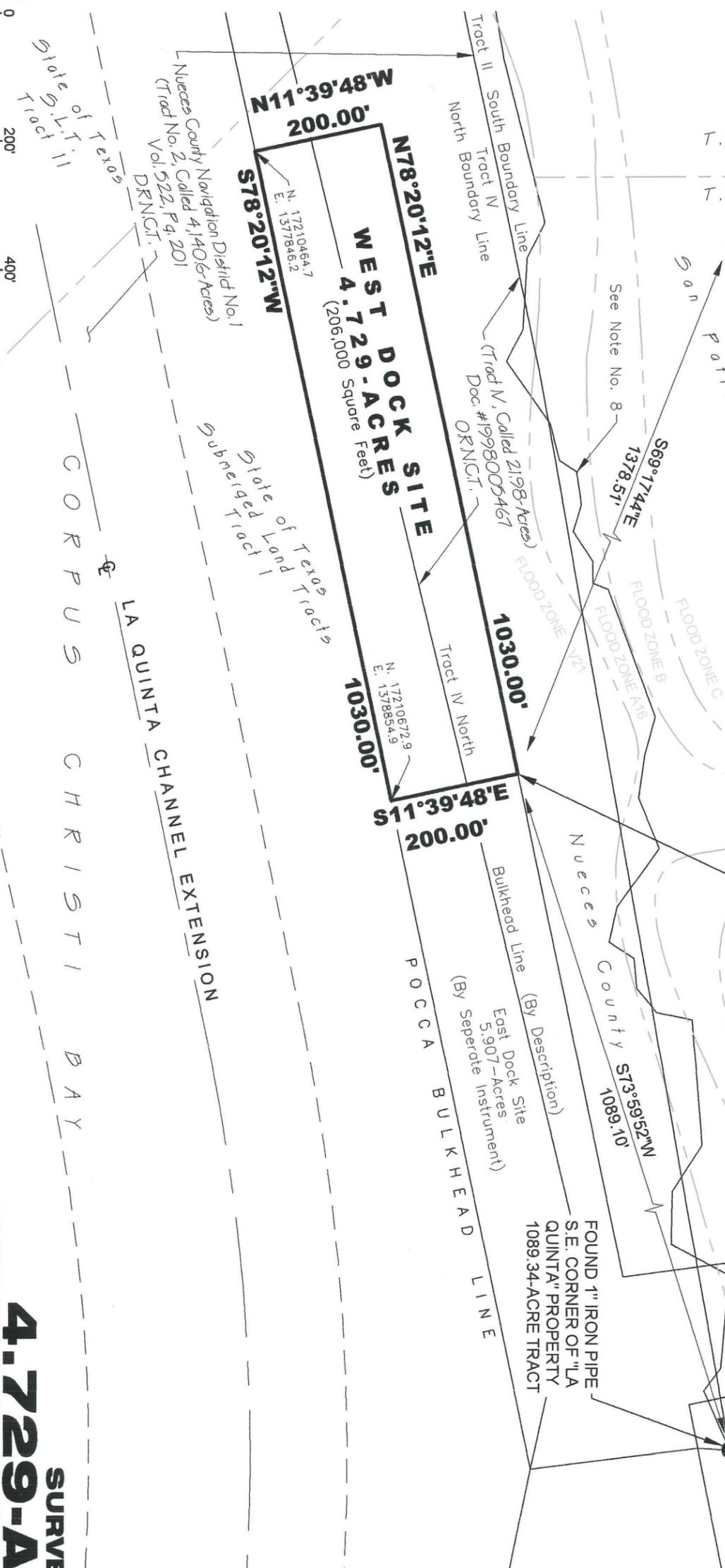
Tract II, Called
930.28-Ac.



VICINITY MAP N.T.S.

NOTES:

1. ACCOMPANYING FIELD NOTES HAVE BEEN PREPARED.
2. BASIS OF BEARING OF THIS SURVEY MATCH THOSE AS SHOWN ON THE 1,089.34-ACRE TRACT SURVEY KNOWN AS THE "LA QUINTA PROPERTY" AS SURVEYED BY PYLE & ASSOCIATES, INC. ON APRIL 12, 2004.
3. ALL BEARINGS, DISTANCES, AND COORDINATES SHOWN HEREON ARE GRID, BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH ZONE 4205, NAD 83.
4. ● FOUND 5/8" IRON ROD (OR AS NOTED)
5. ALL EASEMENT RESEARCH HAS BEEN PERFORMED BY STEWART TITLE GUARANTY COMPANY.
6. BY GRAPHIC PLOTTING ONLY, THIS PROPERTY LIES WITHIN FLOOD ZONE V21 (EL. 15), AREAS OF 100-YEAR COASTAL FLOOD WITH VELOCITY (WAVE ACTION); BASE FLOOD ELEVATIONS AND FLOOD HAZARD FACTORS DETERMINED, ACCORDING TO THE FLOOD INSURANCE RATE MAP OF SAN PATRICK COUNTY, TEXAS, PANEL NOS. 485506 0418 C AND 485560 0419 C, BOTH WITH EFFECTIVE DATES: MARCH 18, 1985.
7. THE LOCATION OF ABSTRACT LINES ARE SHOWN FROM INFORMATION OF RECORD PROVIDED BY THE TEXAS GENERAL LAND OFFICE WEBSITE: WWW.GLO.TEXAS.GOV
8. THE EXISTING SHORELINE SHOWN HEREON DEPICTS THE SHORELINE AS SURVEYED BY DAVID PYLE, L.S.L.S., AS NOTED ON FEBRUARY 2004 SURVEY OF THE POCCA "LA QUINTA" PROPERTY.
9. THIS SURVEY HAS BEEN PREPARED TO ACCOMPANY THE TITLE COMMITMENT ISSUED BY STEWART TITLE GUARANTY COMPANY, GF# 1335530028, EFFECTIVE DATE: MARCH 22, 2013. ALL PLOTTABLE, APPLICABLE SCHEDULE B ITEMS ARE SHOWN HEREON.



**SURVEY PLAT OF A
4.729-ACRE TRACT**

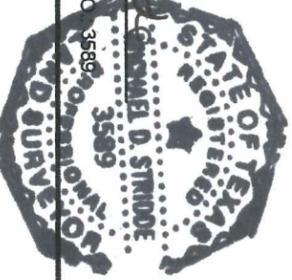
I, MICHAEL D. STRIDDE, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING MAP OF THE SUBMERGED LAND TRACT WAS PREPARED FROM A SURVEY MADE BY CALCULATION ONLY AND NOT ON THE GROUND UNDER MY DIRECTION AND THAT IT SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION 1 SURVEY, AS PUBLISHED IN THE MANUAL OF PRACTICE FOR LAND SURVEYING IN THE STATE OF TEXAS.



TBPLS REG. NO. 10193804
802 N. Navigation Blvd., Suite 102
Corpus Christi, TX 78408
P: (361)452-1375 F: (361)452-1376
Survey Date: April 17, 2013
Survey Prepared: April 23, 2013
Revision No. 1: May 8, 2013
HX Job No.: H13-0129
© COPYRIGHT 2013 ALL RIGHTS RESERVED
SHEET 1 OF 1

DATE: **5-8-2013**

MICHAEL D. STRIDDE
REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 35699



SHOWING THE BOUNDARY OF A 4.729-ACRE TRACT OF LAND HEREIN REFERRED TO AS THE "WEST DOCK SITE" BEING A PORTION OF A CALLED 21.98-ACRE TRACT KNOWN AS TRACT IV - SUBMERGED TRACT, IN "EXHIBIT A" OF A CALLED 1089.34-ACRE TRACT DESCRIBED IN A DEED TO THE PORT OF CORPUS CHRISTI AS RECORDED IN DOCUMENT #1998005467, OFFICIAL RECORDS, NUECES COUNTY, TEXAS AND BEING A PORTION OF A CALLED 4140.6-ACRE TRACT #1998005467, OFFICIAL RECORDS, NUECES COUNTY, TEXAS TO NUECES COUNTY NAVIGATION DISTRICT NO. 1 BY PATENT 106 DATED AUGUST 9, 1951 AS RECORDED IN VOLUME 522, PAGE 201, DEED RECORDS, NUECES COUNTY, TEXAS ALSO BEING OUT OF THE STATE OF TEXAS SUBMERGED LAND TRACTS, TRACT 1, IN NUECES COUNTY, TEXAS.

NO.	DATE	REVISION
1	5/8/13	ADJUSTED BULKHEAD LINE



SCALE: AS NOTED DWM, BV: HYDRO EX	DATE: 4/23/2013 DWC, NO. 1 OF 1
PORT OF CORPUS CHRISTI AUTHORITY	
BOUNDARY OF MORE OR LESS 4.729-ACRES OUT OF THE PORTS LA QUINTA PROPERTY "WEST DOCK SITE"	
POCCA LA QUINTA PROPERTY	

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NOS. 13- B & C

13(b) Approve 2014 Amendment of NuStar’s 5.21-Acre Lease Agreement to Increase the Size of the Leased Premises Located Along the Joe Fulton International Trade Corridor Near the North Side Open Storage Area

13© Approve 2014 Amendment of NuStar’s 8.42-Acre Lease Agreement to Decrease the Size of the Leased Premises Located Along the Texaco Road Near the North Side Open Storage Area

NuStar Logistics, L.P., currently owns and operates a petroleum products terminal located on the south side of the Joe Fulton International Trade Corridor just north of PCCA Oil Docks 1 and 2. The terminal consists of three non-contiguous tracts of land separated by an unused road easement and a railroad easement and held under two separate lease agreements from the PCCA. Both lease agreements restrict the use of the land to the handling, storing, and transporting of gasoline, kerosene, lube oil, diesel fuel, and other refined petroleum products.

Representatives of NuStar have approached PCCA staff with plans to repurpose the northern two tracts of lease property for Eagle Ford crude oil and condensate storage and shipping. Their plans call for the construction of up to six new 150,000-barrel storage tanks with a steel sheet pile containment system to optimize storage capacity. The proposed storage area would cover the current 5.21-acre lease, the northern portion of the current 8.2-acre lease, and the narrow unused road easement between the two leased areas as shown on the attached exhibit.

In order to accommodate NuStar’s proposed development, staff negotiated amendments to both of the current lease agreements. The proposed amendment to the 8.2-acre lease primarily consists of removing the north tract (Tract A) of the two tract lease premises, which results in a new lease area of approximately 4.27 acres. The lease term and land evaluation will remain the same with the lease set to expire on July 31, 2017. See attached exhibit.

The proposed amendment to the 5.21-acre lease consists primarily of allowing crude oil and condensate to be handled on the leased premises and expanding the lease limits eastward to Texaco Road to increase its size to 9.36 acres, which will require the PCCA to abandon a 40-foot road easement previously retained by the PCCA between the two leased premises. See attached exhibit. The base rent will be adjusted for the increased acreage and to the greater land valuation of the two leases at \$150,000 per acre. The lease term will remain unchanged with the third of four 5-year options scheduled to expire on May 14, 2016.

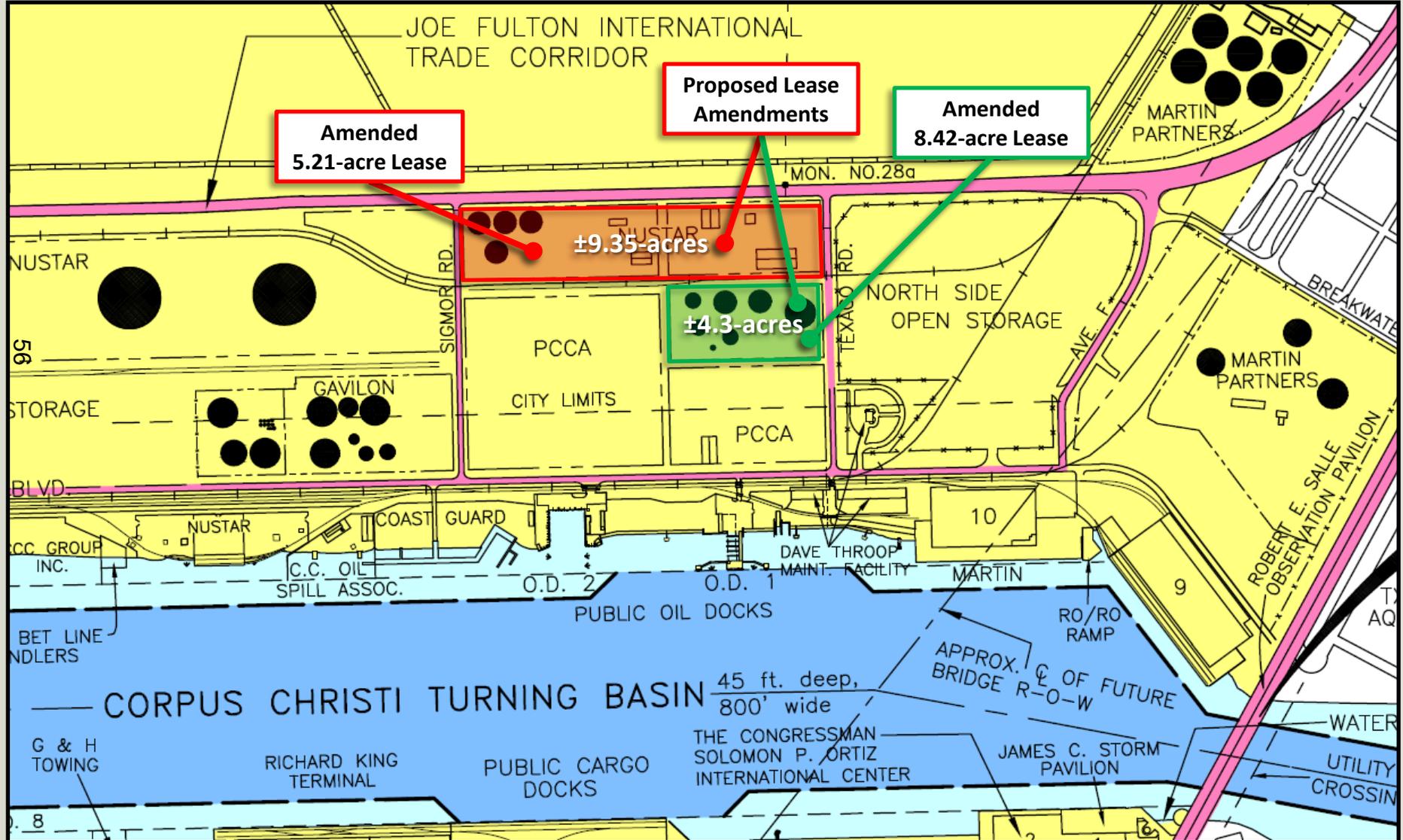
Port staff has also negotiated two other minor changes in the lease limits. One change will increase the road right-of-way width along Texaco Road for a future Port drainage improvement project. The second will increase traffic safety at the northwest corner of the 5.21-acre tract.

Staff recommends approval of the attached amendments to the 5.21-acre and 8.42-acre Lease Agreements with Nustar Logistics, L.P.

LEAD CONTACT: David L. Krams, P.E.; 361-885-6134; krams@pocca.com.



NuStar Logistics, L.P. Lease Amendments Near North Side Open Storage Area



**PORT OF CORPUS CHRISTI AUTHORITY
LEASE AMENDMENT SUMMARY
NUSTAR 5.21 ACRE LEASE**

Lessee: NuStar Logistics, L.P.

Leased Premises: Increasing the size of the Leased Premises from 5.21 acres to 9.36 Acres, more or less as depicted on the attached drawing.

Use: For handling, storing and transporting, gasoline, kerosene, lube oil, fuel oil, diesel fuel, naphtha and other petroleum products and crude oil and condensate and the loading and unloading of such products and commodities and, in particular, in handling such products and commodities by water over Authority's or Lessee's oil docks and for no other purposes without the written consent of Authority being first obtained in writing.

Term: Amendment effective as of July 8, 2014 extending through May 14, 2016.

Options: One (1) Five (5) Year option term - May 15, 2016 - May 14, 2021

Start Date: July 8, 2014

Annual Rent: Increasing from \$22,923.96 to \$140,400.00

Additional Rent: As further consideration Lessee covenants that it will use the dock or docks of Authority for the loading or unloading of all of its gasoline, kerosene, diesel fuel or other petroleum products shipped or moving by water in bulk to or from the Leased Premises and will promptly pay to Authority the wharfage charges thereon which shall be assessed by Authority at the then current tariff wharfage rate on such commodity.

Adjustment of Rent: Fixed for remainder of this term and the one (1) five (5) year option term remaining.

Remarks: This amendment is granted in order to permit Lessee to construct additional storage and pumping equipment to handle increased volumes of crude oil and condensate at PCCA Public Oil Dock Nos. 1 and 2 or at Lessee's private Oil Dock 16.

2014 AMENDMENT
OF
NuSTAR'S 5.21-ACRE LEASE

This 2014 Amendment of NuStar's 5.21-Acre Lease ("Amendment") is made effective as of the 8th day of July, 2014 ("Amendment Date"), by and between the Port of Corpus Christi Authority of Nueces County, Texas (hereinafter called "Authority"), a navigation district operating under Article XVI, Section 59 of the Texas Constitution, and NuStar Logistics, L.P. (hereinafter called "Lessee"), a Delaware limited partnership (individually a "Party," and collectively the "Parties").

WHEREAS, by a lease agreement (the "Original Lease Agreement") dated April 23, 1991, the Authority leased to Sigmor Pipeline Company, a tract comprising 5.21 acres of land in Nueces County, Texas, which tract is described by field notes stated on Exhibit A attached to the Original Lease Agreement and further described by plat shown on Exhibit B attached to the Original Lease Agreement; and

WHEREAS, the Original Lease Agreement was assigned to Shamrock Logistics Operations, L.P. ("Shamrock"), by an Assignment, Assumption, and Consent Agreement dated March 14, 2000; and

WHEREAS, Shamrock changed its name to Valero Logistics Operations, L.P. ("Valero"), effective January 8, 2002; and

WHEREAS, Valero changed its name to NuStar Logistics, L.P., effective April 1, 2007; and

WHEREAS, the Original Lease Agreement is referred to herein as the "Lease"; and

WHEREAS, capitalized terms in this Amendment shall have the meanings ascribed to those terms under the provisions of the Lease; and

WHEREAS, the Parties have mutually agreed to add additional property to the Leased Premises as described herein; and

WHEREAS, the Parties have agreed to fix the monthly rent payable under the Lease for the remainder of the term of the Lease, including the last option period under the Lease;

NOW THEREFORE, for and in consideration of the agreements set forth herein and the sum of ten dollars (\$10) in hand paid, the receipt and sufficiency of which are hereby acknowledged by both Parties, Authority and Lessee do hereby agree as follows:

1. Effective as of the Amendment Date, **Exhibit C** attached to this Amendment shall constitute a new Exhibit C attached to Lease without the need for any further action by the Parties; that is, the exhibit does not need to be physically attached to the Lease. Exhibit C is a current survey of the Leased Premises as of the Amendment Date.

2. Effective as of the Amendment Date, the Lease shall be amended by adding a new Section 1.01A thereto to read as follows:

Section 1.01A. Increase in Size of Leased Premises Effective July 8, 2014

Notwithstanding anything to the contrary contained in Section 1.01 of the Lease, effective as of July 8, 2014, the Leased Premises shall be a tract of 9.36 acres of land, more or less, in Nueces County, Texas, which tract is described and depicted on Exhibit C attached hereto, and all improvements situated thereon. From and after July 8, 2014, the term "Leased Premises" means the land and improvements described in the preceding sentence. The Lease Premises includes most of the original leased premises described in Section 1.01 of the Lease, plus additional land adjacent to the eastern boundary of the original leased premises. From and after July 8, 2014, the rental payments for the Leased Premises shall be determined in accordance with Section 3.02A of the Lease.

3. Effective as of the Amendment Date, the Lease shall be amended by adding a new Section 3.02A thereto to read as follows:

Section 3.02A Monthly Rent beginning July 8, 2014

A portion of the rent for the period from July 8, 2014, to July 14, 2014, has been paid, and Lessee has a rent credit in the amount of Four Hundred Forty Dollars (\$440) as of July 8, 2014. Notwithstanding anything to the contrary contained in Sections 3.01 and 3.02 of this Lease, on July 8, 2014, Lessee shall make a rental payment to the Authority at its offices in Corpus Christi, Texas, for the seven-day period beginning July 8, 2014, and ending July 14, 2014. The rental payment for this seven-day period shall equal twenty-five percent (25%) of the product of (i) Twelve Hundred Fifty Dollars (\$1,250) multiplied by (ii) the number of acres in the Leased Premises on July 8, 2014; provided, however, that Lessee may deduct the rent credit of Four Hundred Forty Dollars (\$440) from this rental payment. Beginning on July 15, 2014, and on the 15th day of each month thereafter during the term of this Lease, including the last option term, Lessee agrees to pay to the Authority at its offices in Corpus Christi, Texas, a monthly rental for the Leased Premises equal to the product of (i) Twelve Hundred Fifty Dollars (\$1,250), multiplied by (ii) the number of acres in the Leased Premises at the beginning of such monthly period. The amount of the monthly rental payment due and payable under this Section 3.02A of the Lease will not be adjusted pursuant to Section 3.02 of the Lease if Lessee exercises its option to renew the term of the Lease for the last option period described in Section 1.01 of this Lease.

4. Effective as of the Amendment Date, Section 4.01 of the Lease shall be amended in its entirety to read as follows:

Section 4.01. Use

The Leased Premises shall be used for the following purposes, and no other, unless written permission for such other use is obtained from Authority:

For handling, storing and transporting, gasoline, kerosene, lube oil, fuel oil, diesel fuel, naphtha and other petroleum products and crude oil and condensate and the loading and unloading of such products and commodities and, in particular, in handling such products and commodities by water over Authority's or Lessee's oil docks and for no other purposes without the written consent of Authority being first obtained in writing.

Lessee will not (A) use, occupy or permit the use or occupancy of the Leased Premises for any purpose or in any manner which is or may be, directly or indirectly, (i) inconsistent with the requirements of this Section 4.01, (ii) violative of (a) judicial decisions, orders, injunctions, writs, statutes, rulings, rules, regulations, promulgations, directives, permits, certificates or ordinances of any governmental authority in any way applicable to Lessee or the Leased Premises, including zoning, environmental and utility conservation matters, (b) Authority's Tariffs or Rules and Regulations after receipt of notice of same, (c) insurance requirements, and (d) other documents, instruments or agreements (written or oral) to which Lessee is a party and relating to the Leased Premises or to which the Leased Premises may be bound or encumbered, (iii) dangerous to life or property or a public or private nuisance, or (iv) disruptive to the activities any other tenant or occupant of property adjacent to the Leased Premises; (B) commit or permit to remain any waste to the Leased Premises, or (C) commit, or permit to be committed, any action or circumstance on or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in cancelling the insurance policies maintained by Lessee or Authority on the Leased Premises and improvements thereon.

Lessee is further granted the right and privilege to construct, maintain, operate and remove pipelines, valves and loading equipment on Authority's oil dock Nos. 1 and 2, provided, however, that if a Users' Association is established as to either dock, Lessee's said right and privilege will be limited to that agreed upon by the said Users' Association.

Lessee covenants that in the construction of and in the operation, maintenance and removal of its said pipelines and valves on the lands of Authority other than those included within the Leased Premises, such construction, operation, maintenance and removal shall not unreasonably interfere with the use of said lands by Authority or its lessees and assigns. Authority may at any time require the change in location of any such pipelines or appurtenances when it is deemed by Authority that the said lines interfere with a

then present or intended use of the said lands and Lessee agrees promptly to move or extend such lines whenever so notified by Authority, provided, however, that Authority will use its best efforts to provide a reasonable alternate route for Lessee's said pipelines. Lessee covenants that such pipelines and loading equipment for loading or unloading vessels at the said docks of Authority shall be of sufficient size and capacity to load or unload at the average rate of loading and unloading for similar products by other companies that operate at the Port of Corpus Christi.

No rights herein granted under the permit for the use by the Lessee of the properties of the Authority (other than the tract hereby leased), or the facilities of the Authority, shall be constructed as exclusive in the Lessee as against any other person, firm or corporation using the same under permission of Authority and such use shall not be permitted where it will interfere in the opinion of Authority with the rights of other persons, firms or corporations then holding any of the lands of Authority under lease or franchise.

5. Effective as of the Amendment Date, Section 5.01 of the Lease shall be amended in its entirety to read as follows:

Section 5.01. Permanent Improvements

All improvements made, placed, or constructed on the Leased Premises after the date of this lease shall be made at the sole cost and expense of Lessee. Lessee shall construct and install Lessee's improvements in a good and workmanlike manner. No improvements by Lessee are permitted on Authority property adjacent to the Leased Premises and not leased by Lessee unless Authority consents to same in writing. Any improvements permitted by Authority to be located outside the Leased Premises shall be subject to immediate removal by Lessee at its sole cost upon written notification by Authority that the land is needed for other purposes.

Except for tank containment, no permanent improvements shall be constructed within ten (10) feet of the Leased Premises' north, west, or south side boundary lines or within five (5) feet of the Leased Premises' east side boundary line. Tank containment constructed of either earthen levees or sheet pile walls may be not be constructed closer than eighteen (18) inches to the north, west, or south side boundary lines of the Leased Premises or closer than ten (10) feet to the east side boundary line of the Leased Premises. New or additional improvements shall not be constructed nearer than eight and one-half (8½) feet to the center line of any existing or proposed railroad track.

6. This Amendment shall be binding on the successors and assigns of the Parties.

7. Except as specifically amended hereby, all terms and conditions of the Lease shall remain in full force and effect. In the event of any conflict between the terms and conditions of

this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control.

8. This Amendment may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures and acknowledgments to this Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures and acknowledgments shall be deemed to be the same as original signatures and acknowledgments.

[The signature pages follow this page.]

AUTHORITY'S SIGNATURE PAGE

EXECUTED this ____ day of July, 2014, but effective for all purposes as of the Amendment Date.

AUTHORITY:

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

By: _____
John P. LaRue
Executive Director

**STATE OF TEXAS §
 §
COUNTY OF NUECES §**

This instrument was acknowledged before me on the ____ day of July, 2014, by John P. LaRue, the Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Authority.

NOTARY PUBLIC, STATE OF TEXAS

(Seal)

LESSEE'S SIGNATURE PAGE

EXECUTED this ____ day of July, 2014, but effective for all purposes as of the Amendment Date.

LESSEE: **NuSTAR LOGISTICS L.P.,
By NuSTAR GP, INC., General Partner**

By: _____

Printed Name: _____

Title: _____

STATE OF _____ **§**

§

COUNTY OF _____ **§**

This instrument was acknowledged before me on the ____ day of July, 2014, by _____, the _____ of NuStar GP, Inc., the general partner of NuStar Logistics, L.P., a Delaware limited partnership, on behalf of the partnership.

NOTARY PUBLIC, STATE OF TEXAS

(Seal)

EXHIBIT A
9.36 ACRE LEASE
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF NUECES

BEING a 9.36 acre lease situated in the Nueces County Navigation District No. 1 Survey, Abstract No. 2677, Nueces County, Texas and being all of a 5.21 acre lease described in Lease Agreement dated April 23, 1991 by and between Port of Corpus Christi Authority of Nueces County, Texas and Sigmor Pipeline Company recorded in Document No. 2000027725 of the Official Records of Nueces County, Texas and also being a part of a 4.10 acre lease described as Tract A depicted in an unrecorded lease agreement dated May 29, 1997 by and between Port of Corpus Christi Authority and Sigmor Pipeline Company and also being a portion of a 40 foot wide roadway and pipeline easement as depicted in the aforesaid lease agreements and this 9.36 acre lease being more particularly described by metes and bounds as follows:

BEGINNING at a set 5/8 inch iron rod in the south right-of-way line of Market Street (Joe Fulton International Trade Corridor) for the northeast corner of the herein described 9.36 acre lease said iron having a Texas State Plane coordinate NAD 83 Texas South Zone of X = 1,339,712.50 and Y = 17,188,041.07;

THENCE South 01° 19' 02" East with the east line of the herein described 9.36 acre lease for a distance of 287.20 feet to a set 5/8 inch iron rod for the southeast corner of the herein described lease;

THENCE South 88° 53' 12" West with the south line of the herein described 9.36 acre lease for a distance of 319.74 feet to a set 5/8 inch iron rod for an angle point in said line;

THENCE South 88° 40' 02" West with the north right-of-way line of a 50 foot wide railroad easement and a 75 foot wide railroad easement and the south line of the herein described 9.36 acre lease for a distance of 1103.69 feet to a set 5/8 inch iron rod at the intersection of the north line of said 75 foot wide railroad easement and the east right-of-way line of Sigmor Road for the southwest corner of the herein described lease;

THENCE North 01° 19' 02" West with the east line of Sigmor Road and the west line of the herein described 9.36 acre lease at 284.36 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 286.36 feet to a point in an existing power pole at the intersection of the east right-of-way line of Sigmor Road and the south right-of-way line of Market Street (Joe Fulton International Trade Corridor) for the northwest corner of the herein described lease;

THENCE North 88° 40' 58" East with the south line of Market Street (Joe Fulton International Trade Corridor) and the north line of the herein described 9.36 acre lease at 2.00 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 1423.43 feet to the POINT OF BEGINNING, Containing 9.36 acres of land.

Reference is made to that plat accompanying this legal description. (Exhibit "B")

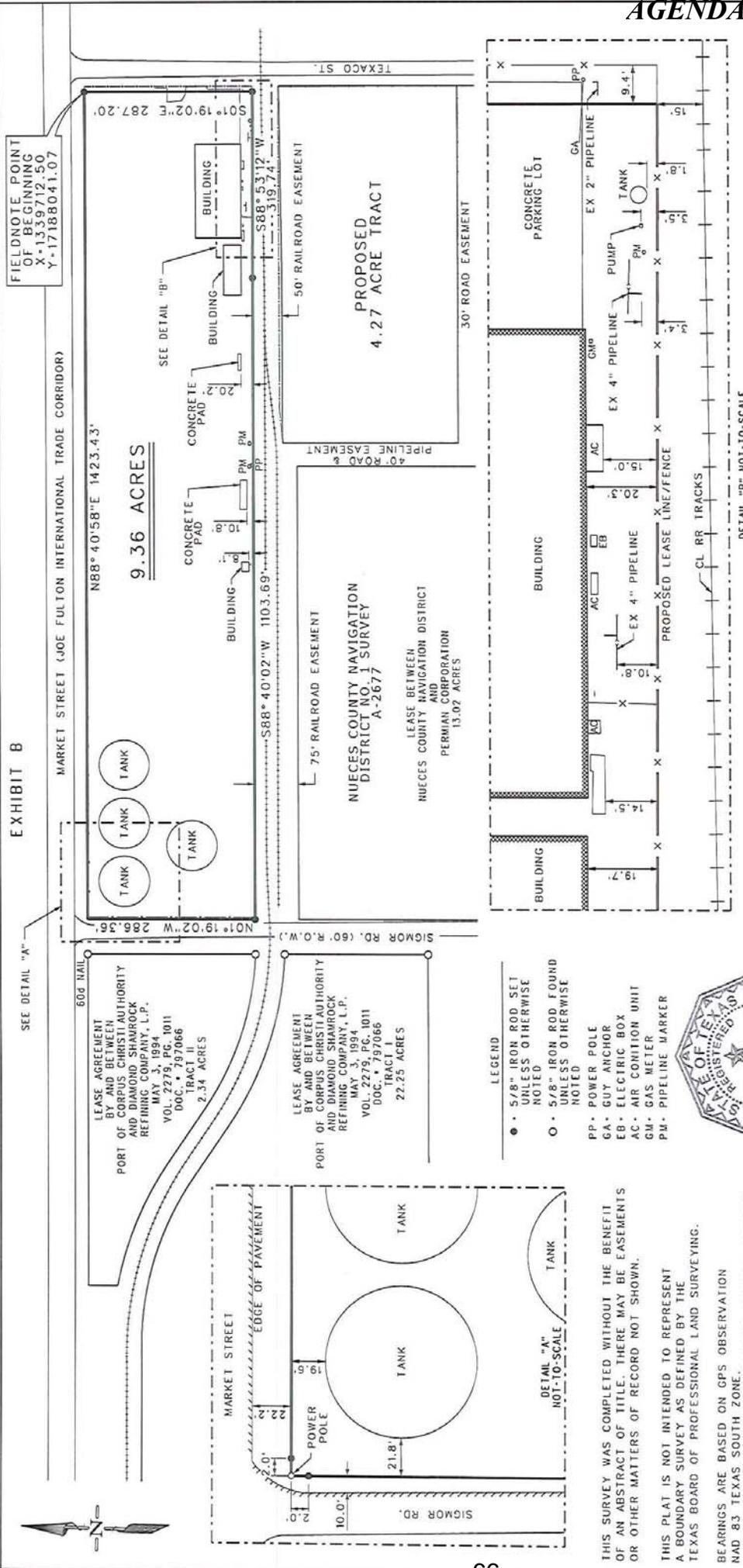
Bearings are based on GPS Observation NAD83 Texas South Zone. Coordinates and distances shown hereon are grid.

The above legal description is based on an actual survey made on the ground under my supervision.


Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

Date 7/1/2014





MuStar
 Logistics L.P.

2330 LOOP 1604 W
 SAN ANTONIO, TEXAS 78248
 Tel: (210) 918-2000
 1-800-531-7911

9.34 ACRE SURFACE LEASE
 NUECES COUNTY, TEXAS

GANEM & KELLY SURVEYING, INC.
 LAMAR STREET, SUITE 5
 POINT COMFORT, TEXAS 77978
 (361) 987-2011
 FIRM NO. 10080300

DWG. NO. PC14-102

REVISION:

SCALE: 1" = 200'

DATE: 05/15/2014

JOB NO. PC14-102

DRAWN BY: G.K.S.

CHECKED BY: G.A.G.

APPROVED BY: G.A.G.



**PORT OF CORPUS CHRISTI AUTHORITY
LEASE AMENDMENT SUMMARY
NUSTAR 8.42 ACRE LEASE**

Lessee: NuStar Logistics, L.P.

Leased Premises: Reducing Leased Premises from 8.42 acres to 4.32 acres, more or less, as shown on the attached drawing.

Use: For the handling, storing, and transporting of gasoline, fuel oil, and naphtha and other petroleum products and the loading and unloading of such products with the right of the Lessee to construct and maintain all necessary tanks, warehouses, offices, garages, pump stations, equipment, and devices used in the handling and storing such products and in particular in handling such products by water over the Authority's Oil Docks Nos. 1 and 2, or any other docks made available by Authority, and for no other purpose without the written permission of Authority being first had and obtained.

Term: July 8, 2014 ending July 31, 2017

Options: None

Start Date: July 8, 2014

Annual Rent: \$64,800.00

Additional Rent: Lessee guarantees to the Authority that during each twelve (12) month period of the lease term, term (that is, each period of August 1 through July 31), its use of the public docks of the Authority will be sufficient to incur wharfage charges equal to the wharfage rate for refined petroleum in bulk applied to six (6) times the capacity of the tankage on the Leased Premises (200,000 barrels).

Adjustment of Rent: Pro-rata adjustment based upon acreage annual rent reduced from \$126,300.00 to \$64,800.00.

Remarks: Beginning July 8, 2014, the Authority shall have the option to terminate the Lease with respect to the easternmost ten (10) feet of Tract B (the "East Ten Feet", i.e., the portion of Tract B nearest to Texaco Road) by delivering written notice of such termination ("Partial Termination Notice") and an "Alternate Access Easement" to Lessee.

2014 AMENDMENT
OF
NuSTAR'S 8.42-ACRE LEASE

This 2014 Amendment of NuStar's 8.42-Acre Lease ("Amendment") is made effective as of the 8th day of July, 2014 ("Amendment Date"), by and between the Port of Corpus Christi Authority of Nueces County, Texas (hereinafter called "Authority"), a navigation district operating under Article XVI, Section 59 of the Texas Constitution, and NuStar Logistics, L.P. (hereinafter called "Lessee"), a Delaware limited partnership (individually a "Party," and collectively the "Parties").

WHEREAS, by a lease agreement (the "Original Lease Agreement") dated May 13, 1997, the Authority leased to Sigmor Pipeline Company, two tracts comprising 8.42 acres of land in Nueces County, Texas, which tracts are described and depicted as Tract A ("Tract A") and Tract B ("Tract B") on Exhibit A attached to the Original Lease Agreement; and

WHEREAS, Tract A contains 4.1 acres, more or less, and Tract B contains 4.32 acres, more or less;

WHEREAS, the Original Lease Agreement was assigned to Shamrock Logistics Operations, L.P. ("Shamrock"), by an Assignment, Assumption, and Consent Agreement dated March 14, 2000; and

WHEREAS, Shamrock changed its name to Valero Logistics Operations, L.P. ("Valero"), effective January 8, 2002; and

WHEREAS, Valero changed its name to NuStar Logistics, L.P., effective April 1, 2007; and

WHEREAS, the Original Lease Agreement has been amended by an Amendment to Lease made effective as of April 9, 2002, and by an Amendment to Lease made effective as of August 1, 2007; and

WHEREAS, the Original Lease Agreement as amended is referred to herein as the "Lease"; and

WHEREAS, capitalized terms in this Amendment shall have the meanings ascribed to those terms under the provisions of the Lease; and

WHEREAS, the "Equalization Value" (as defined in Section 3.01 of the Lease) of the Leased Premises is currently One Hundred Fifty Thousand Dollars (\$150,000) per acre; and

WHEREAS, the Parties have mutually agreed to delete Tract A from the Leased Premises effective as of the Amendment Date and to include most of Tract A in the leased premises under another lease agreement between the Parties; and

WHEREAS, the Parties have agreed that the Authority shall have the option to terminate the Lease with respect to the easternmost ten (10) feet of Tract B by delivering written notice of such termination and an alternative access agreement to Lessee, subject to the terms and conditions of the Lease as amended by this Amendment; and

WHEREAS, the Term of the Lease will expire on July 31, 2017, if the Lease is not terminated before then in accordance with its terms;

NOW THEREFORE, for and in consideration of the agreements set forth herein and the sum of ten dollars (\$10) in hand paid, the receipt and sufficiency of which are hereby acknowledged by both Parties, Authority and Lessee do hereby agree as follows:

1. Effective as of the Amendment Date, **Exhibit B** attached to this Amendment shall constitute a new Exhibit B attached to Lease without the need for any further action by the Parties; that is, the exhibit does not need to be physically attached to the Lease. Exhibit B is a current survey of Tract B, which is a 4.32-acre tract of land.

2. Effective as of the Amendment Date, the Lease shall be amended by adding a new Section 1.01A thereto to read as follows:

Section 1.01A. Decrease in Size of Leased Premises Effective July 8, 2014

Notwithstanding anything to the contrary contained in Section 1.01 of this lease agreement, effective as of July 8, 2014, Tract A (4.10 acres) shall be deleted from the Leased Premises, and the rent payable under the lease agreement shall be reduced in accordance with the Rental Formula in Section 3.02B to reflect the reduction in the number of acres in the Leased Premises. From and after July 8, 2014, the term "Leased Premises" shall mean Tract B, as depicted on Exhibit B, which is a 4.32-acre tract of land, and all improvements situated thereon; provided, however, that the Leased Premises may be reduced in size pursuant to Section 1.01B of the lease agreement.

3. Effective as of the Amendment Date, the Lease shall be amended by adding a new Section 1.01B thereto to read as follows:

Section 1.01B. Partial Termination of Lease

Beginning July 8, 2014, the Authority shall have the option to terminate the Lease with respect to the easternmost ten (10) feet of the Leased Premises (the "East Ten Feet", i.e., the portion of the Leased Premises nearest to Texaco Road) by delivering written notice of such termination ("Partial Termination Notice") and an "Alternate Access Easement" to Lessee. The Partial Termination Notice shall specify, in accordance with Section 5.07 of the Lease, the extent to which Lessee must remove any or all alterations, additions or improvements made by Lessee on the East Ten Feet. The Alternate Access Easement shall grant Lessee non-exclusive vehicle access to the southern boundary of the remaining portion of

the Leased Premises via Texaco Road for the remaining term of the lease agreement. Within ninety (90) days of Lessee's receipt of the Partial Termination Notice, Lessee shall begin vacating and cleaning up the East Ten Feet, and within two hundred seventy (270) days of Lessee's receipt of the Partial Termination Notice, Lessee shall have completed all required removals and repairs. The lease agreement shall terminate with respect to the East Ten Feet on earlier of (i) the date Lessee notifies the Authority in writing that it has completed all required removals and repairs on the East Ten Feet, or (ii) the 270th day after Lessee's receipt of the Partial Termination Notice. Upon termination of the lease agreement with respect to the East Ten Feet, the rent payable under the Lease shall be reduced in accordance with the Rental Formula in Section 3.02B to reflect the reduction in the number of acres in the Leased Premises.

4. Effective as of the Amendment Date, the Lease shall be amended by adding a new Section 3.02B thereto to read as follows:

Section 3.02B. Annual Rent for the Last Three Years of the Third Five-Year Option Period

The rent for the period from July 8, 2014, to July 31, 2014, has been paid, and Lessee has a rent credit in the amount of Four Thousand Forty-Five Dollars (\$4,045) as a result of the deletion of Tract A from the Leased Premises on July 8, 2014. The annual rent payable for each of the last three years of the third five-year option period (i.e., the period beginning August 1, 2014, and ending July 31, 2017) shall equal the product of (i) ten percent (10%) of the Equalization Value of the Leased Premises during the third five-year option period, which is fixed at One Hundred Fifty Thousand Dollars (\$150,000) per acre, multiplied by (ii) the number of acres in the Leased Premises during the last three years of the third five-year option period (the "Rental Formula"). The total sum to be paid Authority by Lessee as rent during the last three years of the third five-year option period of this lease shall be One Hundred Ninety-Four Thousand Four Hundred Dollars (\$194,400), payable in monthly installments of Fifty-Four Hundred Dollars (\$5,400) each beginning August 1, 2014; provided, however, that Lessee may deduct the rent credit of Four Thousand Forty-Five Dollars (\$4,045) from the first monthly installment of rent. In the event Authority exercises its option to terminate the lease agreement with respect to the East Ten Feet, the rent payable under this Section 3.02B shall be reduced in accordance with the Rental Formula to reflect the reduction in the number of acres in the Leased Premises. The fixed rent payable pursuant to this Section 3.02B shall also be adjusted to reflect changes in the cost of living in accordance with the terms of Section 3.03.

