

NOTICE OF MEETING
SEPTEMBER 9, 2020

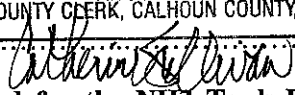
A Regular Meeting of the Calhoun Port Authority will be held on Wednesday, September 9, 2020 at 9:00 a.m. in the Calhoun Port Authority Board Room, Calhoun Port Authority Office, 2313 F.M. 1593 South, Point Comfort, Texas.

AT 1:09 ^{FILED} 0 O'CLOCK P M

Agenda:

SEP 04 2020

1. Call Regular Meeting to Order.
2. Public Comment.....

ANNA GOODMAN
COUNTY CLERK, CALHOUN COUNTY, TEXAS
BY:  DEPUTY


No Action Required.
3. Review and Consideration of **Sealed Bids Received for the NH3 Tank Farm Road and Site Repair Project and Consider Awarding a Contract**.....Action Required.
4. Approve the minutes of the Wednesday, August 12, 2020 Regular Meeting and the Wednesday, August 19, 2020 Special Meeting.....Action Required.
5. Review of Financial Reports: All Funds.....No Action Required.
6. Approval of Disbursements and Transfers: All Funds.....Action Required.
7. Port Director's Report.....No Action Required.
8. Review and Consideration of **Approval of Board Members Committee/Conference Attendance**.....Action Required.
9. Review and Consideration of **Proposed Maintenance and Operations (M&O) Tax for 2020**.....Action Required.
10. Review and Consideration of **Declaring the Emergency Bearing Oil Pump Assembly at the Joslin Plant Site as Surplus Property**..... Action Required.
11. Review and Consideration of **Approval to Advertise for Bids for the AN Vapor Destruction Unit Project**.....Action Required.
12. Review and Consideration of **Approval of an Owner's Representative Agreement Regarding the AN Vapor Destruction Unit Replacement Project**.....Action Required.
13. Review and Consideration of **Adopting Bylaws of the Calhoun Port Authority**.....Action Required.
14. Review and Consideration of a **Letter of Support for Calhoun County's CMP Grant Application for Magnolia Beach / Indianola County Parks**.....Action Required.
15. Review and Consideration of a **Request for an Extension of Time on Memorandum of Understanding between the Calhoun Port Authority and IDE Americas Inc**Action Required.
16. Review and Consideration of a **Request from Max Midstream, Texas to Align their Port Terminal Lease, the Pipeline Easements and the Loading Arm Lease to Match the Terms in the North Peninsula / Office Building Lease**.....Action Required.
17. **Closed Session:**

As authorized by TEX. GOV'T CODE §551.087(1): to discuss or deliberate regarding commercial information that the Port has received from a business prospect that the Port seeks to have locate, stay, or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence (if any) of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.

As authorized by Tex.Gov't Code §551.072 for the purpose of discussion with respect to the purchase, exchange, lease or value of real property. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence (if any) of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.

As authorized by Tex.Gov't Code §551.071(2) to seek the advice of its attorney. No discussions or deliberations with legal counsel shall be conducted in the presence of any business prospect or any other third party that may result in waiver of the attorney-client privilege.

18. Return to **Open Session** and take any action deemed necessary based on discussion in **Closed Session**.
19. Adjourn.


Charles R. Hausmann,
Port Director



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www.calhounport.com

PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 2, Public Comment.

Members of the Board, this agenda item is to provide the Public with a way to address the Board with any issues or questions they may have concerning the Calhoun Port Authority.

Please feel free to contact me, if you have any questions regarding the public comment agenda item.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 3, Review and Consideration of Sealed Bids Received for the NH3 Tank Farm Road and Site Repair Project and Consider Awarding a Contract.

Members of the Board, I have attached a blank abstract of offers sheet for you to fill out when the bids for the NH3 Tank Farm Road and Site Repair Project are opened during the regular meeting.

Please feel free to contact me, if you have any questions regarding this agenda item.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

BID TABULATIONS
NH3 TANK ROAD REPAIRS PROJECT
BID OPENING: 9:00 A.M., SEPTEMBER 9, 2020

Bidder	Total , Lump Sum Bid	Bid Bond?	Remarks
Tabulated By: _____			

**CALHOUN PORT AUTHORITY
REGULAR MEETING
August 12 2020**

A regular meeting of the Calhoun Port Authority was held on Wednesday, August 12, 2020 at 9:00 a.m. in the Calhoun Port Authority Board Room, Calhoun Port Authority Office, Point Comfort, Texas

Board Members attending in person or via telephone were:

Commissioner # 1 – Tony Holladay
Commissioner # 2 – Jay Cuellar
Commissioner # 3 – J.C. Melcher, Jr.
Commissioner # 4 – Luis De La Garza
Commissioner # 5 – Johnny Perez
Commissioner # 6 – H. C. Wehmeyer, Jr. via telephone

Staff Members attending were:

Charles R. Hausmann – Port Director
Forrest Hawes – Deputy Port Director
Alan Sanders – Moore Landrey Law Firm
Miranda Malek – Finance Assistant

Others attending were:

David M. Knuckey – Engineering Consultant
Carl Smith – NGL
Aaron Smith – NGL
Todd Edwards – Max Midstream
Han Messmer - Max Midstream
Jack Wu – Formosa Plastics Corporation
D.D. Turner – The *Wave*

Agenda Item No. 1: Call to Order:

Board Chair J. C Melcher, Jr. called the Regular Meeting to order at approximately 9:00 a.m. He announced that the agenda of the meeting was posted in accordance with the provisions of the Texas Open Meetings Act.

The Pledge of Allegiance was led by Board Member Luis De La Garza.

Agenda Item No. 2: Public Comment.

No action was taken on this agenda item.

Agenda Item No. 3: Approve the minutes of the Wednesday, July 8, 2020 Regular Meeting and the Thursday, July 23, 2020 Special Meeting.

The Board Members reviewed the minutes from the Wednesday, July 8, 2020 Regular Meeting and the Thursday, July 23, 2020 Special Meeting. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the minutes of the Wednesday, July 8, 2020 Regular Meeting and the Thursday, July 23, 2020 Special Meeting. The motion was seconded by Board Member Jay Cuellar and the motion carried unanimously.

Agenda Item No. 4: Review of Financial Reports: All Funds.

Deputy Director Forrest Hawes presented the following financial information to the Board Members for Review:

Fund Balance Report as of July 31, 2020:

- 1.) Accounts Receivable Report as of July 31, 2020
- 2.) Mr. Hawes reported to the Board Members that the accounts receivable report specified that the accounts receivable was 98% current as of July 31, 2020.

Agenda Item No. 5: Approval of Disbursements and Transfers: All Funds

The Board Members reviewed the August 12, 2020 Port Operations Account disbursements. Pursuant to review, a motion was made by Board Secretary Tony Holladay to approve disbursements and the corresponding transfers for August 12, 2020 with the exception of check number 33484 which was to be approved in a later agenda item. The motion was seconded by Board Member H. C. Wehmeyer, Jr. and the motion carried that the disbursements and the corresponding transfers be approved as discussed.

TRANSFER NO.	FUND ACCOUNT	AMOUNT
GROSS REVENUE FUND		

2021-001	To Port Operations Fund	\$71,493.72	
2021-004	To Port Operations Fund	\$63,660.51	
2021-006	To Port Operations Fund	\$218,048.76	
	Total		\$353,202.99
LEGAL FUND			
2021-006	To Port Operations Fund	\$24,500.00	
	Total		\$24,500.00
BUSINESS DEVELOPMENT FUND			
2021-006	To Port Operations Fund	\$25,734.46	
	Total		\$25,734.46
DEPRECIATION & MAJOR REPAIR FUND			
	To Port Operations Fund		
	Total		
AN/NH3 OPERATING FUND			
2021-006	To Port Operations Fund	\$48,595.30	
	Total		\$48,595.30
TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT			\$452,032.75

INTERFUND TRANSFERS

DATE	FROM	TO	AMOUNT
8/12/20	AN/NH3 Operating	AN/NH3 Dep M/R	\$7,500.00
	Total		\$7,500.00

Agenda Item No. 6: Port Director's Report.

Charles R. Hausmann, Port Director, reported the following:

A. Harbor Traffic Statistics for the month of July:

That a total of 81 vessels had arrived at the public port facilities during the month of July; 21 deep draft arrivals and 60 inland barges and a total of 172 invoices were issued. Further, that 10 deep draft vessels were already on schedule for August arrival.

Total revenue tons for the month of July were 311,037.7 short tons.

B. NGL loaded out 16 crude oil barges totaling 56,536.6 short tons.

C. Harvest loaded out 8 crude oil barges totaling 23,104.9 short tons.

Agenda Item No. 7: Review and Consideration of Approval of Board Members Committee/Conference Attendance.

Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Board Members Committee/Conference attendance. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 8: Review and Consideration to Return the Remining Balance from the Attorney Reimbursement Fund to Lloyds Energy.

The Board Members reviewed a copy of a letter from Lloyd's Energy requesting the return of funds deposited in anticipation of legal documents being drafted for a lease agreement. The initial deposit was for \$25,000.00 and the remaining balance is \$24,500.00. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to authorize the return of the remaining balance from the Attorney Reimbursement Fund to Lloyds Energy. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 9: Review and Consideration of an Assignment and Assumption of a lease from Matagorda Bay Costa Azul Terminal, LLC to NGL Crude Logistics, LLC.

The Board Members reviewed a copy of the assignment and assumption of lease agreement. The assignment was from Matagorda Bay Costa Azul Terminal, LLC to NGL Crude Logistics, LLC. All terms of the original lease would remain the same as this was just a name change. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Assignment and Assumption of the Lease from Matagorda Bay Costa Azul Terminal, LLC. to NGL Crude Logistics, LLC. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 10: Review and Consideration of an Option to Lease Agreement between the Calhoun Port Authority and Max Midstream Texas, LLC for Approximately 50.0 Acres on the South Peninsula.

The Members of the Board reviewed a copy of an option to lease agreement for approximately 50.0 acres between the Calhoun Port Authority and Max Midstream Texas, LLC that was prepared by Port Special Counsel. The lease fee was \$7,500.00 per acre per year and would be paid in quarterly installments of \$93,750.00 at \$1,875.00 per acre per quarter. The term is for a one-year option with an additional one-year option that Max must notify the Port before the scheduled termination date of their intent to renew. If the option is renewed, the quarterly payment would become \$125,000.00 at a rate of \$2,500.00 per acre per quarter. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the Option to Lease between the Calhoun Port Authority and Max Midstream Texas, LLC for Approximately 50.0 Acres on the South Peninsula. The motion was seconded by Board Member Luis De La Garza and the motion carried unanimously.

Agenda Item No. 11: Review and Consideration of a Right of First Refusal Agreement to Lease Property on the Port's Approximately 1,100.0-acre Alamo Beach Tract between the Calhoun Port Authority and Max Midstream Texas, LLC.

