

NOTICE OF MEETING

The Port Commission ("Commission") of the Port of Corpus Christi Authority ("PCCA") will meet in Special Session at the **Ruben Bonilla Center for Global Trade**, located at **222 Power Street**, Corpus Christi, Texas on **Tuesday, January 27, 2015, at 8:15 AM**.

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 and receive Conflict of Interest Affidavits.
2. Receive comments from the public. *(Each speaker will be limited to three minutes)*
3. Nueces County Judge Loyd Neal will administer the Oath of Office of Port Commissioner to Wayne Squires.
4. Accept Bid from Texas Descon, LLP, on behalf of Port of Santa Marta, the highest and best bidder based on bids received on January 13, 2015, for the purchase of PCCA's Refrigerated Warehouse Facility, Furniture, Fixtures and Equipment at Cargo Dock 10 and authorize the execution of a Bill of Sale for this personal property.
5. Approve Award of Additive Bid Item 1, "Hose Tower Foundation and Platform" of Previously Awarded Contract with Russell Marine, LLC, for the Construction of Public Oil Dock 14 and Approve Associated Change Order.
6. Approve the Second Reading of a Franchise granting Plains Terminals Corpus Christi, LLC, the right to cross the south bulkhead line of the Tule Lake Channel from its property adjacent to the channel and related rights.
7. Approve cost increase of the purchase of a new winch truck from Grande Truck Center awarded at the July 8, 2014 Commission meeting due to the changed condition of the trade-in truck.
8. Workshop to discuss the Commission's governance practices, the Commission's policymaking responsibilities, the management responsibilities of the Executive Director, the Commission Operating Rules, compliance with open meetings and open records laws, lobbying by vendors, and related matters.

NOTICE OF MEETING

January 27, 2015

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9. The Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate leasing property on the north side of the Inner Harbor.
10. Adjourn.

DATE: January 27, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 4

Accept Bid from Texas Descon, LLP, on Behalf of Port of Santa Marta, the Highest and Best Bidder Based on Bids Received on January 13, 2015, for the Purchase of PCCA's Refrigerated Warehouse Facility, Furniture, Fixtures and Equipment at Cargo Dock 10 and Authorize the Execution of a Bill of Sale for this Personal Property

On August 12, 2014, the Port Commission approved a Resolution designating the Refrigerated Warehouse Facility and associated furniture, fixtures, and equipment, currently located at Cargo Dock 10 as surplus property (see attached exhibit). Furthermore, the resolution authorized staff to prepare bid specifications and to advertise the sale of the Refrigerated Warehouse Facility in accordance with the applicable Texas Municipal Code.

Staff prepared the bid documents, published a pre-sale notification on October 3, 2014, and advertised the formal sale of surplus property on December 8 and 15, 2014. On January 13, 2015, we received two responses to our Notice to Bidders (see attached Bid Tabulation Sheet). Texas Descon, LLC, a Texas based firm representing the Port of Santa Marta in Columbia, submitted the highest and best bid in the amount of \$410,000. The Port of Santa Marta intends to disassemble the facility, ship the components to Columbia, and re-assemble the building and equipment to support operations at their location. In addition to their bid, Texas Descon submitted an executed Bill of Sale.

Staff recommends that the Port Commission approve the high bid of \$410,000 submitted by Texas Descon, LLC, for the sale of the surplus property consisting of the Refrigerated Warehouse and associated furniture, fixtures, and equipment, and authorize the Executive Director to execute the attached Bill of Sale and Removal and Indemnity Agreement.

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



DATE: August 12, 2014
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 9

Approve a Resolution Authorizing the Sale by Sealed Bids of the Following Surplus Personal Property Located at 701 E. Navigation Blvd.: Refrigerated Warehouse Facility, Furniture, Fixtures and Equipment

RESOLUTION AUTHORIZING THE SALE OF THE REFRIGERATED WAREHOUSE AND EQUIPMENT BY SEALED BIDS AND MATTERS RELATED THERETO

WHEREAS, the following definitions shall be used this Resolution:

“PCCA” means the Port of Corpus Christi Authority of Nueces County, Texas.

“Port Commission” means PCCA’s Port Commission.

“Land” means that certain 2.99-acre tract of land located at 701 E. Navigation Blvd., Corpus Christi, Nueces County, Texas, which is owned by PCCA.

“Refrigerated Warehouse” means the approximately 97,420-square-foot insulated metal building located on the Land, including the metal building frame, insulated wall panels, metal roof, storage rooms, storage room doors, lights, offices, HVAC system, water supply system, electrical supply system, gas supply system, plumbing system, refrigerant systems, and miscellaneous building components, but excluding any portion of Cargo Dock 10, and the concrete foundation, concrete pilings, loading dock, and concrete paving on the Land.

“Equipment” means all furniture, fixtures, equipment, storage racks and other personal property located on the Land or in the Refrigerated Warehouse metal building, but excluding the security cameras located on the Refrigerated Warehouse or the Land.

“Cargo Dock 10” means PCCA’s wharf on the north side of the Corpus Christi Ship Channel known as Cargo Dock 10, which is adjacent to the Refrigerated Warehouse and which was constructed prior to the construction of the Refrigerated Warehouse.

“Salvage Property” means personal property, other than items routinely discarded as waste, that because of use, time, accident, or any other cause is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended.



Port Commission
Agenda Item No. 9
August 12, 2014
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“Surplus Property” means personal property that (1) is not Salvage Property or items routinely discarded as waste, (2) is not currently needed by its owner, (3) is not required for the owner’s foreseeable needs, and (4) possesses some usefulness for the purpose for which it was intended.

WHEREAS, PCCA constructed the Refrigerated Warehouse in 2000, but no longer operates or has a need for it; and

WHEREAS, Section 62.122 of the Texas Water Code authorizes the Port Commission to periodically dispose of Surplus Property in the same manner as the commissioners court of a county under Sections 263.151-263.158, Texas Local Government Code; and

WHEREAS, Section 263.152(a)(1), Texas Local Government Code, allows the commissioners court of a county to periodically sell the county’s Surplus Property by competitive bid; and

WHEREAS, PCCA’s staff has recommended that the Refrigerated Warehouse and Equipment be sold by sealed bid to and removed by a third party instead of requesting bids for the demolition of the Refrigerated Warehouse; and

WHEREAS, the Port Commission agrees with this recommendation and wishes to implement it, subject to certain terms and conditions provided herein;

THEREFORE BE IT RESOLVED, that the Port Commission hereby determines that the Refrigerated Warehouse and Equipment are Surplus Property; and