5. Effective as of the Amendment Date, Section 4.01 of the Lease shall be amended in its entirety to read as follows:

Section 4.01. Use

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

For the handling, storing, and transporting of gasoline, fuel oil, and naphtha and other petroleum products and the loading and unloading of such products with the right of the Lessee to construct and maintain all necessary tanks, warehouses, offices, garages, pump stations, equipment, and devices used in the handling and storing such products and in particular in handling such products by water over the Authority's Oil Docks Nos. 1 and 2, or any other docks made available by Authority, and for no other purpose without the written permission of Authority being first had and obtained.

Lessee is given, for the term of this lease agreement or so long as the same is operative, the right and privilege to construct, maintain, operate, and renew such pipelines along and across the lands of the Authority adjoining the Leased Premises as may be necessary or convenient for the movement of gasoline, fuel oil, naphtha, and other petroleum products to the Leased Premises and from the Leased Premises to the docks of the Authority or Lessee, provided that plans shall be submitted to the Authority and approved by the Authority in writing before construction is begun. Lessee covenants that in the construction of and in the operation, maintenance, and removal of its said pipelines on the lands of the Authority other than those included within the Leased Premises, such construction, operation, maintenance, and removal shall not unreasonably interfere with the use of said lands by the Authority or its lessees and assigns. Authority may at any time require the change in location of any such pipeline or appurtenances when it is deemed by the Authority that the said lines interfere with a then present or intended use of the said lands and Lessee agrees promptly to remove or extend such lines whenever so notified by the Authority, provided, however, Lessee is further granted the right and privilege to construct, maintain, operate, and renew pipelines, valves, and loading equipment for loading or unloading vessels at the docks of the Authority now or hereafter to be constructed. Lessee covenants that such pipelines and loading equipment for loading or unloading of vessels at the docks of the Authority shall be of sufficient size and capacity to load or unload at the average rate of loading and unloading for similar products by other companies that operate at the Port of Corpus Christi. Such loading and unloading rates will be selected from time to time and Lessee shall modify its pipelines and related facilities to comply with such requirement.

No rights herein granted under any permit for the use by the Lessee of the lands of the Authority (other than the tract herein being leased), or the facilities of the Authority, shall be construed as exclusive in the Lessee as against any other person, firm or corporation using the same under permission of the Authority and

such use will not be permitted where it will interfere, in the opinion of the Authority, with the rights of other persons, firms or corporations then holding any of the lands of the Authority under lease or franchise.

Lessee will not:

A Use, occupy or permit the use or occupancy of the Leased Premises for any purpose or in any manner which is or may be, directly or indirectly:

- 1. Inconsistent with the requirements of Section 4. 01 hereof;*
- 2. Violative of (a) judicial decisions, orders, injunctions, writs, statutes, rulings, rules, regulations, promulgations, directives, permits, certificates or ordinances of any governmental authority in any way applicable to Lessee or the Leased Premises, including zoning, environmental and utility conservation matters; (b) Authority's Tariffs or Rules and Regulations; (c) insurance requirements; and (d) other documents, instruments or agreements (written or oral) relating to the Leased Premises or to which the Leased Premises may be bound or encumbered;*
- 3. Dangerous to life or property or a public or private nuisance; or*
- 4. Disruptive to the activities of any other tenant or occupant of property adjacent to the Leased Premises;*

B. Commit or permit to remain any waste to the Leased Premises; or

C. Commit, or permit to be committed, any action or circumstance on or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in canceling the insurance policies maintained by Lessee or Authority on the Leased Premises and improvements thereon.

6. This Amendment shall be binding on the successors and assigns of the Parties.

7. Except as specifically amended hereby, all terms and conditions of the Lease shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control.

8. This Amendment may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document.

Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures and acknowledgments to this Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures and acknowledgments shall be deemed to be the same as original signatures and acknowledgments.

[The signature pages follow this page.]

AUTHORITY'S SIGNATURE PAGE

EXECUTED this ____ day of July, 2014, but effective for all purposes as of the Amendment Date.

AUTHORITY:

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

By: _____
John P. LaRue
Executive Director

**STATE OF TEXAS §
 §
COUNTY OF NUECES §**

This instrument was acknowledged before me on the ____ day of July, 2014, by John P. LaRue, the Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Authority.

NOTARY PUBLIC, STATE OF TEXAS

(Seal)

LESSEE'S SIGNATURE PAGE

EXECUTED this ____ day of July, 2014, but effective for all purposes as of the Amendment Date.

LESSEE: **NuSTAR LOGISTICS L.P.,
By NuSTAR GP, INC., General Partner**

By: _____

Printed Name: _____

Title: _____

STATE OF _____ **§**

§

COUNTY OF _____ **§**

This instrument was acknowledged before me on the ____ day of July, 2014, by _____, the _____ of NuStar GP, Inc., the general partner of NuStar Logistics, L.P., a Delaware limited partnership, on behalf of the partnership.

NOTARY PUBLIC, STATE OF TEXAS

(Seal)

EXHIBIT A
4.32 ACRE LEASE
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF NUECES

BEING a 4.32 acre lease situated in the Nueces County Navigation District No. 1 Survey, Abstract No. 2677, Nueces County, Texas and being the same tract depicted in an unrecorded lease agreement dated May 29, 1997 by and between Port of Corpus Christi Authority of Nueces County, Texas and Sigmor Pipeline Company and this 4.32 acre lease being more particularly described by metes and bounds as follows:

BEGINNING at a set 5/8 inch iron rod at the intersection of the south line of a 50 foot wide railroad easement and the west right-of-way line of Texaco Street for the northeast corner of the herein described lease and having a Texas State Plane coordinate NAD 83 Texas South Zone of X = 1,339,730.13 and Y = 17,187,709.49;

THENCE South 01° 19' 02" East with the west right-of-way line of Texaco Street and the east line of the herein described lease for a distance of 307.15 feet to a set 5/8 inch iron rod for the southeast corner of the herein described lease;

THENCE South 88° 40' 58" West with the north line of a 30 foot wide road easement and the south line of the herein described lease for a distance of 613.80 feet to a "PK" nail set in concrete at the intersection of the north line of the 30 foot wide road easement and the east line of a 40 foot wide road and pipeline easement for the southwest corner of the herein described lease;

THENCE North 01° 19' 02" West with the east line of the 40 foot wide road and pipeline easement and the west line of the herein described lease for a distance of 300.90 feet to a set 5/8 inch iron rod for the northwest corner of the herein described lease;

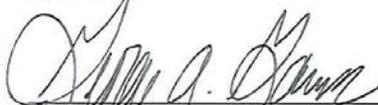
THENCE North 83° 03' 45" East with an existing fence line for a distance of 63.83 feet to a set 5/8 inch iron rod at a point for angle;

THENCE North 88° 40' 58" East, with the south line of said 50 foot wide railroad easement and the north line of the herein described lease for a distance of 550.28 feet to the POINT OF BEGINNING, Containing 4.32 acres of land.

Reference is made to that plat accompanying this legal description. (Exhibit "B")

Bearings are based on GPS Observation NAD83 Texas South Central Zone. Coordinates and distances shown hereon are grid.

The above legal description is based on an actual survey made on the ground under my supervision.



Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

Date 7/1/2014



DATE: July 8, 2014

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

AGENDA ITEM NO. 13-D

**Approve a Lease Agreement with CCC Group Inc. for ± 2.62 Acres
Located Near the Avery Point Turning Basin**

CCC Group Inc. currently leases 2.22 acres of land with 365 linear feet of ship channel frontage along the north side of the Corpus Christi Turning Basin just west of NuStar's new oil dock. See attached Exhibit 1. CCC Group's local office provides marine construction and repair services to the PCCA and others throughout the Coastal Bend area, and the leased premises are used for staging, sorting, and loading of construction materials and equipment to support their construction activities.

With the recent completion of NuStar's new dock, Martin Midstream's conversion of PCCA's Cargo Dock 10 to an oil dock, and new and planned construction of additional liquid storage tanks by both Martin and NuStar, this reach of channel is becoming a significant oil terminal area. Recognizing this transformation, coupled with the likely impact to Martin's new oil dock due to the construction of the new Harbor Bridge, staff identified the need to begin securing waterfront in this area for future oil dock construction. Consequently, staff approached CCC Group with a request to relocate their operations. CCC Group, having a longtime presence in the area and recognizing the benefits to the Port and the region, were receptive to relocating elsewhere in the Port.

After reviewing several potential waterfront sites within the Inner Harbor, CCC Group and staff have found a suitable ± 2.62-acre site with similar frontage located near the Avery Point Turning Basin approximately 1.5 miles west of their existing facility. See attached Exhibit 2. Staff and CCC Group have negotiated the terms of a new two-year lease to replace the existing lease.

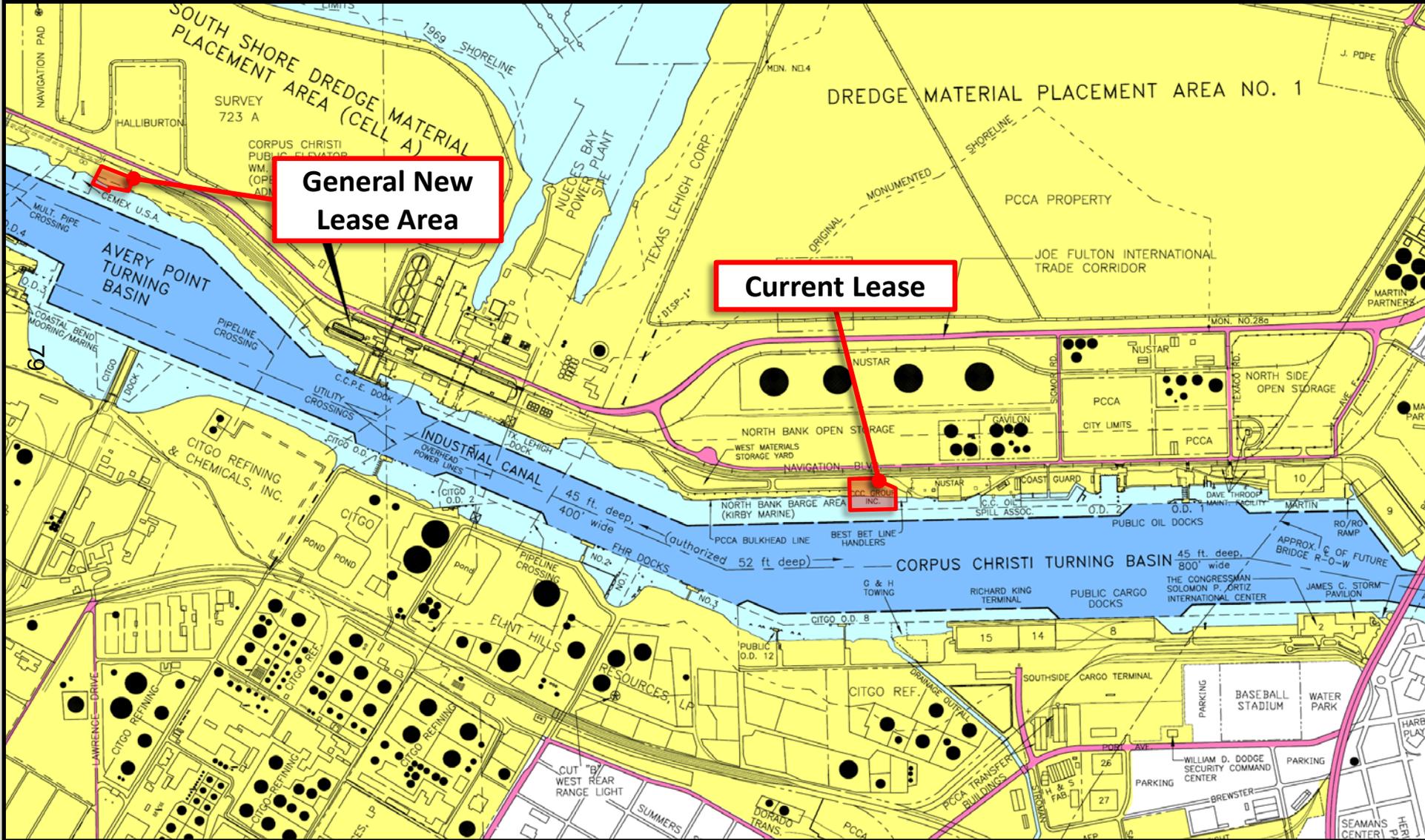
CCC Group's current lease is not set to expire until November 2024 (after two additional 5-year option periods), and CCC Group currently pays \$29,160.00 annually in rent. In consideration of CCC Group's willingness to voluntarily vacate their current lease site, Staff recommends waving rental payments for the two-year lease. In addition, the PCCA will provide CCC Group, subject to availability, concrete rubble or similar materials from existing stockpiles for use in improving and armoring the shoreline at the new lease location. CCC Group will bear the cost of relocating materials, equipment, and their offices from the current lease location to the proposed new lease site as well as any costs associated with constructing any fencing, gates, lighting, or other improvements on the new lease premises.

Staff recommends approval of the attached Lease Agreement with CCC Group Inc.

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



CCC Group, Inc. Lease Agreement



**PORT OF CORPUS CHRISTI AUTHORITY
LEASE SUMMARY**

Lessee: CCC Group, Inc.

Leased Premises: As depicted on the attached drawing.

Use: Operation of a field office and yard engaged in the performance of heavy marine construction work in the local area and for the loading and unloading, sorting and further movement of construction related materials from work barges used in connection with Lessee's marine construction work.

Term: Two (2) Years

Options: None

Start Date: July 8, 2014

Annual Rent: None*

Additional Rent: None

Adjustment of Rent: N/A

Remarks: In exchange for Lessee agreeing to relinquish two (2) remaining five (5) year option periods under its existing lease of 2.2 acres and in consideration of Lessee's cooperation in relocating its business and equipment to the Leased Premises at its own expense at the request of PCCA, no rent shall be payable during the term of this Lease Agreement.

LEASE AGREEMENT

Between

**PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS**
(*“Authority”*)

And

CCC GROUP, INC.
(*“Lessee”*)

July 8, 2014

TABLE OF CONTENTS

	Page
ARTICLE 1 – LEASE OF PREMISES	1
SECTION 1.01. DESCRIPTION OF PREMISES AND TERM	1
SECTION 1.02. HOLDING OVER.....	1
SECTION 1.03. TERMINATION OF CURRENT LEASE	2
ARTICLE 2 – INSPECTION OF LEASED PREMISES.....	2
ARTICLE 3 –UTILITIES AND TAXES.....	2
ARTICLE 4 – USE OF LEASED PREMISES.....	3
SECTION 4.01. USE	3
SECTION 4.02. ENVIRONMENTAL REPRESENTATIONS, RESTRICTIONS AND ENVIRONMENTAL INDEMNITY	4
SECTION 4.03. UNDERGROUND STORAGE TANKS	7
SECTION 4.04. PERMITTED USE; CONTINUOUS OPERATION.....	7
SECTION 4.05. MOORING OF VESSELS	7
ARTICLE 5 – IMPROVEMENTS OR ALTERATIONS AND MAINTENANCE.....	8
SECTION 5.01. PERMANENT IMPROVEMENTS.....	8
SECTION 5.02. MAINTENANCE AND RETURN OF LEASED PREMISES	8
SECTION 5.03. APPROVAL OF ALTERATIONS AND IMPROVEMENTS	9
SECTION 5.04. NO LIENS	9
SECTION 5.05. LABORERS AND MATERIALS	10
SECTION 5.06. STORM SEWERS/RAILROAD SPUR TRACKS	10
SECTION 5.07. BUILDING CODE.....	10
SECTION 5.08. PERMITS	10
SECTION 5.09. OWNERSHIP OR REMOVAL OF ALTERATIONS, MODIFICATIONS OR IMPROVEMENTS BY LESSEE..	10
SECTION 5.10. SIGNS	11
SECTION 5.11. FLOODPLAIN	11
SECTION 5.12. SIDE YARD LIMITS.....	11
ARTICLE 6 – USE BY AUTHORITY	11
ARTICLE 7 – SUBLETTING OR TRANSFER.....	12
SECTION 7.01. SUBLEASE OR TRANSFER	12
SECTION 7.02. CONDITIONS.....	12
ARTICLE 8 – DEFAULT	13
SECTION 8.01. RIGHTS AND REMEDIES OF AUTHORITY	13
SECTION 8.02. NO WAIVER	14
SECTION 8.03. CONSEQUENTIAL DAMAGES.....	14
ARTICLE 9 – LIEN AND SECURITY INTEREST	14
ARTICLE 11 – INDEMNITY/WAIVER	15
ARTICLE 12 -- INSURANCE.....	17
SECTION 12.01. INSURANCE	17
SECTION 12.02. WAIVER OF SUBROGATION.....	19
ARTICLE 13 – PROPERTY LOSS	19
SECTION 13.01. OBLIGATION TO RESTORE	19
SECTION 13.02. DAMAGE NEAR END OF TERM.....	20
SECTION 13.03. NOTICE OF DAMAGE	20

ARTICLE 14 -- CONDEMNATION20

SECTION 14.01. TOTAL TAKING.....20

SECTION 14.02. PARTIAL TAKING.....20

SECTION 14.03. VOLUNTARY CONVEYANCE21

SECTION 14.04. NOTICE OF PROPOSED TAKING21

ARTICLE 15 – QUIET ENJOYMENT21

ARTICLE 16 -- MEDIATION21

ARTICLE 17 – GENERAL PROVISIONS.....22

SECTION 17.01. COMPLIANCE.....22

SECTION 17.02. INSPECTION22

SECTION 17.03. NO PARTNERSHIP22

SECTION 17.04. NOTICES22

SECTION 17.05. ESTOPPEL CERTIFICATE23

SECTION 17.06. ABANDONED PROPERTY.....23

ARTICLE 18 -- MISCELLANEOUS23

SECTION 18.01. PARTIES BOUND.....23

SECTION 18.02. APPLICABLE LAW.....23

SECTION 18.03. SEVERABILITY.....23

SECTION 18.04. TIME OF ESSENCE.....23

SECTION 18.05. RIGHTS AND REMEDIES CUMULATIVE.....23

SECTION 18.06. ATTORNEYS’ FEES23

SECTION 18.07. CAPTIONS.....24

SECTION 18.08. PUBLIC DISCLOSURE24

SECTION 18.09. BROKERS.....24

SECTION 18.10. AUTHORITY.....24

SECTION 18.11. RECORDING.....24

SECTION 18.12. INTERPRETATION.....25

SECTION 18.13. *FORCE MAJEURE*.....25

SECTION 18.14. CONTRACTUAL RELATIONSHIP.....25

SECTION 18.15. ENTIRE AGREEMENT25

RELOCATION LEASE AGREEMENT

This **RELOCATION LEASE AGREEMENT** is made this 8th day of July, 2014, by and between **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called “Authority”), and **CCC GROUP, INC.**, a Texas corporation, whose principal address is 6364 Hopkins Road, Corpus Christi, Texas 78409 (hereinafter called “Lessee”).

WHEREAS, by a Lease Agreement dated November 10, 2009 (“Current Lease”), Authority leased to Lessee a 2.22-acre tract of land in Nueces County, Texas, which tract is depicted on the map attached to the Current Lease as Exhibit A (“Leased Land”); and

WHEREAS, the initial term of the Current Lease ends November 9, 2014, but Lessee has the option to extend the term of the Current Lease for two additional periods of five years each; and

WHEREAS, Authority has an immediate need for the Leased Land and is willing to lease other property to Lessee for no consideration other than Lessee’s agreement to terminate the Current Lease; and

WHEREAS, Lessee is willing to accommodate the Authority’s request to relocate its business to other Authority property;

NOW THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is acknowledged by both Parties, and in further consideration of the mutual covenants and obligations contained herein, the Parties hereby agree as follows:

**ARTICLE 1
LEASE OF PREMISES**

Section 1.01. Description of Premises and Term

Authority, in consideration of and upon the terms, covenants, and conditions hereinafter set forth, hereby leases to Lessee and Lessee leases from Authority the following described real property situated in Nueces County, Texas:

The surface estate of that certain tract of approximately 2.62 acres of land, more or less, which tract is depicted on Exhibit A attached hereto and incorporated herein by reference and all improvements situated thereon (hereinafter called “Leased Premises”).

TO HAVE AND TO HOLD the Leased Premises for a term of two (2) years, commencing on July 8, 2014 (“Commencement Date”), and (subject to earlier termination as herein provided) ending at midnight, Central Time, July 7, 2016.

Section 1.02. Holding Over

If Lessee holds over beyond the primary term of this lease without the written consent of Authority, Lessee shall be deemed to be occupying the Leased Premises as a tenant at sufferance. During any holdover period, Lessee will pay rent to Authority in the amount of One Hundred Dollars per day during the holding over period, and Lessee will be subject to all other terms of this lease agreement applicable to a tenant at sufferance.

Section 1.03. Termination of Current Leases

Authority and Lessee agree that the Current Lease will automatically terminate on the Commencement Date. In the event Authority notifies Lessee to remove any or all of the alterations, additions or improvements made by Lessee to the property it is leasing under the Current Lease, Lessee must do so and must repair any damage caused by such removal, all within forty-five (45) days after the date of termination of the Current Lease. In other words, upon termination of the Current Lease, Lessee's obligations under Section 5.09 of the Current Lease will remain in effect.

**ARTICLE 2
INSPECTION OF LEASED PREMISES**

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

**ARTICLE 3
UTILITIES AND TAXES**

Lessee agrees to pay when due all charges it contracts for (a) water, gas, electricity, and other utilities, (b) garbage service, (c) security or guard services, or (d) railroad services in connection with the Leased Premises. If at Lessee's request or because of Lessee's failure to pay for services to the Leased Premises it contracted for, Authority provides any such services to the Leased Premises or pays the cost for any such services, Lessee will pay to Authority the cost of such services as rent upon receiving Authority's invoice therefore, payment to be made pursuant to the terms of said invoice. Lessee will also pay as rent its pro rata share of any utility services provided by Authority.

During the term of this lease, Lessee must pay or cause to be paid when due all taxes, assessments, fees or charges imposed on the Leased Premises by virtue of Lessee's tenancy or upon Lessee's property on, or Lessee's interest in, the Leased Premises.

Lessee may, at its expense, contest any tax, assessment, fee or charge for which it is responsible under this section. Except as provided in the following paragraph, Lessee need not

pay the tax, assessment, fee or charge while the contest is pending. Except as provided in the following paragraph, Lessee may prevent Authority from paying any tax, assessment, fee or charge that Lessee is contesting under this section, pending resolution of the contest, by depositing with Authority the full amount of the tax, assessment, fee or charge plus the amount of any penalty that might be imposed for failing to make timely payment and one (1) year of interest at the rate imposed by the entity levying the tax, assessment, fee or charge. When the contest is resolved, Lessee must pay the tax, penalty and interest imposed and may use the money deposited with Authority to pay any tax, assessment, fee or charge, plus any penalty or interest, due under the final resolution and keep any balance of the deposit. If the deposit is insufficient to pay these amounts, Lessee must immediately pay the balance due to the entity imposing the tax, assessment, fee or charge.

Notwithstanding the provisions of the foregoing paragraph, Authority may pay – or require Lessee to pay – any tax, assessment, fee or charge for which Lessee is responsible under this Section, pending resolution of Lessee’s contest of the tax, assessment, fee or charge, if payment is demanded by a holder of a mortgage on the premises or if failing to pay will subject all or part of the premises to forfeiture or loss.

Any of said taxes, fees or charges that are payable by Lessee for the tax year in which this lease agreement commences, as well as during the year in which this lease agreement terminates, shall be apportioned so that Lessee shall pay its proportionate share of the taxes, fees or charges for such periods of time. Lessee may pay such taxes, fees or charges in installments as and when such installments become due. Lessee must deliver to Authority evidence of payment of all taxes, fees or charges, which Lessee is obligated to pay hereunder concurrently with making such payment.

**ARTICLE 4
USE OF LEASED PREMISES**

Section 4.01. Use

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

Operation of a field office and yard engaged in the performance of heavy marine construction work in the local area and for the loading and unloading, sorting and further movement of construction related materials from work barges used in connection with Lessee’s marine construction work.

Lessee will not:

A. Use, occupy or permit the use or occupancy of the Leased Premises for any purpose or in any manner, which is directly or indirectly:

Inconsistent with the requirements of Section 4.01 hereof;

Violative of (a) judicial decisions, orders, injunctions, writs, statutes, rulings, rules, regulations, promulgations, directives, permits, certificates or ordinances of any governmental authority in any way applicable to Lessee or the Leased Premises, including zoning, environmental and utility conservation matters; (b) Authority's Tariffs or Rules and Regulations; (c) insurance requirements; or (d) other documents, instruments or agreements (written or oral) relating to the Leased Premises or to which the Leased Premises may be bound or encumbered;

Dangerous to life or property or a public or private nuisance; or

Disruptive to the activities of any other tenant or occupant of property adjacent to the Leased Premises;

B. Bring or permit to remain on the Leased Premises any asbestos, petroleum or petroleum products, explosives or toxic materials except for commercially reasonable amounts of materials used in the ordinary course of Lessee's business, nor commit or permit to remain any waste or damage to the Leased Premises; or

C. Commit, or permit to be committed, any action or circumstance on or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in increasing the rate of or canceling the insurance policies maintained by Lessee or Authority on the Leased Premises or improvements thereon, or those of other lessees of Authority's property adjacent to the Leased Premises.

Section 4.02. Environmental Representations, Restrictions and Environmental Indemnity

Lessee hereby represents and warrants to Authority:

That Lessee's construction, occupancy, operation or use of the Leased Premises will not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any board of fire underwriters (or other body exercising similar functions), or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Leased Premises, including but not limited to all applicable zoning ordinances and building codes, flood disaster laws and health and environmental laws and regulations (hereinafter sometimes collectively called "Applicable Laws");

That, without limitation of Section 4.01A above, in its use of the Leased Premises Lessee will not violate any Applicable Laws pertaining to health or the environment (hereinafter sometimes collectively called "Applicable Environmental Laws"), including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Section 9601 et seq; the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901 et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq; the Clean Air Act and Amendments of 1990, 41 U.S.C. Section 7401 et seq; the Clean Water Act of 1977, 33 U.S.C. Section 1251 et seq; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 et seq; the Toxic Substances Control Act, 15 U.S.C. Section 2606 ; the Texas Solid Waste Disposal Act, Chapter 361, Texas Health and Safety Code; the Texas Clean Air Act, Chapter 382, Texas Health and Safety Code; the Oil Spill Prevention Act of 1991,

Chapter 40, Texas Natural Resource Code, and Chapter 26, Texas Water Code; and the Texas Water Quality Act, Chapter 26, Texas Water Code; Texas Hazard Communication Act, Chapter 502, Texas Health and Safety Code; Texas Community Right-to-Know Acts, Chapters 505 – 507 Texas Health and Safety Code; Authority's Tariffs, Rules and Regulations and the Port of Corpus Christi Authority's Design and Construction Guidelines set forth in Authority's Real Estate Manual.

That the use which Lessee intends to make of the Leased Premises will not result in the Disposal or other Release of any Hazardous Substance or Solid Waste on or to the Leased Premises--the terms "Hazardous Substance" and "Release" have the meanings specified in CERCLA, and the terms "Solid Waste" and "Disposal" (or "Disposed") have the meanings specified in RCRA--and, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning will apply to such terms used in this lease agreement subsequent to the effective date of such amendment and, further, to the extent the laws of the state of Texas establish a meaning for "Hazardous Substance," "Release," "Solid Waste," or "Disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning will apply to such terms used in this lease agreement, and in either of said instances Lessee must immediately cease activities prohibited by Applicable Laws or Applicable Environmental Laws upon the Leased Premises and notify Authority in writing of same within five (5) days of doing so;

Lessee understands and agrees that the Leased Premises are being leased in an "As Is, Where Is" condition and that improvements, grading, filling, removal of existing improvements, and relocation of utility lines shall be made and performed by Lessee at the sole cost and expense of Lessee. Lessee further understands and agrees that the "As-Is, Where Is" condition of the Leased Premises includes any contamination of the Leased Premises, including structures, soils, groundwater, and any adjacent channel or bay water and sediment, and that information received from Authority regarding such matters may not be complete or accurate and should not be accepted as such.

Lessee hereby acknowledges that excavation of soils from the Leased Premises could result in exportation of a regulated waste requiring appropriate characterization, handling, transport and disposal (together "Regulated Waste Removal"). Authority takes no responsibility and assumes no liability whatsoever for Regulated Waste Removal. Accordingly, **Lessee hereby waives any claim, or potential claim, it may have to recover costs or expenses arising out of or associated with Regulated Waste Removal and agrees to indemnify, defend and hold harmless Authority, its Port Commissioners, directors, managers, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from, out of, or in any way related to Regulated Waste Removal. If any action or proceeding is brought against Authority, its Port Commissioners, directors, managers, employees, and agents based upon any and all such claims, liabilities, losses, damages, costs and expenses, Authority will be represented by its general counsel, or another attorney selected by Authority and approved by Lessee, which approval will not be unreasonably withheld.**

Authority accepts no liability or responsibility for ensuring that Lessee's workers, including without limitation those conducting testing, construction and maintenance activities on

the Leased Premises, are satisfactorily protected from residual contaminants described in 29 Code of Federal Regulations. Lessee shall assess all human health risks from vapor transport or direct contact with residual hazardous substances or contaminants and incorporate such engineering and institutional controls as may be required to sufficiently protect human health of onsite workers and transient visitors. **Lessee hereby waives any claim, or potential claim, it may have to recover any damages, losses, costs and expenses related to worker exposure or alleged exposure to any residual onsite contamination, and to indemnify, defend and hold harmless Authority, from and against any and all such claims, liabilities, losses, damages, costs and expenses. If any action or proceeding is brought against Authority, its Port Commissioners, directors, managers, employees, and agents based upon any and all such claims, liabilities, losses, damages, costs and expenses, Authority, its Port Commissioners, directors, managers, employees, and agents will be represented by its general counsel, or another attorney selected by Authority and approved by Lessee, which approval will not be unreasonably withheld.**

In claims against Authority, its Port Commissioners, directors, managers, employees, and agents by or for an employee of Lessee, its agents, contractors, owners, invitees, or licensees, the Lessee's indemnification obligation under this Section 4.02 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee, its agents, contractors, owners, invitees, or licensees, under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against Authority, its agents, contractors, owners, invitees, or licensees, to pay damages for the injury or death of such employee under Chapter 417 (Third-Party Liability), Texas Labor Code, that results in a judgment against the Authority, its agents, contractors, owners, invitees, or licensees, or a settlement by Authority, its agents, contractors, owners, invitees, or licensees, Lessee expressly agrees to reimburse and hold harmless Authority, its agents, contractors, owners, invitees, or licensees, for the damages based on such judgment or settlement as provided in this Section 4.02.

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

Lessee must clean up, remove, remediate and repair any soil or ground water contamination or damage caused by the release of any Hazardous Substance or Solid Waste in, on, under, or about the Leased Premises during Lessee's occupancy of the Leased Premises in conformance with the requirements of Applicable Laws or Applicable Environmental Laws. Lessee shall immediately give Authority written notice of any suspected breach of this paragraph, upon learning of the presence or any release of any Hazardous Substance or Solid Waste, or upon receiving any notice from governmental agencies pertaining to any Hazardous Substance or Solid Waste which may affect the Leased Premises. The obligations of Lessee hereunder shall survive the expiration or earlier termination, for any reason, of this lease.

All of the foregoing representations and warranties made by Lessee are continuing and must be true and correct for the entire term of this lease, including any extensions hereof, and all of such representations and warranties will survive expiration or termination of this lease agreement.

Section 4.03. Underground Storage Tanks

Lessee may not construct, install, maintain, use or otherwise operate on the Leased Premises any petroleum or chemical underground storage tank.

Section 4.04. Permitted Use; Continuous Operation

Lessee will continuously maintain the Leased Premises open for its usual business and available for the purposes permitted hereunder during its usual business hours on days other than Saturday, Sunday or legal.

The covenants of this Section 4.04 are material to this lease, and should Lessee fail to satisfy such covenants, Authority may employ the remedies set forth in the Article of this lease agreement entitled Default.

Section 4.05. Mooring of Vessels

Only boats, barges, or other vessels or equipment (not to exceed 225 feet in length) being loaded or unloaded by Lessee may be moored along the water frontage of the Leased Premises. Lessee must notify the Harbormaster of all vessel movements into and out of the slip at Leased Premises. Mooring boats and barges of others, including pleasure craft and houseboats, is prohibited unless special arrangements are made with Authority for the payment of Authority's charges for such berthing.

Lessee will provide at its expense all moorings necessary, or required by Authority's Harbormaster, to moor boats, barges or other vessels or equipment at the Leased Premises. Such moorings must be located so as not to be in contact with either tieback rods or anchorage for the bulkhead at the Leased Premises. Lessee agrees to remove, or cause to be removed, within twenty-four (24) hours after notice from Authority's Harbormaster, any vessel owned or controlled by Lessee and docked at the Leased Premises, which in the sole opinion of the Authority's Harbormaster is a hazard to navigation.

**ARTICLE 5
IMPROVEMENTS OR ALTERATIONS AND MAINTENANCE**

Section 5.01. Permanent Improvements

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

While constructing improvements, maintaining, or carrying on its activities, on the Leased Premises, Lessee must comply with the *Antiquities Code of Texas (Texas Natural Resources Code, Chapter 191)* and applicable rules promulgated thereunder by the Antiquities Committee, or its successor. Lessee shall undertake its activities on the Leased Premises in a manner consistent with public policy relating to the location and preservation of archeological sites and other cultural resources in, on, or under public lands. Lessee shall use the highest degree of care and all reasonable safeguards to prevent the taking, alteration, damage, destruction, salvage, or excavation of cultural resources and/or landmarks on the Leased Premises. Upon discovery of an archeological site, Lessee shall immediately give written notice of such discovery to Authority and to the Texas Antiquities Committee, as set out in the Committee's rules. Lessee, its contractors and employees, shall have no right, title, or interest in or to any archaeological articles, objects, or artifacts, or other cultural resources located or discovered on the Leased Premises.

Section 5.02. Maintenance and Return of Leased Premises

Lessee will, throughout the lease term and any extensions of it, at its own expense and risk, maintain the Leased Premises and all improvements on them in good order and condition, including but not limited to making all repairs and replacements necessary to keep the premises and improvements in that condition. All maintenance, repairs, and replacements required by this section must be performed promptly when required and so as not to cause depreciation in the value of the Leased Premises.

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

At the expiration of the lease term or any renewals or extensions thereof, Lessee will surrender the premises in good order and repair except for reasonable wear and tear since the last

necessary repair, replacement, restoration or renewal made by Lessee pursuant to its obligations under this lease agreement.

Section 5.03. Approval of Alterations and Improvements

Lessee must submit to Authority plans for any proposed buildings, drainage or improvements of any kind on the Leased Premises, or any alterations or additions to existing buildings or improvements, and they must be approved in writing by, the Director of Engineering Services of Authority prior to the commencement of work on the same. To facilitate the Authority's review, two (2) sets of formal plans that clearly define the project must be submitted to Authority for its prior approval. The drawings must be prepared on a standard engineering format (24" x 36" drawings) and show all physical features and improvements in and around the project site and must be signed and sealed by a Professional Engineer registered in the State of Texas. In addition, a detailed site plan (minimum 1" = 50' scale) depicting the location and physical layout of the project site, and including, but not limited to, any area to be dredged, adjacent docking facilities, property lines, federal channels, bulkhead lines, and existing channel depth elevations must be included with the plans submitted. The site plan must clearly show the bottom of cut line and top of slope line of any planned dredging. If any dredging is planned by Lessee, its agents, servants, contractors or employees that will, in Authority's judgment, based upon customary dredging operations, result in removal of a substantial quantity of earth or material from, or damage to, adjacent real property, Lessee must obtain the written permission of the adjacent property owner to carry out the work described for the project and submit it to the Authority with the formal plans.

Slips at any dock located on the Leased Premises must be maintained by Lessee at a sufficient depth to prevent vessels berthed at the dock from striking bottom due to lowering of the water level from passing vessels.

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

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

Section 5.04. No Liens

Unless otherwise agreed, Lessee may not grant, place or suffer, or permit to be granted, placed or suffered, against all or any part of the Leased Premises or Lessee's leasehold estate created hereby, any lien, security interest, pledge, conditional sale contract, claim, charge

or encumbrance (whether constitutional, contractual or otherwise) and if any of the aforesaid should occur or be asserted, Lessee will, promptly upon demand by Authority and at Lessee's expense, cause same to be released.

Section 5.05. Laborers and Materials

Lessee will pay for all labor and services performed for, materials used by, or furnished to, any contractor employed by Lessee with respect to the Leased Premises and **defend, indemnify and hold Authority and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by Lessee's failure to pay for labor or materials provided to the Leased Premises.** If Lessee elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with such labor, services or materials, Lessee agrees to include Authority as an additional obligee thereunder.

Section 5.06. Storm Sewers/Railroad Spur Tracks

Lessee agrees to construct or to pay for the construction of any railroad spur tracks requested by Lessee, and approved by Authority, to serve the Leased Premises. If requested by Authority or the railroad, Lessee will enter into a joint maintenance agreement with the railroad and bear Lessee's pro rata share of the cost of maintaining any railroad spur on the Leased Premises.

Section 5.07. Building Code

All improvements placed on the Leased Premises by Lessee must comply with all applicable codes unless they are modified by Port of Corpus Christi Authority Design and Construction Guidelines.

Section 5.08. Permits

Lessee must obtain and maintain in effect at all times during the term of this lease agreement all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of Lessee's improvements and Lessee's use and occupancy of, and operations at, the Leased Premises. Lessee will provide Authority's Department of Engineering Services with copy of its permits, licenses and consents as the same are obtained.

Section 5.09. Ownership or Removal of Alterations, Modifications or Improvements by Lessee

At the expiration or earlier termination of this lease, all alterations, modifications or improvements upon the Leased Premises made by Lessee, including all buildings, rail spurs and tracks, paneling, decorations, partitions, heating, ventilating and air-conditioning machinery and equipment, lighting fixtures, plumbing equipment, sprinkler system, and the like, shall, absent any agreement between Authority and Lessee to the contrary at the time of installation, or unless Authority otherwise elects, which election shall be made by giving a notice in writing (a) not less

than fifteen (15) days prior to the expiration of this lease, or (b) not more than fifteen (15) days following any termination of this lease other than by expiration, become the property of Authority and shall remain upon and be surrendered with the Leased Premises as a part thereof at the end of the lease term. In the event Authority notifies Lessee to remove any or all of the alterations, additions or improvements made by Lessee, Lessee must do so and must repair any damage caused by such removal, all within forty-five (45) days after the date of expiration or termination of this lease agreement. Trade fixtures, furnishings and equipment, except for those referred to above, which are installed by Lessee, at its expense, may be removed by Lessee provided Lessee removes the same and repairs any damage caused by such removal within thirty (30) days after the date of expiration or termination of this lease. Any trade fixtures not removed by Lessee when this lease terminates are considered abandoned by Lessee and will automatically become Authority's property. If any trade fixture installed by Lessee is abandoned when the lease terminates, Lessee must pay Authority any reasonable expense actually incurred by Authority to remove the fixture from the premises, less the fair market value of the fixture once removed, if Authority uses the trade fixture.

Section 5.10. Signs

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. Lessee must remove all its signs when this lease terminates and repair any damage resulting from erecting or removing the signs.

Section 5.11. Floodplain

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

Section 5.12. Side Yard Limits

No permanent improvements may be constructed within fifteen (15) feet of the Leased Premises' boundary lines and no permanent improvements may be constructed or materials and/or equipment stored within ten (10) feet of the Leased Premises boundary lines.

**ARTICLE 6
USE BY AUTHORITY**

Authority reserves the right to use any streets or roadways on the Leased Premises. Authority further reserves the right to use as much of the Leased Premises as is necessary to lay mains for gas, water or sewers on the Leased Premises, to place poles and necessary wires and attachments for electricity or for telephone and telegraph lines over and across any part of the Leased Premises, and to lay, or grant easements or rights of way for the laying of, pipelines for oil, petroleum, petroleum products, fiber optics and any other products over, under and upon the Leased Premises; provided, however, that the same shall not interfere with Lessee's buildings, improvements or Lessee's use of the Leased Premises. Authority has the right to use third

parties for the performance of the rights reserved to Authority in this Article, and Authority has the right to grant easements or rights of way reserved to Authority in this Article to other parties.

**ARTICLE 7
SUBLETTING OR TRANSFER**

Section 7.01. Sublease or Transfer

Lessee may not assign this lease agreement in whole or in part nor any interest therein nor sublet the Leased Premises nor any part thereof nor grant any license, concession or other right of occupancy of any portion of the Leased Premises, nor permit the transfer of this lease by operation of law or otherwise without the prior written consent of Authority. Consent of Authority to one or more assignments or subletting does not operate as a waiver of Authority's rights concerning any subsequent assignments or subletting. No assignment, subletting, occupancy or collection waives the obligations of Lessee under this lease agreement upon acceptance of same by Authority. Lessor may assign or transfer any of its interests under this lease agreement. Furthermore, Lessee shall not, without Authority's express written consent, cause or permit an interest, direct or indirect, in itself to be sold, assigned, transferred, exchanged, or otherwise disposed of (each a "Disposition") such that, after the Disposition, the Lessee shall cease to be controlled by substantially the same individuals and/or entities who Control it as of the effective date of the Lease; provided, however, that this restriction shall not be operative if, on the date of the Disposition, the net worth of Transferee (who is defined in Section 7.02) is more than \$10,000,000.00 Dollars. As used in this paragraph "Control" means the power to elect a majority of the directors or other members of the governing body of Lessee, or in any other manner to control or determine the management of the Lessee.