The Board reviewed a copy of the first Refusal Right Agreement. This was for a 2-year period beginning August 16, 2020 and would end at 12:01 a.m. on August 16, 2022. Max would pay the Port Authority \$25,000.00 for this right. The Port will still have the ability to market the property, Max will have the right to lease property on terms not less favorable than those of any proposed offer. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the First Refusal Agreement to Lease Property on the Port's Approximately 1,100.0-acre Alamo Beach Tract between the Calhoun Port Authority and Max Midstream Texas, LLC. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 12: Review and Consideration of Authorization to Negotiate a Lease Agreement with True Internet Services for a 25.0 by 25.0-foot Tract of Property for the installation of a Mono Pole to Mount Wireless Internet Devices.

The Board Members reviewed a copy of the specification for the mono pole which was provided by TISD. The foundation of the mono pole is 24 feet by 24 feet, so the extra foot would be to install a fence around the mono pole. In lieu of lease payments, it was discussed that TISD would provide internet services to the Port free of charge in exchange for the lease agreement. Pursuant to further review and discussion, a motion was made by Board Member Jay Cuellar to authorize the Port Director to negotiate a

Lease Agreement with True Internet Services for a 25.0 by 25.0-foot Tract of Property for the installation of a Mono Pole to Mount Wireless Internet Devices. The motion was seconded by Board Secretary Tony Holladay and the motion carried unanimously.

Agenda Item No. 15: Closed Session: As Authorized by Tex. Gov't Code §551.087(1): to discuss or deliberate regarding commercial information that the Port has received from a business prospect that the Port seeks to have locate, stay, or expand in or near the territory of the Port with which the Port is conducting economic development negotiations.

As Authorized by Tex. Gov't Code §551.071(2): to seek the advice of its attorney.

Board Chair J. C. Melcher, Jr. announced that As authorized by Tex. Gov't Code §551.087(1): to discuss or deliberate regarding commercial information the Port has received from a business prospect that the Port seeks to have locate, stay or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations and as authorized by Tex. Gov't Code §551.071(2): to seek the advice of its attorney

"No action or consensus would be taken in closed session". The Board convened in Closed Session at 9:38 a.m.

Agenda Item No. 16: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

The Board adjourned the Closed Session at 10:28 a.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

Agenda Item No. 13: Review and Consideration of Adopting Bylaws of the Calhoun Port Authority.

No action was taken on this agenda item.

Agenda Item No. 14: Review and Consideration of advertising for Bids for the NH3 Tank Farm Road and Site Repair Project.

The Board Members reviewed copies of pictures of the road going into the NH3 tank berm and the area around the tank. Ineos requested that this road and area be repaired and paid for with AN/NH3 funds. Pursuant to further review and discussion, a motion was made by Board Secretary Tony Holladay to approve the advertisement of bids for the NH3 Tank Farm Road and Site Repair Project. The motion was seconded by Board Member Johnny Perez and the motion carried unanimously.

Agenda Item No. 17: Adjourn.

There being no further business to be brought before the Board, a motion was duly made that the meeting be declared adjourned at approximately 10:47 a.m. on Wednesday, August 12, 2020.

J. C. Melcher, Jr. Board Chair

ATTEST:

Tony Holladay, Board Secretary

**CALHOUN PORT AUTHORITY
SPECIAL MEETING
August 19, 2020**

A special meeting of the Calhoun Port Authority was held on Wednesday, August 19, 2020 at 1:00 p.m. in the Calhoun Port Authority Board Room, Calhoun Port Authority Office, Point Comfort, Texas.

Board Members present were:

Commissioner # 1 – Tony Holladay via telephone
Commissioner # 2 – Jay Cuellar
Commissioner # 3 – J. C. Melcher, Jr.
Commissioner # 4 – Luis De La Garza
Commissioner # 5 – Johnny Perez
Commissioner # 6 – H. C. Wehmeyer, Jr. via telephone

Staff Members present were:

Charles Hausmann – Port Director
Forrest Hawes – Deputy Port Director
Allan Sanders – Moore Landry Law Firm via telephone
Miranda Malek – Finance Assistant

Others present were:

Kevin Riggs - Alcoa
Alfred Aparicio - Alcoa
Keith Schmidt - Alcoa
Mark Stiffler - Alcoa
DD Turner – The *Wave*

Agenda Item No. 1: Call to order.

Board Chair J. C. Melcher, Jr. called the Special Meeting to order at approximately 1:00 p.m. He announced that the agenda of the meeting was posted in accordance with the provisions of the Texas Open Meetings Act.

Agenda Item No. 2: Closed Session:

As authorized by Tex. Gov't Code §551.087(1): to discuss or deliberate regarding commercial information the Port has received from a business prospect (Alcoa) that the Port seeks to have locate, stay or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence of which shall be limited to presentation of

information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.

As authorized by Tex. Gov't Code §551.072 for the purpose of discussion with respect to the purchase, exchange, lease or value of real property with Alcoa. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information that is of a confidential or business-proprietary nature.

As Authorized by Tex. Gov't Code §551.071(2) to seek the advice of its attorney. The territory of the Port and with which the Port is conducting economic development negotiations. No discussion, or deliberations with legal counsel shall be conducted in the presence of any business prospect and any other third party that may result in waiver of the attorney-client privilege.

Board Chair J. C. Melcher, Jr. announced that As authorized by Tex. Gov't Code §551.087(1): to discuss or deliberate regarding commercial information the Port has received from a business prospect (Alcoa) that the Port seeks to have locate, stay or expand in or near the territory of the Port and with which the Port is conducting economic development negotiations. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information it is of a confidential or business-proprietary nature.

As authorized by Tex. Gov't Code §551.072 for the purpose of discussion with respect to the purchase, exchange, lease or value of real property with Alcoa. No discussions or deliberations shall be conducted in the presence of any business prospect, the presence of which shall be limited to presentation of information relevant to the potential economic development activity and with respect to such information that is of a confidential or business-proprietary nature.

As Authorized by Tex. Gov't Code §551.071(2) to seek the advice of its attorney. The territory of the Port and with which the Port is conducting economic development negotiations. No discussion, or deliberations with legal counsel shall be conducted in the presence of any business prospect and any other third party that may result in waiver of the attorney-client privilege.

"No action or consensus would be taken in closed session". The Board convened in Closed Session at 1:01 p.m.

Agenda Item No. 3: Return to Open Session and take any action deemed necessary based on discussion in Closed Session.

The Board adjourned the Closed Session at 2:27 p.m. Board Chair J. C. Melcher, Jr. announced that "No action or consensus had been taken in closed session".

Agenda Item No. 4: Adjourn.

There being no further business to be brought before the Board, a motion was duly made that the meeting be declared adjourned at 2:28 p.m. on Wednesday, August 19, 2020.

J. C. Melcher, Jr., Board Chair

ATTEST:

Tony Holladay, Board Secretary

Fund Balance Report

August 31, 2020

	7/31/2020 <u>Balance</u>	8/31/2020 <u>Balance</u>
<u>UNENCUMBERED FUNDS</u>		
Maintenance & Operations	30,157.00	30,212.39
Gross Revenue	21,202,164.10	23,149,081.44
Business Development	4,344,840.31	4,329,268.82
Port Operations	23,957.80	83,247.48
Industrial Dev. Authority	915.02	915.84
Depreciation & Major Repairs	4,072,335.60	4,119,986.52
<u>TOTAL UNENCUMBERED FUNDS ON DEPOSIT</u>	<u>29,674,369.83</u>	<u>31,712,712.49</u>
<u>ENCUMBERED FUNDS</u>		
AN/NH 3 Operating	479,220.58	633,923.03
AN/NH3 Reserve	311,984.35	312,262.69
AN/NH3 DEPR. & M.R.	2,070,321.06	2,079,669.64
DBD Maintenance Fee	531,295.62	531,769.62
Legal Reimbursement	\$26,002.57	1,513.08
<u>TOTAL ENCUMBERED FUNDS ON DEPOSIT</u>	<u>3,418,824.18</u>	<u>3,559,138.06</u>
<u>TOTAL ALL FUNDS ON DEPOSIT</u>	<u>33,093,194.01</u>	<u>35,271,850.55</u>
DEPOSIT OF RECEIVABLES	\$743,974.67	\$2,584,044.83
ENCUMBERED DEPOSITS	\$176,620.95	\$227,176.39
TRANSFERS TO DEPRECIATION ACCOUNTS	\$54,653.25	\$54,653.25
INTERFUND TRANSFERS TO OPERATIONS ACCOUNT	\$571,135.13	\$516,188.67
<u>TOTAL DEPOSIT ALL FUNDS</u>	<u>\$1,546,384.00</u>	<u>\$3,382,063.14</u>
SERIES 1998 BOND DEBT SERVICE	\$8,860.66	\$5,491.80
SERIES 2003 BOND DEBT SERVICE	\$1,002.62	\$755.41
<u>TOTAL AN/NH3 DEBT SERVICE</u>	<u>\$9,863.28</u>	<u>\$6,247.21</u>
WIRE TRANSFER TO INEOS ABOVE \$250,000.00		
<u>TOTAL OF ACCOUNTS RECEIVABLE</u>	<u>\$2,523,967.96</u>	<u>\$670,626.51</u>

Calhoun Port Authority
Aged Receivables by Due Date - Aged Receivables Custom
Aging Date - 8/31/2020
From 8/1/2020 Through 8/31/2020