FURTHER RESOLVED, that the Port Commission hereby authorizes the sale of the Refrigerated Warehouse and Equipment by sealed bids in a single transaction; and

FURTHER RESOLVED, that PCCA staff is hereby authorized to cause notice of the sale to be published in accordance with the requirements of Section 263.153, Texas Local Government Code; and

FURTHER RESOLVED, that PCCA staff is hereby authorized to prepare bid specifications for sealed bids for the purchase of the Refrigerated Warehouse and Equipment which shall include without limitation the following terms and conditions, all of which must be complied with or the bid may be rejected:

1. the bids must be sealed and submitted prior to the deadline stated in the published bid notice;
2. the full amount of the purchase price for the Refrigerated Warehouse and Equipment (“Purchase Price”) must be paid in cash;

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3. each bid must be accompanied by a certified check or cashier's check payable to PCCA in an amount equal to 5% of the bidder's bid, which will guarantee that the bidder will perform the terms of its bid if it is accepted;
4. the Refrigerated Warehouse and Equipment will be conveyed "as is, where is and with all faults," based upon the bidder's own investigations of the Refrigerated Warehouse and Equipment;
5. the successful bidder shall remove all Refrigerated Warehouse and Equipment from the Land by the date specified in the bid specifications (the "Removal Deadline") and shall coordinate with PCCA in doing so;
6. the successful bidder shall be responsible for all costs associated with removing the Refrigerated Warehouse and Equipment from the Land; and
7. any portion of the Refrigerated Warehouse and Equipment which the successful bidder fails to remove from the Land by the Removal Deadline (the "Remaining Items") shall be deemed to have been abandoned as of the Removal Deadline, title to the Remaining Items shall remain with or revert to PCCA at no cost, and the Remaining Items may be sold, destroyed, or otherwise disposed of by PCCA without notice to the successful bidder and without any obligation to account for such Remaining Items; and

FURTHER RESOLVED, that the Port Commission intends to accept the bid offering highest Purchase Price for the Refrigerated Warehouse and Equipment, but reserves the right to reject any or all bids.

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



**SURPLUS SALE OF REFRIGERATED WAREHOUSE BUILDING
AND EQUIPMENT LOCATED AT CARGO DOCK 10
PROJECT NO. 14-062A
Bid Opening: January 13, 2015 at 3:00 pm**

Company Name	Bid Price ^A	Bid Check Amount	Addendum No. 1
Texas Descon, LP by Descon 4S, LLC	\$410,000.00	Cashier's Checks \$410,000.00	X
Camacho Demolition	\$160,000.00	Cashier's Checks \$250,000	X

^ABid price for the building and surplus equipment.

Read By: Frank C. Brogan

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

 Checked & Prepared By: Melinda Maldonado

 Date: January 13, 2015

1. Bill of Sale.

(a) PCCA hereby sells, assigns, conveys, transfers, sets over and delivers to Buyer all of PCCA's right, title and interest in and to the Building and each and every item of Surplus Equipment, free and clear of all liens, security interests and encumbrances ("Liens"). For the avoidance of doubt, the Parties agree that the Building does not include its foundation or floor slabs.

(b) PCCA warrants that it has good, valid and marketable title to the Building and Surplus Equipment, free and clear of any and all Liens.

(c) **PCCA conveys the Building and Surplus Equipment and Buyer accepts the Building and Surplus Equipment "AS IS, WHERE IS AND WITH ALL FAULTS". PCCA MAKES NO WARRANTIES WITH REGARD TO THE BUILDING AND SURPLUS EQUIPMENT, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE BUILDING AND SURPLUS EQUIPMENT OR ANY ITEMS THEREOF. BUYER EXPRESSLY WAIVES, TO THE EXTENT ALLOWED BY LAW, ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW THAT BUYER MIGHT OTHERWISE HAVE AGAINST PCCA RELATING TO THE CONDITION OF THE BUILDING AND SURPLUS EQUIPMENT.**

2. Removal of the Building and Surplus Equipment. Buyer shall remove the Building and Surplus Equipment from the Refrigerated Warehouse Premises on or prior to July 31, 2015. Any component of the Building or any item of Surplus Equipment that Buyer fails to remove from Refrigerated Warehouse Premises prior to August 1, 2015, shall be deemed to have been abandoned as of August 1, 2015; title thereto shall immediately pass to PCCA at no cost to PCCA, and such abandoned Building components and Surplus Equipment may be appropriated, sold, stored, destroyed, or otherwise disposed of by PCCA without notice to Buyer and without any obligation to account for such abandoned Building components and Surplus Equipment.

3. Indemnification. Buyer hereby agrees to indemnify, defend and hold harmless PCCA and its respective officers, agents and employees (the "Indemnified Parties"), from and against all liabilities, actions, demands, damages, penalties, fines, losses, claims, costs and expenses (including reasonable attorneys' and experts' fees and expenses), suits, and costs of any settlement or judgment, whether arising in equity, at common law, or by statute, or under the law of contracts, torts or property, of every kind and character (including claims for personal injury, bodily injury, real and personal property damage and economic loss) (each a "Claim" or collectively, "Claims"), to the extent arising from or relating to (i) Buyer's or its employees', contractors', subcontractors', licensees', invitees', agents' or representatives' (each, a "Visiting Party") access to or presence on the Refrigerated Warehouse Premises, or (ii) the sole, joint, concurrent, or comparative negligence or willful misconduct of any Visiting Party in connection with the removal of any Building components and/or Surplus Equipment (each an "Indemnified Claim"), **EVEN IF THE INDEMNIFIED CLAIM IS CAUSED BY THE JOINT, CONCURRENT, OR COMPARATIVE NEGLIGENCE OF THE INDEMNIFIED PARTIES (BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF**

ANY INDEMNIFIED PARTY); provided, however, to the extent an Indemnified Claim arises out of the joint, concurrent, or comparative negligence of a Visiting Party and the Indemnified Parties, then Buyer's obligation to the Indemnified Parties shall only extend to the percentage of the total responsibility of the Visiting Parties in contributing to such Indemnified Claim.

4. Safety and Security Procedures; Insurance. Buyer, in connection with the removal of the Building and Surplus Equipment from, or other access to or presence on, the Refrigerated Warehouse Premises, agrees to comply with any safety, security, or environmental policies or procedures as PCCA may reasonably require.

5. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

6. Further Assurances. After the Effective Date, each Party will from time to time, at the other Party's request and without further cost to the Party receiving the request, execute and deliver to the requesting Party such other instruments and take such other action as the requesting Party may reasonably request so as to enable it to exercise and enforce its rights under, and fully enjoy the benefits and privileges with respect to, this Agreement and to carry out the provisions and purposes hereof.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed in that State without giving effect to conflicts of law principles.