Section 7.02. Conditions

The following conditions automatically apply to each sublease, assignment or transfer by Lessee or any sublessee without the necessity of same being stated in or referred to in Authority's written consent:

A. Lessee must execute, have acknowledged and deliver to Authority and cause the sublessee, assignee or other transferee ("Transferee") of any portion of Lessee's interest in this lease agreement, the leasehold estate created hereby or the Leased Premises to execute, have acknowledged and deliver to Authority, an instrument in form and substance acceptable to Authority in which:

The Transferee adopts this lease agreement and assumes and agrees to perform, jointly and severally with Lessee, all of the obligations of Lessee hereunder, as to the interest transferred to it;

The Transferee grants Authority an express first and prior contract lien and security interest in its improvements located upon and property brought into the transferred premises to secure its obligations to Authority hereunder;

Lessee subordinates to Authority's statutory lien, contract lien and security interest any liens, security interests or other rights, which Lessee may claim with respect to any property of the Transferee;

Lessee and any guarantor of this lease agreement agree with Authority that, if the rent or other consideration due by the Transferee exceeds the rent for the transferred space, then Lessee shall (and any guarantor guarantees that Lessee shall) pay Authority as rent hereunder all such excess rent and other consideration immediately upon Lessee's receipt thereof;

The Transferee agrees to use and occupy the transferred space solely for the purposes permitted under Article 4 and otherwise in strict accordance with this lease agreement; and

Lessee and any guarantor acknowledge and agree in writing that, notwithstanding the transfer, Lessee and any guarantor remain directly and primarily liable for the performance of all the obligations of Lessee hereunder, and Authority shall be permitted to enforce this lease agreement against Lessee, any guarantor or the Transferee, or all of them, without prior demand upon or proceeding in any way against any other persons.

B. Lessee must deliver to Authority a counterpart of all instruments relative to the sublease, assignment or other transfer executed by all parties to such transaction (except Authority); and

C. Lessee shall pay or cause to be paid to Authority, at the time of the execution and delivery of the documents, the sum of \$500.00 to cover Authority's administrative and legal costs for each amendment, assignment, sublease, and any estoppel certificate requested from Authority by Lessee or any sublessee.

**ARTICLE 8
DEFAULT**

Section 8.01. Rights and Remedies of Authority

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

Authority, evidences a serious financial insecurity of Lessee, Authority shall have the rights and remedies that may be provided at law or in equity and may terminate this lease agreement.

Section 8.02. No Waiver

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

Section 8.03. Consequential Damages

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

**ARTICLE 9
LIEN AND SECURITY INTEREST**

In consideration for the mutual benefits arising under this lease agreement, and as security for Lessee's performance of all its obligations under this lease agreement, Lessee hereby grants to Authority a lien and security interest in and on all property of Lessee now or hereafter placed in or upon the Leased Premises, and such property shall be and remain subject to such lien and security interest of Authority for payment of all sums agreed to be paid by Lessee herein. The provisions of this section shall constitute a security agreement under the Texas Uniform Commercial Code so that Authority has and may enforce a security interest on all property of Lessee now or hereafter placed in or on the Leased Premises, including but not limited to all fixtures, machinery, equipment, furnishings and other articles of personal property now or hereafter placed in or upon the Leased Premises by Lessee. An event of default under this lease agreement shall be default under the security agreement. Authority may at its election at any time file a copy of this lease agreement as a financing statement. Authority, as secured party, is entitled to all of the rights and remedies afforded to a secured party under the Texas Uniform Commercial Code, which rights and remedies shall be in addition to and cumulative to the Authority's liens and rights provided by law or by the other terms and provisions of this lease. Promptly upon request, and without further consideration, Lessee agrees to execute as debtor such additional financing statement or statements as Authority may now or hereafter reasonably request in order that Authority's security interests may be protected pursuant to the Texas Uniform Commercial Code, which financing statement Authority may at its election file in the appropriate records.

**ARTICLE 10
SUBORDINATION
[Intentionally Deleted In Its Entirety]**

ARTICLE 11
INDEMNITY/WAIVER

Section 11.01. Indemnity and Waiver

A. As used in this Section 11.01, each of the following terms shall have the meanings set forth in this Section 11.01A:

(1) “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, 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.

(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 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 the Authority, its Port Commissioners, directors, managers, employees and agents.

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

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

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

(2) Lessee’s breach of this lease agreement;

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

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

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

C. The Indemnities, Waivers and obligation to Defend in this Section 11.01 shall be enforced to the fullest extent permitted by applicable law for the benefit of the applicable 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, and regardless of whether liability without fault or strict liability is imposed upon or alleged against 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 11.01, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence, causation, responsibility or fault of the Indemnified Persons and the Lessee Parties, then the Lessee's obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Lessee Parties in contributing to such Indemnified Claim.

E. In claims against any Indemnified Person by or for an employee of a Lessee Party, the Lessee's indemnification obligation under this Section 11.01 shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Lessee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Lessee, a legal beneficiary, or an insurance carrier against an Indemnified Person 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 Person or a settlement by the Indemnified Person, Lessee expressly agrees to reimburse and hold harmless the Indemnified Person for the damages based on such judgment or settlement as provided in this Section 11.01.

F. Except as otherwise expressly limited in this Section 11.01, it is the intent of the parties to this lease agreement that all indemnity obligations and liabilities contracted for in this lease agreement be without monetary limit and without regard to the cause or causes thereof (including pre-existing conditions on Authority's Property or as the result of an indemnification agreement with a third party), and will not be limited by damages paid under the Workers' Compensation Act. The indemnity contained in this Section 11.01 applies, without limitation, to any violation of any law, rules or regulations referred to in

Section 4.02 in effect during the term of this lease agreement, and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the term of this lease agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any law, rules or regulations referred to in Section 4.02 at the time of its existence or occurrence.

G. If any action or proceeding is brought against an Indemnified Person by reason of any Indemnified Claim described in this Section 1.01, the Indemnified Person will be represented by its general counsel, or another attorney selected by the Indemnified Person and approved by Lessee, which approval will not be unreasonably withheld.

H. If Lessee should fail or refuse, after written notice to Lessee 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 Lessee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Lessee and the Indemnified Person, which settlement may later be apportioned between Indemnified Person and Lessee.

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

J. To the fullest extent provided by this Section 11.01, Lessee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

ARTICLE 12 INSURANCE

Section 12.01. Insurance

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

A. "All Risks" of Direct Physical Loss, including Flood, on buildings, improvements and betterments situated on the Leased Premises in an amount sufficient to cover 100% of the Insurable Value of the said buildings, improvements and betterments; and in builder's risk completed value form during substantial construction of improvements (including malicious mischief and vandalism); in amounts sufficient to provide coverage for 100% of the Insurable Value of such improvements. Lessee is responsible for insurance for its personal property on the Leased Premises. "Insurable Value" means replacement cost value.

B. For all its employees engaged in performing work, workers' compensation required by the Texas Workers' Compensation Code, and employer's liability insurance with

limits of at least \$500,000.00 each employee accident and disease, or such similar insurance which is in accordance with state and federal law applicable to said employees.

C. Commercial General Liability (CGL) coverage with policy limits of at least \$1,000,000.00 per occurrence and \$2,000,000 general aggregate at the Leased Premises

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

E. Umbrella liability coverage limits of not less than \$5,000,000.00 over and above the underlying primary coverage limits stated in subparagraph B, C and D in this Section.

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

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

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

In addition the Policies shall be endorsed to provide as follows (or an ISO form endorsement containing the equivalent wording may be used): "Underwriters or the company or companies issuing this policy agree that, if the named insured is required, by written contract, to name any other person, firm or organization as an additional insured on this policy for claims arising out of acts, or the failure to act, by the named insured, then such other person, firm or organization shall automatically be deemed to be an additional insured under this policy without any further action, but only to the extent required under said written contract." Lessee shall deliver to Authority certificates of renewal at least thirty (30) days prior to the expiration date of each of the Policies and copies of new policies at least thirty (30) days prior to terminating any of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance provided to Authority if either exceeds \$50,000.00; and, in such event, Authority may decline to approve this lease agreement without any liability to Lessee. The company writing each of the Policies must possess a current rating with A.M. Best

Company of at least A: VI. If Lessee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Lessee's expense, and Authority is entitled to reimbursement from Lessee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Lessee receives Authority's notice of payment until reimbursement.

Section 12.02. Waiver of Subrogation

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

**ARTICLE 13
PROPERTY LOSS**

Section 13.01. Obligation to Restore

If all or any part of the improvements located on (or constituting a part of) the Leased Premises are destroyed or damaged by any casualty during any term of this lease agreement, Lessee will promptly commence and thereafter prosecute diligently to completion the restoration of the same to the condition in which the destroyed or damaged portion existed prior to the casualty. Lessee will perform such restoration with at least as good workmanship and quality as the improvements being restored and in compliance with the provisions of Article 5 hereof. Notwithstanding the foregoing provisions of this paragraph to the contrary, if all of such improvements are wholly destroyed by any casualty or are so damaged or destroyed that, in Authority's good faith judgment reasonably exercised, it would be uneconomic to cause the same to be restored (and Authority shall give written notice of such determination to Lessee within ninety (90) days after the date casualty occurred), then Lessee shall not be obligated to restore such improvements and this lease agreement shall terminate as of the date of the casualty, and Authority shall be entitled to receive and retain the insurance proceeds for the loss.

If a property loss affecting the Leased Premises occurs, all insurance proceeds arising from policies maintained by Lessee for the damages arising from such casualty shall be distributed and paid directly to Authority, and Authority shall distribute such insurance proceeds to Lessee to the extent necessary to reimburse Lessee for costs incurred by Lessee in restoring the damaged Leased Premises in satisfaction of this Section 12.01, and any balance of such

proceeds remaining after such restoration is complete shall be paid to Lessee within sixty (60) days after the restoration is complete and approved by Authority.

Section 13.02. Damage Near End of Term

If the Leased Premises are damaged to the extent of fifty per cent (50%) or destroyed in whole or in part during the last twenty-four (24) months of the lease term, Lessee shall have the right to terminate this lease agreement and not rebuild the improvements on the Leased Premises, in which event Authority shall be entitled to receive and retain the insurance proceeds from the loss or Lessee will rebuild as provided herein.

If the Port of Corpus Christi or its ship channel are damaged or destroyed in whole or in part to the extent that it is not economically or physically feasible to re-open the same, in Authority's sole judgment, then Authority shall have the option to terminate this lease agreement.

The party electing to terminate this lease agreement shall give notice to the other party of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice.

Section 13.03. Notice of Damage

Lessee shall immediately notify Authority of any destruction of or damage to the Leased Premises.

**ARTICLE 14
CONDEMNATION**

Section 14.01. Total Taking

If a total taking of the Leased Premises by condemnation occurs, then this lease agreement shall terminate as of the date the condemning authority takes lawful possession of the Leased Premises, and Authority is entitled to receive and retain the award for the taking of the Leased Premises. Condemnation will be made by notice provisions below, ninety (90) days in advance of the effective termination date. Authority will make every reasonable effort to provide land and dock frontage, within the Corpus Christi Ship Channel Inner Harbor, of similar size suitable for Lessee's use.

Section 14.02. Partial Taking

If a partial taking of the Leased Premises by condemnation occurs, (a) this lease agreement will continue in effect as to the portion of the Leased Premises not taken, and (b) Lessee must promptly commence and thereafter prosecute diligently to completion the restoration of the remainder of Lessee's improvements located on (or constituting a part of) the Leased Premises to an economically viable unit with at least as good workmanship and quality as existed prior to the taking. In the event of a partial taking of the Leased Premises, Authority is entitled to receive and retain the award for the portion of the Leased Premises taken.

Section 14.03. Voluntary Conveyance

Nothing in this article prohibits Authority from voluntarily conveying all or part of the premises to a public utility, agency, or authority under threat of a taking under the power of eminent domain. Any such voluntary conveyance will be treated as a taking within the meaning of this Article.

Section 14.04. Notice of Proposed Taking

Lessee and Authority shall immediately notify the other of any proposed taking by condemnation of the Leased Premises.

**ARTICLE 15
QUIET ENJOYMENT**

Lessee shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises during the term of this lease agreement, subject to the provisions of this lease agreement. Authority agrees to warrant and forever defend Lessee's right to occupancy of the Leased Premises against the claims of any and all persons whomsoever lawfully claiming the same or any part thereof, by, through or under Authority (but not otherwise) subject to (a) the provisions of this lease agreement, (b) the lawful use of the Leased Premises by any mineral owner of part or all of the Leased Premises or a lessee in an oil, gas or mineral lease granted by any mineral owner of all or part of the Leased Premises, (c) all matters of record in Nueces County, Texas, and (d) any unrecorded easements or licenses executed by Authority to the extent the foregoing are validly existing and applicable to the Leased Premises Lessee shall have no right to voluntarily permit any portion of the Leased Premises to be used for the purpose of drilling an oil or gas well without Authority's prior written consent.

**ARTICLE 16
MEDIATION**

Section 16.01. Mediation

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

**ARTICLE 17
GENERAL PROVISIONS**

Section 17.01. Compliance

Lessee must comply with all federal, state and local laws, rules or regulations, including Authority's Tariff 100-A, applicable to Lessee's tenancy or operations on the Leased Premises. Lessee must comply with the requirements of Item 669 of Authority's Tariff 100-A to the extent the same apply to Lessee, its agents, servants and employees.

Section 17.02. Inspection

Lessee will permit Authority and Authority's agents, representatives or employees to enter on the Leased Premises for the purpose of inspection to determine whether Lessee is in compliance with the terms of this lease agreement, for purposes of maintaining, repairing or altering the premises, or for the purposes of showing the Leased Premises to prospective lessees, purchasers, mortgagees or beneficiaries under deeds of trust.

In an emergency, Authority, its agents, servants and employees, may use any means to open any gate or door into or on the Leased Premises without any liability for doing so. Entry into the Leased Premises by Authority for any purpose permitted herein shall not constitute a trespass nor an eviction (constructive or otherwise), nor constitute grounds for any claim by Lessee (and Lessee hereby waives any such claim) for damages for any injury to or interference with Lessee's business, for loss of occupancy or quiet enjoyment or for consequential damages.

Section 17.03. No Partnership

The relationship between Authority and Lessee at all times shall remain solely that of landlord and tenant and not be deemed a partnership or joint venture. This lease agreement is for the sole benefit of Authority and Lessee and no other person, entity or third party unless the benefit to a person, entity or third party is expressly stated in this lease agreement.

Section 17.04. Notices

All notices, demands or requests from Lessee to Authority shall be given to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at such other address as Authority shall request in writing. All notices, demands or requests from Authority to Lessee shall be given to Lessee, CCC Group, Inc., at 6364 Hopkins Road, Corpus Christi, Texas 78409, or at such other address as Lessee shall request in writing. Any notice required or permitted under this lease agreement must be in writing. Any notice required by this lease agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage paid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received.

Section 17.05. Estoppel Certificate

On request, Lessee will execute an estoppel certificate that states the commencement date and termination date of the lease, describes any rights to extend the term of the lease, lists defaults by Authority and provides any other information reasonably requested.

Section 17.06. Abandoned Property

Authority may retain, destroy or dispose of any property left on the Leased Premises at the expiration or termination of this lease.

**ARTICLE 18
MISCELLANEOUS**

Section 18.01. Parties Bound

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

Section 18.02. Applicable Law

This agreement must be construed and its performance enforced under Texas law. Venue of any action arising out of this lease agreement will be in Nueces County, Texas.

Section 18.03. Severability

If any part of this lease agreement is for any reason found to be unenforceable, all other portions nevertheless remain enforceable.

Section 18.04. Time of Essence

Time is of the essence with respect to each date or time specified in this lease agreement by which an event is to occur.

Section 18.05. Rights and Remedies Cumulative

The rights and remedies provided by this lease agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise. All the rights and remedies may be exercised and enforced concurrently or whenever occasion for the exercise arises.

Section 18.06. Attorneys' Fees

In the event Authority or Lessee breach or default upon any of the terms of this lease agreement and the party not in default employs attorneys to protect or enforce its rights

hereunder and prevails, then the defaulting party agrees to pay the reasonable attorneys' fees incurred by the prevailing party.

Section 18.07. Captions

All captions in this lease agreement are for reference and convenience only and shall not modify or affect the provisions of this lease agreement in any manner.

Section 18.08. Public Disclosure

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

Section 18.09. Brokers

Lessee hereby warrants and represents unto Authority that it has not incurred or authorized any brokerage commission, finder's fees or similar payments in connection with this lease agreement, and agrees to defend, indemnify and hold harmless Authority from and against any claim for brokerage commission, finder's fees or similar payment arising by virtue of authorization by, through or under Lessee in connection with this lease agreement.

Section 18.10. Authority

The person executing this lease agreement on behalf of the Lessee personally warrants and represents unto Authority that (a) (if applicable) Lessee is a duly organized and existing legal entity, in good standing in the state of Texas, (b) Lessee has full right and authority to execute, deliver and perform this lease agreement, (c) the person executing this lease agreement on behalf of Lessee was authorized to do so, and (d) upon request of Authority, such person will deliver to Authority satisfactory evidence of his or her authority to execute this lease agreement on behalf of Lessee.

Section 18.11. Recording

Neither this lease agreement (including any exhibit hereto) nor any memorandum shall be recorded without the prior written consent of Authority.

Section 18.12. Interpretation

Both Authority and Lessee and their respective legal counsel have reviewed and have participated in the preparation of this lease agreement. Accordingly, no presumption will apply in favor of either Authority or Lessee in the interpretation of this lease agreement or in the resolution of the ambiguity of any provision hereof.

Section 18.13. Force Majeure

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

Notwithstanding the foregoing, any extension of time for *force majeure* shall be conditioned upon the party seeking an extension of time and delivering written notice of such *force majeure* to the other party within five (5) calendar days of the event causing the *force majeure*, and the maximum period of time which a party may delay any act or performance of work due to *force majeure* shall be sixty (60) days.

Section 18.14. Contractual Relationship

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

Section 18.15. Entire Agreement

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

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

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

By: _____
John P. LaRue
Executive Director

“Authority”

CCC GROUP, INC.

By: _____

Name: _____

Title: _____

“Lessee”

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of July, 2014, by JOHN P. LARUE, Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of July, 2014, by _____, _____ of CCC Group, Inc., a Texas corporation, on behalf of said corporation.

NOTARY PUBLIC, STATE OF TEXAS



EXHIBIT A
 CCC GROUP LEASE
 ±2.62 acres

110



DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-E

**Approve Amendment of Lease Agreement with Enterprise GC, LP,
for a .0061-Acre Tract Located East of Navigation Blvd. and
South of the Union Pacific Right-of-Way**

In 1992, the PCCA granted a 0.0061-acre lease to Coastal States Crude Gathering Company for the installation of a scraper tap (pigging facility) on an 8-inch pipeline crossing a tract of PCCA land located near Up River Road and Navigation Boulevard. See attached Exhibit. This lease was subsequently assigned to Coastal Liquid Partners, L.P., in 1995. In 1997, the Port Commission approved a new lease to Coastal Liquid Partners, L.P.

Through various mergers and name changes, Coastal Liquid Partners, L.P., became GulfTerra GC, L.P. The PCCA granted GulfTerra GC, LP, a new lease on May 11, 2004, for continued operation of the leased premises as a valve site, which ran through May 10, 2009. On March 30, 2009, Enterprise GC, L.P., notified the PCCA that it was the successor in interest to GulfTerra, GC, L.P., and on July 14, 2009, the Port Commission approved a lease renewal to Enterprise GC, LP, which is set to expire July 13, 2014.

The pipeline and valve site are still in active service, and Enterprise has requested that the lease be extended. Staff prepared an amendment to the current lease agreement to extend the term an additional five years. The annual rent for the lease is \$1,200.

Staff recommends approval of the attached Amendment to Lease Agreement with Enterprise GC, LP.

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



Enterprise GC, L.P. Lease

East of Navigation Blvd. & South of Union Pacific R-O-W

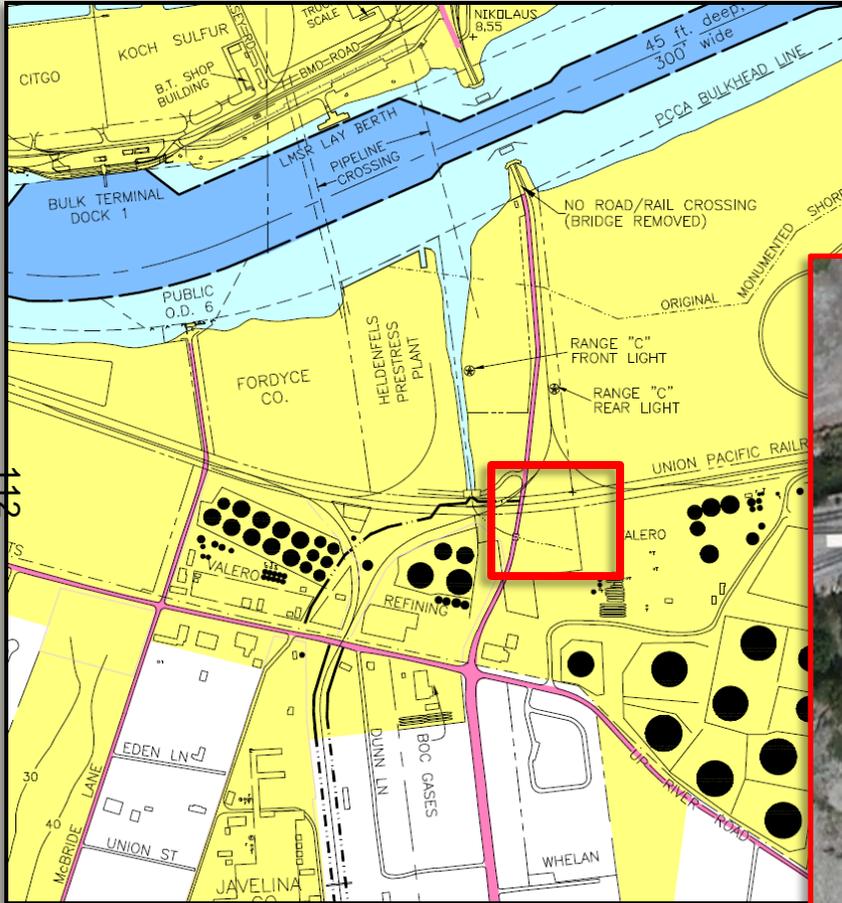


EXHIBIT 1

FIRST AMENDMENT OF LEASE

This First Amendment of Lease (“Amendment”) is made and entered into effective as of the 14th day of July, 2014 (“Amendment Date”), between Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), a navigation district operating under Article XVI, Section 59 of the Texas Constitution, and Enterprise GC LLC (“Lessee”), a Delaware Limited Liability Company (individually a “Party,” and collectively the “Parties”).

WHEREAS, by a Lease Agreement dated July 14, 2009 (“Lease”), Authority leased to Lessee (whose name at the time was Enterprise GC, L.P.) a 0.0061-acre tract of land in Nueces County, Texas, which tract is depicted on the plat attached to the Lease as Exhibit A; and

WHEREAS, the initial term of the Lease was for a period of five (5) years, beginning July 14, 2009 and ending July 13, 2014; and

WHEREAS, Lessee and Authority have agreed to extend the term of the Lease for an additional five (5) and to change the amount of the rent payable under the lease during the extended term;

NOW THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is acknowledged by both Parties, and in further consideration of the mutual covenants and obligations contained herein, the Parties hereby agree as follows:

1. Effective as of the Amendment Date, Section 1.01 of the Lease shall be amended in its entirety to read as follows:

Section 1.01. Description of Premises and Term

Authority, in consideration of the rents to be paid and the terms, covenants, and conditions hereinafter set forth, hereby leases to Lessee and Lessee leases from Authority for the entire term of this Lease, including any extensions, stated in this Section, real property situated in Nueces County, Texas, which is described as follows:

A tract of 0.0061 acres of land, more or less, which tract is particularly described on Exhibit A attached hereto and incorporated herein by reference (hereinafter called "Leased Premises").

TO HAVE AND TO HOLD the Leased Premises for (a) an initial term of five (5) years beginning July 14, 2009, and (subject to earlier termination as herein provided) ending at midnight on July 13, 2014 (the “Initial Term”); and (b) an extend term of five (5) years beginning July 14, 2014, and (subject to earlier termination as herein provided) ending at midnight on July 13, 2019 (the “Extended Term” and, together with the Initial Term, the “term of this lease agreement”).

2. Effective as of the Amendment Date, the first paragraph of Section 3.01 of the Lease shall be amended in its entirety to read as follows:

Beginning on July 14, 2009, and on the 14th day of July of each year thereafter during the Initial Term, Lessee agrees to pay to the Authority at its offices in Corpus Christi, Texas, an annual rental for the Leased Premises in the amount of One Hundred Thirteen Dollars (\$113) per year. Beginning on July 14, 2014, and on the 14th day of July of each year thereafter during the Extended Term, Lessee agrees to pay to the Authority at its offices in Corpus Christi, Texas, an annual rental for the Leased Premises in the amount of One Thousand Two Hundred Dollars (\$1,200) per year.

3. This Amendment shall be binding on the successors and assigns of the Parties.

4. Except as specifically amended hereby, all terms and conditions of the Lease shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms and conditions of this Amendment shall control.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized officers effective for all purposes as of the Amendment Date.

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

By: _____
John P. LaRue
Executive Director

ENTERPRISE GC LLC

By: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF NUECES §

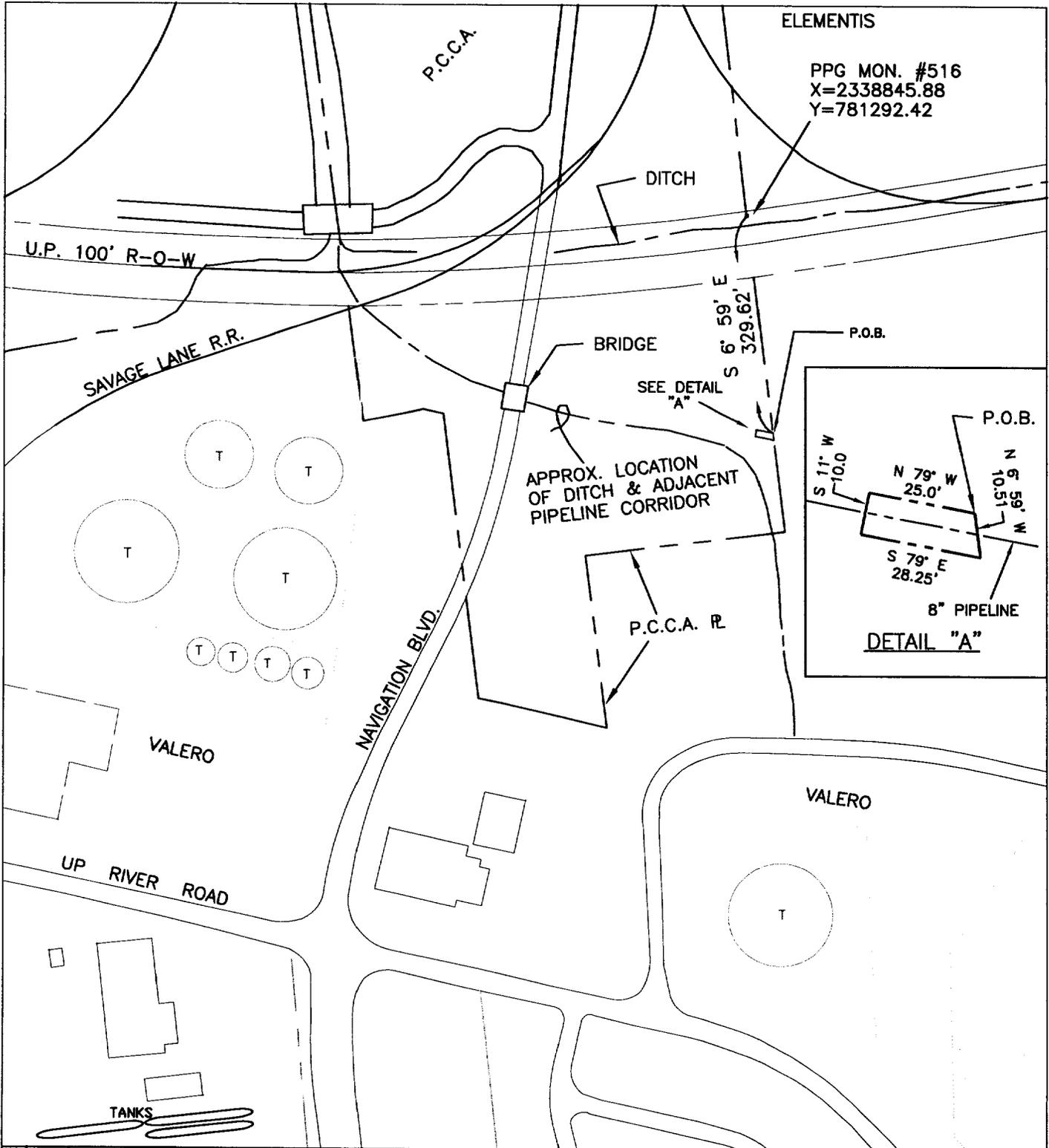
This instrument was acknowledged before me on the _____ day of July, 2014 by JOHN P. LARUE, as Executive Director of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Authority.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of July, 2014, by _____, as _____ of Enterprise GC LLC, on behalf of said limited liability company.

NOTARY PUBLIC, STATE OF TEXAS



NO.	DATE	REVISION



PORT CORPUSCHRISTI	
ENTERPRISE GC, L.P. 0.0061 ACRE LEASE (266.23 sq. ft.)	
SCALE: 1"=200'	DATE: JULY 2009
DWN. BY: RALPH	EXHIBIT A

DATE: July 8, 2014

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

AGENDA ITEM NO. 13-F

**Approve Easement and Right-of-Way with AEP Texas Center Company
for an Overhead Distribution Line to Texas Lehigh's Dock Facility
Located along the Industrial Canal**

Lehigh Cement Company, LP, has leased property fronting on the north side of the Industrial Canal for almost 40 years. In August 2013, the Port Commission approved a new 5.31-acre lease agreement, which adjusted Texas Lehigh's leased premises to accommodate the construction of a new barge dock and conveying equipment to handle shipments of sand and cement. Texas Lehigh is scheduled to complete the dock in July 2014.

Texas Lehigh has entered into an agreement with AEP Texas Central Company to provide electrical power to the proposed dock and terminal facilities, which will require the installation of a new overhead power line. In conjunction with the installation of the overhead power supply, AEP has requested an easement and right-of-way from the leased premises, crossing to the north of the Joe Fulton International Trade Corridor, to property owned by Texas Lehigh. See attached exhibit.

With the approval of AEP, staff drafted the attached easement agreement. The PCCA will grant this easement for a nominal fee since the easement will provide electrical power to a PCCA customer that pays wharfage revenue to the PCCA.

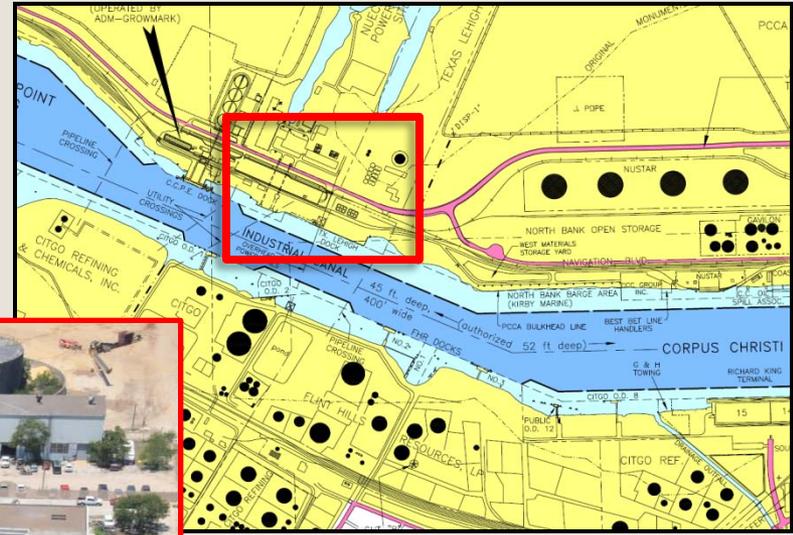
Staff recommends approval of the attached easement and right-of-way agreement with AEP Texas Central Company.

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

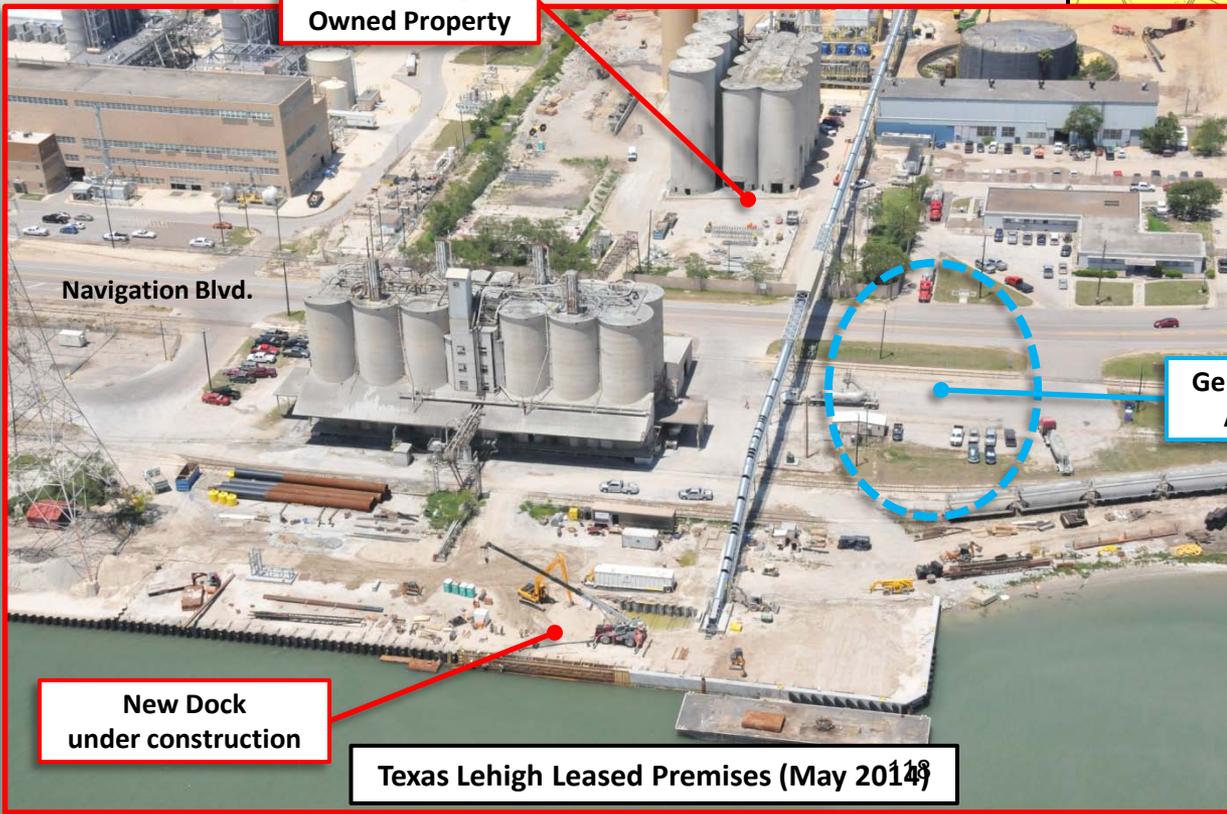


Texas Lehigh Cement Company, LP (AEP Easement to Leased Premises)

AGENDA ITEM NO. 13-F



Texas Lehigh
Owned Property



Navigation Blvd.

General Location of
AEP Easement

New Dock
under construction

Texas Lehigh Leased Premises (May 2014)

(CORP) CP 460-OH/UG REV. 05/12

Town: Corpus Christi Description: Install OH to serve Texas Lehigh Dock Svc.

County: Nueces

W.R. # 52307227

Submitted by: rcm

Date: 06/04/2014

EASEMENT AND RIGHT OF WAY

PORT OF CORPUS CHRISTI AUTHORITY (“Grantor”), for and in consideration of Ten & 00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor in hand paid by **AEP TEXAS CENTRAL COMPANY**, a Texas corporation, whose address is P.O. Box 2121, Corpus Christi, Texas 78403 (“Grantee”) the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, a non-exclusive easement and right of way for electric distribution lines, consisting of poles made of wood, metal, or other materials, crossarms, static wires, guys, wire circuits, underground cables and conduits, communication circuits, metering equipment and all necessary or desirable appurtenances (including, but not limited to, transformers, meters, vaults, and service pedestals) over, under, across, and upon the following described land located in Nueces County, Texas, to wit:

More specifically, the strip of land covered by this Easement and Right of Way shall be 10 feet in width, 5’ on each side of a centerline as described by GPS waypoints and depicted in the Exhibit “A”, attached and made a part hereof and incorporated herein for all applicable purposes (the “Easement Area”). Notwithstanding the foregoing, the actual “as built” location of the electric line shall be located, define, and establish the centerline of the Easement Area.

Together with the right of ingress and egress over, under, across and upon the Easement Area and Grantor’s adjacent land for the purpose of constructing, operating, reconstructing on poles or burying and replacing underground cables and conduits (including necessary ditching and backfilling), enlarging, inspecting, patrolling, repairing, maintaining, upgrading and removing said lines, circuits, underground cables and conduits, poles, wires and appurtenances; the right to relocate in the Easement Area along the same general direction of said lines, cables, and conduits; and the right to remove from the Easement Area all structures, obstructions, and trees and parts thereof, using generally accepted vegetation management practices, (whether from the Easement Area or that could grow into the Easement Area) which may, in the reasonable judgment of Grantee, endanger or interfere with the safe and efficient operation and/or maintenance of said lines, cables, conduits or appurtenances or ingress and egress to, from or along the Easement Area.

Grantor reserves the right to use the Easement Area subject to said Easement and Right of Way in any way that will not interfere with Grantee’s exercise of the rights hereby granted. However, Grantor shall not construct or permit to be constructed any house or other aboveground structure on or within the Easement Area containing Grantee’s improvements without the express written consent of Grantee, which shall not be unreasonably withheld.

Upon Grantee’s cessation of use of the Easement Area, or abandonment of same for a period of twelve (12) consecutive months, this Easement and Right of Way shall automatically cease and terminate, and the rights herein granted shall revert automatically to Grantor. Upon written request received from Grantor, within sixty (60) days of termination of this Easement, Grantee will file a document releasing the Easement and Right of Way in the Real Property Records of Nueces County, Texas

TO HAVE AND TO HOLD the above described easement and rights unto the Grantee, its successors and assigns for so long as this agreement remains in force and effect. Grantor binds itself, assigns, and legal representatives to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this ____ day of June, 2014

GRANTOR:

PORT OF CORPUS CHRISTI AUTHORITY

By: _____
John P. LaRue, Executive Director

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF NUECES §

This instrument was acknowledged before me on this ____ day, June, 2014, by John P. LaRue, Executive Director of the Port of Corpus Christi Authority.