Customer Name	Invoi... Num...	Due Date	Current	1 - 30 Days Past Due	31 - 60 Days Past Due	61 - 90 Days Past Due	Over 90 Days Past Due	Total
American Commercial ...	54938	9/2/2020	847.59	0.00	0.00	0.00	0.00	847.59
Total American Comm...			847.59	0.00	0.00	0.00	0.00	847.59
AN/NH3 Facilities	54977	9/13/2020	843.49	0.00	0.00	0.00	0.00	843.49
	54979	9/13/2020	101.35	0.00	0.00	0.00	0.00	101.35
Total AN/NH3 Facilities			944.84	0.00	0.00	0.00	0.00	944.84
Biehl & Company	55004	9/18/2020	4,156.33	0.00	0.00	0.00	0.00	4,156.33
Total Biehl & Company			4,156.33	0.00	0.00	0.00	0.00	4,156.33
Bryant Marine	55036	9/23/2020	2,793.45	0.00	0.00	0.00	0.00	2,793.45
	55043	9/24/2020	3,156.15	0.00	0.00	0.00	0.00	3,156.15
	55047	9/25/2020	2,693.82	0.00	0.00	0.00	0.00	2,693.82
Total Bryant Marine			8,643.42	0.00	0.00	0.00	0.00	8,643.42
Calco Towing	54902	8/26/2020	0.00	395.56	0.00	0.00	0.00	395.56
Total Calco Towing			0.00	395.56	0.00	0.00	0.00	395.56
Ceres Consulting, L.L.C.	54983	9/16/2020	57.39	0.00	0.00	0.00	0.00	57.39
	54985	9/16/2020	57.39	0.00	0.00	0.00	0.00	57.39
	54987	9/16/2020	98.97	0.00	0.00	0.00	0.00	98.97
	54989	9/16/2020	265.29	0.00	0.00	0.00	0.00	265.29
	54992	9/17/2020	1,096.89	0.00	0.00	0.00	0.00	1,096.89
	55051	9/27/2020	888.99	0.00	0.00	0.00	0.00	888.99
Total Ceres Consulting,...			2,464.92	0.00	0.00	0.00	0.00	2,464.92
Chem Carriers LLC	54966	9/11/2020	185.67	0.00	0.00	0.00	0.00	185.67
	55056	9/30/2020	175.21	0.00	0.00	0.00	0.00	175.21
	55058	9/30/2020	227.25	0.00	0.00	0.00	0.00	227.25
Total Chem Carriers LLC			588.13	0.00	0.00	0.00	0.00	588.13
Chem Carriers Towing,...	55059	9/30/2020	32.48	0.00	0.00	0.00	0.00	32.48
Total Chem Carriers To...			32.48	0.00	0.00	0.00	0.00	32.48
Crosby Towing	55031	9/20/2020	1,537.52	0.00	0.00	0.00	0.00	1,537.52
	55045	9/25/2020	464.88	0.00	0.00	0.00	0.00	464.88
Total Crosby Towing			2,002.40	0.00	0.00	0.00	0.00	2,002.40
Devall Towing	54912	8/28/2020	0.00	698.49	0.00	0.00	0.00	698.49
	54919	8/30/2020	0.00	199.53	0.00	0.00	0.00	199.53
	54945	9/4/2020	199.53	0.00	0.00	0.00	0.00	199.53
	54963	9/11/2020	199.53	0.00	0.00	0.00	0.00	199.53
	55000	9/18/2020	199.53	0.00	0.00	0.00	0.00	199.53
	55002	9/18/2020	199.53	0.00	0.00	0.00	0.00	199.53
	55040	9/24/2020	199.53	0.00	0.00	0.00	0.00	199.53
	55050	9/27/2020	199.53	0.00	0.00	0.00	0.00	199.53

Calhoun Port Authority
Aged Receivables by Due Date - Aged Receivables Custom
Aging Date - 8/31/2020
From 8/1/2020 Through 8/31/2020

Customer Name	Invoi... Num...	Due Date	Current	1 - 30 Days Past Due	31 - 60 Days Past Due	61 - 90 Days Past Due	Over 90 Days Past Due	Total
Total Devall Towing			1,197.18	898.02	0.00	0.00	0.00	2,095.20
Florida Marine Transpo...	54801	8/7/2020	0.00	444.06	0.00	0.00	0.00	444.06
	54818	8/8/2020	0.00	185.67	0.00	0.00	0.00	185.67
	54833	8/9/2020	0.00	499.50	0.00	0.00	0.00	499.50
	54864	8/15/2020	0.00	243.06	0.00	0.00	0.00	243.06
	54883	8/21/2020	0.00	444.06	0.00	0.00	0.00	444.06
	54894	8/23/2020	0.00	233.11	0.00	0.00	0.00	233.11
	54897	8/23/2020	0.00	478.71	0.00	0.00	0.00	478.71
	54964	9/11/2020	707.46	0.00	0.00	0.00	0.00	707.46
	54968	9/11/2020	185.67	0.00	0.00	0.00	0.00	185.67
	55014	9/18/2020	559.89	0.00	0.00	0.00	0.00	559.89
	55016	9/18/2020	755.94	0.00	0.00	0.00	0.00	755.94
	55021	9/19/2020	470.16	0.00	0.00	0.00	0.00	470.16
	55033	9/20/2020	340.12	0.00	0.00	0.00	0.00	340.12
	55052	9/27/2020	559.89	0.00	0.00	0.00	0.00	559.89
Total Florida Marine Tr...			3,579.13	2,528.17	0.00	0.00	0.00	6,107.30
FLS Projects USA Inc.	55029	9/20/2020	1,555.47	0.00	0.00	0.00	0.00	1,555.47
Total FLS Projects USA...			1,555.47	0.00	0.00	0.00	0.00	1,555.47
Formosa Plastics Corpo...	54950	9/9/2020	640.26	0.00	0.00	0.00	0.00	640.26
	54952	9/9/2020	654.09	0.00	0.00	0.00	0.00	654.09
	54953	9/9/2020	572.31	0.00	0.00	0.00	0.00	572.31
	54967	9/11/2020	638.68	0.00	0.00	0.00	0.00	638.68
	54969	9/11/2020	534.42	0.00	0.00	0.00	0.00	534.42
	54970	9/11/2020	974.65	0.00	0.00	0.00	0.00	974.65
	54978	9/13/2020	2,230.47	0.00	0.00	0.00	0.00	2,230.47
	54980	9/13/2020	291.12	0.00	0.00	0.00	0.00	291.12
	54993	9/17/2020	593.37	0.00	0.00	0.00	0.00	593.37
	55013	9/18/2020	11,143.67	0.00	0.00	0.00	0.00	11,143.67
	55018	9/18/2020	9,302.61	0.00	0.00	0.00	0.00	9,302.61
	55061	9/30/2020	1,064.37	0.00	0.00	0.00	0.00	1,064.37
	55062	9/30/2020	1,218.23	0.00	0.00	0.00	0.00	1,218.23
Total Formosa Plastics ...			29,858.25	0.00	0.00	0.00	0.00	29,858.25
General Steamship Corp	54828	8/9/2020	0.00	5,440.00	0.00	0.00	0.00	5,440.00
Total General Steamshi...			0.00	5,440.00	0.00	0.00	0.00	5,440.00
Great River Industries	54650	7/1/2020	0.00	0.00	0.00	50.00	0.00	50.00
	54927	9/2/2020	50.00	0.00	0.00	0.00	0.00	50.00
	54943	9/3/2020	1,774.50	0.00	0.00	0.00	0.00	1,774.50
Total Great River Indu...			1,824.50	0.00	0.00	50.00	0.00	1,874.50
Harvest Midstream	52487	9/12/2019	0.00	0.00	0.00	0.00	(434.27)	(434.27)
	54789	8/6/2020	0.00	72,595.93	0.00	0.00	0.00	72,595.93
	54965	9/11/2020	2,188.88	0.00	0.00	0.00	0.00	2,188.88
	55015	9/18/2020	2,304.06	0.00	0.00	0.00	0.00	2,304.06
	55053	9/27/2020	2,305.91	0.00	0.00	0.00	0.00	2,305.91

Calhoun Port Authority
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	6205...	8/11/2020	0.00	(212.13)	0.00	0.00	0.00	(212.13)
Total Harvest Midstream			6,798.85	72,383.80	0.00	0.00	(434.27)	78,748.38
Host Agency	54981	9/16/2020	10,753.18	0.00	0.00	0.00	0.00	10,753.18
Total Host Agency			10,753.18	0.00	0.00	0.00	0.00	10,753.18
Inchcape Shipping Ser...	54939	9/2/2020	4,721.70	0.00	0.00	0.00	0.00	4,721.70
	54955	9/10/2020	2,539.61	0.00	0.00	0.00	0.00	2,539.61
	54997	9/18/2020	2,928.42	0.00	0.00	0.00	0.00	2,928.42
Total Inchcape Shippin...			10,189.73	0.00	0.00	0.00	0.00	10,189.73
INEOS Nitriles USA LLC	54909	8/27/2020	0.00	1,411.16	0.00	0.00	0.00	1,411.16
	54940	9/2/2020	882.04	0.00	0.00	0.00	0.00	882.04
	54956	9/10/2020	941.68	0.00	0.00	0.00	0.00	941.68
	54974	9/13/2020	3,879.61	0.00	0.00	0.00	0.00	3,879.61
	54998	9/18/2020	775.64	0.00	0.00	0.00	0.00	775.64
	55006	9/18/2020	1,410.96	0.00	0.00	0.00	0.00	1,410.96
	55064	9/30/2020	8,438.92	0.00	0.00	0.00	0.00	8,438.92
Total INEOS Nitriles U...			16,328.85	1,411.16	0.00	0.00	0.00	17,740.01
Inspectorate America ...	54930	9/2/2020	778.90	0.00	0.00	0.00	0.00	778.90
Total Inspectorate Am...			778.90	0.00	0.00	0.00	0.00	778.90
Invista S.a.r.l.	54799	8/7/2020	0.00	126.60	0.00	0.00	0.00	126.60
	54848	8/12/2020	0.00	127.08	0.00	0.00	0.00	127.08
	54854	8/13/2020	0.00	126.79	0.00	0.00	0.00	126.79
	54899	8/23/2020	0.00	2,436.28	0.00	0.00	0.00	2,436.28
	54911	8/28/2020	0.00	126.71	0.00	0.00	0.00	126.71
	54918	8/30/2020	0.00	126.89	0.00	0.00	0.00	126.89
	54944	9/4/2020	126.71	0.00	0.00	0.00	0.00	126.71
	54962	9/11/2020	126.60	0.00	0.00	0.00	0.00	126.60
	54991	9/17/2020	121,053.06	0.00	0.00	0.00	0.00	121,053.06
	54999	9/18/2020	126.60	0.00	0.00	0.00	0.00	126.60
	55001	9/18/2020	126.79	0.00	0.00	0.00	0.00	126.79
	55003	9/18/2020	3,880.41	0.00	0.00	0.00	0.00	3,880.41
	55005	9/18/2020	2,434.87	0.00	0.00	0.00	0.00	2,434.87
	55039	9/24/2020	126.79	0.00	0.00	0.00	0.00	126.79
	55041	9/24/2020	2,434.70	0.00	0.00	0.00	0.00	2,434.70
	55049	9/27/2020	126.68	0.00	0.00	0.00	0.00	126.68
Total Invista S.a.r.l.			130,563.21	3,070.35	0.00	0.00	0.00	133,633.56
Kirby Inland Marine	54876	8/19/2020	0.00	277.72	0.00	0.00	0.00	277.72
	54891	8/22/2020	0.00	748.98	0.00	0.00	0.00	748.98
	54914	8/29/2020	0.00	277.72	0.00	0.00	0.00	277.72
	54916	8/29/2020	0.00	365.85	0.00	0.00	0.00	365.85
	54924	8/30/2020	0.00	199.53	0.00	0.00	0.00	199.53
	54951	9/9/2020	548.06	0.00	0.00	0.00	0.00	548.06
	54954	9/9/2020	1,067.78	0.00	0.00	0.00	0.00	1,067.78