8. Counterparts. This Agreement may be signed in any number of counterparts and all such counterparts shall be read together and construed as one and the same document.

[The Signature Page Follows This Page.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by its duly authorized representative as of the Effective Date.

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

By: _____
John P. LaRue
Executive Director

**TEXAS DESCON, LP
BY DESCON 4S, LLC
ITS GENERAL PARTNER**

By: _____
Michael D. Smith
President

DATE: January 27, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 5

**Approve Award of Additive Bid Item 1, “Hose Tower Foundation and Platform,”
of Previously Awarded Contract with Russell Marine, LLC, for the
Construction of Public Oil Dock 14 and Approve Associated Change Order**

On December 17, 2014, the Commission awarded a construction contract in the amount of \$24,835,475.00 to Russell Marine, LLC, for construction of Oil Dock 14 as a ship dock (Contract). In addition, the Commission approved an Additional Work Costs Reimbursement Agreement with Chemtex International Inc., an affiliate of M&G Resins USA, LLC, which allows some of M&G’s work, discretely identified by additive bid items, to be included in the Contract if requested by M&G within 30 days of the December 11, 2014 bid opening. To accommodate the provisions in the Reimbursement Agreement, the Contract allows for the PCCA to award and include into the Contract the M&G related additive bid items within 70 calendar days of the bid opening.

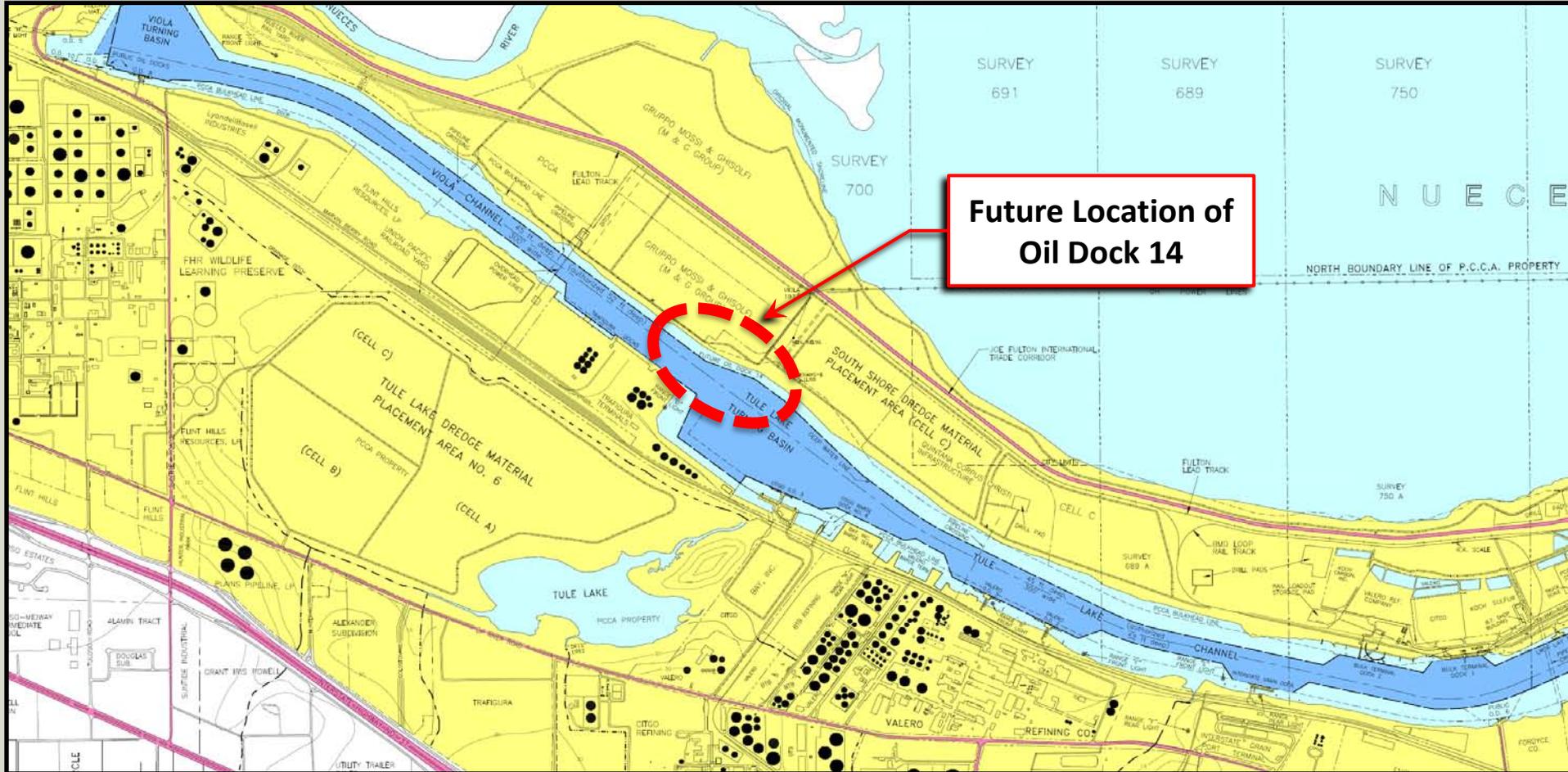
On January 7, 2015, M&G notified staff that they wished to include Additive Bid Item 1, “Hose Tower Foundation and Platform,” in the Contract. Russell Marine’s bid amount for Additive Bid Item 1 is \$625,000.00 and will require that the Contract completion time be extended by 45 calendar days. The work associated with Additive Bid Item 1 will be reimbursed entirely by Chemtex in accordance with the Reimbursement Agreement.

Staff recommends approval of the attached change order with Russell Marine, LLC, for an additional \$625,000 to provide the hose tower foundation and platform. Staff further requests that the original 3% contingency approved at the December 17, 2014 Commission meeting be increased by \$625,000 to cover the inclusion of the additional work into the Contract.