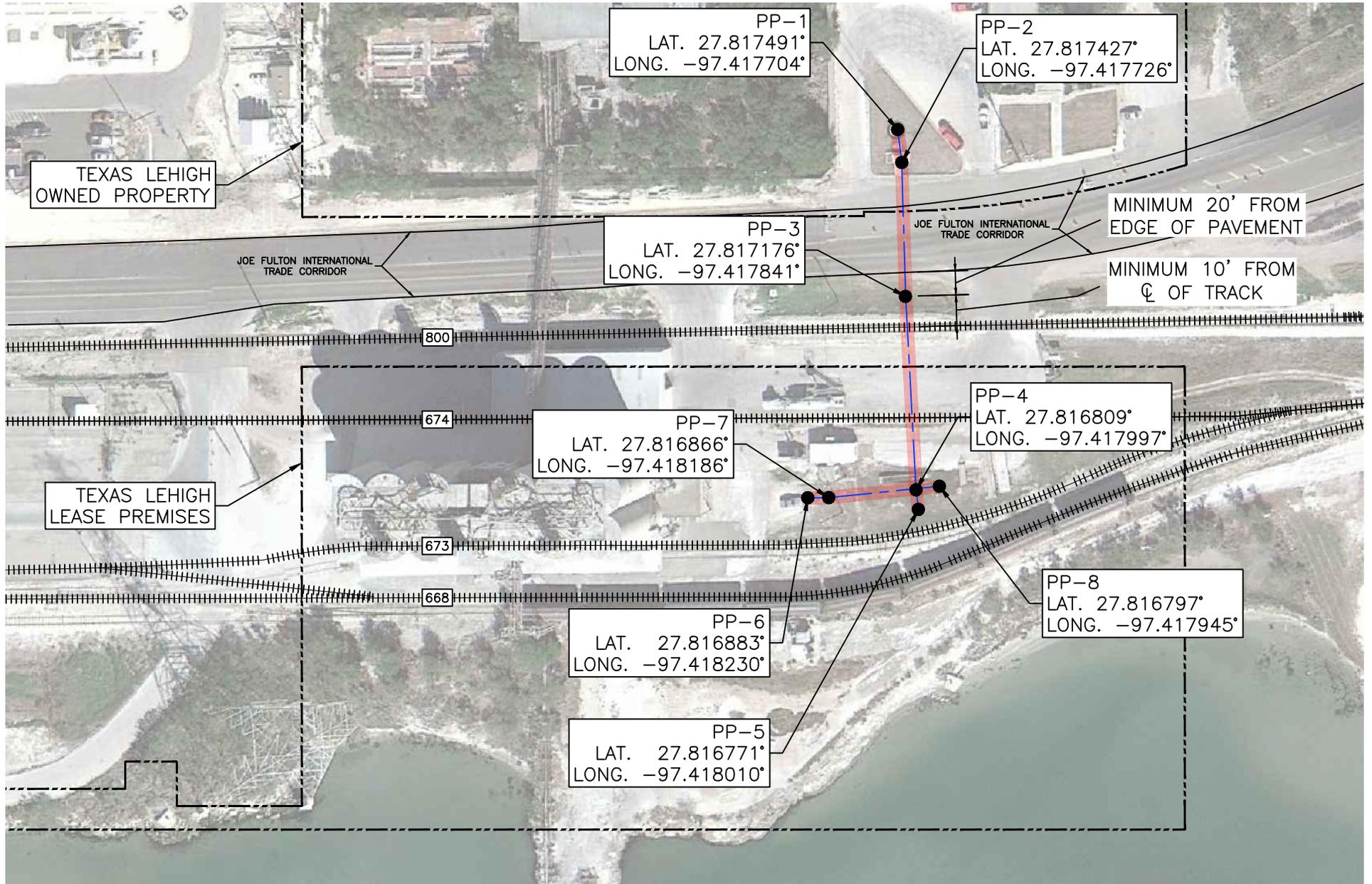
Notary Public, State of Texas

(Printed Name)

Commission Expires: _____

AFTER RECORDING, PLEASE RETURN TO:

AEP
% Right-Of-Way Agent
P.O. Box 2121
Corpus Christi, Texas 78403



LEGEND	
	EASEMENT CL
	EASEMENT 10'
	POWER POLE

NOTE:
VERTICAL CLEARANCE
SHALL BE 36 FEET
OVER ROADS AND
RAILROADS.

h:\ben vasquez\drawings & exhibits\lease files\texas lehigh lease\texas lehigh aep easement.dwg



PORT OF CORPUS CHRISTI AUTHORITY	
TEXAS LEHIGH AEP EASEMENT	
SCALE:	1:100'
DWN. BY:	BEN V
DATE:	2014/07/01
TIME:	16:11:32
EXHIBIT "A"	

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-G

**Approve Easement Agreement with Koch Pipeline for an
8-Inch Petroleum Pipeline Near Navigation Blvd. and Up River Road**

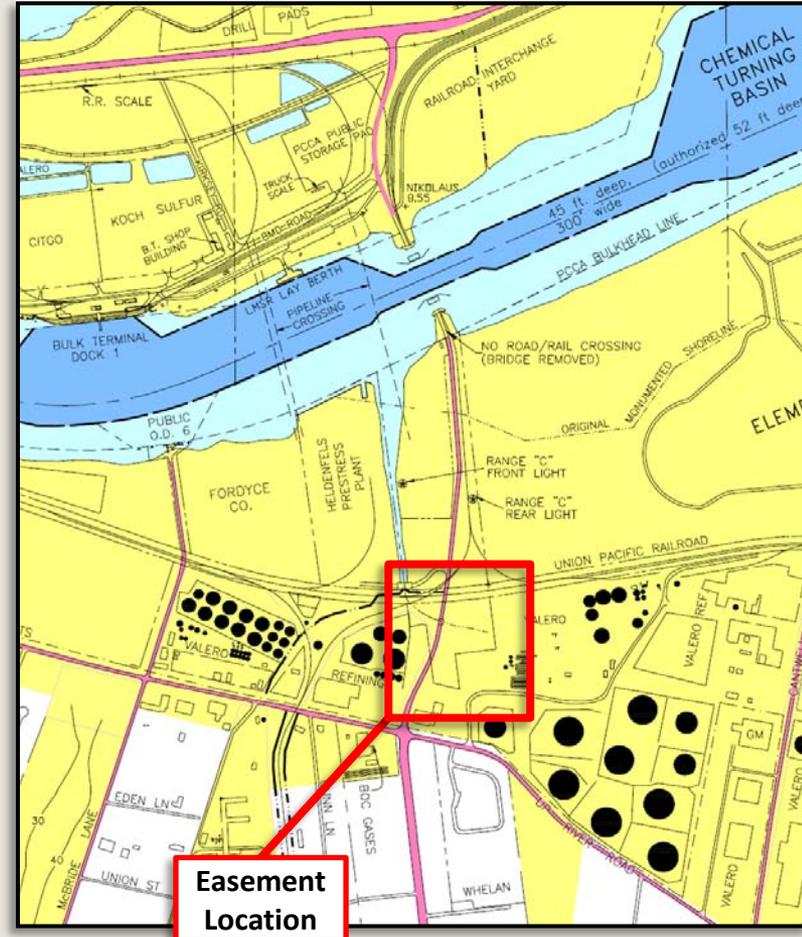
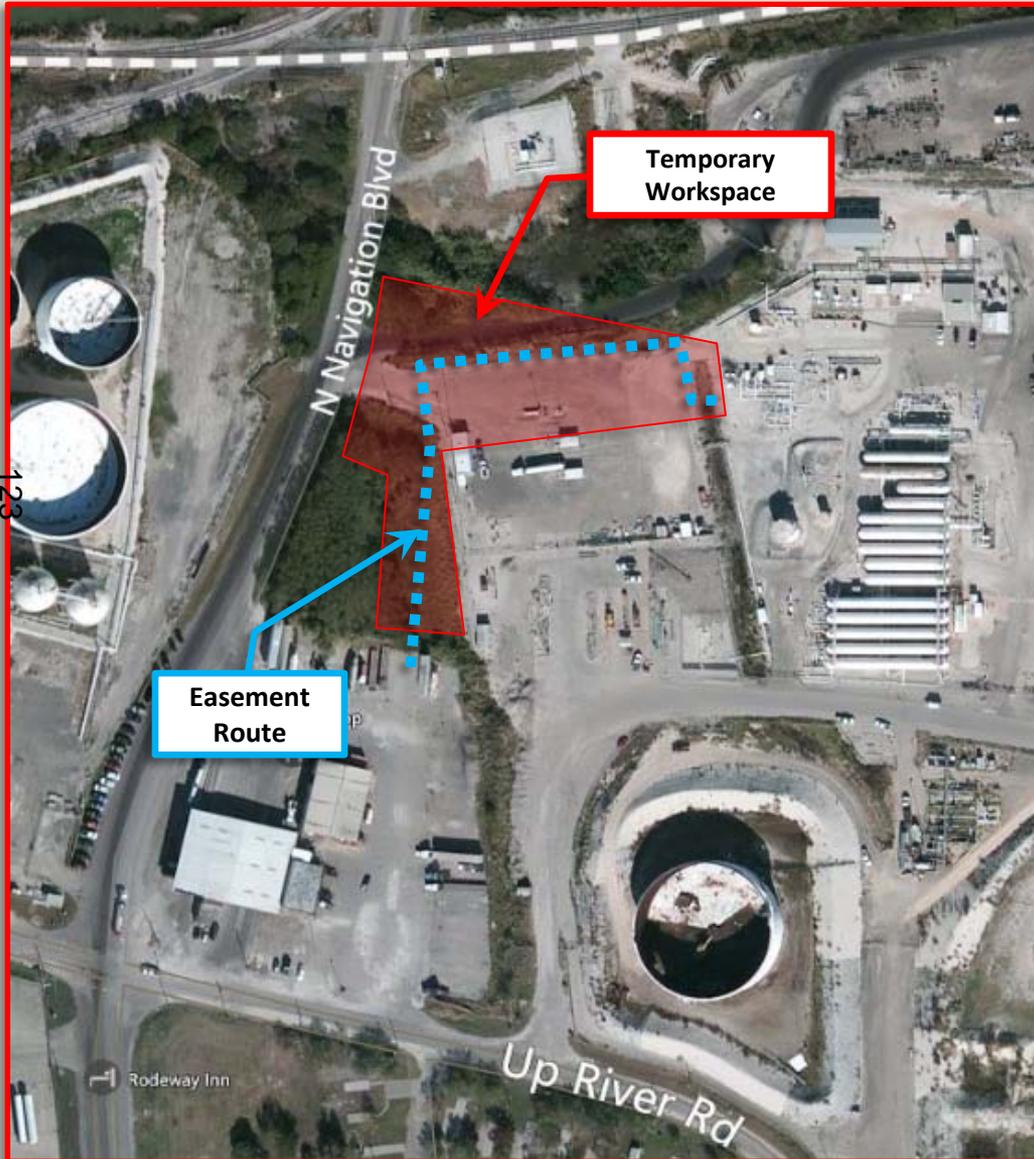
Koch Pipeline Company, LP, (Koch) has requested permission to install an 8-inch LPG pipeline across a PCCA-owned tract of land located on the north side of Up River Road near Navigation Boulevard. This tract of land has a number of other pipelines located on it. Staff has reviewed the proposed pipeline route and finds it to be acceptable. See attached exhibit.

Staff and representatives of Koch negotiated the attached Pipeline Easement Agreement, which has been reviewed and approved by both PCCA and Koch legal counsel. The fee for the first 10 years of the 30-year term, payable in advance, is \$2,736.31, based on 42.99 rods (approximately 247 feet) of pipeline right-of-way at \$63.65 per rod in accordance with the PCCA's current fee schedule for pipelines over 8 inches but under 16 inches in outside diameter. Prior to each succeeding 10-year period during the term of this easement, the fee will be subject to adjustment based on the PCCA's fee schedule current at the time of adjustment.

Staff recommends approval of the attached Easement Agreement with Koch Pipeline Company, LP.

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

Koch Pipeline 8" LPG Pipeline Near Navigation Blvd and Up River Rd



**PORT OF CORPUS CHRISTI AUTHORITY
EASEMENT SUMMARY**

Grantee: Koch Pipeline Company, L.P.

Easement Location: As depicted on the attached drawing.

Use: One eight (8) inch nominal diameter pipeline for the transportation of Liquefied Petroleum Gases.

Term: 30 years

Options: N/A

Start Date: July 8, 2014

Fee: \$2,736.10 calculated using PCCA Easement Fee Schedule A for Port customers using public docks or private docks covered by a current franchise agreement (42.99 rods of right of way at \$63.65 per rod).

Adjustment of Fee: July 7, 2024 &
July 7, 2034

Remarks: After initial construction is complete the width of the Pipeline Easement shall be limited to the width of the pipeline installed within the Pipeline Easement. During any subsequent maintenance, repair or removal of the Pipeline, Grantee shall be entitled to use additional temporary work space alongside the Pipeline Easement as reasonably necessary, to efficiently carry out such activities.

PIPELINE EASEMENT

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

KNOW ALL MEN BY THESE PRESENTS THAT:

Port of Corpus Christi Authority of Nueces County, Texas, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for good and valuable consideration as described below, and including the covenants and conditions herein made and provided to be kept and performed by Grantee, has **GRANTED AND CONVEYED** and by these presents does **GRANT AND CONVEY** to Koch Pipeline Company, L.P., a Delaware limited partnership authorized to do business in Texas, whose principal address is 4111 East 37th St. North, Wichita, KS 67220, (hereinafter called "Grantee"), a right-of-way and easement (the "Pipeline Easement") on and through the Authority's land located in Nueces County, Texas, for the purpose of constructing, laying, operating, maintaining, repairing, replacing and removing one (1) pipeline (the "Pipeline") for the uses herein set out upon, over and across the Pipeline Easement hereby granted. Grantee shall not install any valves, equipment or appurtenances or erect any structures, poles, meters or lines on or above the surface of the Pipeline Easement, except for pipeline markers, vent pipes and cathodic protection equipment which shall be located at fence lines except where the Pipeline Easement crosses or is crossed by other pipelines, where required by applicable law or regulations, at property lines or other mutually agreeable locations. Pipeline as used in this Agreement means one pipeline which is described herein by number and size which will be placed in the Pipeline Easement. The Pipeline shall be used for the transmission of Liquefied Petroleum Gases ("Authorized Substances") The Pipeline Easement is depicted on **Exhibit A** attached hereto, which is incorporated herein by reference for all purposes. During the initial construction of the Pipeline, Grantee shall be permitted to utilize additional temporary working space alongside the Pipeline Easement as depicted on said **Exhibit A**.

After initial construction is complete the width of the Pipeline Easement shall be limited to the width of the pipeline installed within the Pipeline Easement as shown on **Exhibit A**. During any subsequent maintenance, repair or removal of the Pipeline, Grantee shall be entitled to use additional temporary work space alongside the Pipeline Easement as reasonably necessary, to efficiently carry out such activities.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for thirty (30) years beginning on the 8th day of July, 2014, and ending at midnight on the 7th day of July, 2044, subject to the exceptions and reservations herein set forth, and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions by its acceptance hereof Grantee covenants and agrees to keep and perform.

This Pipeline Easement is granted subject to the following:

A. Number and Size of Pipelines. The Pipeline shall not exceed the following nominal inside diameter as follows without the prior written approval of the Authority:

One (1) 8-inch pipeline

B. Fee. For the first ten (10) years of the term of this Agreement, Grantee will pay to the Authority a fee in the amount of **Two Thousand Seven Hundred Thirty Six and 31/100 Dollars (\$2,736.31)**. Grantee will prepay the fee for the first ten (10) years of this Agreement in one advance payment no later than the tenth day after the date of approval of this Agreement by the Authority's Port Commission. During each succeeding ten (10) year period during the term of this easement, the annual fee will be as set by the Port Commissioners of the Authority based upon Authority's then current schedule for the fee for pipeline of the said pipeline diameter.

C. Access. The rights of ingress and egress hereinabove referred to in Grantee shall be confined to the above-described easement and Grantee shall not have the right to cross Authority's adjacent land, store materials or equipment on Authority's adjacent land, or conduct any of Grantee's operations on Authority's adjacent land, unless the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld, conditioned or delayed. Except in the case of an emergency, Grantee agrees to notify the Authority not less than forty eight (48) hours prior to Grantee's employees, agents or contractors entering upon the easement for construction, maintenance, repairs or other operations. In the case of an emergency, necessitating entry upon the easement by Grantee, its employees, agents or contractors without first giving at least forty eight (48) hours prior notice to Authority, Grantee agrees to notify the Authority of the nature and extent of any such emergency within twenty-four (24) hours after any such entry.

D. Construction, Maintenance and Use. Prior to commencement of construction of the Pipeline, Grantee will furnish Authority with a detailed set of plans for the construction of the Pipeline (the "Plans") for the Authority's approval, which approval shall not be unreasonably withheld. The Plans must be prepared in a standard engineering format and must be signed and sealed by a Professional Engineer registered in the State of Texas. The Plans for any Pipeline shall show the pipe grade, wall thickness and coating of the pipe to be constructed and shall depict the location and the depth at which such Pipeline will be installed within the Pipeline Easement. The Plans shall also depict any surface features, including but not limited to, drainage ditches, culverts, roads, fixtures, appurtenances, pipelines or containment levees in the vicinity of the Pipeline Easement that may be affected by the construction activity during installation or maintenance of the Pipeline. The Plans shall be submitted to the Director of Engineering Services of Authority (the "Director") who may require reasonable modifications to the Plans before approving them. Additionally, prior to the installation of the Pipeline within the Pipeline Easement, Grantee shall furnish the Director "issued-for-construction" drawings for the Pipeline. Grantee shall construct and maintain the Pipeline in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and

maintenance of the same. Warning signs for the existence of the Pipeline that conform to Federal and State laws applicable to such warning signs will be posted at the required locations along the Pipeline Easement.

All backfill placed in the Pipeline Easement must be compacted so as to prevent settlement or erosion. Grantee shall bury the Pipeline to a safe depth as is or may be reasonably required by Grantor as a result of the presence of, or construction on, or adjacent to, the areas within the Pipeline Easement of any levee, drainage ditch, road, railroad, pipeline, or pole line. In refilling any hole or ditch; Grantee must compact the subsoil to ninety-five percent (95%) of original compaction. After any construction, repair or removal, Grantee shall compact, loosen, or otherwise condition the topsoil to the degree of compaction of non-disturbed topsoil so that there will be no settling or compaction of soil and so that the land disturbed will be the same level as the surrounding lands which will maintain drainage previous to such work and prevent erosion.

Grantee will immediately, notify the appropriate State and Federal agencies who regulate pipelines of the type in the Pipeline Easement, and no later than twenty-four (24) hours after discovery, notify Authority, of any visible or apparent contamination discovered in the Pipeline Easement during any maintenance or construction of the Pipeline.

Following completion of construction of the Pipeline, Grantee will immediately, notify the appropriate State and Federal agencies who regulate pipelines of the type in the Pipeline Easement, and no later than twenty-four (24) hours after discovery, notify Authority, of any visible or apparent contamination discovered in, on, under, or adjacent to the Pipeline Easement. If, during any maintenance or after completion of construction of the Pipeline, the contamination is coming from the Pipeline, then Grantee will immediately take all steps necessary to shut down the pipeline in the Pipeline Easement from which the contamination is coming, repair or replace the pipeline and restore the Pipeline Easement to the condition it was in prior to the discovery of the contamination. If the contamination is not coming from a pipeline in the Pipeline Easement, then Grantee and Authority shall cooperate to determine the source of the contamination and advise the appropriate State and Federal agencies of the occurrence.

Grantee's use of the Pipeline Easement herein granted and its operations in relation to it will at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local government.

Grantee shall furnish Authority, upon completion of the installation of the Pipeline, or any modification thereof, an as-built drawing of the location of the Pipeline and any modification.

Grantee shall be responsible for coordination of its construction and use in the Pipeline Easement with any other existing users and easement holders in or near the Pipeline Easement. Grantee shall promptly restore any portion of the right-of-way damaged by Grantee to its condition prior to such damage. All restoration work shall be appropriately tested at Grantee's

expense. Authority shall be promptly notified in writing of the method used and results of all tests of any such restoration work.

E. Reservations and Exceptions. The easement herein granted shall be subject to any and all easements heretofore granted by Authority to other parties which is either of record in Nueces County or physically evident on the property. The Authority reserves the right to grant easements upon, over, under and across its property within the Pipeline Easement, and to grant rights of use, leases and easements above, below and on the surface of the Pipeline Easement, provided that such grants shall not materially interfere with the rights granted herein.

F. Indemnity/Waiver.

(a) As used in this Section F. each of the following terms shall have the meanings set forth in this Section F.(a):

(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, 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, including property loss or damage in, on, about or adjacent to the Pipeline Easement and right of way herein granted, bodily or personal injury, sickness, disease, and/or death (including bodily or personal injury and/or death of employees of an Indemnified Person or a Grantee Party).

(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 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 the Authority, its Port Commissioners, directors, managers, employees and agents.

(6) **“Grantee Parties”** means the Grantee, its agents, contractors, employees, owners, invitees, or licensees.

(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 F, Grantee 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 Grantee’s business on the easement and right of way herein granted;

(2) Grantee’s breach of the terms and conditions of this Agreement; and

(3) 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 and applicable to Grantee and its operations under this Agreement, of or by any Grantee Party, including the sole, joint, concurrent, or comparative negligence of any Grantee Party in connection with or pertaining to this Agreement.

(c) Subject to the terms of subparagraph (d) below, the Indemnities, Waivers and obligation to Defend in this Section F. shall 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, and regardless or whether liability without fault or strict liability is imposed upon or alleged against 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 F., 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 Grantee Parties, then the Grantee’s obligation to the Indemnified Persons shall only extend to the percentage of the total responsibility of the Grantee Parties in contributing to such Indemnified Claim.

(e) In claims against any Indemnified Person by or for an employee of a Grantee Party, the Grantee's indemnification obligation under this Section F. shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. If an action for damages is brought by an injured employee of Grantee, a legal beneficiary, or an insurance carrier against an Indemnified Person 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 Person or a settlement by the Indemnified Person, Grantee expressly agrees to reimburse and hold harmless the Indemnified Person for the damages based on such judgment or settlement as provided in this Section F.

(f) Except as otherwise expressly limited in this Section F., 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 and without regard to the cause or causes thereof (including pre-existing conditions on Authority's Property or as the result of an indemnification agreement with a third party), and will not be limited by damages paid under the Workers' Compensation Act. The indemnity contained in this Section F. applies, without limitation, to any violation by a Grantee Party of 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, 41 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 Water Code; the Texas Solid Waste Disposal Act, Chapter 361, Texas Health and Safety Code; the Texas Clean Air Act, Chapter 382, Texas Health and Safety Code; the Oil Spill Prevention Act of 1991, Chapter 40, Texas Natural Resource Code, and Chapter 26, Texas Water Code; and the Texas Water Quality Act, Chapter 26, Texas Water Code; Authority's Tariffs, Rules and Regulations, and the Port of Corpus Christi Authority's Design and Construction Guidelines set forth in Authority's Real Estate Manual (collectively, "Environmental Laws, Rules and Regulations") in effect during the term of this Agreement and to the extent applicable to Grantee and its operations hereunder., and any and all matters arising out of any act, omission, event or circumstance existing or occurring during the term of this Agreement, regardless of whether the act, omission, event or circumstance constituted a violation of any of the Environmental Laws, Rules and Regulations at the time of its existence or occurrence.

(g) If any action or proceeding is brought against an Indemnified Person by reason of any Indemnified Claim described in this Section F., the Indemnified Person will be represented by its general counsel, or another attorney selected by the Indemnified Person and approved by Grantee, which approval will not be unreasonably withheld.

(h) If Grantee should fail or refuse, after prior written notice to Grantee 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 Grantee will constitute a settlement of the proportionate fault, including but not limited to negligence, of both Grantee and the Indemnified Person, which settlement may later be apportioned between Indemnified Person and Grantee.

(i) Grantee agrees to support its obligations to Indemnify and Defend the Indemnified Persons by the purchase of insurance, including contractually assumed liability coverage.

(j) To the fullest extent provided by this Section F., Grantee hereby Waives all Claims against the Indemnified Persons resulting from, arising out of, or alleged to have arisen out of or resulted from, in whole or in part, any of the Indemnified Claims.

G. Insurance.

Without limiting the indemnity obligations or liabilities of Grantee, or its insurers, provided herein, Grantee agrees at all times this Agreement is in effect to carry and maintain at its sole expense policies of insurance (“the Policies”) of the types and in the minimum amounts as follows:

(a) For all its employees engaged in performing work, workers' compensation required by the Texas Workers' Compensation Code, and Employer's Liability insurance with limits of at least \$500,000.00 each employee accident and disease, or such similar insurance which is in accordance with state and federal law applicable to said employees.

(b). Commercial General Liability (CGL) coverage with policy limits of \$6,000,000.00 per occurrence and \$7,000,000 general aggregate in the right of way and easement endorsed to cover contractual liability and Sudden and Accidental Pollution coverage.

(c) Business Auto Liability coverage for all owned and non-owned vehicles, with a policy limit of \$5,000,000 (Combined Single Limit.)

(d) Intentionally Deleted

(e) Pollution Legal Liability with limits of \$5,000,000.00 per occurrence and in the aggregate.

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

In addition the Policies shall be endorsed to provide as follows (or an ISO form endorsement containing the equivalent wording may be used): "Underwriters or the company or companies issuing this policy agree that, if the named insured is required, by written contract, to name any other person, firm or organization as an additional insured on this policy for claims arising out of acts, or the failure to act, by the named insured, then such other person, firm or organization shall automatically be deemed to be an additional insured under this policy without any further action, but only to the extent required under said written contract." Grantee shall deliver to Authority certificates of insurance at least thirty (30) days prior to the expiration date of each of the Policies. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least A: VI. If Grantee neglects or refuses to provide any insurance required herein, or if any insurance is canceled, Authority may procure such insurance at Grantee's expense, and Authority is entitled to reimbursement from Grantee for all amounts spent to procure and maintain the insurance, with interest on such expense at a rate of 10% annually from the date Grantee receives Authority's notice of payment until reimbursement.

H. Waiver of Subrogation

Grantee agrees that all insurance policies required herein shall include full Waivers of Subrogation in favor of Authority. Grantee agrees to immediately give to each insurance company which has issued to it policies of insurance applicable to provisions of this Agreement written notice of the terms of the waiver set forth in this Section, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver; and Grantee will provide to Authority a copy of said endorsement or endorsements or evidence that such endorsement is not necessary to prevent the invalidation of the insurance coverage by reason of such waiver.

I. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, Authority consents to assignment of this Agreement to any corporation or other entity which is an affiliate of, and controlled by, Grantee. An affiliate, as used herein, is a person or entity which is controlled by or the controlling interest of which is owned by the same persons or entities controlling Grantee. This Pipeline Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Assignment by Grantee shall not relieve Grantee from liability for the performance of the covenants and indemnities hereof.

J. Termination. This Agreement and all rights to use and occupy the Pipeline Easement shall terminate if: (a) Grantee provides Authority with ninety (90) days notice to terminate or (b) if Grantee fails to exercise the rights granted herein for a period of forty-eight (48) consecutive months during the Term of this Pipeline Easement or if Grantee shall at any time expressly abandon this Pipeline Easement for the use of the same for the purposes herein granted. This Pipeline Easement and all of Grantee's interest hereunder, at the option of Authority, shall forthwith terminate upon breach by Grantee of any of the conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after Grantee's receipt of written notice

from the Authority so to do. Grantee agrees it will within ninety (90) days after the termination of this Pipeline Easement remove the Pipeline and all other equipment, facilities or appurtenances existing in the Pipeline Easement and restore the land in the Pipeline Easement to substantially the same condition in which same existed prior to the existence of the Pipeline, equipment, facilities and appurtenances. In the event Grantee fails to remove the said Pipeline, equipment, facilities and appurtenances within the above-described time period, Authority may either declare the termination of Grantee's interest in the Pipeline, equipment, facilities and appurtenances and all of Grantee's interest therein shall thereupon terminate, or the Authority may cause the Pipeline, equipment, facilities and appurtenances, or any part thereof, to be removed and disposed of, and the lands of the Authority restored, all at the cost of Grantee. In the event of a breach of the requirements of Section L (“Compliance with Authority Security Requirements”), this easement and all of Grantee's interest hereunder, at the option of Authority, shall forthwith terminate in the event Grantee fails to remedy the same within ten (10) days after Grantee’s receipt of written notice from the Authority of such breach.

K. Relocation. The Authority may require Grantee to remove, lower or relocate the Pipeline, equipment, facilities and appurtenances situated in the aforesaid Pipeline Easement in the event the same materially interferes with or will materially interfere with: (1) the development of Authority’s lands; (2) any facility, facility modification, or proposed facility of Authority, Authority Lessee or Authority Franchisee; (3) any road or proposed road; or (4) any operation or proposed operation of Authority, Authority Lessee or Authority Franchisee; The Authority may also require Grantee to remove, lower or relocate the Pipeline, equipment, facilities and appurtenances situated in the aforesaid Pipeline Easement in the event the same materially interferes with or will materially interfere with any railroad or proposed railroad under which the Pipeline pass. In the event Authority requires Grantee to remove, lower or relocate pursuant to the provisions of this paragraph, the cost of such removal, lowering or relocation shall be paid solely by Grantee; and in such event, Authority will use its best efforts to provide Grantee with an alternate Pipeline Easement on Authority's land at no additional cost to Grantee; provided, however, Authority shall not be required to provide the alternate easement.

L. Compliance with Authority Security Requirements. Grantee, its employees, agents, representatives and subcontractors shall at all times comply with all Authority mandated security requirements and regulations pertaining to the Pipeline Easement and right of way location and access thereto, regardless of whether now existing or hereinafter imposed, pursuant to Authority's Tariffs (the “Security Measures”). Failure to comply with Authority’s Security Measures will be grounds for terminating this Agreement as described in Paragraph J above. Authority’s Security Measures applicable to the Pipeline Easement and right of way can be ascertained by contacting the Authority’s Police Department.

M. Notice. All notices, demands, or requests from Grantee to Authority shall be given to Authority, Attention: Executive Director, P.O. Box 1541, Corpus Christi, Texas 78403, or at such other address as Authority shall request in writing. All notices, demands, or requests from Authority to Grantee shall be given to Grantee at 8606 IH 37, Corpus Christi, TX 78409, Attention Michelle Dillon, or at such other address as Grantee shall request in writing.

The execution of this Agreement shall be conclusive of the agreement of Grantee to all of the terms and conditions hereof, whereupon this easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and Authority, respectively.

[signatures contained on next page]

WITNESS this 8th day of July, 2014.

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

By: _____
John P. LaRue
Executive Director

“Authority”

**KOCH PIPELINE COMPANY, L.P.
By: KOCH PIPELINE COMPANY, LLC,
its General Partner**

By: _____
Larry Van Horn
Vice President

"Grantee"

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of February, 2014, by JOHN P. LaRUE, Executive Director of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port.

NOTARY PUBLIC, STATE OF TEXAS

STATE OF _____ §
 §
COUNTY OF _____ §

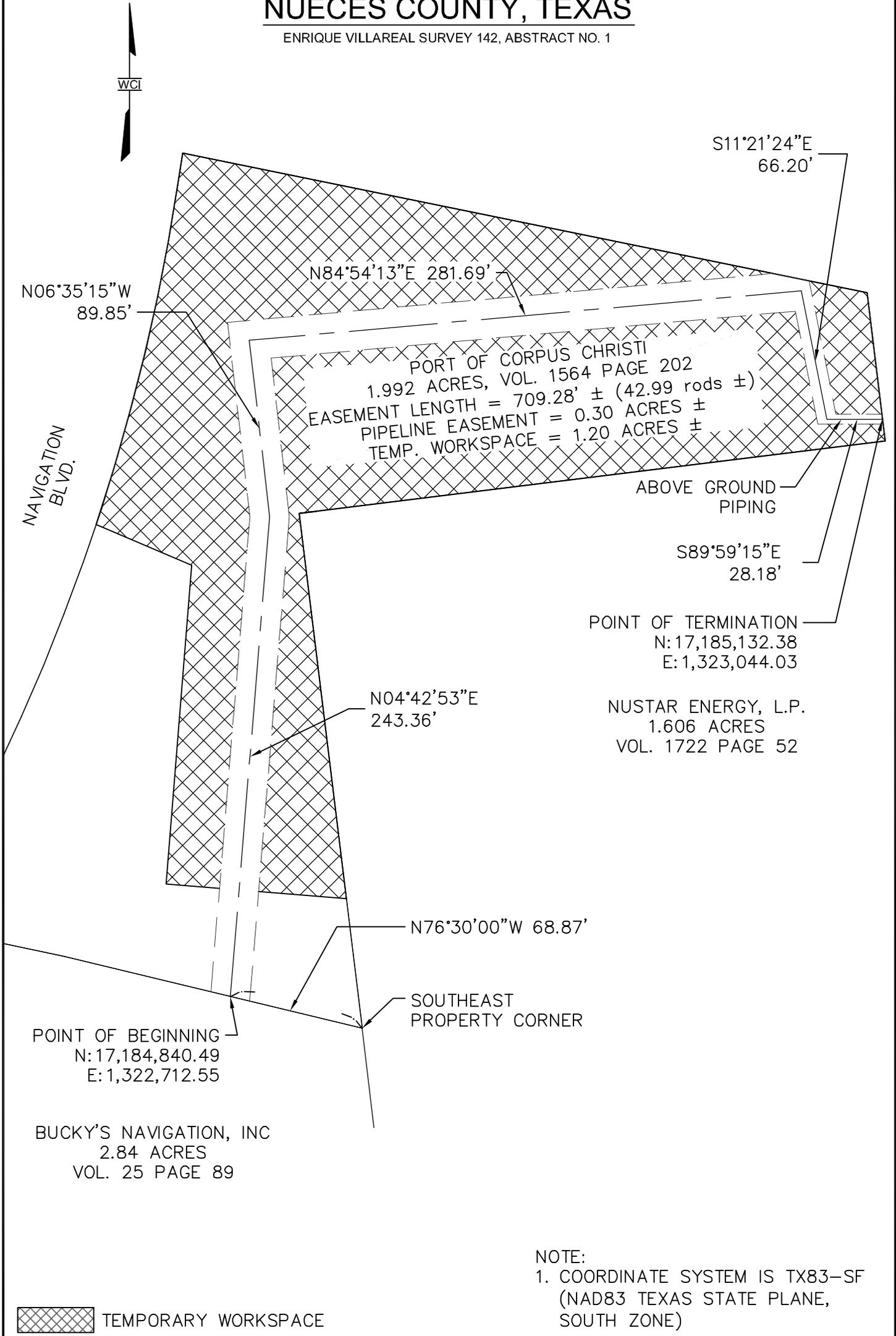
This instrument was acknowledged before me on the _____ day of _____, 2014, by Larry Van Horn, Vice President, of Koch Pipeline Company, LLC, general partner of Koch Pipeline Company, L.P. (name of party on behalf of whom instrument was executed).

NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT A

NUECES COUNTY, TEXAS

ENRIQUE VILLAREAL SURVEY 142, ABSTRACT NO. 1



						<p>WILSON & COMPANY ENGINEERS & ARCHITECTS</p>		<p>KOCH. KOCH PIPELINE COMPANY, L.P.</p>			
						DWN. BY:	JP	DATE:	5/7/14	<p>PROPOSED 8" PIPELINE EASEMENT PORT OF CORPUS CHRISTI</p>	
						CHK. BY:	GT	5/7/14			
						PROJ. ENGR:					
						PROJ. MGR:					
0						CLIENT APP:				SCALE:	1" = 60'
NO.	REVISION-DESCRIPTION	BY	DATE	CHK'D	APP'D			SHT. NO:	1 OF 1	REV:	0

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-H

**Approve Telecommunications Cable System Easement Agreement
with Time Warner Cable to Serve voestalpine Texas Holding, LLC's
Facility on the PCCA's La Quinta Property**

Time Warner Cable Texas LLC, d/b/a Time Warner Cable, has requested approval to install a telecommunications cable system at the PCCA's La Quinta property. The proposed telecommunications system will provide reliable high speed data services to the new facility currently under construction by voestalpine Texas Holding, LLC, as well as other future La Quinta tenants. The requested easement would run westward from Sherwin's property across the PCCA's property for a relatively short distance into voestalpine's leased premises. See attachment exhibit.

Staff and voestalpine both have reviewed and approved the proposed routing of Time Warner's cable on PCCA property. Staff and Time Warner negotiated the attached Telecommunications Cable System Easement Agreement. The general terms of the proposed Telecommunications Cable System Easement Agreement are provided on the attached easement summary. The fee for the first 10-year period of the easement is \$4,773.63, the minimum fee, based on the PCCA's current easement fee schedule for the installation of wire line and conduits.

Staff recommends approval of the attached Telecommunications Cable System Easement Agreement with Time Warner Cable, LLC, d/b/a Time Warner Cable.

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



AGENDA ITEM NO. 13-H Time Warner Cable Easement to voestalpine Texas Holding, LLC

140

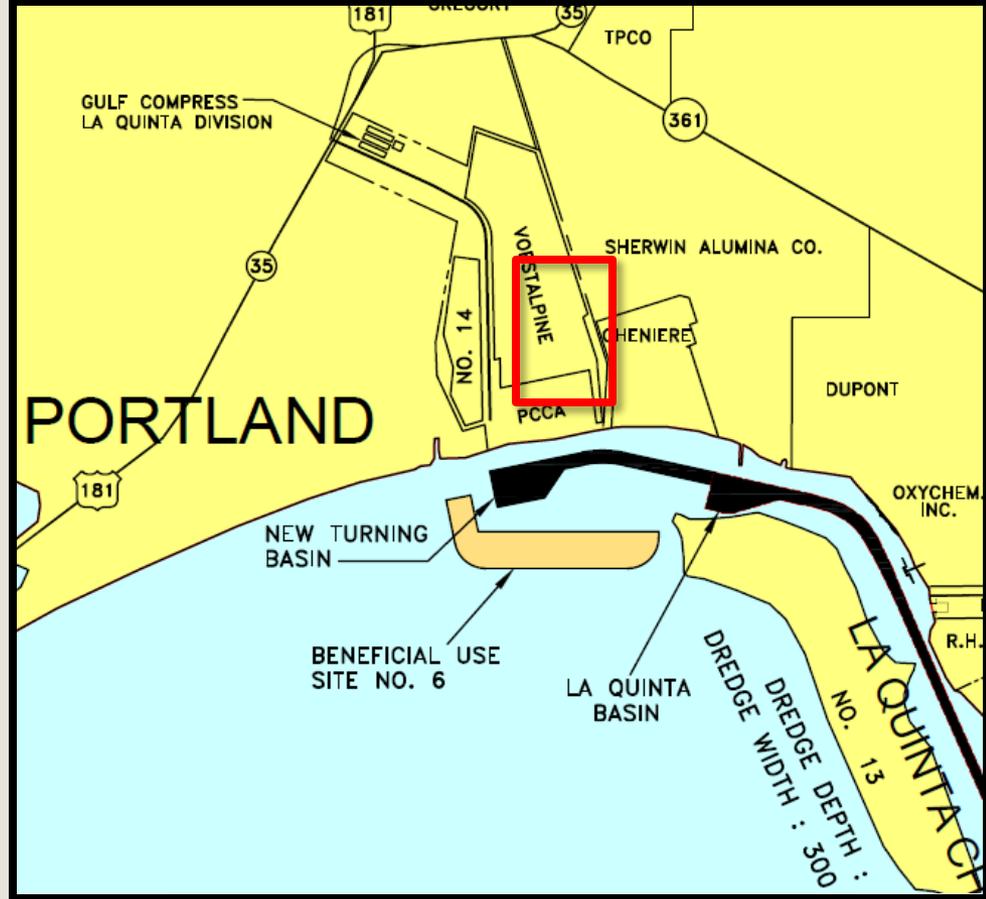
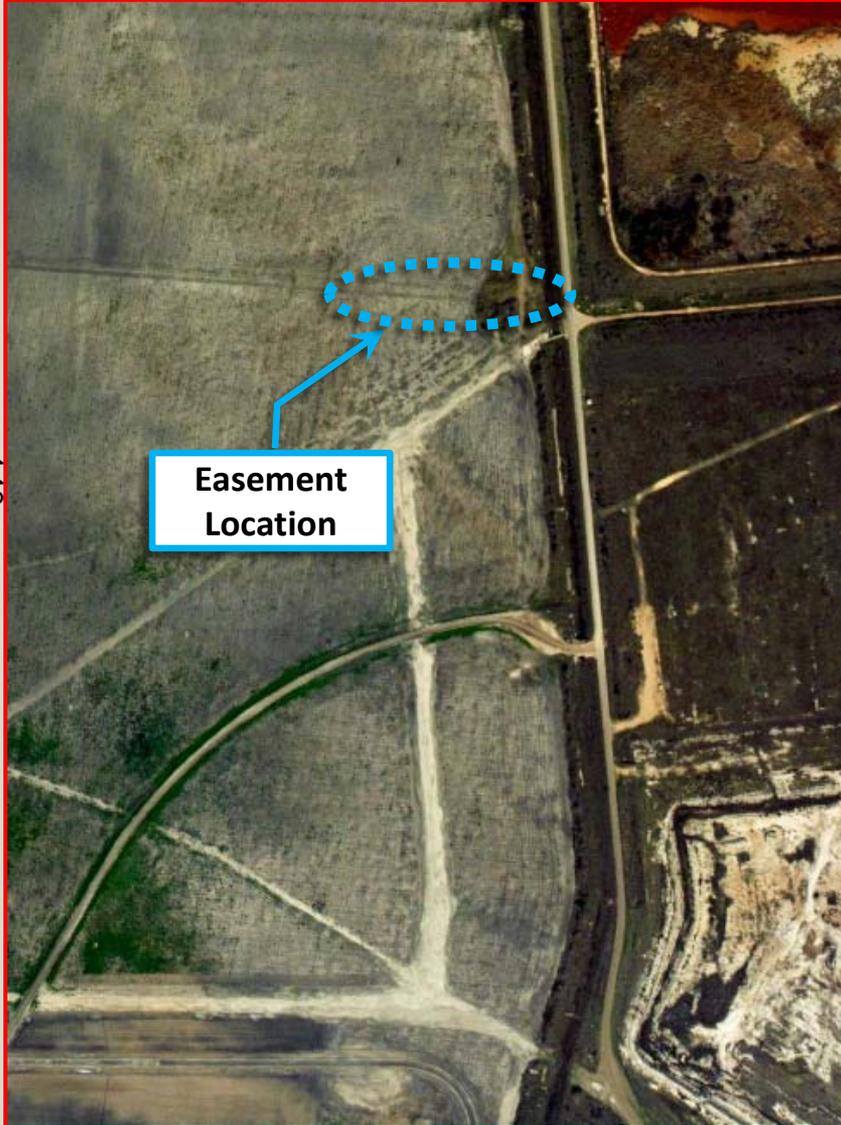


EXHIBIT 1

**PORT OF CORPUS CHRISTI AUTHORITY
EASEMENT SUMMARY**

Grantee: Time Warner Cable Texas LLC d/b/a Time Warner Cable

Easement Location: La Quinta Terminal as depicted on the attached drawing.

Use: To construct, place, lay, install, operate, maintain, repair, replace, and remove one (1) telecommunications cable through which voice, data, video or other signals are transmitted.

Term: 30 years

Options: N/A

Start Date: July 8, 2014

Fee: \$4,773.63 the Minimum Ten-Year Fee published in Easement Fee Schedule “B” for pipelines not over 8” in outside diameter (19.88 Rods of Right of way).

Adjustment of Fee: July 7, 2024 &
July 7, 2034

Remarks: Time Warner Cable service to voestalpine Texas Holding, LLC. The Authority may require Grantee to remove, lower or relocate all or any part of the Telecommunications Cable System in the Easement in the event the same materially interferes with or will materially interfere with: (1) the development of Authority’s lands adjacent to the Easement; (2) the construction of any Authority facility in the Easement; (3) the expansion of any existing road or the construction of any new road across or adjacent to the Easement; (4) any operation or proposed operation of Authority on the Easement; or (5) any proposed new railroad that would cross the Easement

TELECOMMUNICATIONS CABLE SYSTEM EASEMENT AGREEMENT

THE STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS THAT:**
COUNTY OF SAN PATRICIO §

Port of Corpus Christi Authority of Nueces County, Texas, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "Authority") for Ten Dollars (\$10.00) and other good and valuable consideration as described below, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has **GRANTED AND CONVEYED** and by these presents does **GRANT AND CONVEY** to Time Warner Cable Texas LLC, a Delaware limited liability company registered to do business in Texas, whose principal address is 60 Columbus Circle, New York, NY 10023, with a local address at 750 Canyon Dr., Suite 500, Coppell, TX 75019, (hereinafter called "Grantee"), a right-of-way and easement (hereinafter, together with the rights and privileges granted herein, called the "Easement") and the right to construct, place, lay, install, operate, maintain, repair, replace, and remove one (1) telecommunications cable through which voice, data, video or other signals are transmitted (the "Cable"), conduit, fittings, equipment, markers or signs, and other related facilities appropriate for installation, use, or maintenance of the Cable (together with the Cable, collectively referred to herein as the "Telecommunications Cable System), in, on, over, under, through and/or across the Easement to the full extent of the Authority's right, title, and interest, if any, in or to the Easement. Either the Authority or Grantee may individually be referred herein to as a "Party" or jointly as the "Parties".