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	54971	9/11/2020	298.52	0.00	0.00	0.00	0.00	298.52
	54972	9/13/2020	707.46	0.00	0.00	0.00	0.00	707.46
	54996	9/17/2020	365.85	0.00	0.00	0.00	0.00	365.85
	55027	9/19/2020	960.44	0.00	0.00	0.00	0.00	960.44
	55063	9/30/2020	541.10	0.00	0.00	0.00	0.00	541.10
	55076	10/1/2020	843.90	0.00	0.00	0.00	0.00	843.90
	55077	10/1/2020	1,628.74	0.00	0.00	0.00	0.00	1,628.74
	55078	10/1/2020	697.46	0.00	0.00	0.00	0.00	697.46
Total Kirby Inland Marine			7,659.31	1,869.80	0.00	0.00	0.00	9,529.11
LeBeouf Bros. Towing, ...	54892	8/23/2020	0.00	863.19	0.00	0.00	0.00	863.19
	54942	9/3/2020	707.40	0.00	0.00	0.00	0.00	707.40
	54946	9/4/2020	707.40	0.00	0.00	0.00	0.00	707.40
	54948	9/5/2020	623.20	0.00	0.00	0.00	0.00	623.20
	55011	9/18/2020	559.89	0.00	0.00	0.00	0.00	559.89
Total LeBeouf Bros. To...			2,597.89	863.19	0.00	0.00	0.00	3,461.08
Leeward Agency, Inc.	55030	9/20/2020	5,468.61	0.00	0.00	0.00	0.00	5,468.61
Total Leeward Agency,...			5,468.61	0.00	0.00	0.00	0.00	5,468.61
Magnolia Marine Trans...	54961	9/11/2020	258.41	0.00	0.00	0.00	0.00	258.41
	55008	9/18/2020	15.81	0.00	0.00	0.00	0.00	15.81
	55009	9/18/2020	161.37	0.00	0.00	0.00	0.00	161.37
Total Magnolia Marine ...			435.59	0.00	0.00	0.00	0.00	435.59
Marservice, Inc.	55020	9/19/2020	2,144.95	0.00	0.00	0.00	0.00	2,144.95
Total Marservice, Inc.			2,144.95	0.00	0.00	0.00	0.00	2,144.95
Max Midstream Texas, ...	54814	8/8/2020	0.00	160,000.00	0.00	0.00	0.00	160,000.00
	54896	8/23/2020	0.00	3,500.00	0.00	0.00	0.00	3,500.00
	55023	9/19/2020	46,875.00	0.00	0.00	0.00	0.00	46,875.00
	55024	9/19/2020	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Total Max Midstream T...			71,875.00	163,500.00	0.00	0.00	0.00	235,375.00
Moran Towing	54845	8/12/2020	0.00	5,347.76	0.00	0.00	0.00	5,347.76
	54957	9/10/2020	5,156.64	0.00	0.00	0.00	0.00	5,156.64
	55028	9/20/2020	1,620.68	0.00	0.00	0.00	0.00	1,620.68
Total Moran Towing			6,777.32	5,347.76	0.00	0.00	0.00	12,125.08
NGL Crude Logistics, LLC	54976	9/13/2020	2,500.00	0.00	0.00	0.00	0.00	2,500.00
Total NGL Crude Logist...			2,500.00	0.00	0.00	0.00	0.00	2,500.00
NGL Crude Terminals, ...	54931	9/2/2020	25.00	0.00	0.00	0.00	0.00	25.00
	54947	9/4/2020	2,037.90	0.00	0.00	0.00	0.00	2,037.90
	54949	9/5/2020	2,241.28	0.00	0.00	0.00	0.00	2,241.28
	54960	9/11/2020	2,487.11	0.00	0.00	0.00	0.00	2,487.11
	54973	9/13/2020	2,169.56	0.00	0.00	0.00	0.00	2,169.56

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Customer Name	Invoi... Num...	Due Date	Current	1 - 30 Days Past Due	31 - 60 Days Past Due	61 - 90 Days Past Due	Over 90 Days Past Due	Total
	55010	9/18/2020	2,759.51	0.00	0.00	0.00	0.00	2,759.51
	55012	9/18/2020	2,236.49	0.00	0.00	0.00	0.00	2,236.49
	55038	9/23/2020	2,535.90	0.00	0.00	0.00	0.00	2,535.90
Total NGL Crude Termi...			16,492.75	0.00	0.00	0.00	0.00	16,492.75
NGL Marine, LLC	54907	8/27/2020	0.00	321.37	0.00	0.00	0.00	321.37
	54959	9/11/2020	279.21	0.00	0.00	0.00	0.00	279.21
	55037	9/23/2020	1,101.71	0.00	0.00	0.00	0.00	1,101.71
Total NGL Marine, LLC			1,380.92	321.37	0.00	0.00	0.00	1,702.29
Odfjell USA	54975	9/13/2020	8,391.81	0.00	0.00	0.00	0.00	8,391.81
Total Odfjell USA			8,391.81	0.00	0.00	0.00	0.00	8,391.81
Seadrift Coke	54986	9/16/2020	1,638.27	0.00	0.00	0.00	0.00	1,638.27
Total Seadrift Coke			1,638.27	0.00	0.00	0.00	0.00	1,638.27
SGR Energy, Inc.	54856	8/13/2020	0.00	8,509.01	0.00	0.00	0.00	8,509.01
Total SGR Energy, Inc.			0.00	8,509.01	0.00	0.00	0.00	8,509.01
Simplot	54925	8/30/2020	0.00	773.91	0.00	0.00	0.00	773.91
	54934	9/2/2020	75.00	0.00	0.00	0.00	0.00	75.00
	54958	9/10/2020	8,748.61	0.00	0.00	0.00	0.00	8,748.61
	55044	9/24/2020	1,846.44	0.00	0.00	0.00	0.00	1,846.44
Total Simplot			10,670.05	773.91	0.00	0.00	0.00	11,443.96
Southern Towing Co.	6482a	4/21/2020	0.00	0.00	0.00	0.00	(0.73)	(0.73)
Total Southern Towing...			0.00	0.00	0.00	0.00	(0.73)	(0.73)
Texas Marine Agency	54847	8/12/2020	0.00	5,940.71	0.00	0.00	0.00	5,940.71
	54888	8/22/2020	0.00	4,025.26	0.00	0.00	0.00	4,025.26
	54910	8/27/2020	0.00	8,552.52	0.00	0.00	0.00	8,552.52
	54923	8/30/2020	0.00	3,029.15	0.00	0.00	0.00	3,029.15
Total Texas Marine Ag...			0.00	21,547.64	0.00	0.00	0.00	21,547.64
TPC Group LLC	54994	9/17/2020	1,344.12	0.00	0.00	0.00	0.00	1,344.12
	55055	9/30/2020	199.53	0.00	0.00	0.00	0.00	199.53
Total TPC Group LLC			1,543.65	0.00	0.00	0.00	0.00	1,543.65
Valls Ship Agencies, LP.	55007	9/18/2020	4,750.75	0.00	0.00	0.00	0.00	4,750.75
	55042	9/24/2020	4,717.54	0.00	0.00	0.00	0.00	4,717.54
Total Valls Ship Agenci...			9,468.29	0.00	0.00	0.00	0.00	9,468.29
Report Total			382,151.77	288,859.74	0.00	50.00	(435.00)	670,626.51

CALHOUN COUNTY NAVIGATION DISTRICT
CHECK REGISTER
September 9, 2020

CHECK NO.	PAYEE	BUDGET ACCOUNT	AMOUNT
4918	WESLEY ABRAHAM	PORT MAINTENANCE WAGES	\$ 1,326.66
4919	RAYMOND BALLES	PORT MAINTENANCE WAGES	\$ 1,911.92
4920	KENNETH BULSTERBAUM	PORT OPERATIONS WAGES	\$ 1,797.87
4921	ANA CAVAZOS	ADMINISTRATION WAGES	\$ 1,167.93
4922	TORIBIO ESQUIVEL III	PORT MAINTENANCE WAGES	\$ 1,106.58
4923	ISAIAH GONZALEZ	PORT MAINTENANCE WAGES	\$ 963.82
4924	LORI HAMMACK	ADMINISTRATION WAGES	\$ 1,312.72
4925	CHARLES R. HAUSMANN	ADMINISTRATION WAGES	\$ 5,331.82
4926	FORREST HAWES	ADMINISTRATION WAGES	\$ 4,991.98
4927	ADRIAN J. KAMM	PORT OPERATIONS WAGES	\$ 1,872.05
4928	DAVID M. KNUCKEY	ADMINISTRATION WAGES	\$ 879.65
4929	DANIEL LOCKEY	PORT OPERATIONS WAGES	\$ 1,964.33
4930	ENCARNACION LONGORIA	PORT MAINTENANCE WAGES	\$ 1,028.22
4931	MIRANDA M. MALEK	ADMINISTRATION WAGES	\$ 2,055.45
4932	EARL S. PATILLO	PORT OPERATIONS WAGES	\$ 2,568.65
4933	STEPHEN C. RODRIGUEZ	PORT MAINTENANCE WAGES	\$ 2,178.03
4934	JORGE TERAN	PORT MAINTENANCE WAGES	\$ 1,371.71
4935	LUIS VELASQUEZ	PORT MAINTENANCE WAGES	\$ 1,530.40
33475	TEXAS CHILD SUPPORT DISBURSMENT	CHILD SUPPORT PAYMENT	\$ 445.38
33476	NATIONWIDE RETIREMENT	EMPLOYEE RETIREMENT CONTRIBUTION	\$ 2,000.00
33477	UNITED WAY OF CALHOUN COUNTY	PAYROLL CONTRIBUTIONS	\$ 23.50
	ELECTRONIC FED. TAX PYMT. SYSTEM	PAYROLL TAX DEPOSIT	\$ 13,794.82
4936	WESLEY ABRAHAM	PORT MAINTENANCE WAGES	\$ 1,444.49
4937	RAYMOND BALLES	PORT MAINTENANCE WAGES	\$ 1,842.87
4938	KENNETH BULSTERBAUM	PORT OPERATIONS WAGES	\$ 1,849.25
4939	ANA CAVAZOS	ADMINISTRATION WAGES	\$ 1,193.71
4940	TORIBIO ESQUIVEL III	PORT MAINTENANCE WAGES	\$ 924.68
4941	ISAIAH GONZALEZ	PORT MAINTENANCE WAGES	\$ 984.91
4942	LORI HAMMACK	ADMINISTRATION WAGES	\$ 1,302.12
4943	CHARLES R. HAUSMANN	ADMINISTRATION WAGES	\$ 5,051.32
4944	FORREST HAWES	ADMINISTRATION WAGES	\$ 4,681.69
4945	ADRIAN J. KAMM	PORT OPERATIONS WAGES	\$ 1,760.26
4946	DAVID M. KNUCKEY	ADMINISTRATION WAGES	\$ 1,626.70
4947	DANIEL LOCKEY	PORT OPERATIONS WAGES	\$ 1,769.67
4948	ENCARNACION LONGORIA	PORT MAINTENANCE WAGES	\$ 1,385.12
4949	MIRANDA M. MALEK	ADMINISTRATION WAGES	\$ 2,155.62
4950	EARL S. PATILLO	PORT OPERATIONS WAGES	\$ 3,004.70
4951	STEPHEN C. RODRIGUEZ	PORT MAINTENANCE WAGES	\$ 2,087.61
4952	JORGE TERAN	PORT MAINTENANCE WAGES	\$ 1,514.17
4953	LUIS VELASQUEZ	PORT MAINTENANCE WAGES	\$ 1,609.68
33553	TEXAS CHILD SUPPORT DISBURSMENT	CHILD SUPPORT PAYMENT	\$ 445.38
33554	NATIONWIDE RETIREMENT	EMPLOYEE RETIREMENT CONTRIBUTION	\$ 2,000.00
33555	UNITED WAY OF CALHOUN COUNTY	PAYROLL CONTRIBUTIONS	\$ 23.50
	ELECTRONIC FED. TAX PYMT. SYSTEM	PAYROLL TAX DEPOSIT	\$ 12,607.00
4954	WESLEY ABRAHAM	PORT MAINTENANCE WAGES	\$ 1,429.12
4955	RAYMOND BALLES	PORT MAINTENANCE WAGES	\$ 1,837.36
4956	KENNETH BULSTERBAUM	PORT OPERATIONS WAGES	\$ 1,770.93
4957	ANA CAVAZOS	ADMINISTRATION WAGES	\$ 1,205.72
4958	TORIBIO ESQUIVEL III	PORT MAINTENANCE WAGES	\$ 1,061.59
4959	ISAIAH GONZALEZ	PORT MAINTENANCE WAGES	\$ 948.36
4960	LORI HAMMACK	ADMINISTRATION WAGES	\$ 1,448.55
4961	CHARLES R. HAUSMANN	ADMINISTRATION WAGES	\$ 5,230.42
4962	FORREST HAWES	ADMINISTRATION WAGES	\$ 4,681.69
4963	ADRIAN J. KAMM	PORT OPERATIONS WAGES	\$ 2,153.14
4964	DAVID M. KNUCKEY	ADMINISTRATION WAGES	\$ 1,088.43
4965	DANIEL LOCKEY	PORT OPERATIONS WAGES	\$ 2,007.62