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

Port of Corpus Christi Authority

Oil Dock 14

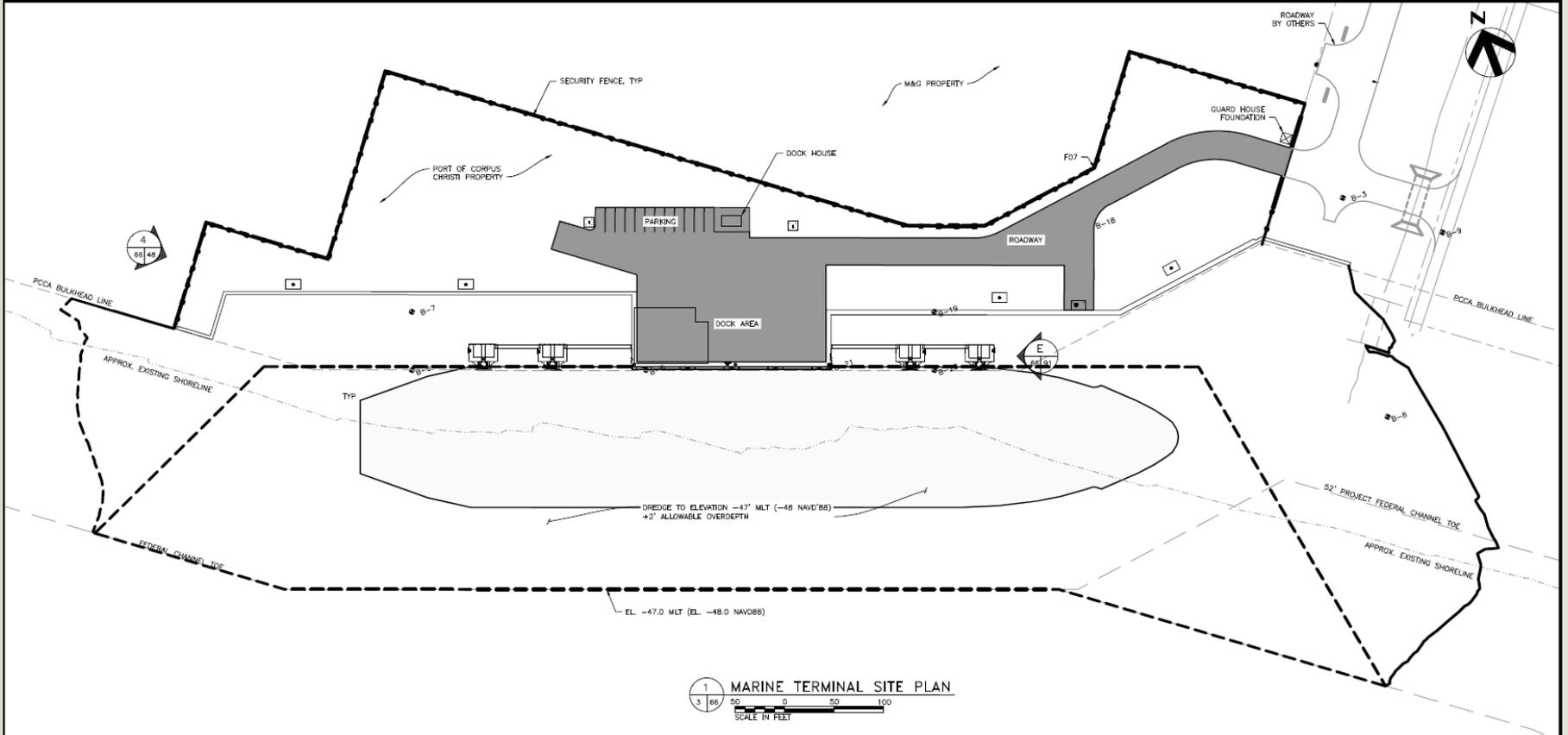




Port of Corpus Christi Authority

Oil Dock 14

AGENDA ITEM NO. 5



1 MARINE TERMINAL SITE PLAN
 3 66
 SCALE IN FEET

TULE LAKE
 TURNING BASIN

PROJECT # 13-032A

SHEET 66 OF 121



THIS DRAWING MAY BE REDUCED IN SCALE. THE LINE BELOW ON THE ORIGINAL DRAWING IS 1" LONG.

NO.	DATE	REVISION
A	10/24/2014	60% SUBMITTAL
B	10/29/2014	90% ISSUED FOR REVIEW
C	11/10/2014	ISSUED FOR BID



PORT OF CORPUS CHRISTI AUTHORITY	
PUBLIC OIL DOCK 14 AND ADJACENT SLIP	
SCALE: 1" = 50'	DATE: NOVEMBER 2014
DWN. BY: DO	DWG. NO. 13-032A-055-66
EXHIBIT 1	

CHANGE ORDER

Change Order No. 2
Date: January 9, 2015
Page: 1 of 2

PROJECT: Public Oil Dock 14
PROJECT NUMBER: 13-032A
CONTRACTOR: Russell Marine, LLC

This contract is modified to include the changes listed below, and the contract price and/or contract time will be changed to reflect these modifications:

Inclusion of Additive Bid Item 1 into the contract.

Increase in Contract Price: \$ 625,000.00
Increase in Contract Time: 45 days

Original Contract Amount: \$ 24,835,475.00
Total Amount of Previous Change Orders: \$ 11,500.00
Amount of this Change Order: \$ 625,000.00
Revised Contract Amount: \$ 25,471,975.00

Notice to Proceed Date: January 8, 2015
Original Contract Time: 415 days
Previous Changes in Contract Time: 0 days
Calendar Days for this Change Order: 45 days
Revised Contract Time: 460 days
Required Completion Date: April 12, 2016

The change in contract price incorporates all costs for this Change Order including but not limited to the following—direct and indirect costs, overhead, profit, insurance, bonds, labor, materials, equipment, supervision, and delays. This Change Order is accepted and executed by the Port of Corpus Christi Authority and Russell Marine, LLC as signed by their duly authorized representatives below.

Port of Corpus Christi Authority

Russell Marine, LLC

By: David L. Michaelsen, P.E.
Chief Engineer

By: Robert Andrews
Vice President

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

Date:

Date: January 9, 2015

DATE: January 27, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 6

Approve the Second Reading of a Franchise Granting Plains, LLC, the Right to Cross the South Bulkhead Line of the Tule Lake Channel from Its Property Adjacent to the Channel and Related Rights