The centerline of the Easement is depicted on **Exhibit A** attached hereto, which is incorporated herein by reference for all purposes. The Easement shall be six inches (6") on either side of the centerline of the Easement as depicted on **Exhibit A**. The overall length of the Easement is three hundred twenty feet (328') in length or nineteen and eighty-eight hundredths (19.88) rods.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for a term of thirty (30) years beginning on the 8th day of July, 2014 (the "Effective Date"), and ending at midnight Central Time on the 7th day of July, 2044 (the "Term"), subject to the exceptions and reservations and early termination provisions set forth in this Telecommunications Cable System Easement Agreement (the "Agreement"), and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions, by its acceptance hereof, Grantee covenants and agrees to keep and perform.

The Easement is granted subject to the following:

A. Fees Payable Every Ten Years. For purposes of this Agreement, (i) "Easement Year" means the twelve-month period beginning on the Effective Date and each twelve-month period thereafter during the Term of this Agreement; (ii) "Easement Fee Schedule B" means the Authority's Easement Fee Schedule B for companies that are not customers of the Authority or that use private docks not covered by an Authority franchise; (iii) the "Ten-Year Easement Rate" means, as of any given day,

the ten-year rate per rod published in Easement Fee Schedule B on that date for pipeline, casing pipe, wireline or conduit not more than eight inches (8") in outside diameter; and (iv) the "Minimum Ten-Year Fee" means, as of any given date, the Minimum Ten-Year Fee published in Easement Fee Schedule "B" on that date for one pipeline not more than eight inches (8") in outside diameter. If Easement Fee Schedule B is changed such that the published rates or minimum fees are for periods other than ten years or are based on measurements other than rods, the published rates and fees will be converted in order to obtain substantially the same result as would be obtained if Easement Fee Schedule B had not been changed.

For the first ten (10) Easement Years of the Term of this Agreement, Grantee will pay to the Authority a fee in the amount of **Four Thousand Seven Hundred Seventy Three and 63/100 Dollars (\$4,773.63)**, which is due and payable within ten (10) days after the approval of this Agreement by Authority's Port Commission. This amount is equal to the Minimum Ten-Year Fee as of the Effective Date. For the next ten (10) Easement Years of the Term of this Agreement, Grantee will pay to the Authority a fee equal to the greater of (1) the product of the overall length of the easement in rods on July 1, 2024, multiplied by the Ten-Year Easement Rate on July 1, 2024, or (2) the "Minimum Ten-Year Fee" on July 1, 2024, and this amount shall be due and payable on or before midnight Central Time on July 8, 2024, whether or not the Authority sends Grantee an invoice for this payment. For the final ten (10) Easement Years of the Term of this Agreement, Grantee will pay to the Authority a fee equal to the greater of (1) the product of the overall length of the easement in rods on July 1, 2034, multiplied by the Ten-Year Easement Rate on July 1, 2034, or (2) the Minimum Ten-Year Fee on July 1, 2034, and this amount shall be due and payable on or before midnight Central Time on July 8, 2034, whether or not the Authority sends Grantee an invoice for this payment.

B. Number and Size. Grantee may not install anything within the Easement other than the Telecommunications Cable System, and the Cable shall not exceed two inches (2") in nominal diameter. For those portions of the Cable which must be bored or trenched beneath the surface of the ground, Grantee shall install a conduit not to exceed four inches (3") in nominal diameter.

C. Access. During the period of initial construction of the Telecommunications Cable and during any subsequent periods of maintenance, repair, replacement or removal thereof, Grantee shall, to the extent reasonably necessary, be permitted to use Authority's adjacent lands on either side of the Easement for temporary working space. Such use by Grantee shall be coordinated and approved in advance with Authority. Grantee shall not excavate, trench, block or damage any roadway, drainage facility, driveway, parking lot, railroad facility or other improvement of the Authority located along the route of the Easement. Grantee shall not have the right to store materials or equipment on Authority's adjacent land, or conduct any of Grantee's operations on Authority's adjacent land, without the prior written consent of the Authority, which consent will not be unreasonably withheld, conditioned or delayed. Except in the case of an emergency, Grantee agrees to notify the Authority not less than seventy-two (72) hours prior to Grantee's employees, agents or contractors entering upon the Easement for construction, maintenance, repairs or other operations. In the case of an emergency, necessitating entry upon the Easement by Grantee, its employees, agents or contractors without first giving at least seventy-two (72) hours prior notice to Authority, Grantee agrees to notify the Authority of the nature and extent of any such emergency within twenty-four (24)

hours after any such entry. Nothing contained herein shall constitute a waiver of any right that the Authority may have for any damages to the Authority's property outside the Easement caused by Grantee's actions.

D. Construction, Maintenance and Use. Prior to the commencement of construction of the Telecommunications Cable, Grantee will furnish Authority with construction drawings for the Telecommunications Cable, and any fittings, equipment and other related facilities that will be constructed above ground must be approved in writing by the Authority in advance of installation of same. Grantee shall construct and maintain the Telecommunications Cable in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same, including but not limited to the provisions of Authority's Project Manual applicable to the construction and maintenance of the Telecommunications Cable System. Upon completion of the installation of the Telecommunications Cable System in the Easement, Grantee shall furnish Authority with an as-built survey of the Telecommunications Cable System and will furnish Authority with an as-built survey of any subsequent modifications to the location of the Telecommunications Cable System. Authority will provide the same level of confidentiality to Grantee's as-builts as it does to its own documents.

Grantee shall be responsible for coordination of any construction, maintenance and use of the Telecommunications Cable System with any other existing users and easement holders in or near the Easement. Grantee shall promptly restore any portion of the Easement damaged by Grantee to its condition prior to such damage. Grantee's use of the Easement and its operations in relation to it will at all times comply with all applicable laws, statutes, rules and regulations of federal, state and local government.

E. Reservations and Exceptions. It is understood and agreed that the Easement is not exclusive and is subject to all pre-existing uses and pre-existing rights to use the Easement, whether such uses are by the Authority or others and whether for surface uses, crossings, or encroachments by communication companies or utilities. The Authority reserves the right to use and/or grant easements upon, over, under and across its property within the Easement, and to grant rights of use, leases and easements above, below and on the surface of the Easement, provided that such uses and grants shall not materially interfere with or impair Grantee's use of the Easement or the Telecommunications Cable System.

F. Grantee's Obligation to Indemnify the Authority Parties. **Grantee shall defend, indemnify and hold harmless the Authority and its Commissioners, agents, officers, employees or contractors ("Authority Parties"), from and against, and Grantee shall be responsible for, any and all liabilities (including strict liability), actions, demands, damages, penalties, fines, losses, claims, costs, expenses (including reasonable attorneys' and experts' fees and expenses), suits, settlements or judgments of any nature whatsoever (including claims for personal injury, bodily injury, , real and personal property damage) (all of which are hereinafter collectively called "Claims"), which may be brought or instituted or asserted against the Authority Parties based on or arising out of or relating to (1) the failure on the part of the Grantee and its owners, officers, managers, agents, invitees, guests, contractors and subcontractors or licensees ("Grantee Parties") (provided, however, that Authority shall not be deemed to be one of the**

Grantee Parties) to comply with the provisions of any laws, ordinances, rules, regulations, or codes, now or hereafter existing, applicable to the Easement or the Telecommunications Cable System use of the Easement, (2) Grantee's breach of the terms and conditions of this Agreement, (3) any bodily injury to or death of any employee of the Grantee Parties occurring in connection with the construction, alteration, repair, maintenance or removal of the Telecommunications Cable System, or (4) 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 any property related to or connected with the condition or use of the Telecommunications Cable System, except for those Claims caused solely by the intentional misconduct, negligent acts or omissions of the Authority Parties and its managers, invitees, guests, subcontractors, or licensees. IT IS THE EXPRESS INTENTION OF AUTHORITY AND GRANTEE THAT THE INDEMNITIES SET FORTH IN THIS PARAGRAPH "F" APPLY TO ALL MATTERS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF SAME THAT ARE CAUSED IN PART BY THE NEGLIGENCE OF THE AUTHORITY PARTIES and its managers, invitees, guests, subcontractors, or licensees . Grantee shall, however, be relieved of its obligation of indemnity (but not its obligation to defend) with respect to any Claims to the extent, and only to the extent, of (1) the amount actually recovered from one or more insurance carriers and either paid to the Authority Parties or paid for benefit of the Authority Parties in reduction of such Claims, or (2) the percentage of responsibility attributed to the Authority Parties with respect to causing or contributing to cause in any way the accident, personal injury, property damage, death, or other harm for which the Claims were made. In Claims against any Authority Party by or for an employee of a Grantee Party, the Grantee's indemnification obligation under this Paragraph "F" shall not be limited by a limitation on the amount or type of damages, compensation or benefits payable by or for the Grantee Party under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. NOTWITHSTANDING, UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES SUFFERED BY THE OTHER PARTY OR BY ANY SUBSCRIBER, CUSTOMER OR PURCHASER OF THE OTHER PARTY FOR LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER BY VIRTUE OF ANY STATUTE, IN TORT OR IN CONTRACT, UNDER ANY PROVISION OF INDEMNITY, OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY UPON WHICH ANY SUCH CLAIM MAY BE BASED

The Authority shall give the Grantee prompt and timely notice of any Claims made or instituted against it or any other Authority Party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Paragraph "F." Subject to the prior rights, if any, of insurers, the Grantee 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, and the Grantee 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. The obligations of the Grantee under this Paragraph "F" shall survive the expiration or any earlier termination of the term of this Agreement.

G. Insurance. Without limiting the indemnity obligations or liabilities of Grantee provided under this Agreement, Grantee agrees at all times during the Term of this Agreement to carry and

maintain at its sole expense policies of insurance (“the Policies”) of the types and in the minimum amounts as follows:

(i) For all its employees engaged in performing work in the Easement, Workers’ Compensation insurance as required by the Texas Workers’ Compensation Code, and Employer’s Liability insurance with limits of at least \$500,000.00 per each employee accident and disease.

(ii). Commercial General Liability (CGL) insurance coverage with policy limits of at least \$1,000,000.00 per occurrence and \$2,000,000 general aggregate for bodily injury, personal injury and property damage liability in the Easement endorsed to cover contractual liability.

(iii) Business Automobile Liability insurance coverage for all owned and non-owned motor vehicles used in connection with the construction, alteration, repair, maintenance or removal of the Telecommunications Cable System, with a policy limit of not less than \$1,000,000 per accident for bodily injury and property damage.

(iv) Excess or Umbrella liability insurance coverage having limits of not less than \$5,000,000.00 over and above the underlying primary coverage limits stated above with respect to property damage and bodily injury or death to any number of persons in any one accident or occurrence.

The limits of insurance set forth above may be met through Grantee’s primary or excess/umbrella policies or any combination thereof. The minimum insurance protection amounts set forth in the Policies may be increased from time to time upon ninety (90) days’ prior written notice from Authority to an amount which is commercially reasonable at the time and circumstances. Grantee may self-insure the coverages required under this Paragraph G.

Authority shall be furnished (to the attention of the Real Estate Manager at the notice address set forth in Paragraph M, below), prior to the commencement of any work by Grantee on the Easement (1) a certificate or certificates of insurance (and the endorsements required in this paragraph shall be attached to or confirmed in the certificate or certificates of the insurance) evidencing the Policies, or (2) to the extent that Grantee is self-insured, a letter of self-insurance addressed to Authority by Grantee. Only with respect to and to the extent of the liabilities and obligations assumed by Grantee under this Agreement, each of the Policies (except for the Workers’ Compensation and Employer’s Liability insurance) shall be endorsed to name Authority as an additional insured on a primary, non-contributory basis. Grantee shall ensure that no Policy will be suspended, voided, canceled or reduced in coverage or limits without providing the Authority with at least thirty (30) days’ prior written notice.

To the extent that Grantee is not self-insured for the insurance coverages identified in this Paragraph “G”, Grantee shall deliver to Authority renewal or replacement certificates of insurance at least thirty (30) days prior to the expiration date of each of the Policies. The deductible or self-insured retention for each of the Policies must be stated in the certificate of insurance provided to Authority if either exceeds \$50,000.00. The company writing each of the Policies must possess a then-current rating with A.M. Best Company of at least A-: VI. If Grantee fails to provide

reasonably satisfactory evidence of any of the Policies or equivalent self-insurance required herein, or if any of the Policies is canceled and not promptly replaced by Grantee with equivalent coverage, Authority may procure such insurance at Grantee's expense, and Grantee shall reimburse Authority, within thirty (30) days after receipt of written demand therefore, for all amounts spent to procure and maintain such insurance.

H. Waiver of Subrogation Grantee agrees that all insurance policies required herein shall include waivers of subrogation in favor of Authority. Grantee agrees to immediately give to each insurance company, which has issued to it policies of insurance applicable to provisions of this Agreement, written notice of the terms of the waiver set forth in this Paragraph H, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

I. Assignment; Successors and Assigns. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, Authority consents to assignment of this Agreement to any corporation or other entity which is an affiliate of Grantee. An "affiliate", as used in this Paragraph I, is a person or entity which controls, is controlled by or is under common control with Grantee. This Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Assignment by Grantee shall not relieve Grantee from liability for the performance of the covenants and indemnities hereof.

J. Expiration; Termination. In the event that construction of the Telecommunications Cable System is not commenced within one year from the date hereof, this Agreement and the Easement will terminate, unless the period for commencement of construction is extended beyond one year by Authority. This Agreement and all rights to use and occupy the Easement shall terminate if the Cable shall cease to be used for the transmission of communication and data signals for any forty-eight (48) consecutive month period during the Term of this Easement or if Grantee shall at any time expressly abandon the Easement. This Agreement and all of Grantee's rights hereunder, at the option of Authority, shall forthwith terminate upon breach by Grantee of any of the conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after Grantee's receipt of written notice from the Authority so to do. Grantee agrees it will, within ninety (90) days after the termination or expiration of this Agreement, remove the Telecommunications Cable System from the Easement and restore the land in the Easement to substantially the same condition in which same existed immediately prior to the installation of the Telecommunications Cable System. In the event Grantee fails to remove the Telecommunications Cable System within the above-described time period, Authority may either declare the termination of Grantee's interest in the Telecommunications Cable System and all of Grantee's interest therein shall thereupon terminate, or the Authority may cause the Telecommunications Cable System, or any part thereof, to be removed and disposed of, and the lands of the Authority restored, all at the cost of Grantee. In the event of a breach of the requirements of Paragraph L ("Compliance with Authority Security Requirements"), this Agreement and all of Grantee's interest hereunder, at the option of Authority, shall forthwith terminate in the event Grantee fails to remedy the same within ten (10) days after Grantee's receipt of written notice from the Authority of such breach. Upon termination of this Agreement the Authority and Grantee

shall cooperate to record an instrument in the public records of San Patricio County, Texas, evidencing such termination.

K. Relocation. The Authority may require Grantee to remove, lower or relocate all or any part of the Telecommunications Cable System in the Easement in the event the same materially interferes with or will materially interfere with: (1) the development of Authority's lands adjacent to the Easement; (2) the construction of any Authority facility in the Easement; (3) the expansion of any existing road or the construction of any new road across or adjacent to the Easement; (4) any operation or proposed operation of Authority on the Easement; or (5) any proposed new railroad that would cross the Easement; provided, however, that in the case of any of the foregoing events, such event has been finally and unconditionally approved by Authority and any applicable federal, state or local governmental agency; and provided, further, that Grantee shall be allowed no less than one hundred eighty (180) days to relocate the interfering parts of the Telecommunications Cable System. In the event Authority requires Grantee to remove, lower or relocate all or any portion of the Telecommunications Cable System pursuant to this Paragraph K, the cost of such removal, lowering or relocation shall be paid solely by Grantee; and in such event, Authority will use its best efforts to provide Grantee with an alternate easement on Authority's land at no additional cost to Grantee; provided, however, Authority shall not be required to provide the alternate easement.

L. Compliance with Authority Security Requirements. Grantee, its employees, agents, representatives and subcontractors shall at all times comply with all Authority mandated security requirements and regulations pertaining to access to the Easement, regardless of whether now existing or hereinafter imposed (the "Security Measures"). Failure to comply with Authority's Security Measures will be grounds for terminating this Agreement as described in Paragraph J above. Authority's Security Measures applicable to the Easement can be ascertained by contacting the Authority's Police Department and it shall be Grantee's responsibility to obtain the Security Measures from Authority's Police Department.

M. Notice. All notices, demands, requests and other communications required or permitted to be given or made upon either Party shall be in writing and shall be delivered personally, by registered, certified or regular mail (postage prepaid), or reliable overnight delivery service (fees prepaid), in each case addressed to the Party to whom such notice is directed at the address specified below, unless such address is changed by notice given as specified herein. All notices delivered by certified or registered mail pursuant hereto shall be deemed effective the second day after deposit in the United States mail. All notices delivered in any other manner shall be deemed effective upon the receipt by the Party entitled thereto. All notices, demands and requests to be sent to the parties shall be sent or made at the following addresses: (1) For Authority: Port of Corpus Christi Authority of Nueces County, Texas, Attention: Executive Director, P. O. Box 1541, Corpus Christi, Texas 78403 (if mailed) or 222 Power Street, Corpus Christi, Texas (if delivered); and (2) For Grantee: Time Warner Cable Texas LLC, 750 Canyon Dr., Suite 500, Coppell, TX 75019 with a copy to Time Warner Cable Texas LLC, Legal Department – Regulatory, 60 Columbus Circle, New York, NY 10023.

N. Entire Agreement. The execution of this Agreement shall be conclusive of the agreement of Grantee and Authority to all of the terms and conditions hereof, and this Easement represents the entire agreement between the Parties with respect to the subject matter hereof.

O Governing Law. This Agreement shall be construed in accordance with the laws of the State of Texas, without giving effect to the principles of conflict of laws.

P. Counterparts. This Agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. 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 and acknowledgments to this Agreement by facsimile or Adobe "pdf" file and such facsimile or Adobe "pdf" file signatures or acknowledgments shall be deemed to be the same as original signatures or acknowledgments.

Signature Page Follows

AUTHORITY'S SIGNATURE PAGE

EXECUTED this ____ day of July, 2014, but effective for all purposes as of the Effective Date.

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

By: _____

John P. LaRue
Executive Director

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of July, 2014, by JOHN P. LaRUE, Executive Director of Port of Corpus Christi Authority of Nueces County, Texas, on behalf of the Port Authority.

NOTARY PUBLIC, STATE OF TEXAS

GRANTEE'S SIGNATURE PAGE

EXECUTED this ____ day of July, 2014, but effective for all purposes as of the Effective Date.

TIME WARNER CABLE TEXAS LLC

By: _____

Name: _____

Title: _____

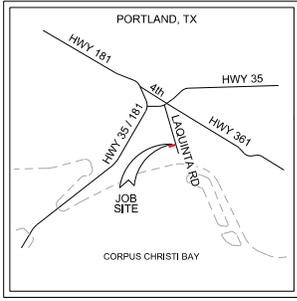
STATE OF TEXAS §

§

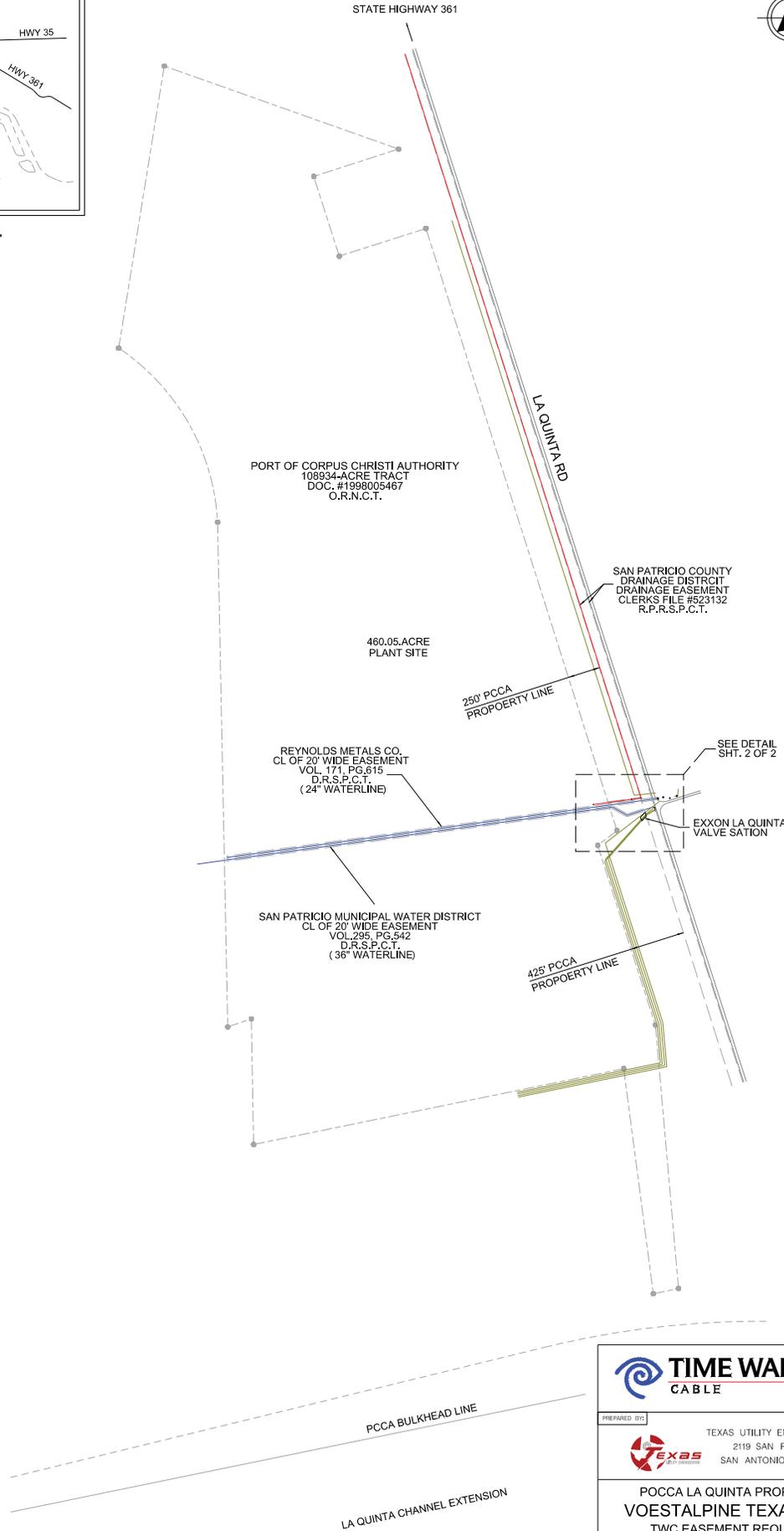
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2014, by _____, _____, of Time Warner Cable Texas LLC, a Delaware limited liability company, on behalf of said company.

NOTARY PUBLIC, STATE OF TEXAS



LOCATION MAP
NTS

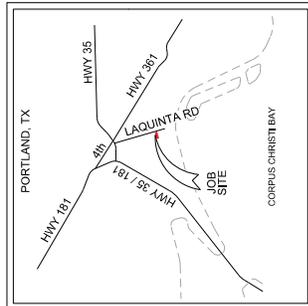


TIME WARNER CABLE

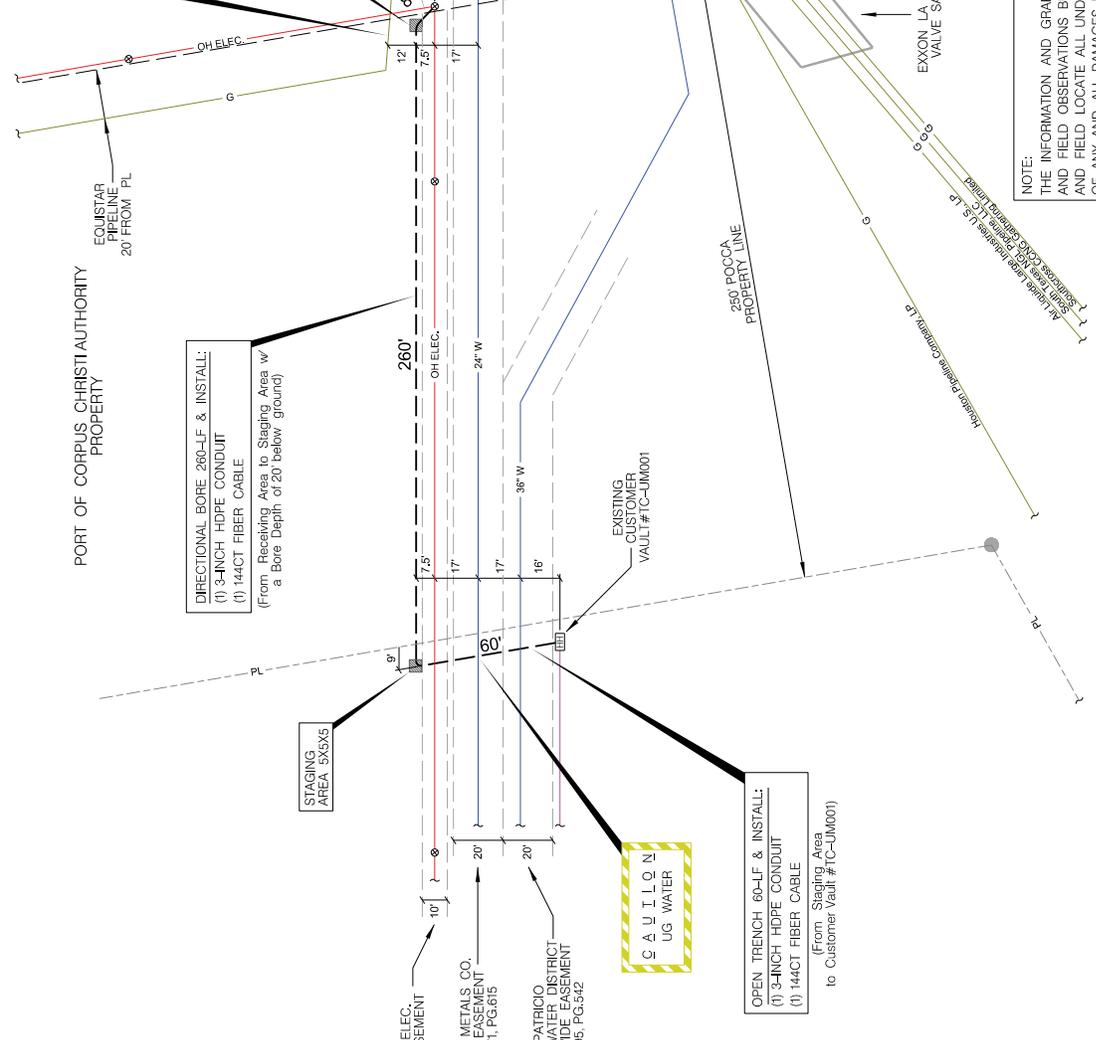
PREPARED BY: TEXAS UTILITY ENGINEERING, INC.
2119 SAN PEDRO AVE
SAN ANTONIO, TEXAS 78212

**POCCA LA QUINTA PROPERTY
VOESTALPINE TEXAS LLC
TWC EASEMENT REQUEST**

DRAWN: TXUE	DATE: 29 MAY 2014
CHECKED:	SCALE: NTS
APPROVED:	SHEET: 01 OF 02
DOCK ID#	ADDRESS / LOCATION
85572	LAQUINTA RD/PORTLAND



NOTE:
 CONTRACTOR TO HYDRO EXCAVATE EQUISTAR PIPELINE TO POSITIVELY IDENTIFY DEPTH AND LOCATION OF EXISTING PIPELINE BEFORE BORING. EQUISTAR REPRESENTATIVE TO BE ONSITE DURING CONSTRUCTION. PLEASE CONTACT ISRAEL GUTIERREZ OF EQUISTAR BEFORE CONST. @ 1-956-334-1073



NOTE:
 THE INFORMATION AND GRAPHICS DEPICTED ON THIS SHEET HAVE BEEN PLOTTED FROM AVAILABLE RECORDS AND FIELD OBSERVATIONS BUT ARE NOT NECESSARILY EXACT. IT IS THE EXCAVATOR'S RESPONSIBILITY TO VERIFY AND FIELD LOCATE ALL UNDERGROUND OBSTRUCTIONS AND UTILITIES PRIOR TO EXCAVATION. COMPLETE REPAIR OF ANY AND ALL DAMAGES INCURRED SHALL BE AT THE EXPENSE OF THE EXCAVATOR.

LEGEND

W	WATER UTILITY	SS	SANITARY SEWER UTIL.
G	NATURAL GAS UTILITY	SD	STORM DRAINAGE
C	CABLE TV UTILITY	FW	RIGHT OF WAY LINE
T	TELEPHONE UTILITY	BCC	BACK OF CURB
E	ELECTRIC UTILITY	SW	EDGE OF SIDEWALK

CATV POLE
 CONCRETE POLE
 STEEL POLE
 TRANSFORMER POLE
 POWER POLE

DOWN GUY & ANCHOR
 SIDEWALK GUY & ANC.
 HANDBOLE
 MANHOLE
 PROP. TWC COMM.

NOTE:
 DIRECTIONAL BORE 260-LF & INSTALL:
 (1) 3-INCH HDPE CONDUIT
 (1) 144CT FIBER CABLE
 (From Receiving Area to Staging Area w/ a Bore Depth of 20' below ground)

NOTE:
 OPEN TRENCH 60-LF & INSTALL:
 (1) 3-INCH HDPE CONDUIT
 (1) 144CT FIBER CABLE
 (From Staging Area to Customer Vault #TC-UM001)

NOTE:
 OPEN TRENCH 6-LF & INSTALL:
 (1) 3-INCH HDPE CONDUIT
 (1) 144CT FIBER CABLE
 (From Proposed Riser Pole to Receiving Area)

NOTE:
 CONTRACTOR TO HYDRO EXCAVATE EQUISTAR PIPELINE TO POSITIVELY IDENTIFY DEPTH AND LOCATION OF EXISTING PIPELINE BEFORE BORING. EQUISTAR REPRESENTATIVE TO BE ONSITE DURING CONSTRUCTION. PLEASE CONTACT ISRAEL GUTIERREZ OF EQUISTAR BEFORE CONST. @ 1-956-334-1073

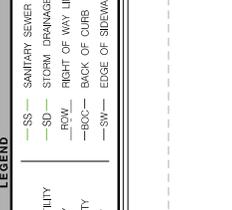
NOTE:
 DEPTH OF EXISTING BURIED UTILITIES TO BE DETERMINED BY EXCAVATION BORING CONTRACTOR.

TIME WARNER CABLE

PROJECT: VOESTALPINE TEXAS LLC
 LOCATION: POCCA LA QUINTA PROPERTY - LA QUINTA RD
 DATE: 05-29-14
 DRAWN BY: NTS
 CHECKED BY: NTS
 PORTLAND, TX 75072
 2 OF 2
 APPROVED BY: DAVID EVANS, PE

APPROVED BY: DAVID EVANS, PE

REVISIONS	DATE	COMMENTS



PREPARED BY: [Name]

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-I

**Approve the Purchase of a Lock Area Network Switch Upgrade
from the List of Pre-Qualified Companies with the
State of Texas Department of Information Services**

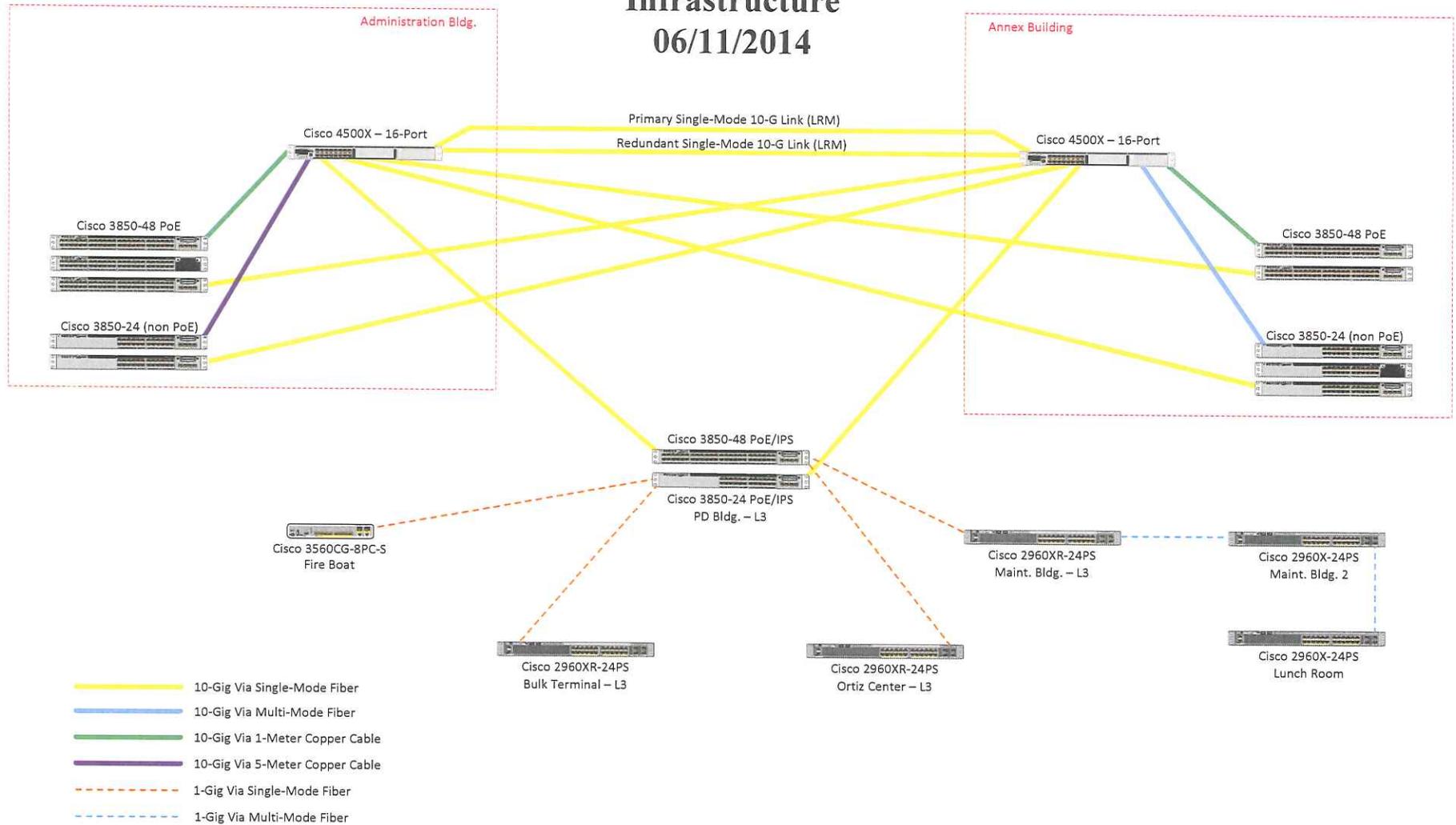
The Port's existing Local Area Network (LAN) is comprised of Cisco networking switches. These switches allow computers, servers, and printers to "talk to each other" and determine the speed at which computers can communicate with other devices on the LAN. Many of the existing switches have reached their end of life, and all of them are using dated technologies and slower networking speeds. Replacing these switches and upgrading our LAN will add additional redundancy in critical areas and, in most cases, upgrade LAN networking speeds to ten times faster than they currently are. These upgrades will alleviate current network bottlenecks and prepare the Port's networking system for future demands.

In May 2014, we received a quote from Computer Solutions in the amount of \$175,340.66 to upgrade our LAN. Of this total cost, \$148,813.40 is hardware, \$16,023.30 is professional services and \$10,503.96 is maintenance. The quote is in accordance with the State of Texas Directory of Information Resources contract pricing.

Staff recommends approval of the purchase of 20 Cisco switches in the total amount of \$175,340.66. The 2014 budget included approximately \$162,400 for upgrades to the Port's LAN.

LEAD CONTACT: Dennis DeVries; 885-6139; dennis@pocca.com

PoCCA – Switch Infrastructure 06/11/2014



155



DIR Agreement# DIR-TSO-2542



To: Tyler Fuhrken and Bland Chamberlain
 Port of Corpus Christi
 222 Power Street
 Corpus Christi, TX 78401

From: Jeff Byrom
 Account Executive
 Computer Solutions
 814 Arion Parkway, Suite 101
 San Antonio, TX 78216

Phone: 361-885-6146
tyler@pocca.com
bland@pocca.com

Phone: 361-548-5926
 Email: jbyrom@comsoltx.com

Port of Corpus Christi - Network Switching Refresh (A.A.-3850s / PD.-3850s)

Component	Product	Description	Qty	Unit List Price	Discounted Unit-Price:	Extended Price:
Administration Building						
Core Switch	WS-C4500X-16SFP+	Catalyst 4500-X 16 Port 10G IP Base Front-to-Back No P/S	1	16,000.00	8,320.00	8,320.00
	CON-SNTP-WSC16SFX	SMARTnet Premium Extended service agreement 24x7x4	1	1,728.00	1,395.36	1,395.36
	C4KX-NM-BLANK	Catalyst 4500X Network Module Blank	1	-	-	-
	C4KX-PWR-750AC-R	Catalyst 4500X 750W AC front to back cooling power supply	1	2,000.00	1,040.00	1,040.00
	C4KX-PWR-750AC-R/2	Catalyst 4500X 750W AC front to back cooling 2nd PWR supply	1	2,000.00	1,040.00	1,040.00
	CAB-US515-C15-US	NEMA 5-15 to IEC-C15 8ft US	2	-	-	-
	S45XU-34-1512SG	CAT4500-X Universal Image	1	-	-	-
	C4500X-16P-IP-ES	IP Base to Ent. Services license for 16 Port Catalyst 4500-X	1	4,000.00	2,080.00	2,080.00
	GLC-T	1000BASE-T SFP	3	395.00	205.40	616.20
	SFP-10G-LR	10GBASE-LR SFP Module	1	3,995.00	2,077.40	2,077.40
	SFP-10G-LRM	10GBASE-LRM SFP Module	4	995.00	517.40	2,069.60
	USB-X45-4GB-E	Catalyst 4500 4GB USB device for Sup7-E	1	500.00	260.00	260.00
	Access Layer Stack	WS-C3850-48F-S	Cisco Catalyst 3850 48 Port Full PoE IP Base	1	14,000.00	7,280.00
CON-SNT-WSC388FS		SMARTNET 8X5XNBD Cisco Catalyst 3850 48 Port Full PoE IP	1	840.00	678.30	678.30
CAB-TA-NA		North America AC Type A Power Cable	2	-	-	-
PWR-C1-1100WAC/2		1100W AC Config 1 Secondary Power Supply	1	1,500.00	780.00	780.00
C3850-NM-2-10G		Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00
S3850UK9-32-0SE		CAT3850 UNIVERSAL	1	-	-	-
STACK-T1-50CM		50CM Type 1 Stacking Cable	1	-	-	-
CAB-SPWR-30CM		Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
PWR-C1-1100WAC		1100W AC Config 1 Power Supply	1	-	-	-
SFP-H10GB-CU1M=		10GBASE-CU SFP+ Cable 1 Meter	1	150.00	78.00	78.00
Access Layer Stack	WS-C3850-48F-S	Cisco Catalyst 3850 48 Port Full PoE IP Base	1	14,000.00	7,280.00	7,280.00
	CON-SNT-WSC388FS	SMARTNET 8X5XNBD Cisco Catalyst 3850 48 Port Full PoE IP	1	840.00	678.30	678.30
	CAB-TA-NA	North America AC Type A Power Cable	1	-	-	-
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
	PWR-C1-1100WAC	1100W AC Config 1 Power Supply	1	-	-	-
	SFP-H10GB-CU1M=	10GBASE-CU SFP+ Cable 1 Meter	1	150.00	78.00	78.00
Access Layer Stack	WS-C3850-48F-S	Cisco Catalyst 3850 48 Port Full PoE IP Base	1	14,000.00	7,280.00	7,280.00
	CON-SNT-WSC388FS	SMARTNET 8X5XNBD Cisco Catalyst 3850 48 Port Full PoE IP	1	840.00	678.30	678.30
	CAB-TA-NA	North America AC Type A Power Cable	1	-	-	-
	C3850-NM-2-10G	Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
	PWR-C1-1100WAC	1100W AC Config 1 Power Supply	1	-	-	-

	SFP-10G-LRM=	10GBASE-LRM SFP Module	1	995.00	517.40	517.40
Server Switch Stack	WS-C3850-24T-S	Cisco Catalyst 3850 24 Port Data IP Base	1	6,500.00	3,380.00	3,380.00
	CON-SNT-WSC384TS	SMARTNET 8X5XNBD Cisco Catalyst 3850 24 Port Data IP Base	1	390.00	314.93	314.93
	CAB-TA-NA	North America AC Type A Power Cable	2	-	-	-
	C3850-NM-2-10G	Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
	PWR-C1-350WAC	350W AC Config 1 Power Supply	1	-	-	-
	PWR-C1-350WAC/2	350W AC Config 1 SecondaryPower Supply	1	500.00	260.00	260.00
	SFP-H10GB-CU5M=	10GBASE-CU SFP+ Cable 5 Meter	1	260.00	135.20	135.20
Server Switch Stack	WS-C3850-24T-S	Cisco Catalyst 3850 24 Port Data IP Base	1	6,500.00	3,380.00	3,380.00
	CON-SNT-WSC384TS	SMARTNET 8X5XNBD Cisco Catalyst 3850 24 Port Data IP Base	1	390.00	314.93	314.93
	CAB-TA-NA	North America AC Type A Power Cable	1	-	-	-
	C3850-NM-2-10G	Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
	PWR-C1-350WAC	350W AC Config 1 Power Supply	1	-	-	-
	SFP-10G-LRM=	10GBASE-LRM SFP Module	1	995.00	517.40	517.40