4966	ENCARNACION LONGORIA	PORT MAINTENANCE WAGES	S	741.29
4967	MIRANDA M. MALEK	ADMINISTRATION WAGES	S	1,896.44
4968	EARL S. PATILLO	PORT OPERATIONS WAGES	S	2,607.74
4969	STEPHEN C. RODRIGUEZ	PORT MAINTENANCE WAGES	S	2,087.62
4970	JORGE TERAN	PORT MAINTENANCE WAGES	S	1,410.53
4971	LUIS VELASQUEZ	PORT MAINTENANCE WAGES	S	1,660.26
33556	TEXAS CHILD SUPPORT DISBURSMENT	CHILD SUPPORT PAYMENT	S	445.38
33557	NATIONWIDE RETIREMENT	EMPLOYEE RETIREMENT CONTRIBUTION	S	2,000.00
33558	UNITED WAY OF CALHOUN COUNTY	PAYROLL CONTRIBUTIONS	S	23.50
	ELECTRONIC FED. TAX PYMT. SYSTEM	PAYROLL TAX DEPOSIT	S	11,809.51
33559	JASPER A. CUELLAR	BOARD SERVICE FEES	S	600.27
33560	LUIS DE LA GARZA	BOARD SERVICE FEES	S	331.07
33561	TONY HOLLADAY	BOARD SERVICE FEES	S	359.84
33562	J.C. MELCHER, JR.	BOARD SERVICE FEES	S	359.84
33563	JOHNNY J. PEREZ	BOARD SERVICE FEES	S	590.71
33564	H.C. WEHMEYER, JR.	BOARD SERVICE FEES	S	351.51
	ELECTRONIC FED. TAX PYMT. SYSTEM	PAYROLL TAX DEPOSIT	S	566.86
33565	ACE HARDWARE	M/R TOOLS & HARDWARE	S	86.60
33566	AMERICAN EXPRESS	SEWER SUPPLIES, COMPUTER EXPENSE, FUEL	S	879.12
33567	AMERICAN PAPER & JANITORIAL	JANITORIAL SERVICES	S	827.50
33568	AQUA BEVERAGE	MISCELLANEOUS EXPENSE	S	138.20
33569	AT&T MOBILITY	CELLULAR PHONE EXPENSE	S	672.02
33570	AT&T TELECONFERENCE	TELEPHONE EXPENSE	S	91.75
33571	AUTO PARTS	M/P TOOLS & SUPPLIES	S	471.97
33572	BEBCO ENVIRONMENTAL	SEWER PLANT VAC SERVICE	S	2,652.00
33573	B-ENVIRONMENTAL	STORM/WASTE WATER TESTING	S	1,806.00
33574	CALHOUN COUNTY APPRAISAL DISTRICT	APPRAISAL DISTRICT EXPENSE	S	99.71
33575	CAMS ESPARC	PORT ENVIRONMENTAL CONSULTANT	S	302.50
		PORT TPDES MAJOR AMENDMENT	S	2,145.00
33576	CANTEEN VICTORIA	MISCELLANEOUS EXPENSE	S	140.85
33577	CCND - DEPRECIATION M/R	FACILITY DEPRECIATION	S	44,000.00
33578	CCND - GROSS REVENUE	ELECTRICAL, WATER, PERSONNEL	S	4,098.09
33579	CINTAS	UNIFORMS EXPENSE	S	748.19
33580	CITY OF POINT COMFORT	WATER EXPENSE	S	1,814.66
33581	DEWITT POTTI	OFFICE SUPPLY	S	210.06
33582	DE WEBB WORKS	ANNUAL WEBSITE HOSTING	S	299.50
33583	DISTRIBUTION NOW	M/R BUILDINGS & FACILITIES	S	313.28
33584	FASTENAL	M/R BUILDINGS & FACILITIES	S	94.81
33585	FRONTIER COMMUNICATIONS	TELEPHONE EXPENSE	S	995.12
33586	GEXA ENERGY	ELECTRICAL EXPENSE	S	32,580.26
33587	GREAT AMERICA FINANCIAL	OFFICE SUPPLY (2 MO.)	S	508.79
33588	GUADALUPE-BLANCO RIVER AUTHORITY	WATER EXPENSE	S	63.32
33589	G&W ENGINEERS, INC	ENGINEERING CONSULTANT - LP SPRINKLER	S	147.00
33590	LORI HAMMACK PETTY CASH	PETTY CASH REIMBURSEMENT	S	332.12
33591	HARBOR FREIGHT TOOLS	M/P TOOLS & SUPPLIES	S	6.99
33592	INTERTEK - PSI	NIJ TANK ROAD REPAIR PROJECT	S	375.00
33593	JOHN ZINK	FLARE PROJECT FREIGHT	S	450.63 *
33594	KIMCO	ESCAPE AIR PAK TESTS	S	3,024.00
33595	DAVID M. KNUCKEY	EXPENSE REIMBURSEMENT	S	83.70
33596	LAVACA NAVIDAD RIVER AUTHORITY	WATER EXPENSE	S	9,705.84
33597	LESTER CONTRACTING	NORTH PENINSULA ACCESS ROAD PROJECT	S	32,426.58 **
33598	LOWES	GUARD STATION AIR CONDITIONER	S	568.33
33599	MALDONADO & ASSOCIATES	FEDERAL RELATIONS	S	8,333.33
33600	MARTIN ELECTRIC	BARGE SLIP 6 MOTOR	S	532.69
33601	MELSTAN	M/R BUILDINGS & FACILITIES	S	89.80
33602	MENCHACA'S SECURITY	SECURITY EXPENSE	S	31,335.00
33603	MERCER CONSTRUCTION	BACK FLOW PREVENTER TESTING	S	1,258.00
33604	MID COAST ELECTRIC	M/R BUILDINGS & FACILITIES	S	1,075.54
33605	MIDCOAST PETROLEUM	FUEL EXPENSE	S	2,108.20
33606	LAW OFFICE MOORE LANDREY	LEGAL; MAX, ALCOA, CHANNIEL PROJ, BYLAWS	S	4,979.28
33607	NATIONWIDE RETIREMENT	EMPLOYEE RETIREMENT CONTRIBUTION	S	7,977.18
33608	NOVAK DIESEL	ENGINE REPAIRS, GENERATOR & PUMP	S	9,035.77

33609	ODESSA PUMPS	NEW DURCO PUMP @ H-6 CONTAINMENT	\$	6,563.00
33610	O'REILLY	M/R BUILDINGS & FACILITIES	\$	19.98
33611	PMI	WINCH STAND AND BULLHORN FAB & INSTALL	\$	4,940.00
33612	POWER HARDWARE	M/P TOOLS & SUPPLIES	\$	124.69
33613	PURVIS INDUSTRIES	LIMIT SWITCH	\$	324.06
33614	QUALITY HOTMIX	LIMESTONE BASE	\$	816.40
33615	ROBERT'S, ODEFEY, WITTE & WALL	KING FISHER DEPOSITION DVD	\$	225.00
33616	SHOPPAS FARM	M/P VEHICLES & EQUIPMENT	\$	803.60
33617	STALWART STRATEGIES	LEGISLATIVE CONSULTING	\$	7,751.66
33618	THE BACK OFFICE	MISCELLANEOUS EXPENSE	\$	52.36
33619	TML-IEBP	EMPLOYEE HEALTH INSURANCE	\$	29,971.00
33620	TRACTOR SUPPLY COMPANY	M/P VEHICLES & EQUIPMENT	\$	84.43
33621	UNITED RENTALS	AIR COMPRESSOR RENTAL	\$	306.76
33622	VECTOR CONTROLS	SPARE GAS CYLINDER	\$	647.70
33623	VICTORIA FIRE & SAFETY	FIRE HOSE	\$	517.80
33624	VICTORY AIR & EQUIPMENT	M/R BUILDINGS & FACILITIES	\$	183.45
33625	WASTE MANAGEMENT	WASTE DISPOSAL	\$	412.62
	ADVANCE PAYMENT ON EMPLOYEE HEALTH INSURANCE		\$	14,190.31

* 100% AN/NH3 FUND

** FINAL PAYMENT

TOTAL	\$	433,412.34
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GROSS REVENUE FUND	\$	404,449.76
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LEGAL FUND