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

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

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

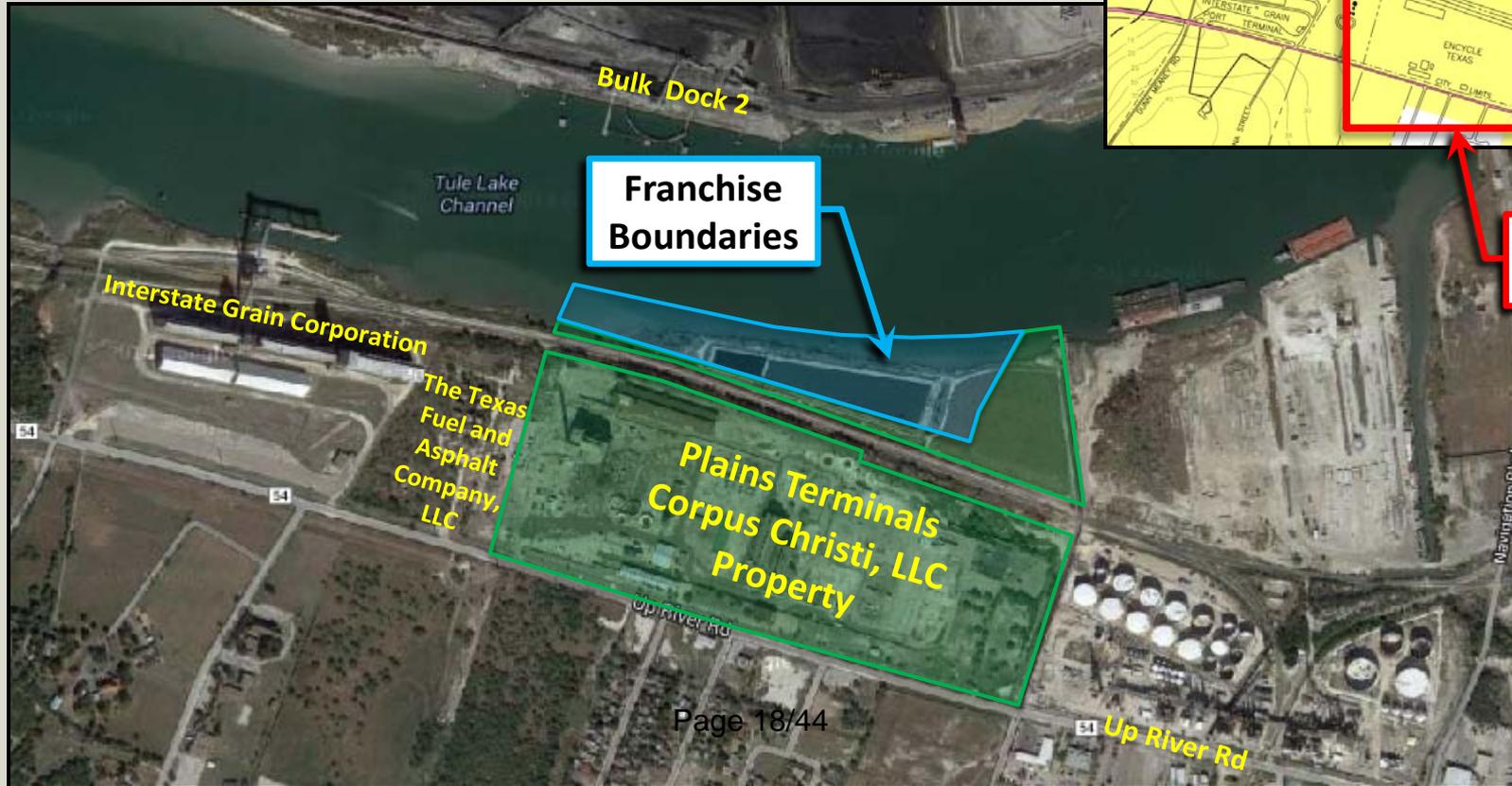
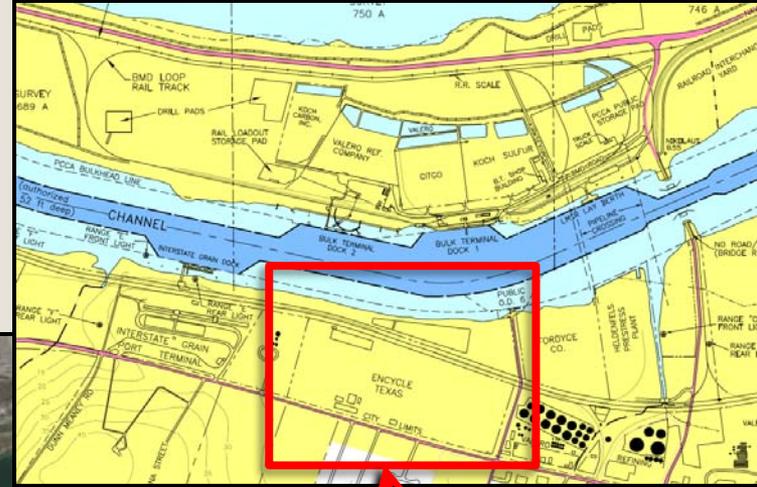
Accordingly, the attached Franchise has been drafted by PCCA counsel and has been duly published as required under the laws of the State of Texas. On January 13, 2015 the Port Commission approved and passed the first reading of the franchise. Staff recommends that the Port Commission approve and pass the second reading of this Franchise granting Plains Terminals Corpus Christi, LLC, the rights described above and in the Franchise. The third reading is scheduled for February 17, 2015.

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



Plains Terminals Corpus Christi, LLC Franchise Agreement

AGENDA ITEM NO. 6



General Location

FRANCHISE

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

SECTION 1
GRANT OF ACCESS TO CHANNEL

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

SECTION 2
DREDGING AUTHORITY’S SUBMERGED LAND

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

SECTION 3
RENTALS

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

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

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

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

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

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

SECTION 4
CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

SECTION 5
INDEMNITY

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

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

SECTION 6
CONSEQUENTIAL DAMAGES

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

SECTION 7
DEFAULT

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

SECTION 8
NO EFFECT ON MUTUAL CONVEYANCE

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

SECTION 9
ASSIGNMENT

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

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

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

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

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

SECTION 10
GENERAL

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

SECTION 11
PASSAGE AND ACCEPTANCE

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

SECTION 12
IMPROVEMENTS

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

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

SECTION 13
MISCELLANEOUS

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

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

Plains Terminals Corpus Christi LLC:

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

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

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

[The Authority's signature page follows this page]

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

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
_____,
Port Commission Chairman