Annex Building

Core Switch	WS-C4500X-16SFP+	Catalyst 4500-X 16 Port 10G IP Base Front-to-Back No P/S	1	16,000.00	8,320.00	8,320.00
	CON-SNTP-WSC16SFX	SMARTnet Premium Extended service agreement 24x7x4	1	1,728.00	1,395.36	1,395.36
	C4KX-NM-BLANK	Catalyst 4500X Network Module Blank	1	-	-	-
	C4KX-PWR-750AC-R	Catalyst 4500X 750W AC front to back cooling power supply	1	2,000.00	1,040.00	1,040.00
	C4KX-PWR-750AC-R/2	Catalyst 4500X 750W AC front to back cooling 2nd PWR supply	1	2,000.00	1,040.00	1,040.00
	CAB-US515-C15-US	NEMA 5-15 to IEC-C15 8ft US	2	-	-	-
	S45XU-34-1512SG	CAT4500-X Universal Image	1	-	-	-
	C4500X-16P-IP-ES	IP Base to Ent. Services license for 16 Port Catalyst 4500-X	1	4,000.00	2,080.00	2,080.00
	GLC-T	1000BASE-T SFP	3	395.00	205.40	616.20
	SFP-10G-LR	10GBASE-LR SFP Module	1	3,995.00	2,077.40	2,077.40
	SFP-10G-LRM	10GBASE-LRM SFP Module	4	995.00	517.40	2,069.60
	SFP-10G-SR	10GBASE-SR SFP Module	1	995.00	517.40	517.40
	USB-X45-4GB-E	Catalyst 4500 4GB USB device for Sup7-E	1	500.00	260.00	260.00
Access Layer Stack	WS-C3850-48F-S	Cisco Catalyst 3850 48 Port Full PoE IP Base	1	14,000.00	7,280.00	7,280.00
	CON-SNT-WSC388FS	SMARTNET 8X5XNBD Cisco Catalyst 3850 48 Port Full PoE IP	1	840.00	678.30	678.30
	CAB-TA-NA	North America AC Type A Power Cable	1	-	-	-
	PWR-C1-1100WAC/2	1100W AC Config 1 Secondary Power Supply	1	1,500.00	780.00	780.00
	C3850-NM-2-10G	Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
	PWR-C1-1100WAC	1100W AC Config 1 Power Supply	1	-	-	-
	SFP-H10GB-CU1M=	10GBASE-CU SFP+ Cable 1 Meter	1	150.00	78.00	78.00

Access Layer Stack	WS-C3850-48F-S	Cisco Catalyst 3850 48 Port Full PoE IP Base	1	14,000.00	7,280.00	7,280.00	
	CON-SNT-WSC388FS	SMARTNET 8X5XNBD Cisco Catalyst 3850 48 Port Full PoE IP	1	840.00	678.30	678.30	
	CAB-TA-NA	North America AC Type A Power Cable	1	-	-	-	
	C3850-NM-2-10G	Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00	
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-	
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-	
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-	
	PWR-C1-1100WAC	1100W AC Config 1 Power Supply	1	-	-	-	
	SFP-10G-LRM=	10GBASE-LRM SFP Module	1	995.00	517.40	517.40	
	Server Switch Stack	WS-C3850-24T-S	Cisco Catalyst 3850 24 Port Data IP Base	1	6,500.00	3,380.00	3,380.00
CON-SNT-WSC384TS		SMARTNET 8X5XNBD Cisco Catalyst 3850 24 Port Data IP Base	1	390.00	314.93	314.93	
CAB-TA-NA		North America AC Type A Power Cable	2	-	-	-	
C3850-NM-2-10G		Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00	
S3850UK9-32-0SE		CAT3850 UNIVERSAL	1	-	-	-	
STACK-T1-50CM		50CM Type 1 Stacking Cable	1	-	-	-	
CAB-SPWR-30CM		Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-	
PWR-C1-350WAC		350W AC Config 1 Power Supply	1	-	-	-	
PWR-C1-350WAC/2		350W AC Config 1 SecondaryPower Supply	1	500.00	260.00	260.00	
SFP-10G-SR=		10GBASE-SR SFP Module	1	995.00	517.40	517.40	
Server Switch Stack	WS-C3850-24T-S	Cisco Catalyst 3850 24 Port Data IP Base	1	6,500.00	3,380.00	3,380.00	
	CON-SNT-WSC384TS	SMARTNET 8X5XNBD Cisco Catalyst 3850 24 Port Data IP Base	1	390.00	314.93	314.93	
	CAB-TA-NA	North America AC Type A Power Cable	2	-	-	-	
	S3850UK9-32-0SE	CAT3850 UNIVERSAL	1	-	-	-	
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-	
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-	
	PWR-C1-350WAC	350W AC Config 1 Power Supply	1	-	-	-	
	Server Switch Stack	WS-C3850-24T-S	Cisco Catalyst 3850 24 Port Data IP Base	1	6,500.00	3,380.00	3,380.00
		CON-SNT-WSC384TS	SMARTNET 8X5XNBD Cisco Catalyst 3850 24 Port Data IP Base	1	390.00	314.93	314.93
		CAB-TA-NA	North America AC Type A Power Cable	1	-	-	-
C3850-NM-2-10G		Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00	
S3850UK9-32-0SE		CAT3850 UNIVERSAL	1	-	-	-	
STACK-T1-50CM		50CM Type 1 Stacking Cable	1	-	-	-	
CAB-SPWR-30CM		Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-	
PWR-C1-350WAC		350W AC Config 1 Power Supply	1	-	-	-	
SFP-10G-LRM=		10GBASE-LRM SFP Module	1	995.00	517.40	517.40	

Port PD Building

10G Uplink	WS-C3850-48F-E	Catalyst 3850 48 Port Full PoE IP Services	1	22,000.00	11,440.00	11,440.00
	CON-SNT-WSC388FE	SMARTNET 8X5XNBD Cisco Catalyst 3850 48 Port Full PoE IP	1	1,320.00	1,065.90	1,065.90
	CAB-3KX-AC	AC Power Cord for Catalyst 3K-X (North America)	2	-	-	-
	PWR-C1-1100WAC=	1100W AC Config 2nd Power Supply	1	1,500.00	780.00	780.00
	C3850-NM-4-10G=	Catalyst 3850 4 x 10GE Network Module	1	4,000.00	2,080.00	2,080.00
	STACK-T1-50CM	50CM Type 1 Stacking Cable	1	-	-	-
	CAB-SPWR-30CM	Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
	SFP-10G-LR=	10GBASE-LR SFP Module	1	3,995.00	2,077.40	2,077.40
	GLC-LH-SMD=	DOM	3	995.00	517.40	1,552.20
	1G Downstream	WS-C3850-24P-E	Catalyst 3850 24 Port PoE IP Services	1	11,300.00	5,876.00
CON-SNT-WSC384PE		SMARTNET 8X5XNBD Cisco Catalyst 3850 24 Port PoE IP Serv	1	678.00	547.49	547.49
CAB-3KX-AC		AC Power Cord for Catalyst 3K-X (North America)	2	-	-	-
C3850-NM-2-10G=		Cisco Catalyst 3850 2 x 10GE Network Module	1	2,500.00	1,300.00	1,300.00
STACK-T1-50CM		50CM Type 1 Stacking Cable	1	-	-	-
CAB-SPWR-30CM		Catalyst 3750X and 3850 Stack Power Cable 30 CM	1	-	-	-
SFP-10G-LR=		10GBASE-LR SFP Module	1	3,995.00	2,077.40	2,077.40
GLC-LH-SMD=		DOM	1	995.00	517.40	517.40

Fire Boat						
WS-C3560CG-8PC-S	Catalyst 3560C Switch 8 GE PoE 2 x Dual Uplink IP Base	1	1,795.00	933.40	933.40	
CON-SNT-WSC3560C	SMARTNET 8X5XNBD Catalyst 3560C Switch 8 GE PoE 2 x Dual	1	102.00	82.37	82.37	
CAB-AC-RA	Power Cord110V Right Angle	1	-	-	-	
PWR-CLP	Power Retainer Clip For Cisco 3560-C and 2960-C Compact Swit	1	-	-	-	
PI-MSE-PRMO-INSRT	Insert Packout - PI-MSE	1	-	-	-	
GLC-LH-SMD=	DOM	1	995.00	517.40	517.40	
Bulk Terminal						
WS-C2960XR-24PS-I	Catalyst 2960-XR 24 GigE PoE 370W 4 x 1G SFP IP Lite	1	5,095.00	2,649.40	2,649.40	
CON-SNT-WSC296PS	SMARTNET 8X5XNBD Catalyst 2960-XR 24 GigE PoE 370W 4 x 1	1	306.00	247.10	247.10	
PWR-C2-640WAC	640W AC Config 2 Power Supply	1	950.00	494.00	494.00	
CAB-3KX-AC	AC Power Cord for Catalyst 3K-X (North America)	2	-	-	-	
GLC-LH-SMD=	DOM	1	995.00	517.40	517.40	
Ortiz Center						
WS-C2960XR-24PS-I	Catalyst 2960-XR 24 GigE PoE 370W 4 x 1G SFP IP Lite	1	5,095.00	2,649.40	2,649.40	
CON-SNT-WSC296PS	SMARTNET 8X5XNBD Catalyst 2960-XR 24 GigE PoE 370W 4 x 1	1	306.00	247.10	247.10	
PWR-C2-640WAC	640W AC Config 2 Power Supply	1	950.00	494.00	494.00	
CAB-3KX-AC	AC Power Cord for Catalyst 3K-X (North America)	2	-	-	-	
GLC-LH-SMD=	DOM	1	995.00	517.40	517.40	
Maintenance Building 1						
WS-C2960XR-24PS-I	Catalyst 2960-XR 24 GigE PoE 370W 4 x 1G SFP IP Lite	1	5,095.00	2,649.40	2,649.40	
CON-SNT-WSC296PS	SMARTNET 8X5XNBD Catalyst 2960-XR 24 GigE PoE 370W 4 x 1	1	306.00	247.10	247.10	
PWR-C2-640WAC	640W AC Config 2 Power Supply	1	950.00	494.00	494.00	
CAB-3KX-AC	AC Power Cord for Catalyst 3K-X (North America)	2	-	-	-	
GLC-LH-SMD=	DOM	1	995.00	517.40	517.40	
GLC-SX-MMD=	1000BASE-SX SFP transceiver module MMF 850nm DOM	1	500.00	260.00	260.00	
Maintenance Building 2						
WS-C2960X-24PS-L	Catalyst 2960-X 24 GigE PoE 370W, 4 x 1G SFP, LAN Base	1	3,195.00	1,661.40	1,661.40	
CON-SNT-WSC224SL	SMARTNET 8X5XNBD Catalyst 2960-X 24 G	1	192.00	155.04	155.04	
CAB-16AWG-AC	AC Power cord, 16AWG	1	-	-	-	
PWR-CLP	Power Retainer Clip For Cisco 3560-C and 2960-C Compact Swit	1	-	-	-	
GLC-SX-MMD=	1000BASE-SX SFP transceiver module MMF 850nm DOM	1	500.00	260.00	260.00	
Maintenance Lunch Room						
WS-C2960X-24PS-L	Catalyst 2960-X 24 GigE PoE 370W, 4 x 1G SFP, LAN Base	1	3,195.00	1,661.40	1,661.40	
CON-SNT-WSC224SL	SMARTNET 8X5XNBD Catalyst 2960-X 24 G	1	192.00	155.04	155.04	
CAB-16AWG-AC	AC Power cord, 16AWG	1	-	-	-	
PWR-CLP	Power Retainer Clip For Cisco 3560-C and 2960-C Compact Swit	1	-	-	-	
GLC-SX-MMD=	1000BASE-SX SFP transceiver module MMF 850nm DOM	1	500.00	260.00	260.00	

Required Fiber Jumpers / Patch Cables

CAB-SC/LC-SM-1M-29190	Duplex Single-Mode 9/125 SC/LC 1-Meter	10	20.00	200.00
CAB-ST/LC-MM-1M-33163	Duplex Multi-Mode 62.5/125 ST/LC 1-Meter	4	18.00	72.00
CAB-SC/LC-SM-10FT-29920	Duplex Single-Mode 9/125 ST/LC 10-Ft.	2	25.00	50.00
CAB-LC/LC-MM-30FT-OM3	Duplex Multi-Mode 50/125 OM3 LC/LC 30-Ft.	1	35.00	35.00
CAB-SC/LC-SM-30FT	Duplex Single-Mode 9/125 SC/LC 30-Ft.	1	38.00	38.00

Professional Services / Structured Cabling:

ComSol Professional Services	Professional Services - Installation / Configuration (Please see Letter of Engagement - LOE - for details)			16,023.30
------------------------------	---	--	--	-----------

Grand Total = \$ 175,340.66



Letter of Engagement

Customer: Port of Corpus Christi

Project: Network Refresh

Publish Date: 6/20/2014 ***Version:*** v1.2

Submitted By: Jeff Byrom, Account Executive

Overview

Computer Solutions will assist Port of Corpus Christi (Customer) in installing new Cisco switches throughout Customer locations. Computer Solutions will install Cisco Catalyst 3850, Cisco Catalyst 2960-XR, and Cisco 3560CG-8PC switches in a variety of stack configurations within the following buildings:

- Administration Building
- Annex Building
- PD Building
- Fire Boat
- Bulk Terminal
- Ortiz Center
- Maintenance Building
- Maintenance Building 2
- Lunch Room

Project Summary

Planning

1. Kickoff Meeting
 - a. Discuss Customer expectations
 - b. Define project requirements, timelines, outage expectations, and system access.
 - c. Attendees: Computer Solutions Project Team, Customer Point of Contact (POC)
2. Requirements Acceptance
 - a. Establish criteria for project success and acceptance.

Design Validation

1. Gather information for the following: IP Addressing, VLANs, routing, trunking configuration, switch hostnames, default gateway, and base security configuration.

Implementation

1. Administration Building
 - a. Core
 - i. Configure a Cisco Catalyst 4500-X Series Switch as the core switching/routing infrastructure.
 - b. Access Layer Switches
 - i. Configure one (1) switch stack with three (3) 48-port Cisco Catalyst 3850 switches as the access layer stack.

- ii. Configure one (1) switch stack with two (2) 24-port Cisco Catalyst 3850 switches Cisco as the server stack.
 - c. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 2. Annex Building
 - a. Core
 - i. Configure a Cisco Catalyst 4500-X Series Switch as the core switching/routing infrastructure.
 - b. Access Layer Switches
 - i. Configure one (1) switch stack with two (2) 48-port Cisco Catalyst 3850 switches as the access layer stack.
 - ii. Configure one (1) switch stack with three (3) 24-port Cisco Catalyst 3850 switches Cisco as the server stack.
 - c. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 3. PD Building
 - a. Access Layer Switches
 - i. Configure one (1) switch stack with one (1) Cisco Catalyst 3850 48 GigE PoE switch (Layer 3 image).
 - ii. Configure one (1) switch stack with one (1) Cisco Catalyst 3850 24 GigE PoE switch (Layer 3 image).
 - b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 4. Fire Boat
 - a. Access Layer Switches
 - i. Configure one (1) 8-port Cisco 3560CG-8PC-S switch as the access layer switch.
 - b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 5. Bulk Terminal
 - a. Access Layer Switches
 - i. Configure one (1) 24-port Cisco 2960XR-24PS switch as the access layer switch.
 - b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 6. Ortiz Center
 - a. Access Layer Switches
 - i. Configure one (1) Cisco 2960XR-24PS switch as the access layer switch.
 - b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 7. Maintenance Building
 - a. Access Layer Switches
 - i. Configure one (1) Cisco 2960XR-24PS switch as the access layer switch.
 - b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 8. Maintenance Building 2
 - a. Access Layer Switches
 - i. Configure one (1) Cisco 2960X-24PS switch as the access layer switch.
 - b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
 - 9. Lunch Room
 - a. Access Layer Switches
 - i. Configure one (1) Cisco 2960X-24PS switch as the access layer switch.

- b. Patch Access Layer Stacks
 - i. Patch the access layer switches.
- c. Note – PoCCA to reroute physical station cables from 2nd IDF at Lunch Room to a single IDF. This consolidation provides a hardware cost savings, rather than having two closets in the same building.

Testing

1. Execute test plans to validate proper switching/routing connectivity from each building to each IDF (PD stack) and core infrastructure residing within the Administration & Annex Buildings.

Closure

1. Documentation
 - a. Create as-built documentation which includes switch configurations, IP Addresses, user accounts, serial numbers, and diagrams.
2. Project Signoff
 - a. Deliver as-built documentation, test results, and other project documentation as necessary.
 - b. Acquire Customer approval and signoff on project for closure.

Project Considerations

1. Computer Solutions will assign a Project Manager to lead this project. The Project Manager will oversee project planning, coordination, and reporting activities as well as:
 - a. Serve as the single point of contact for project activities, milestones, roles and responsibilities, and project tasks.
 - b. Coordinate status meetings and schedule as well as management of the change control process.
 - c. Engage with Customer and vendor resources to execute project tasks.
 - d. Assist in reporting guidelines, risk and issue identification, and contingency planning.
 - e. Continually assess scope, timing, and resource requirements.

Terms and Conditions

This Letter of Engagement is subject to all terms of the Master Services Agreement between Customer and Computer Solutions. The following terms and conditions are specific to this Letter of Engagement.

1. **Customer Responsibilities:** For the duration of this Letter of Engagement, Customer is obligated to meet certain responsibilities as described herein. Should Customer fail to adhere to said responsibilities thereby impacting Computer Solutions' ability to provide services under this Letter of Engagement, Computer Solutions is not responsible for service delays.
 - 1.1. **Access:** Customer will: (1) provide Computer Solutions with remote access to Customer's network, (2) grant access to physical sites including restricted areas, and (3) provide Computer Solutions with login credentials as required to provide the services stated herein.
 - 1.2. **Escalation:** Customer will provide Computer Solutions with Customer's escalation procedure as well as names and multiple methods of contact for Customer personnel including office, cell phone numbers, and email addresses to be used in the event that Computer Solutions requires support or escalation beyond the capabilities of Customer's primary Point of Contact.
 - 1.3. **Point of Contact:** Customer will establish business and technical Points of Contact to whom Computer Solutions may address all correspondence regarding this Letter of Engagement and associated Computer Solutions services. The technical Point of Contact must be familiar with all aspects of Customer's information technology environment. The business and technical Point of Contact will: (1) have the authority to act on behalf of Customer for all matters related to this Letter of Engagement; (2) assist Computer Solutions in the scheduling of services; (3) assist Computer Solutions in evaluating issues and executing diagnostic tests or other procedures as needed for problem resolution; and (4) attend all meetings and provide signatures as requested by Computer Solutions.
 - 1.4. **Current State Documentation:** Customer will provide Computer Solutions with documentation regarding the current state of Customer's environment as required.
 - 1.5. **Environment Stability:** Customer will ensure Customer's environment is properly staged and prepared throughout this project. Computer Solutions is not responsible for preexisting conditions within Customer's environment that affect the delivery of Computer Solutions services. Computer Solutions is not responsible for pre-existing conditions or failure of Customer's equipment.
 - 1.6. **Environment Changes:** Customer will notify and consult Computer Solutions prior to initiating changes to Customer's IT environment or implementing 3rd party vendor changes that affect the delivery of Computer Solutions services as stated herein. Computer Solutions will review the proposed changes and inform Customer if said changes will impact Computer Solutions' ability to service this Letter of Engagement. Should Computer Solutions determine that said changes will impact Computer Solutions services and Customer opts to perform said changes through any means, Computer Solutions will not be held liable for any services failures or disruptions. If Computer Solutions' labor is required to correct said disruptions, Customer will be charged the appropriate time and materials hourly rates associated with remediation.
 - 1.7. **Data Backup:** Customer will take necessary precautions to secure and backup sensitive data prior to the start of services. In the event that data loss occurs, Computer Solutions will not be held liable. Data loss includes but is not limited to corrupt, inaccurate, lost, and damaged data or unrecoverable media errors. Computer Solutions is not responsible for the changing or rotation of Customer's backup tapes.

- 1.8. **3rd Party Vendors:** Customer will provide 3rd party vendor contacts, contract terms, and a Letter of Agency as needed if the 3rd party service or product may impact Computer Solutions' ability to service this Letter of Engagement. Computer Solutions will not be held responsible for the performance of 3rd party vendors or associated products. Customer is responsible for assisting Computer Solutions with scheduling, performing, or facilitating services with 3rd party vendors.
2. **Project Scope:** Services not detailed by this Letter of Engagement are considered out of scope.
 - 2.1. **Project Change Requests:** For any project changes, Customer and/or Computer Solutions must request a Project Change Request (PCR). The PCR will identify changes to the project schedule, tasks, staffing, and/or pricing. Services requiring a PCR will not be performed prior to the approval of said PCR by Customer and Computer Solutions.
3. **Project Delays:** Computer Solutions is not responsible for project delays related to Customer's documentation approval process or Customer's personnel availability. Customer may be subject to additional fees for any Customer induced delays.
 - 3.1. **Product Delays:** Computer Solutions is not responsible for project delays concerning product sourcing, delivery, and/or availability from the manufacturer. In the event that product sourcing affects the project, Computer Solutions will make reasonable efforts to find an alternative method for acquiring product. Any product delays will be communicated to Customer as necessary.
4. **As-Built Documentation Acceptance:** After the delivery of project documentation, Customer has five (5) business days to approve or reject said documentation. If Customer does not provide a written explanation of rejection during this timeframe, Computer Solutions will consider the documentation as accepted and the project closed.
5. **Service Hours:** All services will be scheduled and performed during Computer Solutions' business hours of Monday through Friday, 8:00 a.m. to 5:00 p.m. CST. Services outside these hours must be scheduled at least 24 hours in advance of performing said services. If the project requires services outside of these hours, Computer Solutions will work with Customer to schedule such services.
 - 5.1. **Unscheduled Work:** If Customer requests Computer Solutions to perform work that is not scheduled at least 24 hours in advance of performing said work, Customer will be charged at current after-hours rates. These rates do not apply when Computer Solutions requests the option to perform unscheduled services for convenience purposes.
 - 5.2. **Rescheduling:** If Customer does not inform Computer Solutions at least 24 hours in advance of rescheduling services, Computer Solutions reserves the right to charge cancellation fees.
6. **Travel:** For travel outside the San Antonio metropolitan area, Customer will be charged for travel charges incurred by Computer Solutions. Travel fees may include but are not limited to reasonable airfare, rental car, lodging, meals, mileage, and travel time to Customer's site.
 - 6.1. **DIR Travel:** For Texas Department of Information Resources (DIR), Customer will not be charged travel time.
7. **Start Date:** Services will begin at a later date as agreed upon between Customer and Computer Solutions.
8. **Payment:** Payment terms shall be in accordance with the terms of the Master Services Agreement (MSA) between Customer and Computer Solutions.

9. **Taxes:** Pricing does not reflect applicable sales taxes and are the responsibility of Customer.
10. **Termination:** Termination conditions shall be in accordance with the terms of the Master Services Agreement between Customer and Computer Solutions.
11. **Computer Solutions Commitment:** For a period of thirty (30) days, following project completion, Computer Solutions warrants the performance of Computer Solutions' professional services.
12. **Finality:** This Letter of Engagement is final and no other written or verbal agreements are binding.
13. **Validity:** The terms and pricing of this Letter of Engagement are valid for thirty (30) days from the date of delivery of this Letter of Engagement to Customer.
14. **Confidentiality:** This Letter of Engagement contains privileged information that is critical to the success of Computer Solutions. Customer agrees to maintain the confidentiality of this document at all times.
15. **Managed Services:** If Customer is currently supported by Computer Solutions' NetWatch Managed Services, Customer is eligible for Preferred Billing Rates for this Letter of Engagement. Any design, planning, and execution of services performed within the scope of this Letter of Engagement may not be applied towards any existing NetWatch Managed Services Agreements. Once complete, management of the solution may be added to the current NetWatch Managed Services Agreement and supported by the Computer Solutions Support Operations Center (SOC). Inclusion of the solution under NetWatch Managed Services may be subject to additional fees.

Pricing and Project Summary

1. **Fixed Bid:** This is a fixed bid engagement. Customer will be billed only for expenses incurred.
2. **Assigned Resource:** Senior Engineer, Project Manager
3. **Estimated Project Duration:** One (1) week
4. **Estimated Project Total:** \$15,510.00
5. **Estimated Travel Expenses:** \$513.30

Acceptance

By signing below, Customer accepts this Letter of Engagement in its entirety and recognizes its finality. Customer accepts all terms and acknowledges the incorporation of this Letter of Engagement into the Master Services Agreement between Customer and Computer Solutions. Customer also authorizes Computer Solutions to commence services and to begin the procurement of both product and resources.

Computer Solutions	Port of Corpus Christi
Signature: 	Signature:
Name: Jeff Byrom	Name:
Title: Account Executive	Title:
Date: 06/20/2014	Date:
Quote/CNET:	P.O. (if required):

Appendix A: Sample Closeout Documents

Acknowledgement

Computer Solutions has fulfilled obligations by completing the Network Refresh project.

Actions Completed

Computer Solutions has completed the following tasks to satisfy the objectives for this project.

1. Task 1
2. Task 2
3. Task 3

Actions to be Completed

Computer Solutions will complete the following tasks to satisfy the objectives for this project:

1. Task 1
2. Task 2
3. Task 3

Warranties

1. All rendered professional services are warrantied for a period of 30 business days from this signoff date.
2. To report any suspected hardware, network connectivity or installation issue, contact the Computer Solutions Service Operations Center at 210-369-0397 to initiate a service request.

Completion Agreement

With respect to the above Warranties, the above listed items in the Actions Completed section are considered acceptable and complete. As an approved representative of City of San Antonio, I approve Computer Solutions to invoice 100% of the completed project price.

Computer Solutions	Port of Corpus Christi
Signature:	Signature:
Name: Jeff Byrom	Name:
Title: Account Executive	Title:
Date:	Date:
Quote/CNET:	P.O. (if required):



DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-J

**Rescind the Contract Awarded to Maritime International and
Award an Additional Purchase Order to Trelleborg's Contract
for the Purchase of Dock Fenders and Panels**

On June 10, 2014, the Port Commission awarded a contract to Maritime International for the purchase of one 7-ft x 9-ft fender panel system (Bid Item 7) at a cost of \$10,100 (see attached bid tabulation sheet). Staff notified Maritime of this award on June 12, 2014. Upon receipt of the Notice of Award, Maritime notified the PCCA that they would not enter into the contract because they had determined that the amount of their bid would not cover the costs of manufacturing and shipping the fender panel system in accordance with the contract bid specifications. (See attached letter from Maritime International.)

The next lowest bidder for Bid Item 7 was Trelleborg at a cost of \$12,200. Last month, Trelleborg was also awarded a contract for Bid Items 3, 5, 6, and 8 in the amount of \$26,900. Trelleborg has entered into an Agreement to provide those bid items to the PCCA.

Since Maritime will not honor its bid commitment, staff recommends rescinding the June 2014 contract awarded to Maritime International for \$10,100 and awarding an additional purchase order to Trelleborg for Bid Item 7 in the amount of \$12,200.

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



**BID TABULATION FOR PURCHASE OF DOCK FENDERS AND PANELS
PROJECT NO.14-014A
Bid Opening: May 30, 2014 at 2:00 p.m.**

Bid Items	Company Name			
	FenderTeam Americas	Maritime International	Trelleborg	
Bid Item 1^A	\$6,796.00	\$11,242.00	NO RESPONSE	
Time of Delivery	98-112	98-112		
Addendum No 1	X	X		
Bid Item 2^B	\$11,996.00	\$20,110.00	\$14,400.00	
Time of Delivery	98-112	98-112	120-140	
Addendum No 1	X		X	
Bid Item 3^C	\$11,400.00	\$13,420.00	\$11,200.00	
Time of Delivery	98-112 after technical approval	98-112	120-140	
Addendum No 1	X		X	
Bid Item 4^D	\$4,420.00	\$9,842.00	NO RESPONSE	
Time of Delivery	98-112	98-112		
Addendum No 1	X	X		
Bid Item 5^E	\$3,225.00	\$2,292.00	\$1,700.00	
Time of Delivery	98-112	98-112	120-140	
Addendum No 1	X	X	X	
Bid Item 6^F	\$5,280.00	\$6,238.00	\$4,400.00	
Time of Delivery	98-112	98-112	120-140	
Addendum No 1	X	X	X	
Bid Item 7^G	NO RESPONSE	\$10,110.00	\$12,200.00	
Time of Delivery		98-112	120-140	
Bid Item 8^H	NO RESPONSE	\$13,670.00	\$9,600.00	
Time of Delivery*		98-112	120-140	

^ABID ITEM 1: Lump sum price for the purchase of two (2) MV 1400 X 1000A FENDERS

^BBID ITEM 2: Lump Sum price for the purchase of two (2) MV 1600 X 1500A FENDERS

^CBID ITEM 3: Lump sum price for the purchase of four (4) MV 1250 X 1000A FENDERS

^DBID ITEM 4: Lump sum price for the purchase of two (2) 20" EXTRUDED TRAPEZOIDAL 9' LONG FENDERS

^EBID ITEM 5: Lump Sum price for the purchase of one (1) 18" OD X 9" ID CYLINDRICAL 6.5' LONG FENDERS

^FBID ITEM 6: Lump sum price for the purchase of two (2) 18" OD X 9" ID CYLINDRICAL 10.8' LONG (XTRA LONG) FENDERS

^GBID ITEM 7: Lump sum price for the purchase of one (1) 7' X 9' TYPE A (3 PANELS WIDE X 4 PANELS TALL) PANEL SYSTEM

^HBID ITEM 8: Lump sum price for the purchase of two (2) 5' X 9' TYPE B (2 PANELS WIDE X 4 PANELS TALL) PANEL SYSTEM

Tabulated By: David Krams, P.E.

Checked By: Eileen Mink, EIT

Checked & Prepared By: Melinda Maldonado

Date: May 30, 2014



MARITIME
International Inc

1186 Petroleum Pkwy
Broussard, LA 70518
USA

Ph: 337.321.4240

Fx: 337.321.4241

Date: June 25, 2014
Project: 14-014A
Items: Purchase of Dock Fenders and Panels

We, Maritime International Inc., submitted a sealed bid to the PCCA on May 30, 2014 for bid item 7 in the amount of \$10,110. We were awarded the contract for bid item 7 on June 12, 2014 along with an agreement to provide the panel as specified in bid item 7. After review of the documents we have decided to decline the order for the following reasons.

A. Shipping:

We looked at all items shipping consolidated as this is how most bids would be purchased with the amount of items listed.

B. Coatings

We did not allow for the metallizing of the panel and only quoted a standard epoxy coating as we had provided in the past.

Maritime International Incorporated



John Deats, Executive VP

Maritime International, Inc.



www.maritime-international.com

USA

UK

UAE

FRANCE

CHINA

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-K

Award a Contract to Gourley Contracting, LLC, the Lowest and Best Bidder Based on Bids Received on June 27, 2014, for Carpet Replacement at the Ortiz Center

The Congressman Solomon P. Ortiz International Conference Center has been in operation since 2000 and the current carpet has not been replaced since 2004. The age and condition of the current carpeting warrant replacement. The 2014 budget included \$120,000 for replacement of the carpet.

Staff identified two viable options for consideration:

- Sheet Broadloom – Traditional rolled product installed in large sections with few seams. This option is generally less expensive to purchase and install but more expensive to maintain and repair.
- Carpet Tiles – Carpet is installed in two foot square tiles. This option is generally more expensive to purchase and install but less expensive to repair and maintain as individual tiles or groups of tiles can be removed and replaced as necessary.

Replacement carpeting was chosen with coordination between the PCCA Operations department, PCCA Engineering department, and staff at the Ortiz Center. The selected replacement product, Mannington Converse, is a commercial grade product available in both sheet broadloom and carpet tile and is available in a design that is suitable for the Ortiz Center image and function.

Staff prepared bid documents to remove and dispose of the existing carpet, prepare the floor, and to provide and install new carpet and bound cove base. The contract was structured with a Base Bid for providing sheet broadloom carpeting and an Alternate Base Bid for providing tile carpeting. An additive bid item was also included for the Contractor to remove and replace the furniture as required to install the carpeting. The work is scheduled to be performed during this traditionally lower demand time of the year for the Ortiz Center with completion prior to September 2014.

On June 27, 2014, we received three responsive bids to our Notice to Bidders. Gourley Contracting, LLC, was the apparent low bidder for the Alternate Base Bid (carpet tile option) and Additive Bid Item #1. Gourley Contracting, LLC, is a local firm that is a Historically Underutilized Business, (Women-owned small business enterprise) that has successfully performed past projects for the PCCA.

Staff recommends that a contract be awarded to Gourley Contracting, LLC, in the total amount of \$161,793.00 for the Alternate Base Bid and Additive Bid Item #1. Staff recommends the Alternate Base Bid (tile carpeting) for its ease of repair and replacement, including the ability of the PCCA's Maintenance Department to be able to perform these functions without the need of professional assistance. Staff further recommends that the Director of Engineering Services be granted a six percent contingency in accordance with PCCA standard contingency guidelines.

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



**BID TABULATION FOR CARPET REPLACEMENT AT ORTIZ CENTER
PROJECT NO. 12-020A
Bid Opening: JUNE 27, 2014 at 3:00 pm**

Company Name	Bid Bond or Cashier's Check	Base Bid ^A	Alternate Base Bid ^B	Additive Bid Item 1 ^C	Time of Delivery*	Addend No. 1	Staff's Recommended Award: Alt Base Bid + Add Bid 1
Alexander's Carpet One	Cashier's Check \$8,800.00	\$153,622.00	\$166,832.26	\$6,850.00	45	X	\$173,682.26
Gourley Contracting, LLC	5% Bid Bond	\$155,319.75	\$160,793.00	\$1,000.00	45	X	\$161,793.00
Bonco, LLC	5% Bid Bond	\$165,131.00	\$181,220.00	\$3,000.00	45	X	\$184,220.00
175							

*In calendar days

^A BASE BID: Includes removal and disposal of existing carpet and base, preparing the floor, furnish and install approximately 3,300 SY of new Mannington Converse 100% Antron Legacy Type 6.6 Nylon Broadloom carpet and wall base at Ortiz Center. This is a Lump Sum bid item.

^B ALTERNATE BASE BID: Includes includes removal and disposal of existing carpet and base, preparing the floor, furnish and install approximately 3,300 SY of new Mannington Converse 100% Antron Legacy Type 6.6 Nylon Modular – 2 x 2 carpet tile and wall base at Ortiz Center. This is a Lump Sum bid item.

^C ADDITIVE BID ITEM 1: Includes includes the removal and reinstallation of all furniture, equipment and any other materials in office space during the removal and installation of the carpet. This is a Lump Sum bid item. Note: If accepted, this Additive Bid Item 1 may apply to either Base Bid or Alternative Base Bid.

Read By: David L. Krams, P.E.

Tabulated By: Eileen Mink, EIT

Checked & Prepared By: Melinda Maldonado

Date: June 27, 2014

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-L

Award a Contract to Mako Contracting, LLC, the Lowest and Best Bidder Based on Bids Received on July 2, 2014, for Bulk Dock 2 Roadway Extension

The PCCA has an ongoing initiative to reduce dust emissions and to improve storm water runoff quality related to loading, unloading, and storage of petroleum coke and other dry-bulk materials transported through the Bulk Terminal. One improvement generally recognized as being effective in reducing dust generation and sediment transport is the installation and maintenance of paved access roads and driveways at bulk material storage locations. While most of the roadways at the Bulk Terminal are paved, there are a few high traffic areas that are still unpaved. It is extremely difficult to keep these unpaved roadways clean and maintained.

Port staff has identified and prioritized several areas around the Bulk Terminal that need to be paved. The highest priority area involves extending the service road at the western end of the Bulk Dock 2 area to the rail load out pad currently used by CITGO. We have completed the design of this area and taken bids for it. A second priority area is the road leading to the back side of the Koch Carbon pad area. This second area is currently under design and will be bid later this year.

The scope of work for the first project includes extending an existing concrete roadway at the Bulk Terminal approximately 350 feet with concrete curbs and access driveways. See attached exhibit.

On June 30, 2014, we received seven responsive bids to our Notice to Bidders. Mako Contracting, LLC, submitted the lowest responsive bid for \$153,367.00. Mako is a local contractor, and this would be their first project for the PCCA. Staff contacted several references submitted by Mako for information on their performance; and their work was found to be satisfactory. While they have not performed work within industrial sites, they have recently performed construction contracts for the City of Corpus Christi, Texas A&M University-Corpus Christi, and Tuloso-Midway and Corpus Christi Independent School Districts. Mako also provided letters of recommendation from various local architects and from American Bank. Mr. Gabriel Goodman is the president of Mako, which was established in 2010.

Staff recommends that a contract be awarded to Mako Contracting, LLC, in the total amount of \$153,367.00. Staff further recommends that the Director of Engineering Services be granted a 7% contingency in accordance with our standard contingency guidelines.

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



BID TABULATION FOR BULK DOCK 2 ROADWAY EXTENSION
PROJECT NO. 14-018B
Bid Opening: July 2, 2014 at 11:00 a.m.

Table with 6 columns: Company Name, Bid Bond or Cashier's Check, Base Bid^A, Time of Delivery*, Addend No. 1, Addend No. 2. Rows include Mako Contracting LLC, J M Davidson, LTD, Garrett Construction Co., Mahan Foundation & Contractors, LLC, H&S Constructors Inc., Salinas Construction Technologies, Ltd., and Gourley Contracting, LLC.

*In calendar days

^BASE BID: Includes roadway excavation, subgrade compaction, installation of limestone base material and construction of new reinforced concrete roadway and driveways. This is a Lump Sum bid item.

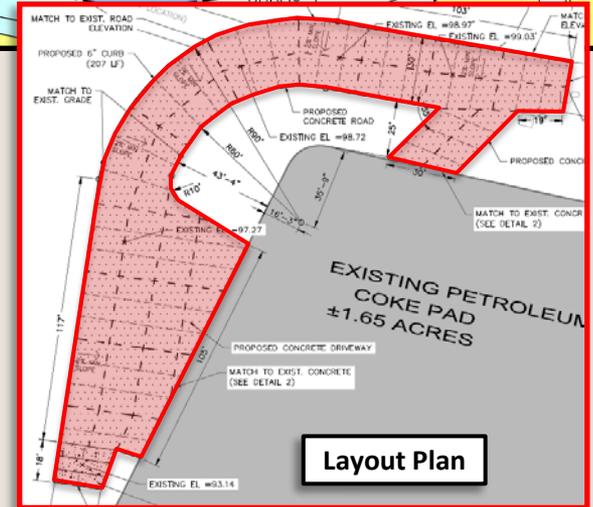
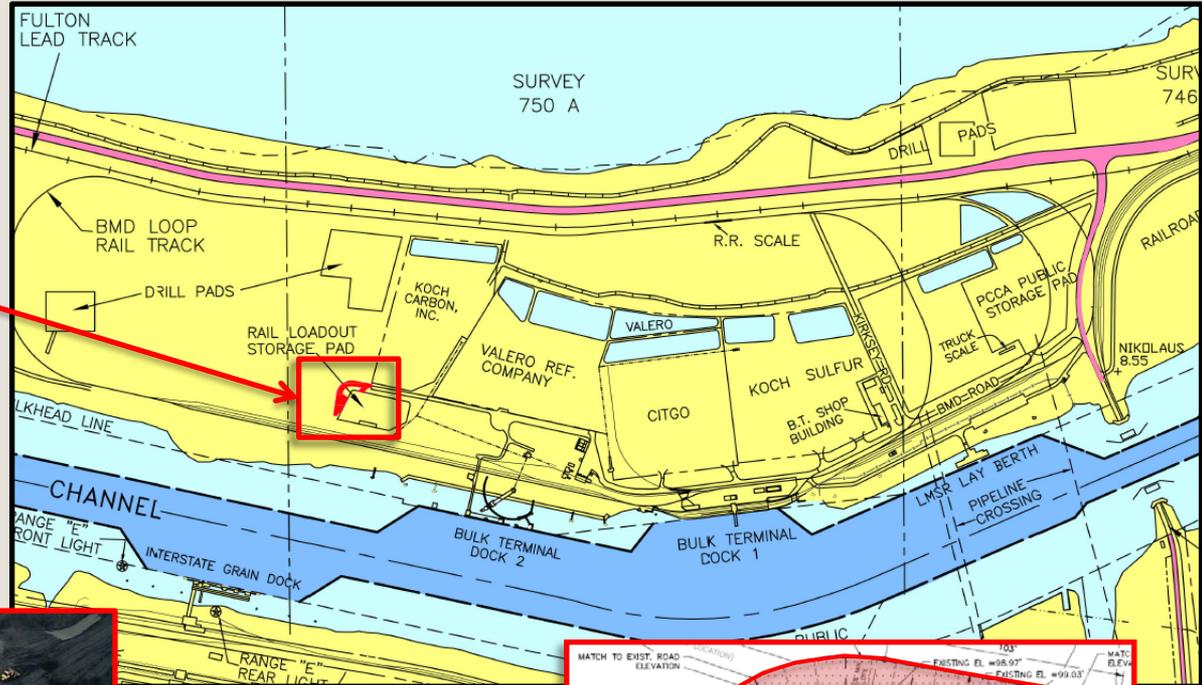
Read By: David L. Krams, P.E.
Tabulated By: Bert Perez, P.E.
Checked & Prepared By: Melinda Maldonado
Date: July 2, 2014

177

Bulk Terminal Road Extension

178

Location of Road Extension



Layout Plan

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-M

**Approve the Purchase of a Winch Truck from Grade Truck Center,
the Lowest and Best Bidder Based on Bids Received June 30, 2014**

The PCCA currently owns a 1996 Ford F-700 truck with an oil field body and mechanical winch, which is operated by the Maintenance Department. See attached exhibit. This truck is used to tow larger mowing tractors, haul heavy materials such as fender panels, retrieve inoperable vehicles and equipment, and other tasks. This truck is aging and requires increased maintenance to keep the vehicle in a safe and working condition. The 2014 budget included \$130,000 to purchase a new winch truck.

On June 30, 2014, we received two responsive bids to our Notice to Bidders (see attached bid tabulation sheet) out of four entities that downloaded a bid package through the PCCA's procurement website. Grande Truck Center was the apparent low bidder for a 2015 Ford F-650 truck and Tulsa RN30 winch in the amount of \$83,863.00, which includes a \$5,000 trade-in for the PCCA's existing truck. Grande Truck Center is an established, reputable, regional dealership located in San Antonio, Texas, that previously provided two dump trucks to the PCCA Maintenance Department in 2013. Staff included an alternate bid for a CNG fueled truck but determined the differential cost between the diesel and CNG units to be too costly at this time. Furthermore, the PCCA has limited CNG fueling capabilities, especially for high volume CNG tanks. Staff will continue to explore alternative fuel options for future purchases.

Staff recommends that a contract be awarded to Grande Truck Center in the amount of \$83,863.00 for the purchase of one 2015 Ford F-650 truck with Tulsa RN30 winch.