BUSINESS DEVELOPMENT FUND	\$	55.02
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DEPRECIATION & MAJOR REPAIR FUND

AN/NH3 OPERATING FUND	\$	28,907.56
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TOTAL FUND DISTRIBUTION	-----	\$	433,412.34
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CALHOUN COUNTY NAVIGATION DISTRICT

FUND TRANSFERS

September 9, 2020

CHECK #	FUND ACCOUNT	AMOUNT
GROSS REVENUE FUND		
2021-005	To Port Operations Account	\$ 74,962.38
2021-007	To Port Operations Account	\$ 65,414.25
2021-008	To Port Operations Account	\$ 63,695.00
2021-009	To Port Operations Account	\$ 200,378.13
	Total	\$ 404,449.76
MAINTENANCE & OPERATIONS FUND		
2021-009	To Port Operations Account	
	Total	
BUSINESS DEVELOPMENT FUND		
2021-009	To Port Operations Account	\$ 55.02
		\$55.02
DEPRECIATION & MAJOR REPAIR FUND		
2021-009	To Port Operations Account	
	Total	\$ -
AN/NH3 OPERATING FUND		
2021-009	To Port Operations Account	\$ 28,907.56
		\$ 28,907.56
TOTAL TRANSFERS TO PORT OPERATIONS ACCOUNT		\$433,412.34

INTERFUND TRANSFERS

DATE	FROM	TO	AMOUNT
9/9/2020	AN/NH3 Operating	AN/NH3 Dep. M/R	\$7,500.00
		Total Interfund Transfers	\$7,500.00



Lavaca-Navidad River Authority

P.O. Box 429 Edna, Texas 77957

August 24, 2020

Mr. Charles Hausmann
Director
Calhoun Port Authority
P. O. Box 397
Point Comfort, Texas 77978

Dear Mr. Hausmann:

In accordance with Section 2.04 of the *Water Supply Contract Between LNRA and Calhoun County Navigation District* dated April 19, 1995, enclosed are copies of Fiscal Year 2021 operating budgets for LNRA's General Fund and the East Water Delivery System as approved by our Board of Directors. Also enclosed for your records are a copy of LNRA's debt service schedule and a copy of LNRA's planned capital improvements and associated Capital Accrual Schedule. In addition, as previously discussed and as noted in our Letter of Agreement dated August 21, 2003, whereby the Capital Accrual Program was established, I have also included a report detailing debits and credits associated with this fund.

Consistent with LNRA's actions regarding the disposition of prior year fund balance, upon completion of LNRA's annual independent audit and its subsequent approval by the Board of Directors, we will inform you as to any remaining fund balance from the FY20 General Fund and we will indicate how these funds will be incorporated into the FY21 budget.

As always, we appreciate your support and look forward to working with you through the next year. Upon review of the enclosed documents, if you have any questions, need additional information, or desire to meet in person, please call me at (361) 782-5229.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Brzozowski".

Patrick Brzozowski, P.E.
General Manager

Enclosures

Lavaca-Navidad River Authority
General Fund
Fiscal Year 2021 Approved Budget Summary

	FY 2020 Budget	FY 2020 Amended	FY 2021 Budget
ADMINISTRATIVE SERVICES			
Public Relations	78,000	78,000	82,500
Dues/Subscriptions	101,690	101,690	97,846
Directors Fees/Travel	53,500	53,500	53,500
Office Supplies	23,000	23,000	23,000
TCEQ Watermaster Fees	45,000	47,644	48,000
TCEQ Water Use Assessment Fee	8,000	8,000	8,000
Insurance (Property & Liability)	91,500	91,500	101,500
PROFESSIONAL SERVICES	470,000	470,000	462,740
GENERAL OPERATIONS/MAINTENANCE			
Contracts	317,352	314,708	333,952
Early Warning System	11,500	11,500	11,500
Heavy Equipment Rental	20,000	20,000	20,000
Maintenance	194,500	194,500	196,000
Range Management	79,500	79,500	79,500
Electronics	45,500	45,500	51,500
Spillway	25,000	25,000	35,000
Lake Management	53,000	53,000	60,000
Vehicles	221,000	221,000	221,000
Recreation/Environmental	933,145	933,145	979,662
ENVIRONMENTAL SERVICES	115,376	115,376	121,137
PERSONNEL SERVICES			
Salaries/Benefits	5,000,465	5,000,465	5,316,918
Employee Training	60,000	60,000	66,500
Employee Travel	20,000	20,000	20,000
Board/Employee Functions	24,000	24,000	24,000
Administrative Uniforms	6,000	6,000	6,000
Security Uniforms	3,000	3,000	3,000
Employee Health & Safety Program	37,000	37,000	37,000
UTILITIES & COMMUNICATIONS	87,280	87,280	83,200
OTHER OPERATING EXPENSES	4,000	4,000	4,000
CAPITAL	-	-	-
Total Operating Budget	\$8,128,309	\$8,128,309	\$8,546,955

**Lavaca-Navidad River Authority
East Delivery System
Fiscal Year 2021 Approved Budget Summary**

	FY 2020 Budget	FY 2020 Amended	FY 2021 Budget
ADMINISTRATIVE SERVICES			
East Delivery Reserve Fund	15,000	15,000	15,000
Lake Texana Operating Reserve Fund	40,000	40,000	40,000
Insurance (Property & Liability)	14,000	14,000	14,250
PROFESSIONAL SERVICES	145,000	145,000	95,500
GENERAL OPERATIONS/MAINTENANCE			
Contracts	11,120	11,120	36,053
Equipment Rental	30,000	30,000	34,000
Maintenance	95,300	95,300	95,300
Equipment Repair	20,700	20,700	20,700
PERSONNEL SERVICES			
Salaries/Benefits	386,496	386,496	386,077
Employee Training	2,500	2,500	2,500
Employee Travel	1,500	1,500	1,500
UTILITIES & COMMUNICATIONS	156,500	156,500	166,600
CAPITAL	140,000	140,000	179,200
Total Operating Budget	\$1,058,116	\$1,058,116	\$1,086,679

NET DEBT SERVICE

Lavaca Navidad River Authority
(a political subdivision of the State of Texas)
All Outstanding Debt Service
As of Fiscal Year 2015

Date	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service	Annual Net D/S
02/01/2015		292,141.00	292,141.00	3,372.08	288,768.92	
08/01/2015	1,520,000	891,277.63	2,411,277.63	26,390.21	2,384,887.42	
09/30/2015						2,673,656.34
02/01/2016		885,050.13	885,050.13	26,390.21	858,659.92	
08/01/2016	1,650,000	885,050.13	2,535,050.13	26,390.21	2,508,659.92	
09/30/2016						3,367,319.84
02/01/2017		871,150.13	871,150.13	26,390.21	844,759.92	
08/01/2017	1,685,000	871,150.13	2,556,150.13	26,390.21	2,529,759.92	
09/30/2017						3,374,519.84
02/01/2018		855,726.38	855,726.38	26,390.21	829,336.17	
08/01/2018	1,710,000	855,726.38	2,565,726.38	26,390.21	2,539,336.17	
09/30/2018						3,368,672.34
02/01/2019		834,283.88	834,283.88	26,390.21	807,893.67	
08/01/2019	1,755,000	834,283.88	2,589,283.88	26,390.21	2,562,893.67	
09/30/2019						3,370,787.34
02/01/2020		810,789.63	810,789.63	26,390.21	784,399.42	
08/01/2020	1,800,000	810,789.63	2,610,789.63	26,390.21	2,584,399.42	
09/30/2020						3,368,798.84
02/01/2021		780,723.63	780,723.63	26,390.21	754,333.42	
08/01/2021	1,865,000	780,723.63	2,645,723.63	26,390.21	2,619,333.42	
09/30/2021						3,373,666.84
02/01/2022		748,202.63	748,202.63	26,390.21	721,812.42	
08/01/2022	1,925,000	748,202.63	2,673,202.63	26,390.21	2,646,812.42	
09/30/2022						3,368,624.84
02/01/2023		713,570.13	713,570.13	26,390.21	687,179.92	
08/01/2023	1,995,000	713,570.13	2,708,570.13		2,708,570.13	
09/30/2023						3,395,750.05
02/01/2024		671,215.13	671,215.13		671,215.13	
08/01/2024	2,080,000	671,215.13	2,751,215.13		2,751,215.13	
09/30/2024						3,422,430.26
02/01/2025		626,490.13	626,490.13		626,490.13	
08/01/2025	2,170,000	626,490.13	2,796,490.13		2,796,490.13	
09/30/2025						3,422,980.26
02/01/2026		579,023.88	579,023.88		579,023.88	
08/01/2026	2,265,000	579,023.88	2,844,023.88		2,844,023.88	
09/30/2026						3,423,047.76
02/01/2027		528,378.88	528,378.88		528,378.88	
08/01/2027	2,365,000	528,378.88	2,893,378.88		2,893,378.88	
09/30/2027						3,421,757.76
02/01/2028		485,897.63	485,897.63		485,897.63	
08/01/2028	2,450,000	485,897.63	2,935,897.63		2,935,897.63	
09/30/2028						3,421,795.26
02/01/2029		441,303.88	441,303.88		441,303.88	
08/01/2029	2,540,000	441,303.88	2,981,303.88		2,981,303.88	
09/30/2029						3,422,607.76
02/01/2030		393,615.13	393,615.13		393,615.13	
08/01/2030	2,635,000	393,615.13	3,028,615.13		3,028,615.13	
09/30/2030						3,422,230.26
02/01/2031		342,714.00	342,714.00		342,714.00	
08/01/2031	2,735,000	342,714.00	3,077,714.00		3,077,714.00	
09/30/2031						3,420,428.00
02/01/2032		288,922.75	288,922.75		288,922.75	
08/01/2032	2,845,000	288,922.75	3,133,922.75		3,133,922.75	
09/30/2032						3,422,845.50
02/01/2033		221,588.25	221,588.25		221,588.25	
08/01/2033	2,980,000	221,588.25	3,201,588.25		3,201,588.25	
09/30/2033						3,423,176.50

Lavaca-Navidad River Authority
Long Term Capital Expenditures Accrual Plan

Task Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Infrastructure Improvements / Additions					
Spillway Gate Refurbishment (15/20 yr.)					
Spillway Control Room Upgrade	35,000.00				
Spillway Hoist Equipment Refurbishment (20 yr.)				500,000.00	
Spillway / M&I Stop Log Rehabilitation	200,000.00	250,000.00			
Spillway Stop Log Storage	285,000.00				
ROW Gate Rehabilitation					
M&I Gate Rehabilitation					
Radio/Telemetry System Upgrade					
Computer Systems/Network Upgrade				85,000.00	100,000.00
Communication Upgrade				50,000.00	50,000.00
Project Boundary Fencing			100,000.00	100,000.00	100,000.00
Project Roadways Repair	90,000.00	50,000.00	90,000.00		
Simons Boat Ramp Aid to Construction					
LNRA Community Education Center					
O&M Shop					
Admin Building Improvements		50,000.00			
Texana Maintenance Shop & Improvements					
Erosion Control					
Texana Road Crossing Rehabilitation	500,000.00				
Capital Fixtures					
Office Equipment Replacement					
Capital Equipment					
Heavy Equipment Replacement					
Fleet Vehicle Replacement	105,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Annual Sub-Total Capital Expenditures	1,215,000.00	425,000.00	265,000.00	810,000.00	325,000.00