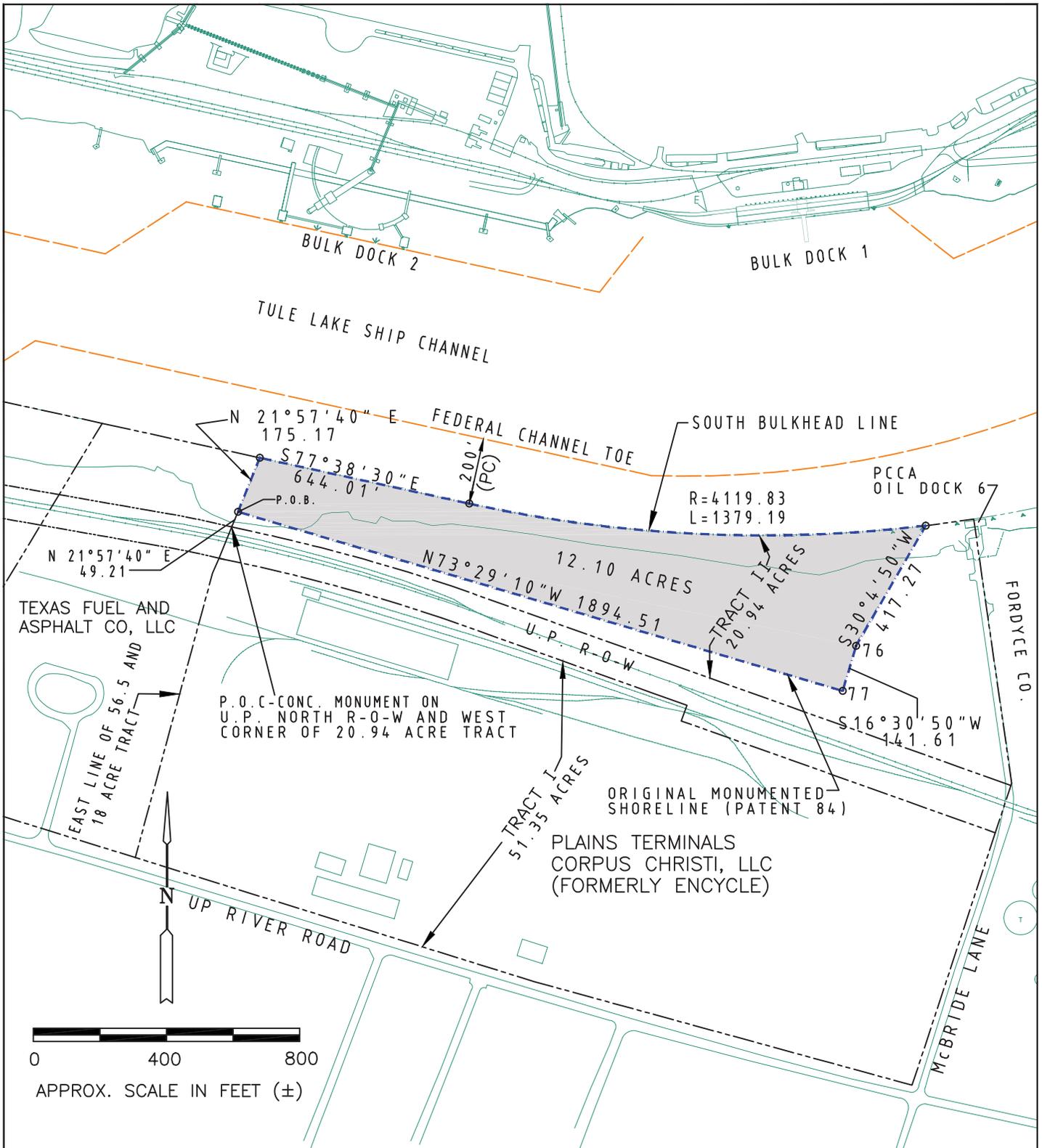
ATTEST:

_____,
Port Commission Secretary

STATE OF TEXAS §
 §
COUNTY OF NUECES §

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

NOTARY PUBLIC, STATE OF TEXAS



NO.	DATE	REVISION



PORT CORPUS CHRISTI

PORT OF CORPUS CHRISTI AUTHORITY

**PLAINS TERMINALS
CORPUS CHRISTI, LLC FRANCHISE**

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

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

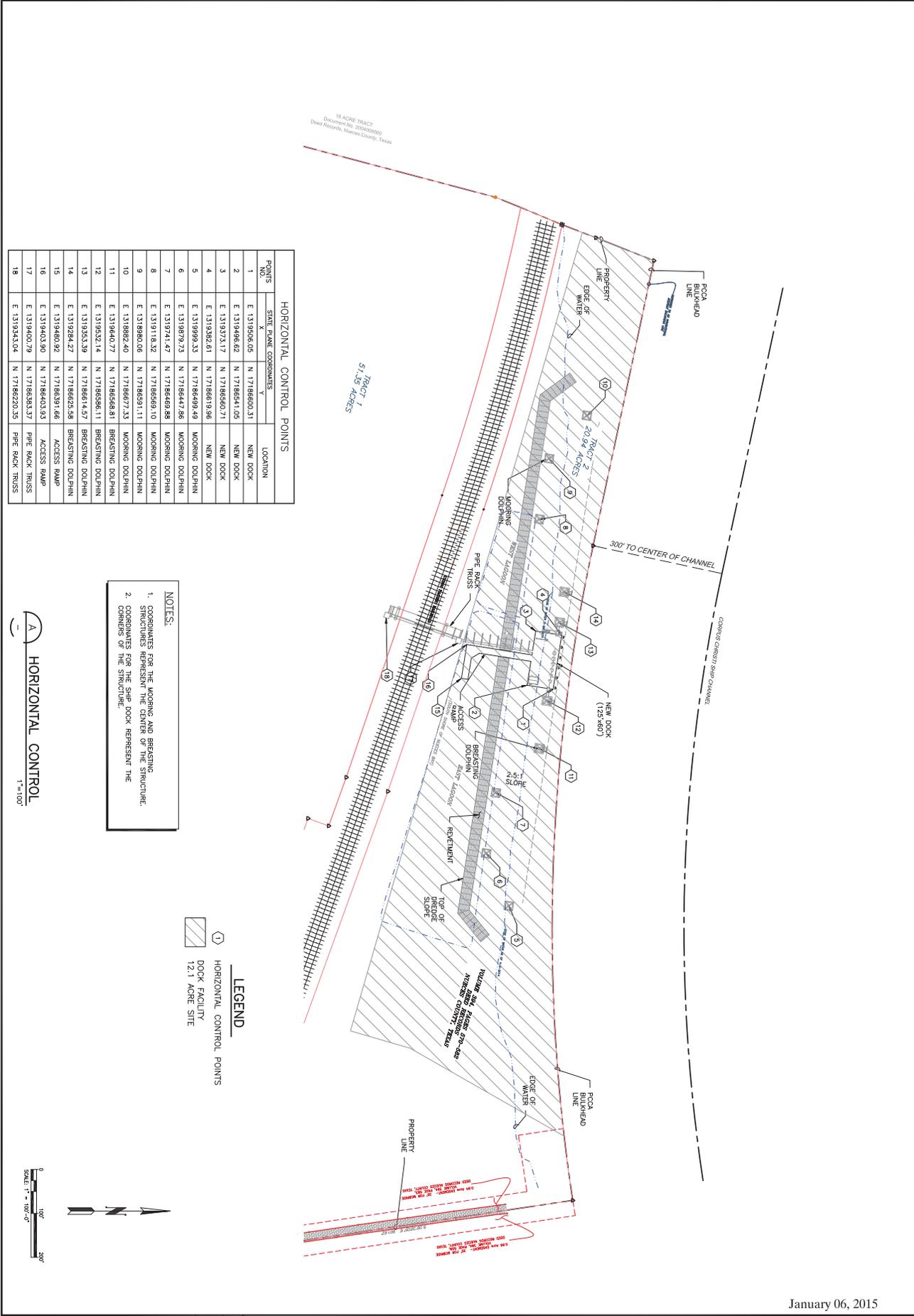
Being a 12.10 acre tract of land out of a 20.94 acre tract of land referred to as Tract II recorded in a special warranty deed (Doc. #2014008147) in Nueces County, Texas. Said 12.10 acres also being a portion of the submerged land patented to Nueces County Navigation District (now known as Port of Corpus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