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



**BID TABULATION FOR PURCHASE OF WINCH TRUCK
PROJECT NO.14-008F
Bid Opening: June 30, 2014 at 3:30 p.m.**

Bid Items	Company Name				
	Corpus Christi Freightliner	Grande Truck Center			
BID^A					
Truck Manufacturer	Freightliner	Ford			
Truck Model	M2-106	2015 F650			
Winch Manufacturer	Tulsa	Tulsa			
Winch Model	RN30W	RN30W			
Bid Amount for Bid	\$95,600.00	\$88,863.00			
Less Trade-In	(\$1,500.00)	(\$5,000.00)			
Total for Bid	\$94,100.00	\$83,863.00			
Time of Delivery*	150 Days	Approx. 200 Days			
ALTERNATE BID^B					
Truck Manufacturer	Freightliner	No Bid			
Truck Model	M2-112 CNG				
Winch Manufacturer	Tulsa				
Winch Model	RN30W				
Bid Amount for Alternate Bid	\$148,609.81				
Less Trade-In	(\$1,500.00)				
Total for Alternate Bid	\$147,109.81				
Time of Delivery*	150 Days				
Addendum No. 1	X	No Acknowledgment			
STAFF'S RECOMMENDED AWARD: BID^A		\$83,863.00			

* In calendar days (No Date Range Allowed)

^ABID: Lump sum price for the purchase of winch truck less trade-in 1996 Ford F-700 truck with Tulsa winch and oilfield body (Unit #240).

^BALTERNATE BID: Lump Sum price for the purchase of Original Equipment Manufacturer (OEM) Compressed Natural Gas (CNG) winch truck less trade-in 1996 Ford F-700 truck with Tulsa winch and oilfield body (Unit #240).

Tabulated By: David L. Krams, P.E.

 Checked By: Jacob Morales, P.E.

 Checked & Prepared By: Melinda Maldonado

 Date: June 30, 2014

Purchase of Winch Truck



181

Existing Winch Truck

EXHIBIT 1

DATE: July 8, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 13-N

Approve the Purchase of a Crew Cab Truck with a Crane and Platform Bed from Grande Truck Center, the Lowest and Best Bidder Based on Bids Received June 30, 2014

The PCCA currently owns a 2000 Ford F-650 crew truck with a rig platform bed and electric crane, which is operated by the Maintenance Department to support grounds maintenance and mowing operations. The truck-mounted crane is also utilized for minor dock repairs, loading/off-loading work barges, replacing tractor tires, and other miscellaneous tasks. The crew truck is aging and requiring increased maintenance to keep the vehicle in a safe and working condition. The 2014 budget included \$130,000 to replace the crew truck.

On June 30, 2014, we received two responsive bids to our Notice to Bidders (see attached bid tabulation sheet) out of six entities that downloaded a bid package through the PCCA's procurement website. Grande Truck Center was the apparent low bidder for a 2015 Ford F-650 truck and 6036 Liftmoore crane in the amount of \$97,485.00, which includes a \$5,000 trade-in for the PCCA's existing F-650 crew truck with crane. Grande Truck Center is an established, reputable, regional dealership located in San Antonio, Texas, that provided two dump trucks to the PCCA in 2013. Staff included an alternate bid for a CNG truck but determined the differential cost between the diesel and CNG units to be too substantial at this time. Furthermore, the PCCA has limited CNG fueling capabilities, especially for high volume CNG tanks. Staff will continue to explore alternative fuel options for future purchases.

Staff recommends that a contract be awarded to Grande Truck Center in the amount of \$97,485.00 for the purchase of one 2015 Ford F-650 truck with rig platform bed and Liftmoore 6036 electric crane.

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



**BID TABULATION FOR PURCHASE OF CREW TRUCK WITH CRANE & PLATFORM BED
PROJECT NO.14-008G**

Bid Opening: June 30, 2014 at 4:00 p.m.

Bid Items	Company Name				
	Corpus Christi Freightliner	Grande Truck Center			
BID^A					
Truck Manufacturer	Frieghtliner	Ford			
Truck Model	M2-106 Diesel	2015 F650			
Crane Manufacturer	Liftmoore	Liftmoore			
Crane Model	6036WX20	6036WX20			
Bid Amount for Bid	\$112,932.35	\$102,485.00			
Less Trade-In	(\$5,500.00)	(\$5,000.00)			
Total for Bid	\$107,432.35	\$97,485.00			
Time of Delivery*	150 Days	Approx. 200 Days			
ALTERNATE BID^B					
Truck Manufacturer	Freightliner	No Bid			
Truck Model	M2-112 CNG				
Crane Manufacturer	Liftmoore				
Crane Model	6036WX20				
Bid Amount for Alternate Bid	\$165,565.05				
Less Trade-In	-\$5,500.00				
Total for Alternate Bid	150 Days				
Time of Delivery*					
Addendum No. 1	X	No Acknowledgement			
STAFF'S RECOMMENDED AWARD: BID^A		\$97,485.00			

* In calendar days (No Date Range Allowed)

^ABID: Lump sum price for the purchase of winch truck less trade-in 2000 Ford F650 Crew Cab Truck, Rig Platform Bed with Liftmoore Crane 6036DX (Unit #276).

^BALTERNATE BID: Lump Sum price for the purchase of Original Equipment Manufacturer (OEM) Compressed Natural Gas (CNG) winch truck less trade-in 2000 Ford F650 Crew Cab Truck, Rig Platform Bed with Liftmoore Crane 6036DX (Unit #276).

Tabulated By: David L. Krams, P.E.

Checked By: Jacob Morales, P.E.

Checked & Prepared By: Melinda Maldonado

Date: June 30, 2014



Purchase of Crew Truck with Crane and Platform



Existing Crew Truck

View of Existing Crane



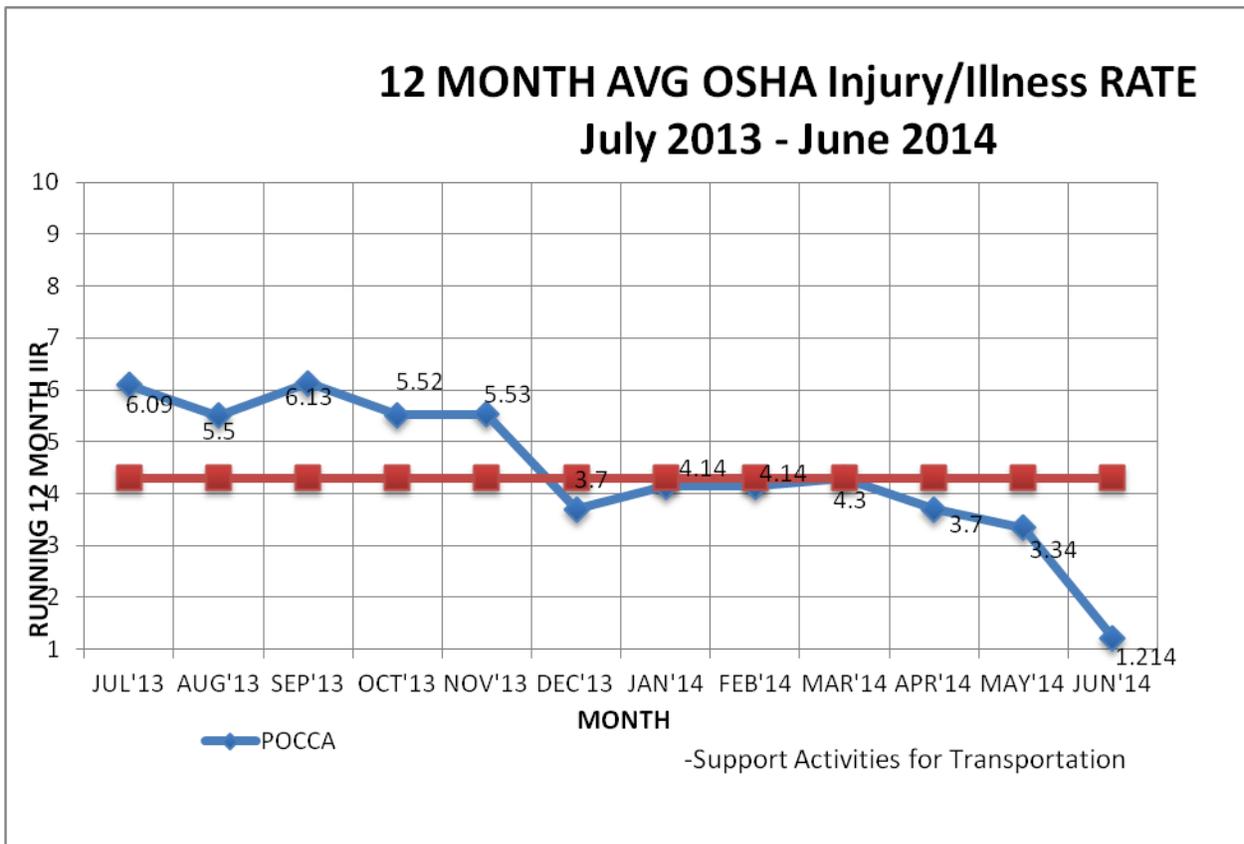


DATE: July 8, 2014

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

AGENDA ITEM NO. 14

Executive Director's Report



Monthly Data Safety Report
June 2014

Safety	POCCA Employees Total		BMD Personnel		Maintenance Personnel		PD Personnel		Admin. & Annex Personnel	
	Month	YTD	Month	YTD	Month	YTD	Month	YTD	Month	YTD
Number of Employees	0		0		0		0		0	
Work Hours	25,708	166,183	3,843	26,070	5,473	34,439	6,580	43,248	9,812	62,427
First Aid Cases	0	6	0	1	0	4	0	0	0	1
Recordable Injuries	0	2	0	0	0	1	0	0	0	1
Recordable Illnesses	0	0	0	0	0	0	0	0	0	0
Lost Time Cases	0	1	0	0	0	0	0	0	0	1
Number of Days Lost	0	11	0	0	0	0	0	0	0	11
Restricted Cases	0	0	0	0	0	0	0	0	0	0
Number of Days Restricted	0	0	0	0	0	0	0	0	0	0
TOTAL RECORDABLES	0	2	0	0	0	1	0	0	0	1
INCIDENT RATE (As of 1-1-14)		2.41		0.00		5.81		0.00		3.20
Types of Injuries										
Slips/Trips/Falls	0	2	0	0	0	1	0	0	0	1
Struck By	0	1	0	0	0	1	0	0	0	0
Strains/Sprains	0	1	0	0	0	1	0	0	0	0
Cuts/Lacerations/Punctures	0	3	0	0	0	2	0	0	0	1
Back Injuries	0	0	0	0	0	0	0	0	0	0
Heat Stress	0	0	0	0	1	1	0	0	0	0
Insect Bites	0	0	0	0	0	0	0	0	0	0
Other	0	1	0	1	0	0	0	0	0	0
TOTAL	0	8	0	1	1	6	0	0	0	2
Days Since Last Lost Time Case 143										
Hours Since Last Lost Time Case 124,207										
Days Since Last Recordable Injury/Illness 143										
Hours Since Last Recordable Injury/Illness 124,207										
12 Month Rolling Average										
Date of Last Lost Time Case Thursday, May 02, 2013	Date of Last Recordable Friday, June 14, 2013		July 2013 - June 2014:				329,370 Man-hours Worked			
		Occupational Injury/Illness Rate:				1.21				

COMMUNICATIONS

June Events with Employee Participation:

- Wellness meeting & monthly luncheon
- Visit to voestalpine's headquarters
- Attended AAPA Public & Government Affairs Conf
- Mastermind Committee Mtg.
- Port Commission Mtg.
- CVB monthly meeting
- START meeting in Tilden
- American Diabetes Board Meeting
- 4H Exchange Club Oregon Students Presentation / Tour
- Hillcrest Summer Camp Students Presentation / Tour
- 4th of July Proclamation City Hall

Upcoming events with employee participation

- Evans Elementary School Supply Drive July 1, 2014
- Evans Elementary School Supply Chips & Trail Mix Drive July 7, 2014
- Evans Elementary Drop off Supply Visit August 22, 2014
- Elementary School (First Day of School Visit) August 25, 2014

June Multimedia Coverage:

- Web Development
 - Web Development & Search Engine Optimization
 - Recording Web Stats (Google Analytics 05.26.2014-06.25.2014)
 - 12,214 total Visits; 75,972 Page views; with 6,151 (50.36%) New Visitors; 6,063 (49.6%) Returning Visitors
 - Top Visitor Locations/# of Visitors (103 total locations): Mexico tops the list, following the U.S.A. Colombia, India, and Brazil follow closely. These countries have all maintained significant interest in the past several months.
 - United States : 10,767
 - Mexico : 136
 - Colombia : 119
 - Brazil : 108
 - India : 106
 - Top Traffic Sources: Google search remains the top method of entry to our site with direct hits close behind. Bing and Yahoo search were used for organic traffic of several hundred others each.
 - Google Organic Search (Port Corpus Christi or Port of Corpus Christi typed directly into search inquiry) : 5,121
 - Direct : 4,567

- Referral
 - ✓ 1) Google (Organic) : 5,121
 - ✓ 2) Direct : 4,567
 - ✓ 3) Bing (Organic) : 1,027
 - ✓ 4) yahoo (Organic) : 565
 - ✓ 5) Seamalt.com : 81
 - ✓ 6) Central America Data.com : 69
 - ✓ 8) T21.MX : 53
- Web Ranking (Alexa.com three month avg.)
<http://www.alexa.com/siteinfo/portofcorpuschristi.com>
 - PortOfCorpusChristi.com in regards to every site on the world-wide web currently holds a ranking at 12,115,789.
 - Total Sites linking in : 118
- Social Media – What is so incredible about the continued growth on our Social Media Channels is that we use no advertising, and remain completely organic. Followers are up again on our two main channels, Facebook and Twitter. Our Twitter channel has more followers than Facebook, though total reach through facebook posts is typically greater. Both of these channels remain very active, and are viable means to reaching out to the world for Port Corpus Christi.
- Facebook – 236 Likes
 - Reach: 802 People Internationally (5.29.2014-6.26.2014) **USA** remains on top with **Colombia** and **Mexico** in the top 3.
 - USA : 201
 - Colombia : 7
 - Mexico : 5
 - Nicaragua : 2
 - Philippines : 2
- Twitter – 442 Followers
 - 25 mentions and retweets for June 1-26.2014
- Photography/Videography/Documentary
 - TxDot Tour
 - IT Department members for Who's Who
 - Commission Meeting
 - New Employees
 - Full Northside Yards
 - Wind Component Ops on North Side
 - New UP rail photos
 - Social Media Award
- Public Relations / Media Relations
 - Composition and Distribution of Press Releases
 - Vessel Fire Advisory
 - USNS Benavidez Tour
 - Coordinating media for Benavidez tour
 - Participate in CCCVB Board of Directors meeting
- Marketing
 - Creating/Writing and Publishing Original Content for <http://portofcorpuschristi.com>

- [Eagle Ford Production Continues Upward, So do Outbound Shipments from Our Port](#)
- [voestalpine Secures EPA Permitting for La Quinta Project](#)
- [Port Corpus Christi; Key Port in Shale Boom](#)
- SEO (Search Engine Optimization) Writing to keywords for search and linking to other sites. Port Corpus Christi has gained relevance with all major search engines: Google, Bing, Yahoo.
- Continued Social Media use for events and link sharing, plus research
- Presentation updates for Frank Brogan
- Presentation updates for Ruben Medina
- General Presentation updates
- Creating, Writing, and Compilation of stories and photos for Our Port newsletter
- Tracking and maintaining a list of Port Corpus Christi in the news: **24 articles** for June, see attached PortCCNews6_2014 list
- Multimedia content production
- Supporting the mission and the promotion of Port Corpus Christi; The Port of the Lone Star State, as part of Our Port’s award winning Communications Department

News Coverage:

06.04.2014	Platts Caller	Port of Corpus Christi outbound crude shipments rise 54% year on year in April
06.10.2014	Times	LIVE COVERAGE: Port of Corpus Christi mulls water line agreements for LaQuinta
06.10.2014	KIII tv	Hot Jobs report
06.10.2014	KRIS Wallstreeter Boating	Cargo Ship Fire
06.10.2014	News	Cargo Ship Catches fire at Corpus Christi
06.10.2014	G Captain	Cargo Ship Catches Fire at Corpus Christi
06.10.2014	KIII tv Caller	Two Firefighters Hospitalized Following Ship Fire
06.10.2014	Times Daily	Port clears water lines for LaQuinta
06.11.2014	Reporter	2 Corpus Christi firefighters injured battling cargo ship blaze, welding blamed for fire
06.11.2014	KIII tv Manzanillo	Two Firefighters Injured in Cargo Ship Fire Showing Signs of Improvement
06.11.2014	Xport	Cargo Ship Fire at Port of Corpus Christi
06.11.2014	News West	Corpus Christi firefighters hurt in ship blaze
06.12.2014	The Eagle	2 Corpus Christi firefighters hurt in ship blaze
06.13.2014	Alice Echo San Antonio	Port of Corpus Christi welcomes new company
06.13.2014	Express	Corpus Christi apartment market booms with the Eagle Ford
06.16.2014	EPA.gov Caller	EPA Finalizes Greenhouse Gas Permit for Voestalpine Iron Production Plant; \$740M facility in San Patricio Co., TX, will bring 1,400 construction jobs and 150 permanent jobs
06.16.2014	Times	Voestalpine ‘relieved’ to get EPA permit
06.16.2014	KIII tv	Firefighters Injured Battling Cargo Ship Fire Back on Active Duty
06.17.2014	Law 360	voestalpine winds epa’s nod to build \$740M Texas Iron Plant
06.17.2014	LexisNexis	Voestalpine Wins EPA’s Nod To Build \$740M Texas Iron Plant
06.19.2014	Breakbulk	EPA Approves Voestalpine Texas Plant Construction
06.21.2014	TAC	EPA Approves Voestalpine Texas Plant Construction

	The	
06.21.2014	Advertiser	Dredging for dollars: Iberia port wants to dig deep
06.23.2014	AMM	voestalpine wins EPA final permit for HBI, DRI plant

Marketing – MDR:

In June, the Communications Department worked in conjunction with the Port's many presenters to update the Business-to-Business presentation with accurate information – especially in regards to new investments. We are developing a community outreach campaign that will proactively tell the Port's story. Stay tuned for more details. The START initiative continues to move forward. START Partners met in Tilden, TX, equidistance to all partners, to develop an affiliate membership letter and application. This effort will grow the network of contacts and reach that START can offer while providing companies an opportunity to reach the START audience.

June 2014 Media/Editorial Focus/Ad Content:

- American Jrnl of Transportation/ Gulf Coast Ports /The Port of the Lone Star State
- Guia Maritimo/ eNewsletter/ Mejoramos Su Cadena Logistica
- Texas Eagle Ford Shale Magazine /Various/ Truck, Ship, Rail or Pipe...we've got the moves.
- Dry Cargo International /Online Banner /Port of the Lone Star State
- Expansion Solutions Magazine/ Homepage Banner /South Texas is Going Strong
- International Transport Journal/ eNewsletter Banner/ Port of the Lone Star State
- La Republica /Online Banner /Su Alianza Logistica en Texas
- ReCharge /News Online Banner/ Work is a Breeze with the Right Partner

July 2014 Media/Editorial Focus/Ad Content:

- AAPA Latin America /online Online Banner Ad /Su alianza logistica en Texas
- Dry Cargo Ports & Terminals /The Port of the Lone Star State
- Global Trade /TX is King of the Hill /The Port of the Lone Star State
- World Trade /Gulf Coast Ports /The Port of the Lone Star State
- Breakbulk /Breakbulk Brazil Conf. /In Texas, big is no big deal
- Logistics Mgmt /Panama Canal Report/ The right Partner, the right logistics
- Shale Oil/Gas/Transportation/ Truck, ship, rail or pipe...we've got the moves
- larepublica.co /Online Banner /Su alianza logistica en Texas
- Logistics Mgmt /e-newsletter Logo

Current Marketing Developments

- START Initiatives/eBlast
- 2014 Media Planning
- Various Media and Community Ads

- Account Advising
- Children’s Video (Upcoming)
- Security Brochure Updates
- Las Brisas Golf Tournament Invites

PORT'S ANNUAL GOLF TOURNAMENT THANKING VENDORS



SAMPLE AD CREATIVE FOR UPCOMING & CURRENT PLACEMENTS



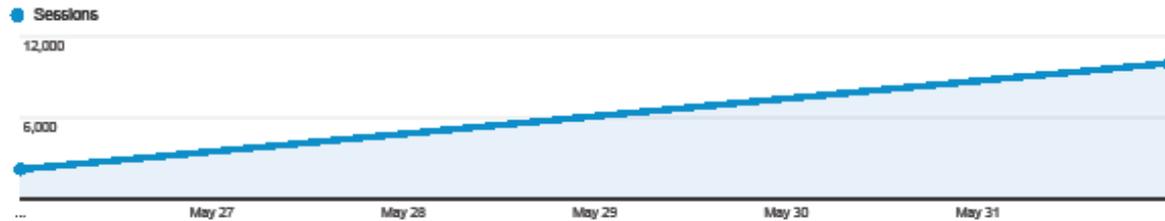


Audience Overview

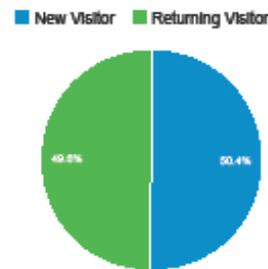
May 26, 2014 - Jun 25, 2014

All Sessions 100.00%
 + Add Segment

Overview



Sessions 12,214	Users 7,199	Pageviews 75,972
Pages / Session 6.22	Avg. Session Duration 00:01:53	Bounce Rate 4.14%
% New Sessions 50.36%		



Country / Territory	Sessions	% Sessions
1. United States	10,767	88.15%
2. Mexico	136	1.11%
3. Colombia	119	0.97%
4. Brazil	108	0.88%
5. India	106	0.87%
6. Canada	93	0.76%
7. Peru	80	0.65%
8. United Kingdom	73	0.60%
9. Spain	49	0.40%
10. Italy	46	0.38%

GOVERNMENT AFFAIRS

During June 2014, Government Affairs promoted and protected port and regional interests at the local, state and federal levels of government.

STATE

- Provided port briefing and tour for TXDOT Transportation Planning Conference participants.
- Hosted and attended the Texas Freight Mobility Listening Session.
- Worked with Representative Todd Hunter's office to host Texas House Interim Committee on Water Desalination hearing.
- Working with state delegation and consultants to monitor interim committee charges affecting ports.

FEDERAL

- Held port briefing and tour for Congressman Filemon Vela and staff.
- Attended AAPA Public Relations/Government Relations conference.
- Working with congressional offices and consultants to monitor 2015 appropriations, USACE funding, MAP 21/Freight Network, Harbor Maintenance Trust Fund reform, Port Security Grant Program funding, etc.

Memorandum for Nelda Olivo, Manager of Government Affairs, Port of Corpus Christi Authority

From **Randy Erben**

Date: June 30, 2014

Re: Activities on behalf of Port of Corpus Christi during June 2014

June 2: Conferences with Rep. Price (House Appropriations Committee) and staff, regarding Port Access Fund; attendance at State Water Implementation Fund for Texas Advisory Committee hearing; conferences with members and staff regarding same; preparation and transmission of memoranda to POCCA representatives regarding interim hearings.

June 3: Attendance at Senate Jurisprudence Committee hearing; conferences with members and staff regarding same; conferences with Rep. Workman regarding port issues; conferences with Rep. Price (House Appropriations Committee) and staff regarding port access fund; preparation and transmission of memoranda to POCCA representatives regarding interim committee hearings, Texas Register state agency rules, political activities and Nueces County delegation newsletters.

June 4: Conferences with Speaker Straus and staff regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding interim state committee hearings, GAO reports, and Nueces County delegation newsletters.

June 5: Preparation and transmission of memoranda to POCCA representatives regarding congressional activities and Nueces County delegation newsletters.

June 6: Preparation and transmission of memoranda to POCCA representatives regarding Nueces County delegation newsletters and interim legislative committee hearings.

June 9: Conferences with Rep. Marquez (House Appropriations Committee) and staff, regarding Port Access Fund; preparation and transmission of memoranda to POCCA representatives regarding political activities, interim legislative committee hearings and Nueces County delegation newsletters.

June 10: Conferences with Attorney General Abbott and staff regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding Nueces County delegation newsletters and interim hearings.

June 11: Preparation and transmission of memoranda to POCCA representatives regarding Nueces County delegation newsletters and interim hearings.

June 12: Conferences with First Assistant Attorney General Daniel Hodge regarding port issues; conferences with Rep. Naishtat and staff regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding interim hearings and Nueces County delegation newsletters.

June 13: Preparation and transmission of memoranda to POCCA representatives regarding interim hearings and Nueces County delegation newsletters.

June 16: Attendance at Joint Water Desalination Committee meeting; conferences with committee members and staff; preparation and transmission of memoranda to POCCA representatives regarding political activities and interim state legislative hearings.

June 17: Attendance at House Appropriations Committee meeting; conferences with committee members and staff; conferences with Rep.-elect Faircloth and staff regarding port issues; pre Attendance at Senate Natural Resources Committee meeting on electric markets; conferences with Senators and staff; preparation and transmission of memoranda to POCCA representatives regarding interim state legislative hearings.

June 18: Attendance at Senate Government Organization Committee hearing; conferences with committee members and staff; preparation and transmission of memoranda to POCCA representatives regarding Nueces County delegation newsletters.

June 19: Conferences with Sens. Patrick, Schwertner, Nichols, and Zaffirini, Reps. Creighton and Farrar, Sens.-elect Taylor and Bettencourt, and Rep.-elect Schofield regarding port issues and interim charges; review of memoranda from Nelda Olivo regarding Joint Water Desalination Committee meeting in Corpus Christi on June 23; preparation and transmission of memoranda to POCCA representatives regarding interim hearings and Nueces County delegation newsletters.

June 20: Conferences with Sen.-elect Huffines and Rep.-elect Paul regarding port issues.

June 23: Attendance at Senate Transportation Committee and Senate Open Government Committee hearings; conferences with Senators and staff regarding same; conferences with Reps. Kolkhorst, Burkett, and Laubenberg regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding interim charges and Nueces County delegation newsletters.

June 24: Attendance at Select Transportation Funding Committee and Sunset Advisory Commission hearings; conferences with Representatives, Senators and staff regarding same; conferences with Rep. Kolkhorst regarding port issues.

June 25: Attendance at House Natural Resources Committee and Sunset Advisory Commission hearings; conferences with members and staff regarding same; conferences with staff of Sen. Zaffirini regarding San Patricio County involvement in port; conferences with Sen. Paxton and Rep. Wu regarding port issues.

June 26: Attendance at House Natural Resources Committee hearings; conferences with Reps.-elect Metcalf and Keough regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding interim charges, Nueces County delegation newsletters, and political activities.

June 27: Preparation and transmission of memoranda to POCCA representatives regarding interim charges, Nueces County delegation newsletters, and political activities.

June 30: Attendance at House Land and Resource Management Committee hearing; conferences with members and staff regarding same; conferences with Reps. Goldman, Springer, Simmons, Capriglione, and Frank regarding port issues; preparation and transmission of memoranda to POCCA representatives regarding interim hearings and Nueces County delegation newsletters.

June 1-30: Conferences with Sen. Hinojosa, Rep. Hunter, Rep. Herrero, and Rep. Lozano, and staffs, regarding port issues.
Review of, and legal research on, interim committee activities affecting Port of Corpus Christi.

Firm Client: Port of Corpus Christi Authority, Texas

Primary Client Team: Barry Rhoads, Steven McKnight, and Andrew Forbes

Services Period: June 1-30, 2014

Summary of Services on behalf of Port of Corpus Christi Authority, Texas:

- Substantive consulting on federal government issues on behalf of PCCA
 - ▶ Discussed status of PCCA's 2014 TIGER [Transportation Investment Generating Economic Recovery] grant application and related liaison activities
 - ▶ Conferred about Corps of Engineers policy position regarding remaining elements of Corpus Christi Ship Channel improvement project
 - ▶ Provided information about potential impact of Department of Energy report and request for comments on PCCA's export of liquefied natural gas and other energy products
- Legislative Liaison and Monitoring
 - ▶ Reported on progress of Water Resources Reform & Development Act of 2014, including Presidential signing of legislation
 - ▶ Engaged in broad discussion of potential funding levels for transportation infrastructure and port security projects
 - ▶ Made tentative plans for July Port visit to meet with Congressional professional staff members on remaining elements of Corpus Christi Ship Channel improvement
 - ▶ Discussed support for provision providing funding of donor and energy transfer ports contained in surface transportation reauthorization bill
- Client Contact and Team Coordination
 - ▶ Met with Executive Director John LaRue and two members of Port Commission to discuss status of federal government relations activities and need for improve rail infrastructure in region
 - ▶ Engaged in regular telephone and e-mail contact on PCCA matters with Executive Director John LaRue, Government Relations Manager Nelda Olivo, and Director of Engineering Services David Krams.
 - ▶ Reviewed news media coverage of new developments at Port and other PCCA activities and discussed same with PCCA representatives

HUMAN RESOURCES

General:

New Hires:

- Matthew Garcia, Public Relations Specialist
- Jessica Tagle, Police Officer
- Daniel Simmons, Police Officer

There were (2) Pre - Placement Physical Examinations and (2) drug test conducted. Additionally, there were (4) random and (1) post-accident drug tests conducted.

Summer Youth Program - PCCA is participating in the Summer Youth Program. Workforce Solutions of the Coastal Bend is Administrator of the program.

A Leadership Training Series was held for supervisors (director, managers and supervisors). The training was conducted by Workforce Solutions - Business Services a division of SERCO. The training was for (12) hours over a (3) day period... The focus of the training was "*Effective Supervision and Management of Employees.*"

There were additional meetings held with managers/supervisors to discuss: Human Relations, Recruitment, Staffing and Employee Development.

Contract Participation:

At the end of June there was a total of (455) vendors registered on the established E - Bid System web site for businesses doing and those wanting to do business with the PCCA. Of the vendors registered, (186) are target group vendors. The Target Group Vendors are: Disadvantage Business Enterprise (DBE), Historically Underutilized Business (HUB), Minority Business Enterprise (MBE), Woman Owned Business (WOB), and Small Business Enterprise (SBE).

**Port of Corpus Christi Authority
Organizational Chart
June 30, 2014**

DEPARTMENTS	Exempt	Non-Exempt	Temporary	Total
Executive Director	3	0	0	3
Human Resources	2	3	0	5
Managing Director	2	0	0	2
Engineering Services	13	3	0	16
Finance & Admin.	1	1	0	2
Accounting	3	7	0	10
Information Tech	8	0	0	8
Business Development	3	0	1	4
Communications	3	1	0	4
Operations	5	0	0	5
Maintenance	2	38	0	40
Harbormaster's Office	1	8	0	9
Bulk Handling Facility	3	20	0	23
Security/Police Dept.	5	40	0	45
TOTAL	54	121	1	176

E - EXEMPT

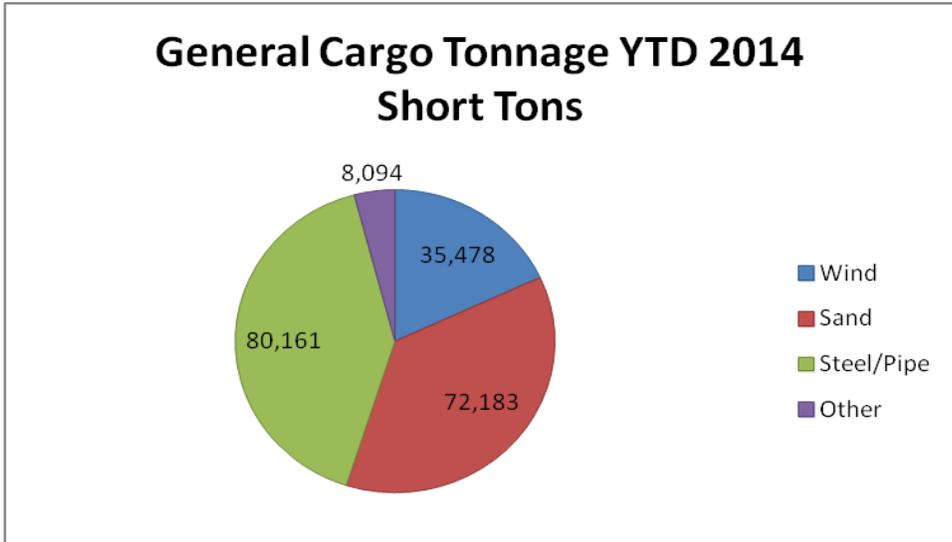
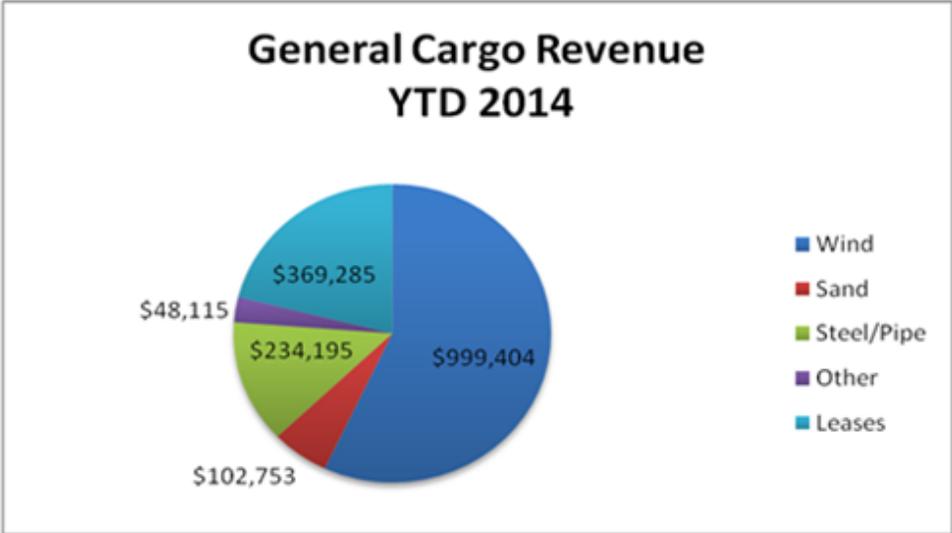
NE - NON-EXEMPT

H - HOURLY

T - TEMPORARIES

BUSINESS DEVELOPMENT

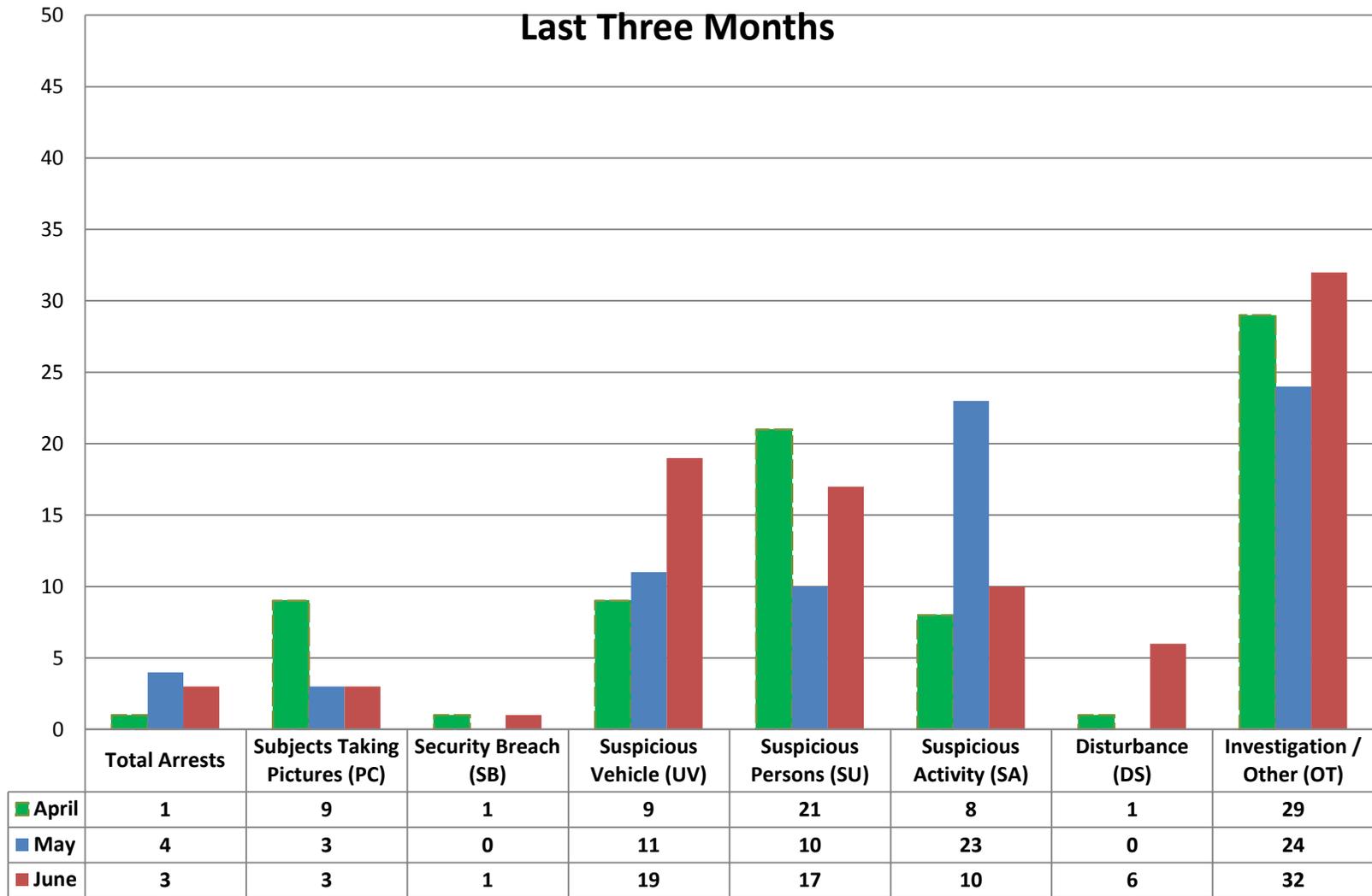
We have seen a substantial increase in cargo and revenues from the second quarter of this year. Large portion of frac sand shipments have changed from rail to barge, thus, reducing our warehouse storage and rail fees. However, wind energy components are now arriving at a steady pace. We've averaged two vessels per week in the past three months. Our lay-down areas are not yet saturated, but space is becoming tight. In addition, we continue to receive pipe shipments from Asia on a monthly basis. Hereunder, statistical information on January to June cargo handlings:



- Participated, accompanied by Commissioner Barbara Canales, in “Expo-Carga 2014” which took place in Mexico City. We had a booth within this important 3PL, Freight Forwarders, Shipping Lines event. It is estimated that over 12 thousand persons attended. We returned with various leads and requests from companies seeking to handle barite, pipe, machinery to/from PCC and Mexico. In addition, our Consultant Jorge Canavati arranged for us to meet with the President of ANIERM (Mexico’s Import-Export Association) as well as with the key Consultant to the Congressional panel who’s working on the latest Energy Reform bi-laws. We intend to have PCC play an important role in the “oil-gas frac operations” within northern Mexico.
- Whilst in Mexico City, Commissioner Canales and I were invited to attend the “1St Port Finance International Mexico & Latam Conference 2014”. The outlook for Mexican ports; financing & investment, alliances, opportunities & development were some of the topics discussed and presented by representatives from European, South American and Mexican ports. Commissioner Canales would like to have this type of event take place in PCC at a later date.
- Continue close contact with Santa Marta, Colombia port executives in regards to their pursuing the bid for the reefer warehouse. Their plan is to dismantle the building, transport to their Port and re-assemble it to handle banana exports.
- Introduced to Robstown and Portland EDC’s executives a Mexican investor who is interested in developing a logistics-hub in the area. Trucking services, container depot, general cargo handlings as well as warehouse operations are part of his business plan.
- Initiated discussions with new logistics provider handling import wind components from the Middle East towards 2015. In addition, one of our regular wind developers has plans to use PCC as a potential hub area for distribution activities in the near future.
- Continued work-revisions for the Port Tariff 100-A & Bulk Terminal Tariff 1-A. In addition, assisting our Accounting area for accurate billings on wharfage charges applied to cargoes/clients.
- Initiated contact with logistics provider for an oil industry import project cargo with undetermined time-frame. A heavy dock is required to handle the planned components. Our #8 dock is quite suitable for this type of project.
- Met with Laredo’s key freight forwarders and customs brokers to comment on the advances for the Liner Service project into Colombia. On a similar path, our research for cargo statistics and clients to/from South Texas to South America has identified potential volumes for a bi-monthly 250 TEU-general cargo vessel.

202

2014 Port Police Calls - PICC Last Three Months



OPERATIONS

HARBORMASTER

Ship Arrivals

<u>June 2014</u>		<u>YTD Ships</u>	<u>June 2013</u>		
<u>Tankers</u>	<u>Freighters</u>		<u>Tankers</u>	<u>Freighters</u>	<u>2013 YTD</u>
102	26	728	89	31	692

Barge Arrivals

<u>June 2014</u>			<u>YTD Barges</u>	<u>June 2013</u>	
<u>Tank barges</u>	<u>Freight barges</u>	<u>Tank barges</u>		<u>Freight barges</u>	<u>2013 YTD</u>
536	33	390	3191	29	2519

Shifting

<u>June</u>		<u>June 2013</u>	
<u>Tankers</u>	<u>Freighters</u>	<u>Tankers</u>	<u>Freighters</u>
14	6	27	6
<u>Tank barges</u>	<u>Freight Barges</u>	<u>Tank barges</u>	<u>Freight Barges</u>
1014	49	1025	12

	<u>June 2014</u>	<u>June 2013</u>
Average daily ship arrivals	4.27	4.0
Average daily Barge arrivals	18.97	13.97

Channel Disruptions

June 2014

There were no disruptions for June

June 2013

In June 2013 there were 7.67 hours of disruption. There were 7.67 hours for Military outbound ship. 2 inbound vessels were delayed.