Beginning Balance	500,432.11	10,432.11	85,432.11	320,432.11	10,432.11
Accrual Rate	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Fund Balance Encumbrance	225,000.00				
Annual Expenditure	1,215,000.00	425,000.00	265,000.00	810,000.00	325,000.00
Projected Ending Balance	10,432.11	85,432.11	320,432.11	10,432.11	185,432.11

**Capital Improvement Fund
Transaction Summary
October 1, 2019 through August 20, 2020**

Beginning Cash Balance 10/01/19	\$	1,256,962.77
Deposits to Fund:		
Capital Improvement Fund Revenue		460,335.09
Fund Balance Encumbrance		79,284.42
Interest		12,866.94
Total Deposits		<u>552,486.45</u>
Expenses:		
Computer Server Refresh		85,444.12
Fiber Optic Cable		54,906.34
Stoplog Rehabilitation Project		44,297.47
Stoplog Storage Project		8,667.53
River Outlet Works Rehabilitation		186,500.00
Simons Boat Ramp		138,323.17
Community Education Center		500,000.00
Roadways		24,876.80
Texana Maintenance Shop/Office		104,840.45
Vehicles		91,250.12
Total Expenses		<u>1,239,106.00</u>
Ending Cash Balance 08/20/20	\$	<u><u>570,343.22</u></u>



August 27, 2020

**RMA Report
To The
Calhoun Port Authority**

Water Resources Development Act of 2020 (WRDA) - The House of Representatives passed the Water Resources Development Act of 2020 on July 29th. The Senate version is still pending. However, it is likely House T&I and Senate EPW committee staff are already looking at provisions of both bills for Conference Committee deliberations possibly in September.

Matagorda Ship Channel Project Authorization – included in the House WRDA legislation is the authorization of the Matagorda Ship Channel Project. ***Please refer to the attached House WRDA language: Section 401 – Project Authorizations (1) Navigation Authorizations:***

Federal - \$138,660,000
Non-Federal - \$79,664,000
Total - \$218,324,000

Jetty Project – the Jetty Project is not included in the House passed WRDA. As mentioned in last month's report the army corps of engineers has not released the final jetty report to the Port, House and Senate staff. House T&I staff drafting the House WRDA bill requested a copy of the Jetty report to assess the findings for possible WRDA language. Representative Cloud, Senator Cornyn and Senator Cruz forwarded a joint signed letter to Commanding General Todd Semonite, Chief of Engineers – U.S. Army Corps of Engineers, requesting the report be finalized and released, noting this year's WRDA schedule. ***Please refer to the attached joint Congressional letter.***

Once the Senate completes its bill and is passed by the Senate, a House/Senate conference committee will deliberate on a final WRDA bill. If the Jetty Report is finalized and released, RMA will continue to discuss with Representative Cloud's office the possible inclusion of the Jetty project language in a final WRDA bill during conference deliberations.

HMT - Also, of particular interest to the port is reform of the Harbor Maintenance Trust Fund (**Section 101**). The HMT provision allows for the spending of billions (\$10 billion) in already collected HMT funds to be used for their intended purpose, thereby ensuring maintenance needs of ports and harbors across the country. ***Attached for your information is a Section by Section Summary of the House WRDA bill.***

House FY 21 Energy and Water (E&W) Appropriations

During July, the House passed a six-bill appropriations minibuss bill. The \$1.3 trillion package consists of six bills that fund departments including Defense, Commerce, Justice, Energy, Treasury, Labor, Health and Human Services, Education, Transportation, Housing and Urban Development (some bills fund more than one department). The minibuss bill includes 2021 E&W funding for the Army Corps of Engineers civil works program.

Matagorda Ship Channel Funding - Included in the 2021 E&W bill is \$4,450,000 in Operations and Maintenance (O&M) funding for the Matagorda Ship Channel.

Please refer to the attached House 2021 E&W bill for Operations and Maintenance funding for the Matagorda Ship Channel.

116TH CONGRESS
2D SESSION

H. R. 7575

AN ACT

To provide for improvements to the rivers and harbors of the United States, to provide for the conservation and development of water and related resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Water Resources Development Act of 2020”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Secretary defined.

TITLE I—GENERAL PROVISIONS

Sec. 101. Budgetary treatment expansion and adjustment for the Harbor Maintenance Trust Fund.

Sec. 102. Funding for navigation.

Sec. 103. Annual report to Congress on the Harbor Maintenance Trust Fund.

Sec. 104. Additional measures at donor ports and energy transfer ports.

Sec. 105. Assumption of maintenance of a locally preferred plan.

Sec. 106. Coast Guard anchorages.

Sec. 107. State contribution of funds for certain operation and maintenance costs.

Sec. 108. Inland waterway projects.

Sec. 109. Implementation of water resources principles and requirements.

Sec. 110. Resiliency planning assistance.

Sec. 111. Project consultation.

Sec. 112. Review of resiliency assessments.

Sec. 113. Small flood control projects.

Sec. 114. Conforming amendment.

Sec. 115. Feasibility studies; review of natural and nature-based features.

Sec. 116. Report on corrosion prevention activities.

Sec. 117. Quantification of benefits for flood risk management projects in seismic zones.

Sec. 118. Federal interest determination.

Sec. 119. Economically disadvantaged community flood protection and hurricane and storm damage reduction study pilot program.

Sec. 120. Permanent measures to reduce emergency flood fighting needs for communities subject to repetitive flooding.

Sec. 121. Emergency response to natural disasters.

Sec. 122. Study on natural infrastructure at Corps of Engineers projects.

Sec. 123. Review of Corps of Engineers assets.

Sec. 124. Sense of Congress on multipurpose projects.

Sec. 125. Beneficial reuse of dredged material; dredged material management plans.

Sec. 126. Aquatic ecosystem restoration for anadromous fish.

Sec. 127. Annual report to Congress.

Sec. 128. Harmful algal bloom demonstration program.

Sec. 129. Update on Invasive Species Policy Guidance.

Sec. 130. Report on debris removal.

Sec. 131. Missouri River interception-rearing complex construction.

Sec. 132. Cost and benefit feasibility assessment.

Sec. 133. Materials, services, and funds for repair, restoration, or rehabilitation of projects.

- Sec. 134. Levee safety.
- Sec. 135. National Dam Safety Program.
- Sec. 136. Rehabilitation of Corps of Engineers constructed pump stations.
- Sec. 137. Non-Federal Project Implementation Pilot Program.
- Sec. 138. Definition of economically disadvantaged community.
- Sec. 139. Cost sharing provisions for territories and Indian Tribes.
- Sec. 140. Flood control and other purposes.
- Sec. 141. Review of contracting policies.
- Sec. 142. Buy America.
- Sec. 143. Annual report on status of feasibility studies.

TITLE II—STUDIES AND REPORTS

- Sec. 201. Authorization of proposed feasibility studies.
- Sec. 202. Expedited completions.
- Sec. 203. Feasibility study modifications.
- Sec. 204. Selma, Alabama.
- Sec. 205. Comprehensive study of the Sacramento River, Yolo Bypass, California.
- Sec. 206. Lake Okeechobee regulation schedule, Florida.
- Sec. 207. Great Lakes Coastal Resiliency Study.
- Sec. 208. Rathbun Lake, Chariton River, Iowa.
- Sec. 209. Report on the status of restoration in the Louisiana coastal area.
- Sec. 210. Lower Mississippi River comprehensive study.
- Sec. 211. Upper Mississippi River Comprehensive Plan.
- Sec. 212. Lower Missouri Basin Flood Risk and Resiliency Study, Iowa, Kansas, Nebraska, and Missouri.
- Sec. 213. Portsmouth Harbor and Piscataqua River and Rye Harbor, New Hampshire.
- Sec. 214. Cougar and Detroit Dams, Willamette River Basin, Oregon.
- Sec. 215. Port Orford, Oregon.
- Sec. 216. Wilson Creek and Sloan Creek, Fairview, Texas.
- Sec. 217. GAO study on mitigation for water resources development projects.
- Sec. 218. GAO study on application of Harbor Maintenance Trust Fund expenditures.
- Sec. 219. GAO study on administration of environmental banks.
- Sec. 220. Study on Corps of Engineers concessionaire agreements.
- Sec. 221. Study on water supply and water conservation at water resources development projects.
- Sec. 222. PFAS review and inventory at Corps facilities.
- Sec. 223. Report on recreational facilities.

TITLE III—DEAUTHORIZATIONS AND MODIFICATIONS

- Sec. 301. Deauthorization of inactive projects.
- Sec. 302. Abandoned and inactive noncoal mine restoration.
- Sec. 303. Tribal partnership program.
- Sec. 304. Lakes program.
- Sec. 305. Watercraft inspection stations.
- Sec. 306. Rehabilitation of Corps of Engineers constructed dams.
- Sec. 307. Chesapeake Bay Environmental Restoration and Protection Program.
- Sec. 308. Upper Mississippi River System Environmental Management Program.
- Sec. 309. McClellan-Kerr Arkansas River Navigation System.
- Sec. 310. Ouachita-Black River Navigation Project, Arkansas.
- Sec. 311. Sacramento River, Glenn-Colusa, California.

- Sec. 312. Lake Isabella, California.
- Sec. 313. Lower San Joaquin River flood control project.
- Sec. 314. San Diego River and Mission Bay, San Diego County, California.
- Sec. 315. San Francisco, California, Waterfront Area.
- Sec. 316. Western Pacific Interceptor Canal, Sacramento River, California.
- Sec. 317. Rio Grande Environmental Management Program, Colorado, New Mexico, and Texas.
- Sec. 318. New London Harbor Waterfront Channel, Connecticut.
- Sec. 319. Washington Harbor, District of Columbia.
- Sec. 320. Big Cypress Seminole Indian Reservation Water Conservation Plan, Florida.
- Sec. 321. Central Everglades, Florida.
- Sec. 322. Miami River, Florida.
- Sec. 323. Julian Keen, Jr. Lock and Dam, Moore Haven, Florida.
- Sec. 324. Taylor Creek Reservoir and Levee L-73 (Section 1), Upper St. Johns River Basin, Florida.
- Sec. 325. Calcasieu River and Pass, Louisiana.
- Sec. 326. San Juan-Chama project; Abiquiu Dam, New Mexico.
- Sec. 327. Pawcatuck River, Little Narragansett Bay and Watch Hill Cove, Rhode Island and Connecticut.
- Sec. 328. Harris County, Texas.
- Sec. 329. Cap Sante Waterway, Washington.
- Sec. 330. Regional sediment management.
- Sec. 331. Additional assistance for critical projects.
- Sec. 332. Project modification authorizations.
- Sec. 333. Application of credit.
- Sec. 334. Project reauthorizations.
- Sec. 335. Conveyances.
- Sec. 336. Repeals.