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

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

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

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



HORIZONTAL CONTROL POINTS

POINTS NO.	STATE PLANE COORDINATES		LOCATION
	X	Y	
1	E. 1319506.05	N. 17186600.31	NEW DOCK
2	E. 1319486.62	N. 17186541.05	NEW DOCK
3	E. 1319373.17	N. 17186560.71	NEW DOCK
4	E. 1319382.81	N. 17186619.96	NEW DOCK
5	E. 1319999.33	N. 17186499.49	MOORING DOLPHIN
6	E. 1319879.73	N. 17186447.86	MOORING DOLPHIN
7	E. 1319741.47	N. 17186669.88	MOORING DOLPHIN
8	E. 1319118.32	N. 17186599.10	MOORING DOLPHIN
9	E. 1318980.06	N. 17186591.11	MOORING DOLPHIN
10	E. 1318882.40	N. 1718677.33	MOORING DOLPHIN
11	E. 1319640.77	N. 17186688.81	BREASTING DOLPHIN
12	E. 1319532.14	N. 17186596.11	BREASTING DOLPHIN
13	E. 1319353.39	N. 17186614.57	BREASTING DOLPHIN
14	E. 1319284.27	N. 17186625.98	BREASTING DOLPHIN
15	E. 1319480.92	N. 17186391.66	ACCESS RAMP
16	E. 1319403.90	N. 17186403.93	ACCESS RAMP
17	E. 1319400.79	N. 17186383.37	PIPE RACK TRUSS
18	E. 1319343.04	N. 17186220.35	PIPE RACK TRUSS

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

LEGEND
 HORIZONTAL CONTROL POINTS
 DOCK FACILITY
 12.1 ACRE SITE

A HORIZONTAL CONTROL
 1"=100'

SCALE: 1" = 100'-0"
 0 100' 200'

DRAWING SCALES SHOWN BASED ON 22 3/4" DRAWING

Exhibit C	PLAINS MARINE TERMINAL AT PORT OF CORPUS CHRISTI	PREPARED BY:  5440 West Tyson Ave., Suite 200 Tampa, FL 33611 Texas Certificate of Authorization Number, F-14492	PREPARED FOR:  Orion Marine Construction, LP Houston, Texas	Designed: GLS Drawn: ACJ/RMA Checked: WHC Approved: ---	P.E. GARY L. SCHNEIDER No. 111910
	AT 22" x 34" BAR IS ONE INCH Mark Description Date By	EXHIBIT Page 31/44			

ACCEPTANCE OF GRANTEE

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

EXECUTED this ____ day of _____, 2015.

Plains Terminals Corpus Christi LLC

By: _____

Printed Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

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

NOTARY PUBLIC, STATE OF TEXAS

DATE: January 27, 2015
FROM: John LaRue; 885-6189; john@pocca.com

AGENDA ITEM NO. 7

Approve Cost Increase of the Purchase of a New Winch Truck from Grande Truck Center Awarded at the July 8, 2014 Commission Meeting Due to the Changed Condition of the Trade-in Truck

On July 8, 2014, the Port Commission approved the purchase of a new winch truck from Grande Truck Center to replace the Maintenance Department's existing 1996 Ford F-700 winch truck. As part of the bid, the purchase price of the new truck included a \$5,000 trade-in value for the existing truck. In accordance with the contract, the Port would keep and use the existing winch truck until a new winch truck could be delivered. However, during the week of January 5, 2015, the existing winch truck broke down. The Port's mechanics diagnosed the problem as significant internal engine wear of the pistons and that repairs would entail a complete engine overhaul, costing approximately \$6,000.

Staff contacted Grande Truck Center and informed them of the change in the condition of the trade-in unit because, at the time of bidding in June 2014, the existing winch truck was presented as functioning properly. Staff negotiated a revised trade-in price of \$3,500 increasing the new contract price from \$83,863 to \$85,363. The new truck is now scheduled for delivery in February 2015.

Staff recommends that the contract be amended with Grande Truck Center to decrease the trade-in value to \$3,500 and increase the contract amount to \$85,363 for the purchase of a new winch truck.

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

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

Section 1. Officers; Terms of Office.

The officers of the Port Commission are Chair, Vice Chair and Secretary. The officers of the Port Commission will be elected for a one (1) year term at the regular meeting of the Port Commission held in January of each year; a vacancy in any office will be filled by a vote of the Port Commission. Election of officers and filling of vacancies will be by a vote of a majority of the Port Commission.

Section 2. Meetings.

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

The Chair, or the Vice Chair in the absence of the Chair, or any four (4) Port Commissioners, may schedule a special meeting or a called meeting or an emergency meeting of the Port Commission by providing the Executive Director with written instructions concerning the date, time, place and agenda of the meeting. The Executive Director or person designated by the Executive Director in writing is the person charged with preparation, and posting, of notice of a meeting of the Port Commission.

At or before the commencement of each Port Commission meeting, any Port Commissioner who intends to abstain from participating in the discussion of, and voting on, an Agenda item in accordance with Section II. B. 1. of the Code of Ethics of Port of Corpus Christi Authority of Nueces County, Texas ("PCCA Code of Ethics"), shall file the required affidavit with the official record keeper who shall then at the direction of the presiding officer announce the name or names of each Port Commissioner and each Agenda item or items upon which the Commissioner

or Commissioners will abstain, and the Commissioner or Commissioners shall abstain from participating in, or voting on, each such Agenda item.

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

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

Section 3. Closed Meetings.

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

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

Section 4. Port Commission Committees.