BULK TERMINAL

- Current Projects:
 - Replacing three-quarter belt covers with full belt covers on CB #9
 - Preparing PLC installation at Gantry Crane
 - Dust control for all pads and roads
 - Preparing for pad resurfacing and paving projects
- Current Activity:
 - Railcars:
 - Load rail cars: 174 railcars loaded for a total of 18,859.45 Short Ton pet coke
 - Unload rail cars: 0 railcars unloaded for a total of 0 Short Ton pet coke
 - Bulk Dock #1:
 - 36,375.9 Short Tons Bauxite
 - 29,821.25 Short Tons Frac Sand
 - Bulk Dock #2:
 - 7713.48 Short Tons Pet Coke

- Pads:
 - 120,926.57 Short Tons Pet Coke

OPERATIONS COORDINATOR

- Insurance:
 - Work continues with PCCA legal counsel and Broker regarding an indemnification matter. Resolution of this issue is ongoing.
 - New RFQ for Brokerage services for 2015 has been completed and sent to PCCA legal for review. Expected bid let date is early August 2015.
 - Texas Municipal League-IRP “re-rate” information for the Port’s auto, mobile equipment, law enforcement liability and worker’s compensation policies has been completed. Renewal date is 1 October 2014.
- Port Damage Claims:
 - Avery exit gate arm damage repair costs are being paid by the responsible individual. \$1,000 has been received to date with \$191.50 outstanding.
 - Previous outstanding damage claims have been paid. Total recovered to date (2010 – 2014) is **\$68,553.54**

MAINTENANCE

- Performed preventative maintenance (PM) on vehicles, safe boat and equipment at the Maintenance Department.
- Performed routine inspection and PM on lights, water outlets.
- Performed grounds keeping port wide.
- Performed monthly a/c service port wide.
- Over saw janitorial service on all port facilities.
- Conducted monthly generator inspection and testing at Admin & Annex.
- Measured the electrical consumption for the computer room at the Admin and Annex requested by IT.
- Repaired lighting and replaced ballast in the copy room 3rd floor Admin.
- Relocated thermostat on the second floor Annex.
- Replaced the lighting on the POCCA sign outside the Annex water side.
- Installed new shelving in the back storage room and replaced lights at Eric office at the Police Dept.
- Fabricated and installed guard rail for the water meter and back flow at cargo dock # 1.
- Repaired overhead door on the south east corner of cargo dock #14.
- Secured the loading ramp on the west side of cargo dock # 15.
- Repaired the hand rail at cargo dock # 2 also work on the a/c in the clerk’s office at cargo dock # 9.
- Replaced cylindrical fenders and chains at oil dock #10.

- Repaired the a/c unit at oil dock 1 and 4.
- Repaired pot hole at oil dock 1 and 2 with caliche and also worked on patching the road by the oil dock 8, 9 and 10 at Viola.
- Replaced lift station pump at oil dock #9.
- Removed and installed fire hose reel at oil dock #11.
- Repaired the flood lights at oil dock #1 and 2.
- Repaired damaged concrete on the bulkhead at oil dock # 5. Also installed new shackle and tightened the ship fender panel chain at OD 7.
- Delivered and retrieved BBQ pit trailer for the Boy Scouts.
- Laguna Crane repaired the crane truck. Personnel picked up the unit and tested the system.
- Removed all material from Permian bldg.
- Repaired the water leak on the fire system under the dock and also replaced the outside planter lighting at the Ortiz Center.

FOREIGN TRADE ZONE

- A meeting was held on June 11 between Port staff and Customs Port Director and Supervisor. Purpose of this meeting was to introduce the new Port Director, Walter DeLaRosa to Port staff and give him an overview of Port facilities and provide some information on current and upcoming Port projects.
- A meeting with zone operators and local Customs and Border Protection (CBP) officers is scheduled for Thursday, July 17. The new Customs Port Director will be introduced to the group and there will be discussion on access to zones and direction on handling zone to zone transfers and compliance reviews.
- FTZ Manager continues working with companies that have expressed interest in FTZ benefits.

ORTIZ CENTER

The second quarter of this year ended on an exceedingly good note as profit year to date sits \$50k ahead of budget. The month of June hosted a variety of events and welcomed over 2,000 guests into the building. Texas State Representative Todd Hunter was a guest speaker at the Greater Corpus Christi Hospitality Association luncheon at the beginning of the month alongside Judy Hawley, the Port of Corpus Christi’s Commission Chair. Both spoke about the Eagle Ford Shale, our community growth and associated city planning. As we begin to better understand the Eagle Ford Shale and its impact on Corpus Christi, Ovations’ is excited about the potential business opportunity it offers the Ortiz Center.

As tradition has it, we begin the third quarter of 2014 with an anticipated lull in sales. The end of August will show rising numbers and the 4th quarter is projected to end the year out strong.

Below are 2013 totals and numbers to-date for 2014 activity.

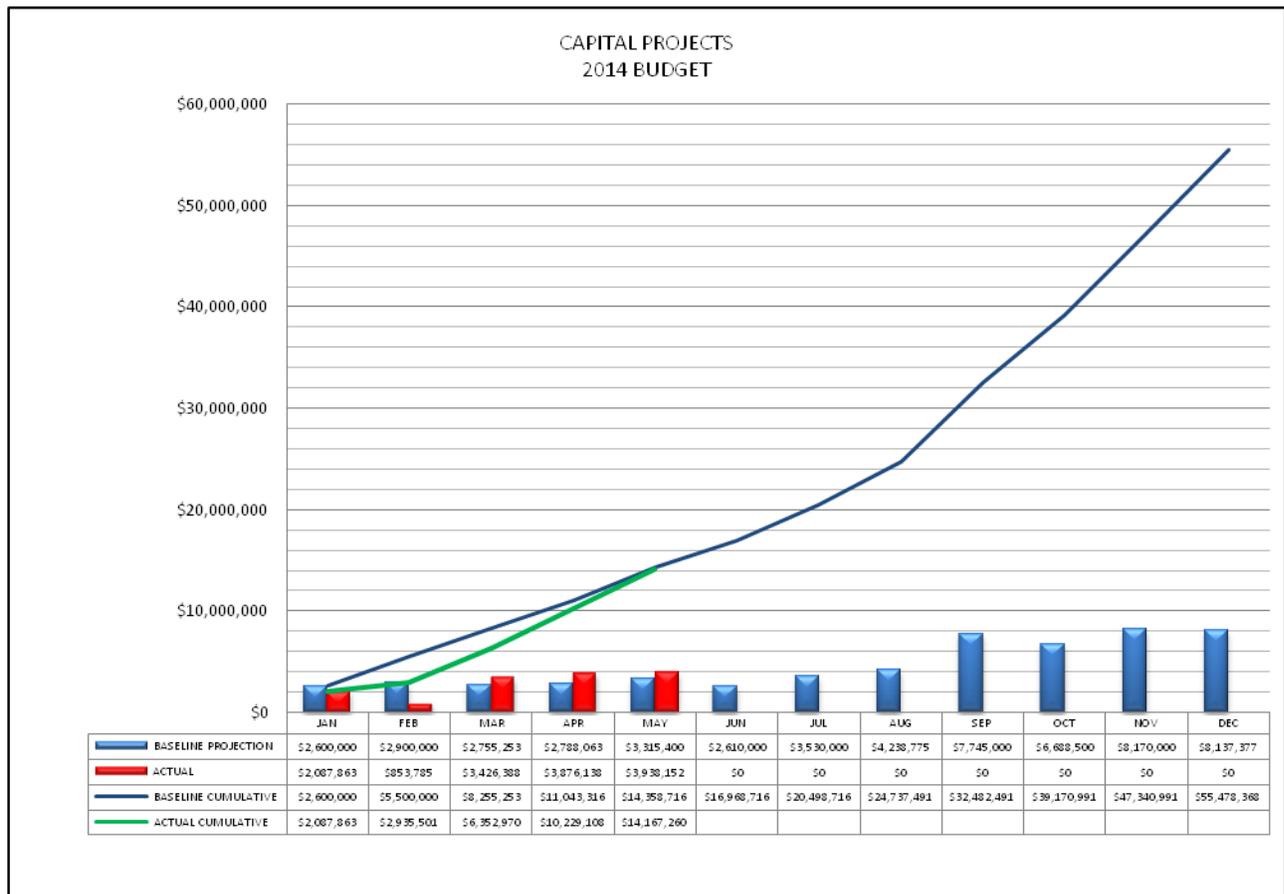
2013	Guest Attendance	Number of Events	Revenue	2014	Guest Attendance	Number of Events	Revenue
January	3,356	25	\$89,498	January	3,955	36	\$142,351
February	4,442	34	\$134,776	February	4,911	33	\$114,326
March	5,108	27	\$132,429	March	4,086	38	\$127,299
1st Quarter	12,906	86	\$356,703	1st Quarter	12,952	107	\$383,976
April	4,857	32	\$132,008	April	6,953	53	\$216,268
May	6,238	41	\$227,471	May	4,714	33	\$163,022
June	5,662	41	\$165,143	June	2,767	37	n/a
2nd Quarter	16,757	114	\$524,622	2nd Quarter	14,434	123	n/a
July	1,327	20	\$61,424	July			
August	2,460	29	\$73,043	August			
September	4,562	30	\$117,913	September			
3rd Quarter	8,349	79	\$252,380	3rd Quarter			
October	5,847	39	\$177,754	October			
November	3,376	44	\$194,506	November			
December	3,617	38	\$281,783	December			
4th Quarter	12,840	121	\$654,043	4th Quarter			
Totals	50,852	400	\$1,787,748	Totals			

ENGINEERING SERVICES

As of June 30, 2014, the Port of Corpus Christi Authority Department of Engineering Services had completed 22 projects and has 85 projects in progress. These projects consist of 49 Capital, 14 Maintenance, and 23 Professional Service projects. During June, \$4,390,000 was invoiced for ongoing work. To date this year approximately \$16,752,000 has been invoiced for work performed. Below is a table detailing the 2014 budget amount and the “to date” cost and year end forecast, for the capital, maintenance and professional services.

Engineering Services June 2014 Report				
Project Type	No. of Projects	2014 Budget Amount	Expended to Date	Forecast
Capital	86	\$55,478,368	\$14,167,000	\$33,380,000
Maintenance	37	\$3,685,000	\$2,117,000	\$4,279,000
Professional Services	41	\$2,010,000	\$468,000	\$953,000
Total	164	\$61,173,368	\$16,752,000	\$38,612,000

Below is a graph representing the 2014 Capital Project Budget and a forecast of monthly project expenditure of the capital projects throughout the year. An actual monthly project expenditure tracking line is included to follow the progress as the year develops.



The status of the following listed projects currently in progress is provided for your information:

CAPITAL PROJECTS

Security Grant Improvements Projects

Grant Eleven: The 2 additional cameras were installed at the Nueces River Rail Yard and delivery of the additional cameras is underway.

Grant Thirteen: Funds for the 2013 FEMA Security Grant project to install an emergency generator on the Southside Terminal were released. Design is near complete.

Nueces River Rail Yard – Phase I (09-037A)

Embankment for the rail yard is approximately 90% complete. Limestone flex base has been placed on the eastern 60% of the project. Installation of the French drain system is 60% complete. Rail welding is complete and approximately 30% of rail has been installed.

Nueces River Rail Yard – Phase II (13-043A)

CH2M Hill has begun work on the final design of the rail yard expansion plans. A TxDOT review meeting was held last month with the engineers.

Permian Yard Drainage Improvements (09-041A)

Contractor installing box culverts from Navigation Blvd. to ship channel. Project is 75% complete.

Tule Lake Public Barge Dock – Oil Dock 14 (13-032A)

Staff is reviewing the 100% design package submitted by HDR for the new public barge dock and entrance road. HDR is working with M & G to incorporate foundations for piping and a loading tower. Waiting for COE permit to be approved.

Bulk Dock 1 Fender Replacement (11-019A)

Contractor has completed concrete repairs, fender installation, and maintenance dredging. Project is substantially complete. Staff will be performing final inspection and generating punchlist.

Replace PLC and Drives on Gantry Crane (12-022A)

The Factor Acceptance Tests of the new Hold, Close, Travel Panels, PLC and man machine interface was conducted the second week in February. All materials and equipment are now on site. A two week crane shut down period will be scheduled after the new 2300/460V Hold & Close transformers are installed.

West Barge Mooring Area (13-051A)

Final design is 90% complete. COE permit pending approval.

Repair Fire Water Lines at Oil Docks 1, 2, 6 & 12 (13-028A & 13-030A)

Contractor has completed all work and staff is in the process of issuing Notice of Substantial Completion, performing final inspection and generating punch list.

CB-6/CB-9 Rail Loadout Modifications (09-020A)

Design drawings are 95% and specifications were submitted for review. This modification will allow other Bulk Terminal tenants an opportunity to load petroleum coke into rail cars.

New Fire Barge Dock (12-034A)

Design is being finalized for a dedicated berth for the Port's Fire Barge. This will be located at the west end of Cargo Dock 2 (Ortiz Center). Design is being completed. COE permit pending approval.

Cell C Rehabilitation (13-032C)

Levee construction is underway and is 20% complete.

Replace Generator for VTIS at Harbor Island (14-048A)

RVE, Inc. is preparing preliminary design work.

Northside Storage Yard Expansion (12-028A)

Project located just north of Cargo Dock 9. Notice to Proceed was issued to Haas-Anderson on June 27, 2014. A pre-construction meeting is scheduled for the first part of July.

Port Area Signage & Landscaping Improvement (14-039A)

Naismith Engineering performing preliminary study.

Gregory Relief Rail Bypass (14-040A)

Consultant negotiations are ongoing.

Replacement of Dock House on Oil Dock 10 (14-041A)

Staff has selected a dock house and parking lot layout option for which LNV has begun detailed design.

Carpet Replacement at Ortiz Center (12-020A)

Bids were opened on June 27, 2014 and will be presented at the July commission meeting for award.

New Port Office Facility (14-036A)

Coordinating architect was selected in June 2014. A preliminary design meeting completed with senior PCCA staff.

Final Design & Construction of Multipurpose Ship & Barge Dock (14-037A)

Consultant negotiations are ongoing.

MAINTENANCE PROJECTS

Maintenance Painting at Bulk Terminal (13-049A)

Maintenance painting is being performed at Bulk Terminal on an as needed basis.

Structural Repairs at Oil Dock 11 (13-030A)

Staff has established a dock closure plan for this project with customers to afford contractor reasonable closure days on dock to perform work. Contractor has completed concrete repairs is in the middle of the cathodic protection system scope of work. Contractor is projecting to complete cathodic protection system by end of July.

Purchase of Dock fenders (14-014A)

Notice of Award letters were sent to the companies for each of the bid items they were awarded. One bidder was unable to fulfill his obligation. A notice to rescind has been listed as an agenda item in the July commission meeting for consideration. See agenda for more details.

ENVIRONMENTAL/PROFESSIONAL PROJECTS

Monitoring of Remediation of Harbor Island Exxon Terminal (09-002B)

In accordance with the Site Remediation Agreement between PCCA and Exxon, soils and groundwater at the site have been cleaned up to 1% Total Petroleum Hydrocarbons. RRC has accepted the final report requesting closure of the site and all that remains to be completed is to deed record the property which was approved by the commission at the October meeting. A deed record was approved by the Port commission and upon Exxon submitting it to RRC, they requested a new form with different language. The revised deed recordation was provided again to RRC and is pending a review by RRC legal. Upon receipt of the final deed record, it will be presented to Port commission again for approval.

In order to have a residential closure for the property, PCCA has been advised by RRC that a cap of the site is required.

Environmental Management System (14-025A)

Our EMS Program is ISO 14001 certified for the sixth year. Current initiatives under the EMS Program include measures to reduce spills and impacts to storm water runoff from our operations. During 2014, staff will be working with Port Customers to establish partnerships that promote the EMS Program. Port staff has initiated a partnership with Dix Fairway on training & awareness on the EMS program and environmental stewardship when loading and unloading cargos at the Public Docks and will initiate the same partnership with two other stevedores – Gulf Stream and Port Corpus Terminal. Other initiatives resulting from the EMS program include the Gulf Port’s Environmental Summit and the Growing Greener Initiative.

E2 Manage tech was contracted to evaluate our compliance program. This project is complete and only a couple of items were noted, which staff is already aware and working with the TCEQ and our tenants related to the Bulk Terminal. Trinity Consultants was contracted to oversee and facilitate the Internal Audit Program and serve as our lead auditor. An initial site visit was conducted and the internal audit occurred on May 28-30. The external audit is scheduled for late July 2014.

Assumption of Maintenance for Deepening the La Quinta Channel Extension (11-050B)

A Memorandum of Agreement (MOA) between the Department of the Army and the Port of Corpus Christi Authority was executed on November 26, 2013. The MOA authorizes the federal government to assume responsibility for operation and maintenance of the La Quinta Ship Channel Extension, following the deepening of the channel extension from -39' to -45' by the Port anticipated to be completed this summer.

Request for Statement of Interest & Qualifications for 2014 Major and Minor Engineering/Architectural Projects (14-001A)

Many engineering and architectural firms responded to the solicitation for statement of interest and qualifications published in the newspaper for 17 engineering/architectural projects that were included in the 2014 capital, maintenance and professional services budget. Staff has been evaluating the submittals and making consultant selections.

Widen CCSC and Additional Barge Shelves (14-043A)

Consultant is developing options and potential approvals to permit or authorize and fund. Draft planning matrix anticipated in July 2014.

DREDGING

Channel Improvement Project (98-012A, 04-027A, 09-048B/C)

In November 2007, Congress passed WRDA of 2007 authorizing the Port's Channel Improvement Project.

The project include in following improvements:

1. Widening the CCSC to 530' from Port Aransas to the Harbor Bridge.
2. Adding 200'-wide barge shelves on both sides of the ship channel across Corpus Christi Bay.
3. Extending La Quinta Channel by 7400' at a depth of -39' MLT.
4. Deepening all reaches of CCSC (excluding La Quinta) from -45' MLT to -52' MLT.
5. Constructing Ecosystem Restoration projects near Port Aransas and Ingleside on the Bay.

Project received congressional appropriation in FY2009 for the construction phase of the project, officially ending the Pre-Construction Engineering and Design phase. A Project Partnership Agreement (PPA) was executed in October 2009 for the La Quinta Channel Extension & Ecosystem Restoration. Construction of Contract No. 1 was completed in 2010 to construct DMPA 14. Fifty-eight million in federal funds were appropriated in May 2011 enabling the COE to solicit additional construction contracts. COE awarded two (2) contracts in September 2011; one to extend the La Quinta Ship Channel and the other to construct the Ecosystem Restoration project adjacent to Ingleside-on-the-Bay, Texas. The dredging associated with La Quinta Ship Channel Extension and the Ecosystem Restoration project is 100% complete.

Deepening and widening of the CCSC and the addition of barge shelves underwent re-evaluation and the studies were complete in early 2013. The re-evaluation confirmed these two project components are still in the Federal interest. The COE Director of Civil Works approved the re-evaluation report (all components) and recommended the project to Congress to increase the authorized project cost to \$344,610,000. The channel improvement project was re-authorized in May 2014 by the Water Resources Reform and Development Act of 2014.

MASTER AGREEMENTS AND SERVICE ORDERS

Listed below are the Master Agreements implemented including values of Service Orders issued per year:

	<u>2013</u>	<u>2014</u>
HDR, Inc. (13-01)	\$1,265,839	\$45,000
Freese and Nichols, Inc. (13-02)	\$82,811	\$259,701
Govind Development, LLC (13-03)	\$324,800	\$151,800
Naismith Engineering, Inc. (13-04)	\$250,000	\$45,000
CH2M Hill (13-05)	\$1,283,325	
RVE, Inc. (13-06)	\$206,052	\$387,254
LNV, Inc. (13-07)	\$70,000	\$105,500
Lockwood, Andrews and Newnam, Inc. (14-01)		\$15,000
Maverick Engineering (14-02)		\$58,000
WKMC Architects (14-04)		\$90,000

**ENVIRONMENTAL
MASTER AGREEMENTS AND SERVICE ORDERS**

Listed below are the Environmental Master Agreements implemented in 2014 including Service Order Values:

Golder & Associates (01-14)	\$45,300
RPS, Inc. (02-14)	\$81,300
Trinity Consultants (03-14)	\$44,000
E2 Manage Tech (05-14)	\$32,065

UPCOMING BID OPENINGS

Purchase of Forklifts (14-008C) August 1, 2014



PORTCORPUSCHRISTI

Port of Corpus Christi Authority

Monthly Financial Summary

May 31, 2014

**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

STATEMENT OF NET POSITION HIGHLIGHTS:

Assets:

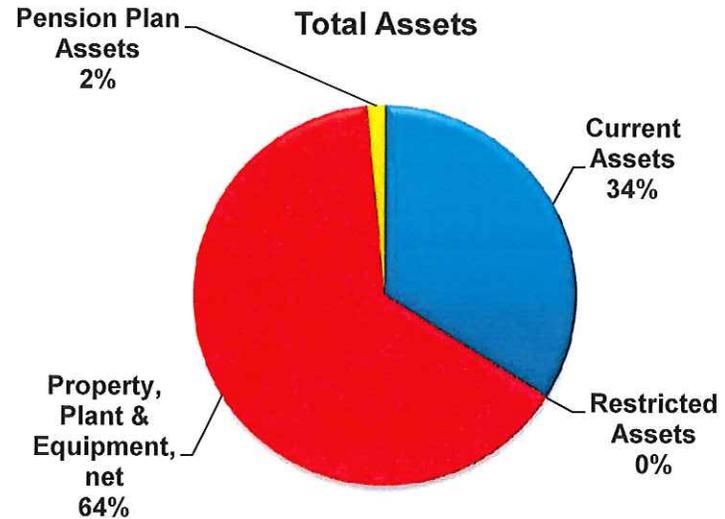
Current Assets:	
Unrestricted Cash:	
Cash in Bank	\$ 4,604,212
Investments	\$ 134,328,873
Unrestricted Cash	\$ 138,933,085
Accounts Receivable	\$ 8,792,172
Other	\$ 5,127,348
Current Assets	\$ 152,852,606
Restricted Assets	\$ 36,845
Property, Plant & Equipment, net	\$ 290,522,732
Pension Plan Assets	\$ 6,970,384
Total Assets	\$ 450,382,567

Liabilities:

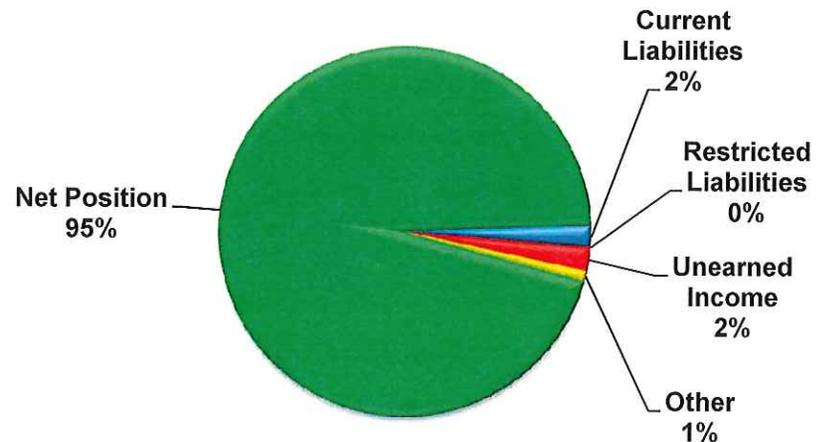
Current Liabilities	\$ 8,358,449
Restricted Liabilities	\$ 323
Unearned Income	\$ 9,384,893
Other	\$ 3,882,954
Total Liabilities	\$ 21,626,619

Net Position:

Investment in Net Assets	\$ 281,137,839
Restricted Net Position	\$ 36,845
Unrestricted Net Position	\$ 147,581,264
Total Net Position	\$ 428,755,948



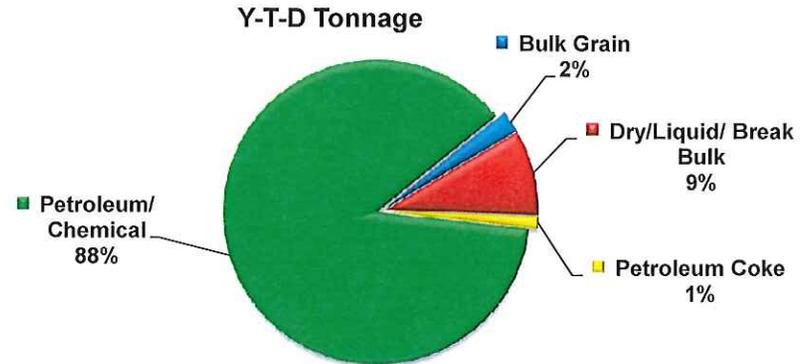
Total Liabilities/Net Position



**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

OPERATIONS:

<u>Tonnage (Short Tons):</u>	Month	2014 Y-T-D	2013 Y-T-D
Bulk Grain	102,460	859,670	1,211,788
Break Bulk	27,820	105,241	231,346
Dry Bulk	663,897	3,044,732	3,216,386
Liquid Bulk	26,893	221,480	191,254
Chemicals	198,613	950,124	732,868
Petroleum Coke	158,446	475,602	392,316
Petroleum	7,434,170	31,684,311	29,609,294
Total	8,612,299	37,341,160	35,585,252



	Actual	Budget	Variance
--	--------	--------	----------

<u>Operating Revenue:</u>	Actual	Budget	Variance
Month	\$ 8,355,646	\$ 6,428,730	\$ 1,926,916
Y-T-D	\$ 32,605,740	\$ 31,152,406	\$ 1,453,334

<u>Operating Expenses:</u>	Actual	Budget	Variance
Month	\$ (3,858,882)	\$ (3,652,694)	\$ (206,188)
Y-T-D	\$ (16,315,490)	\$ (16,217,441)	\$ (98,049)

<u>Operating Income (Loss) Before Depreciation:</u>	Actual	Budget	Variance
Month	\$ 4,496,764	\$ 2,776,036	\$ 1,720,728
Y-T-D	\$ 16,290,250	\$ 14,934,965	\$ 1,355,285

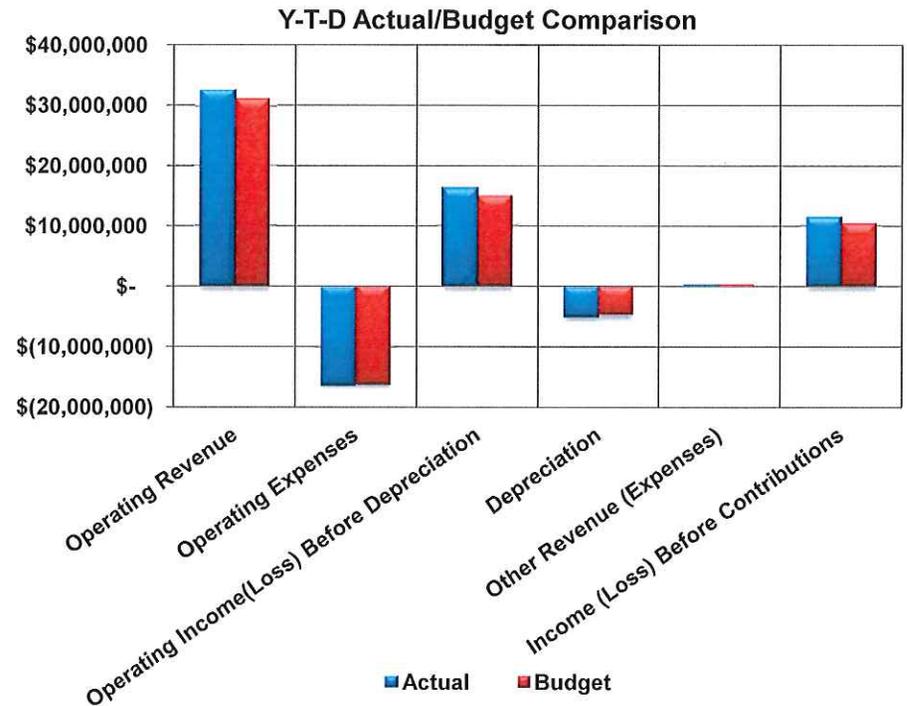
<u>Depreciation:</u>	Actual	Budget	Variance
Month	\$ (1,003,199)	\$ (941,504)	\$ (61,695)
Y-T-D	\$ (5,032,523)	\$ (4,707,462)	\$ (325,061)

<u>Other Revenue (Expenses):</u>	Actual	Budget	Variance
Month	\$ 67,605	\$ 45,459	\$ 22,146
Y-T-D	\$ 248,672	\$ 227,304	\$ 21,368

<u>Income (Loss) Before Capital Contributions:</u>	Actual	Budget	Variance
Month	\$ 3,561,170	\$ 1,879,991	\$ 1,681,179
Y-T-D	\$ 11,506,399	\$ 10,454,807	\$ 1,051,592

<u>Capital Contributions</u>	Actual	Budget	Variance
Month	\$ 768,066	\$ 500,000	\$ 268,066
Y-T-D	\$ 2,417,928	\$ 2,706,750	\$ (288,822)

<u>Change in Net Assets</u>	Actual	Budget	Variance
Month	\$ 4,329,236	\$ 2,379,991	\$ 1,949,245
Y-T-D	\$ 13,924,327	\$ 13,161,557	\$ 762,770



**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

DIVISION SUMMARY:

	Operating Revenues	Operating Expenses	Operating Income (Loss) Before Depreciation		Other Revenue (Expenses)	Income (Loss) Before Contributions	Budget	Variance
Oil Docks-Public								
Month	\$ 2,730,958	\$ (144,350)	\$ 2,586,608	\$ (99,668)	\$ -	\$ 2,486,940	\$ 2,159,419	\$ 327,521
Y-T-D	\$ 12,553,122	\$ (1,001,300)	\$ 11,551,822	\$ (501,299)	\$ -	\$ 11,050,523	\$ 10,348,730	\$ 701,793
Oil Docks-Private								
Month	\$ 1,223,123	\$ (4,703)	\$ 1,218,420	\$ (205)	\$ -	\$ 1,218,215	\$ 1,217,363	\$ 852
Y-T-D	\$ 5,009,915	\$ (21,356)	\$ 4,988,559	\$ (1,026)	\$ -	\$ 4,987,533	\$ 5,861,448	\$ (873,915)
Dry Cargo Docks								
Month	\$ 590,551	\$ (147,164)	\$ 443,387	\$ (150,728)	\$ -	\$ 292,659	\$ 289,430	\$ 3,229
Y-T-D	\$ 2,324,890	\$ (395,783)	\$ 1,929,107	\$ (753,885)	\$ -	\$ 1,175,222	\$ 1,447,167	\$ (271,945)
Conference Center								
Month	\$ 168,607	\$ (133,725)	\$ 34,882	\$ (24,713)	\$ 1,716	\$ 11,885	\$ (25,216)	\$ 37,101
Y-T-D	\$ 785,045	\$ (828,378)	\$ (43,333)	\$ (123,563)	\$ 2,423	\$ (164,473)	\$ (270,446)	\$ 105,973
Bulk Terminal								
Month	\$ 2,416,912	\$ (610,902)	\$ 1,806,010	\$ (68,953)	\$ -	\$ 1,737,057	\$ 383,529	\$ 1,353,528
Y-T-D	\$ 5,768,448	\$ (1,990,603)	\$ 3,777,845	\$ (343,424)	\$ -	\$ 3,434,421	\$ 2,254,176	\$ 1,180,245
Property and Buildings								
Month	\$ 469,135	\$ (286,683)	\$ 182,452	\$ (336,888)	\$ -	\$ (154,436)	\$ (138,625)	\$ (15,811)
Y-T-D	\$ 2,439,163	\$ (1,202,782)	\$ 1,236,381	\$ (1,684,572)	\$ -	\$ (448,191)	\$ (721,089)	\$ 272,898
Other Facilities								
Month	\$ 180,431	\$ (126,170)	\$ 54,261	\$ (53,112)	\$ -	\$ 1,149	\$ 133,740	\$ (132,591)
Y-T-D	\$ 1,091,383	\$ (722,542)	\$ 368,841	\$ (265,975)	\$ -	\$ 102,866	\$ 591,096	\$ (488,230)
Port Security								
Month	\$ 571,212	\$ (571,289)	\$ (77)	\$ (214,470)	\$ 1	\$ (214,546)	\$ (337,745)	\$ 123,199
Y-T-D	\$ 2,567,560	\$ (2,382,687)	\$ 184,873	\$ (1,085,731)	\$ 6	\$ (900,852)	\$ (1,081,050)	\$ 180,198
General and Administrative								
Month	\$ 4,717	\$ (1,833,896)	\$ (1,829,179)	\$ (54,462)	\$ 65,888	\$ (1,817,753)	\$ (1,801,904)	\$ (15,849)
Y-T-D	\$ 66,214	\$ (7,770,059)	\$ (7,703,845)	\$ (273,048)	\$ 246,243	\$ (7,730,650)	\$ (7,975,225)	\$ 244,575
Total								
Month	\$ 8,355,646	\$ (3,858,882)	\$ 4,496,764	\$ (1,003,199)	\$ 67,605	\$ 3,561,170	\$ 1,879,991	\$ 1,681,179
Y-T-D	\$ 32,605,740	\$ (16,315,490)	\$ 16,290,250	\$ (5,032,523)	\$ 248,672	\$ 11,506,399	\$ 10,454,807	\$ 1,051,592

**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>Authority Oil Docks</i>			
Design & Construction of OD 14 (M & G)	\$ 6,000,000	\$ 674,240	\$ 5,325,760
New Fire Barge Dock	1,900,000	(90,669)	1,990,669
New Public Oil Dock	800,000	-	800,000
Fire System Pressurization at Oil Docks	500,000	-	500,000
Replace Dock House at OD 10	350,000	13,640	336,360
Hoist Foundation & Gangway Support at OD's 4 & 7	300,000	-	300,000
OD 1 Improvements	100,000	-	100,000
	9,950,000	597,211	9,352,789
<i>Bulk Terminal</i>			
Replace PLC & Drives at Gantry Crane	700,000	145,117	554,883
Replacement of Fendering on BD 1	700,000	287,955	412,045
Resurface Public Storage Pads	300,000	-	300,000
Full Covers Over All Conveyor Belts	230,000	-	230,000
Environmental Improvements	200,000	-	200,000
Equipment Storage Building	200,000	-	200,000
CB 6/CB 9 Rail Loadout Modifications	150,000	27,919	122,081
Purchase New Digging Bucket for Gantry Crane	150,000	-	150,000
Diesel Fuel Tank for On-Road Equipment	-	18,704	(18,704)
	2,630,000	479,695	2,150,305
<i>Conference Center</i>			
Replacement of Roof Tiles at the Ortiz Center Towers	-	15,500	(15,500)
	-	15,500	(15,500)

**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>Canals and Basins</i>			
Deepen La Quinta Extension to 45'	\$ 6,000,000	\$ 3,953,193	\$ 2,046,807
West Barge Mooring Area	6,000,000	44,575	5,955,425
Widen Corpus Christi Ship Channel and Add Barge Shelves	500,000	3,436	496,564
Rincon B Mitigation Design, Construction & Monitoring	500,000	-	500,000
Relocation of Suntide DMPA Drainage to Viola Turning Basin	300,000	-	300,000
Replacement of Generator System for VTIS at Harbor Island	130,000	-	130,000
New Access Road to Good Hope DMPA	75,000	4,485	70,515
Tule Lake Foundation Removal	50,000	-	50,000
Security Grant #11 - Equipment Upkeep	150,500	666	149,834
Security Grant #11 - Nueces River Rail Yard Surveillance	223,063	207,981	15,082
Security Grant #11 - Nueces River Rail Yard Fencing	245,253	494,837	(249,584)
Security Grant #13 - Equipment Upkeep	125,400	-	125,400
Security Grant #13 - Emergency Power	228,775	-	228,775
Security Grant #13 - La Quinta/GIWW Surveillance	2,122,377	-	2,122,377
	16,650,368	4,709,173	11,941,195
<i>La Quinta</i>			
Final Design & Construction of Multipurpose Ship/Barge Dock	1,000,000	-	1,000,000
Design & Construction of 16" Waterline/8" Waterline	700,000	55,201	644,799
La Quinta Property Access Road	500,000	850,780	(350,780)
Terminal Mitigation - Aquatic Habitat	170,000	-	170,000
Terminal Mitigation - Terrestrial Buffer Area	170,000	-	170,000
Relocate 3 Pipelines on LaQuinta Property	-	(541,828)	541,828
Potable Water Modeling for La Quinta	-	23,315	(23,315)
	2,540,000	387,468	2,152,532

**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
<i>Property and Buildings</i>			
Purchase of Land	\$ 2,000,000	\$ 250,666	\$ 1,749,334
New Port Office Building	1,000,000	-	1,000,000
Improve Pad at Former Hailey Site-Cleanup	310,000	-	310,000
Permian Yard Drainage Improvements	300,000	317,662	(17,662)
Outside Air Treatment Unit for Administration Building	200,000	-	200,000
Port Area Signage & Landscaping Improvements	150,000	-	150,000
Indian Point Mitigation Reserve-Conceptual Design and Planning	150,000	6,122	143,878
Development of 10 Acre Martin Midstream Property	50,000	44,432	5,568
Recertification of City's Storm Protection Levee System	50,000	-	50,000
Administration/Annex Building Improvements	30,000	-	30,000
Rincon Industrial Park Infrastructure Improvements	-	12,717	(12,717)
Rincon Property-Replace Door at Old Strike Pump Building	-	14,500	(14,500)
Electrical Service Upgrades at Maintenance Facility	-	42,445	(42,445)
Roof Replacement at Port's Mechanic Shop	-	25,968	(25,968)
Installation of CNG Vehicle Refueling Appliance	-	4,200	(4,200)
DMPA Cell C Rehabilitation	-	11,251	(11,251)
S Navigation Road Closure Fencing	-	5,976	(5,976)
	4,240,000	735,939	3,504,061
<i>Railroads</i>			
Construction of Nueces River Rail Yard Phase I	12,500,000	4,971,988	7,528,012
Nueces River Rail Yard Phase II	2,500,000	53,259	2,446,741
Inner Harbor Rail Upgrades & Improvements (2014)	1,500,000	13,347	1,486,653
La Quinta Rail Access Improvements	1,000,000	-	1,000,000
Inner Harbor Rail Upgrades & Improvements (2013 Carryover)	575,000	499,654	75,346
Gregory Relief (By Pass) Design & Construction	500,000	-	500,000
	18,575,000	5,538,248	13,036,752

**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
Administration			
JD Edwards Software Upgrade	\$ 300,000	\$ -	\$ 300,000
Network/Storage Hardware - Administration	265,500	16,702	248,798
AIS System Software	250,000	-	250,000
KleinPort Property Management Software	150,000	-	150,000
Software Upgrades - Administration	44,000	-	44,000
IBM Power 7 Hardware/Software Upgrades	35,000	-	35,000
Engineering			
Office Furniture	-	24,400	(24,400)
	1,044,500	41,102	1,003,398
Port Operations			
Purchase of Equipment:			
6,000 lb Forklift - Bulk Terminal	35,000	-	35,000
19,000 lb Forklift - Bulk Terminal	90,000	-	90,000
Skid Steer Loader - Bulk Terminal	40,000	-	40,000
Water Truck - Bulk Terminal	90,000	-	90,000
Man Lift - Maintenance Department (purchased with trailer)	55,000	67,481	(12,481)
8,000 lb Forklift - Maintenance Department	35,000	-	35,000
10,000 Forklift - Maintenance Department	50,000	-	50,000
Winch Truck - Maintenance Department	130,000	-	130,000
Tractor with Boom Mower - Maintenance Department	150,000	-	150,000
Crew Rig Truck with Platform Bed - Maintenance Department	130,000	-	130,000
Vacuum System for Sweeper-Bulk Terminal	-	10,060	(10,060)
SUBTOTAL	805,000	77,541	727,459
Purchase of Vehicles:			
1/2 Ton Pickup Truck - Security Department	28,000	-	28,000
(2) SUV's - Security Guards	60,000	-	60,000
SUBTOTAL	88,000	-	88,000
	893,000	77,541	815,459

Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014

CAPITAL PROJECTS:

Project Description	Annual Budget	Y-T-D Actual	Balance Remaining
Total 2014 Capital Budget Expenditures	\$ 56,522,868	\$ 12,581,877	\$ 43,940,991

**Port of Corpus Christi Authority
Monthly Financial Summary
May 31, 2014**

TERMS & DEFINITIONS:

Current Assets	Unrestricted cash and investments, accounts receivables, grant receivables, accrued revenues, inventory, prepaid expenses
Restricted Assets	Restricted cash and investments for law enforcement seizure accounts and LEOSE (Law Enforcement Officer Standards & Education) funds
Property, Plant & Equipment	Capitalized fixed assets and construction in progress, net of accumulated depreciation
Pension Plan Assets	Contributions made by the Port to the pension plan in excess of the actuarially determined rate
Current Liabilities	Accounts payables, accrued expenses, deferred income, worker compensation claims liability, and estimated incurred but not reported claims on employee health benefits
Restricted Liabilities	Section 125 benefits plan deposits
L-T Unearned Lease Income	Deferred lease revenue - Gulf Compress La Quinta warehouses
Other Long-Term Debt	Accrued vacation and sick leave, and other post-employment benefits
Net Position	Total net position; total assets less total liabilities

Divisions:

Oil Docks-Public	Oil docks for public use by Port customers
Oil Docks-Private	Oil docks for exclusive use by private industries
Dry Cargo Docks	Dry cargo docks owned both by the Port and private industries, transfer facility and storage yards
Conference Center	Ortiz Center
Bulk Terminal	Bulk docks 1 and 2, public storage pad and leased storage pads
Property & Buildings	Port property, leased elevator and grain bagging facility, Joe Fulton corridor and other Port roadways, refrigerated warehouse facility
Other Facilities	Service docks owned both by the Port and private industries, bulk docks owned by private industries, railroads, canals and basins, fire fighting response vessel, foreign trade zone, and refinery terminal fire company
Port Security	Port security to include the marine division, Port security guards and Amtex
General & Administrative	Executive director, managing director, communications, human resources, business development, finance & administration, engineering services, government affairs and operations

AGENDA ITEM NO. 15

No Attachment

AGENDA ITEM NO. 16

No Attachment

AGENDA ITEM NO. 17

No Attachment

AGENDA ITEM NO. 18

No Attachment