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

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

As of February 12, 2002, the only standing committee of the Port Commission shall be the Audit Committee, and all other standing committees in existence prior to February 12, 2002, are hereby terminated. The functions of the Audit Committee are to review the financial affairs of Port of Corpus Christi Authority of Nueces County, Texas ("PCCA"), to make recommendations with respect to the selection of the PCCA's auditors, to meet with the PCCA's auditors to review the annual audit report of the PCCA's auditors, and to act as a designated investment committee advising the investment officer of PCCA pursuant to Chapter 2256, Texas Government Code and the PCCA Investment Policy (revised as of December 3, 1998). The Audit Committee shall consist of three (3) Port Commissioners.

Section 5. Duties and Authority of Officers.

The Chair will establish the agenda for Port Commission meetings, in consultation with the Vice-Chair and Secretary, and with the assistance of members of the staff, but without discussing the merits of the agenda items. The Executive Director will send a draft of the agenda for each Port Commission meeting to the Port Commissioners by the close of business on the sixth day before such meeting. The Chair will preside at all meetings of the Port Commission, announce the

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

The Vice Chair shall, in the absence of the Chair, perform the duties and have the authority to exercise the powers of the Chair.

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

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

Section 6. Quorum; Voting.

Four (4) Port Commissioners constitute a quorum for the purpose of conducting business at any meeting of the Port Commission. The affirmative vote of a majority of the Port Commissioners present and voting at any meeting at which a quorum is present, but not less than three Port Commissioners, is sufficient for the adoption of any motion or resolution except where a

vote of greater than a majority of Port Commissioners present and voting at the meeting is required by law, statute or rule. Each Port Commissioner present at a meeting shall be entitled to cast a vote on any issue put to a vote of the Port Commission at such meeting, except as provided in (i) the PCCA Code of Ethics, or (ii) Chapter 171 of the Texas Local Government Code. When a Port Commissioner present at a meeting abstains from voting on a matter taken up by the Port Commission, the record will reflect that the Port Commissioner in question abstained from voting, and in any certifications relative to the voting record on such matter or in any documents to be executed relative to such matter, the certifications or documents shall reflect that the Port Commissioner abstained. If a Port Commissioner is absent from a meeting at which action is taken on a matter and documents or certifications are provided relative to such matter, the documents or certifications shall reflect that the Port Commissioner was absent from the meeting at which the matter was acted upon.

Section 7. Robert's Rules of Order.

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

Section 8. Contact With Staff.

Except for purposes of inquiry or investigation to obtain factual information, the Port Commissioners will deal with the PCCA staff through the Executive Director and shall not give orders to any members of the PCCA staff other than the Executive Director. Willful violation of this operating rule will constitute official misconduct.

Section 9. Amendments.

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

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

**AMENDED AND RESTATED CODE OF ETHICS
OF PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
EFFECTIVE DECEMBER 8, 2009**

PREAMBLE

WHEREAS, on February 12, 2002. the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas (“PCCA”) adopted the Code of Ethics of PCCA (the “Current Code of Ethics”) for members of the Port Commission and employees of PCCA; and

WHEREAS, Chapter 171 of the Texas Local Government Code (“Chapter 171”) is the general conflict of interest law for members of the governing body and certain employees of a Texas navigation district, as well as Texas city and county officials; and

WHEREAS, counsel for the Port Commission has advised the Commission that there are differences between Chapter 171 and the Current Code of Ethics; and

WHEREAS, the Port Commission wishes to revise the Current Code of Ethics to conform with the requirements of Chapter 171; and

NOW, THEREFORE, BE IT RESOLVED, that the Current Code of Ethics be, and it hereby is, amended and restated in its entirety, effective as of December 8, 2009, to read as follows:

Section 1.01. Definitions. In this Code:

(a) “Business entity” means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

(b) “Code” means this Amended and Restated Code of Ethics of Port of Corpus Christi Authority of Nueces County, Texas.

(c) “Commissioner” means any member of the Port Commission of PCCA.

(d) “Employee” means any full-time employee of the PCCA.

(e) "First degree" relation means an individual's spouse, parents and children, as well as the spouse of each of these relatives.

(f) "PCCA" means Port of Corpus Christi Authority of Nueces County, Texas.

(g) "Port Commission" means the governing body of PCCA.

Section 1.02. Substantial Interest In Business Entity.

(a) For purposes of this Code, a person has a substantial interest in a Business Entity if:

(1) the person owns 10 percent or more of the voting stock or shares of the Business Entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the Business Entity; or

(2) funds received by the person from the Business Entity exceed 10 percent of the person's gross income for the previous year.

(b) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

(c) A Commissioner is considered to have a substantial interest under this section if a person related to the Commissioner in the first degree has a substantial interest under this section.

(d) An Employee is considered to have a substantial interest under this section if a person related to the Employee in the first degree has a substantial interest under this section.

Section 1.03. Prohibited Acts as Surety. No Commissioner or Employee may:

(1) act as surety for a Business Entity that has work, business, or a contract with PCCA; or

(2) act as surety on any official bond required of a Commissioner or Employee.

Section 1.04. Commissioner's Affidavit And Abstention From Voting Required.

(a) If a Commissioner has a substantial interest in a Business Entity or in real property, the Commissioner shall file, before a vote or decision on any matter involving the Business Entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

(1) in the case of a substantial interest in a Business Entity the action on the matter will have a special economic effect on the Business Entity that is distinguishable from the effect on the public; or

(2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

(b) The affidavit must be filed with PCCA's official record keeper.

(c) If a Commissioner is required to file and does file an affidavit under Subsection (a) with respect to a matter, the Commissioner is not required to abstain from further participation in the matter if a majority of the members of Port Commission are likewise required to file and do file affidavits of similar interests on the same matter.

Section 1.05. Voting On Budget.

(a) The Port Commission shall take a separate vote on any budget item specifically dedicated to a contract with a Business Entity in which a Commissioner has a substantial interest.

(b) Except as provided by Section 1.04(c), above, the affected Commissioner may not participate in that separate vote. The Commissioner may vote on a final budget if:

(1) the Commissioner has complied with this Code; and

(2) the matter in which the Commissioner is concerned has been resolved.

Section 1.06. Prohibited Actions by Employees on Certain Matters.

(a) If an Employee has a substantial interest in a Business Entity, the Employee shall not take any action involving the Business Entity, in his or her capacity as a PCCA employee, that will have a special economic effect on the Business Entity that is distinguishable from the effect on the public.

(b) If an Employee has a substantial interest in real property, the Employee shall not take any action involving the real property, in his or capacity as a PCCA Employee, that is reasonably likely to have a special economic effect on the value of the property, distinguishable from its effect on the public.

AGENDA ITEM NO. 9

No Attachment