TITLE IV—WATER RESOURCES INFRASTRUCTURE

- ✓ Sec. 401. Project authorizations.
- Sec. 402. Special rules.
- Sec. 403. Authorization of projects based on feasibility studies prepared by non-Federal interests.

TITLE V—BUDGETARY EFFECTS

- Sec. 501. Determination of Budgetary Effects.

1 **SEC. 2. SECRETARY DEFINED.**

- 2 In this Act, the term “Secretary” means the Sec-
- 3 retary of the Army.

1 (f) Section 1302 of the Water Resources Develop-
2 ment Act of 2016 (33 U.S.C. 579c–1), and the item relat-
3 ing to such section in the table of contents, are repealed.

4 (g) Section 1301 of the Water Resources Develop-
5 ment Act of 2018 (33 U.S.C. 579d–1), and the item relat-
6 ing to such section in the table of contents, are repealed.

7 (h) Section 1302 of the Water Resources Develop-
8 ment Act of 2018 (33 U.S.C. 579c–2), and the item relat-
9 ing to such section in the table of contents, are repealed.

10 **TITLE IV—WATER RESOURCES** 11 **INFRASTRUCTURE**

12 **SEC. 401. PROJECT AUTHORIZATIONS.**

13 The following projects for water resources develop-
14 ment and conservation and other purposes, as identified
15 in the reports titled “Report to Congress on Future Water
16 Resources Development” submitted to Congress pursuant
17 to section 7001 of the Water Resources Reform and Devel-
18 opment Act of 2014 (33 U.S.C. 2282d) or otherwise re-
19 viewed by Congress, are authorized to be carried out by
20 the Secretary substantially in accordance with the plans,
21 and subject to the conditions, described in the respective
22 reports or decision documents designated in this section:

23 (1) NAVIGATION.—

A. State	B. Name	C. Date of Report of Chief of Engineers	D. Estimated Costs
1. AK	Port of Nome Modifications	May 29, 2020	Federal: \$368,173,000 Non-Federal: \$122,746,000 Total: \$490,919,000
2. AK	Unalaska (Dutch Harbor) Chan- nels	February 7, 2020	Federal: \$26,202,750 Non-Federal: \$8,734,250 Total: \$34,937,000
3. CT	New Haven Har- bor Navigation Improvement Project	May 7, 2020	Federal: \$53,489,000 Non-Federal: \$18,822,000 Total: \$72,311,000
4. NY, NJ	New York and New Jersey Harbor Anchor- ages	April 23, 2020	Federal: \$18,940,000 Non-Federal: \$6,310,000 Total: \$25,250,000
5. TX	Gulf Intracoastal Waterway, Brazos River Floodgates and Colorado River Locks	October 23, 2019	Total: \$409,777,000, to be derived ½ from the gen- eral fund of the Treasury and ½ from the Inland Waterways Trust Fund.
6. TX	Houston Ship Channel Expan- sion Channel Improvement Project, Harris, Chambers, and Galveston Counties	April 23, 2020	Federal: \$462,803,000 Non-Federal: \$414,045,000 Total: \$876,848,000
7. TX	Matagorda Ship Channel Im- provement Project, Port Lavaca	November 15, 2019	Federal: \$138,660,000 Non-Federal: \$79,664,000 Total: \$218,324,000

1

(2) FLOOD RISK MANAGEMENT.—

WATER RESOURCES DEVELOPMENT ACT OF 2020

SECTION-BY-SECTION SUMMARY

Sec. 1. Short Title; Table of Contents.

Sec. 2. Definition of Secretary.

TITLE I – GENERAL PROVISIONS

Sec. 101. Budgetary Treatment Expansion and Adjustment for The Harbor Maintenance Trust Fund.

This section provides authority to appropriate additional funds for harbor maintenance needs from the existing balance in the Harbor Maintenance Trust Fund (HMTF). The current estimate of the balance in the trust fund is approximately \$10 billion. The intent of this section is consistent with H.R. 2440, which passed the House of Representatives on October 28, 2019.

Sec. 102. Funding for Navigation.

This section establishes a new framework for annual allocation of operation and maintenance expenditures from the HMTF. This section establishes new targets for emerging harbors, donor ports, and Great Lakes Harbors. This section also allows for additional expanded uses for emerging harbors and donor ports.

Sec. 103. Annual Report to Congress on the Harbor Maintenance Trust Fund.

This section ensures that the annual report to Congress on the HMTF is submitted concurrently with the President's annual budget request to Congress.

Sec. 104. Additional Measures at Donor Ports and Energy Transfer Ports.

This section reauthorizes discretionary appropriations to provide payments to donor ports, medium-sized donor ports, and energy transfer ports. This authority is extended through fiscal year 2030. This section also allows for a rolling eligibility for donor ports, medium-sized donor ports, and energy transfer ports based on prior three years of cargo shipments.

Sec. 105. Assumption of Maintenance of a Locally Preferred Plan.

This section authorizes the Corps to assume operation and maintenance responsibilities for navigation projects carried out by non-Federal interests where project improvements deviate from the national economic development plan.

Sec. 106. Coast Guard Anchorages.

This section provides the Corps with the authority to maintain U.S. Coast Guard designated anchorages on the Columbia River.

Sec. 107. State Contribution of Funds for Certain Operation and Maintenance Costs.

This section provides the Corps with the authority to accept and expend funds from a state within the Great Lakes Navigation System to cover the additional costs for operations and maintenance activities as a result of a state's implementation of any additional limitation on the disposal of dredged material in the state's open waters.

Sec. 108. Inland Waterways Projects.

This section authorizes a modification to the cost share of construction or major rehabilitation of inland waterways projects to 65 percent from the general fund of the Treasury and 35 percent from the Inland Waterways Trust Fund until fiscal year 2027. Inland waterways projects that initiate construction during this time carry the modified cost share through project completion. This section also directs the Secretary to prioritize inland waterways projects included in the most recent Inland and Intercoastal Twenty-Year Capital Investment Strategy.

Sec. 109. Implementation of Water Resources Principles and Requirements.

This section directs the Corps to issue final agency procedures for the Principles, Requirements, and Guidelines (PR&G), pursuant to section 2031 of the Water Resources Development Act of 2007. The PR&G serves as the basis for the Corps' evaluation of project benefits and costs. The Corps is required to solicit, engage, and consider public and expert comment prior to release of the PR&G, review the PR&Gs every five years, and inform stakeholders prior to any revisions for input and guidance.

Sec. 110. Resiliency Planning Assistance.

This section amends the Corps' Floodplain Management Service program to allow the Corps to provide technical assistance to non-Federal interests and other Federal agencies for greater resiliency planning. Additionally, this section directs the Corps to prioritize technical assistance to economically disadvantaged communities.

Sec. 111. Project Consultation.

This section requires the Corps to complete previously authorized reports on community and tribal consultation, as well as update Corps policies on environmental justice considerations and community engagement and consultation. It also expands the Corps' consultation requirements with Tribal or indigenous groups when working on or adjacent to Tribal lands and areas.

Sec. 112. Review of Resiliency Assessments.

This section requires the Corps to update existing planning guidance related to sea level rise based on the best available, peer-reviewed science, in coordination with Federal and state agencies. This section also reiterates the Corps' discretion to consider benefits accrued over time as a result of sea level rise, and when requested by the non-Federal interest, requires the Secretary to consider whether the need for the project is predicated upon or exacerbated by conditions related to sea level rise.

Sec. 113. Small Flood Control Projects.

This section allows for natural or nature-based infrastructure projects to be considered as part of the Section 205 continuing authorities program for small flood risk management projects.

Sec. 114. Conforming Amendment.

This section clarifies the cost share for natural and nature-based infrastructure is 65 percent Federal and 35 percent non-Federal in line with the established cost share for non-structural project alternatives.

Sec. 115. Feasibility Studies; Review of Natural and Nature-Based Features.

This section directs the Corps to include in each flood reduction and hurricane and storm damage reduction project feasibility study a summary of any nature-based features that were considered. The Corps is directed to provide an explanation if nature-based features are not recommended.

Sec. 116. Report on Corrosion Prevention Activities.

This section directs the Corps to report to Congress on corrosion prevention activities at Corps projects.

Sec. 117. Quantification of Benefits for Flood Risk Management Projects in Seismic Zones.

This section requires the Corps to quantify the seismic hazard risk reduction benefits for flood risk management projects, when requested by the non-Federal sponsor.

Sec. 118. Federal Interest Determination.

This section directs the Corps to complete a federal interest determination for feasibility studies with economically disadvantaged communities, if requested by the non-Federal interest. Additionally, the Corps is directed to assist non-Federal interests in economically disadvantaged communities on how to rescope project requests to ensure that the project is economically justified.

Sec. 119. Economically Disadvantaged Community Flood Protection and Hurricane and Storm Damage Reduction Study Pilot Program.

This section directs the Corps to establish a pilot program to evaluate opportunities to address the flood risk reduction and hurricane and storm damage reduction needs for economically disadvantaged communities. The Corps is directed to select 10 studies to be carried out at Federal expense, and the pilot program sunsets 10 years after enactment.

Sec. 120. Permanent Measures to Reduce Emergency Flood Fighting Needs for Communities Subject to Repetitive Flooding.

This section provides new authority to study, design, and construct water resources projects for communities that have experienced repetitive flooding events and have received emergency flood fighting assistance under the Corps' P.L. 84-99 program. The maximum Federal share for a project is \$15 million and the Corps shall consider a community's ability to pay.

Sec. 121. Emergency Response to Natural Disasters.

This section provides non-Federal interests with an opportunity to recommend proposals to the Corps to increase the level of protection for projects that have received assistance through the P.L. 84-99 program. Additionally, this section allows inactive non-Federal interests in the P.L. 84-99 program to be eligible for assistance if the non-Federal interest agrees to pay, during performance of the repair or restoration work, all costs to address items of deferred or inadequate maintenance and all repair or restoration work necessary to address damage attributable to such deficiencies. An inactive non-Federal interest is only eligible to use this authority once, and this authority sunsets in five years.

Sec. 122. Study of Natural Infrastructure at Corps of Engineers Projects.

This section directs the Comptroller General of the United States to report to Congress on the Corps' consideration of natural and nature-based features during project planning.

Sec. 123. Review of Corps of Engineers Assets.

This section directs the Corps to develop an inventory of projects which are no longer needed to complete the missions of the Corps. Additionally, the Corps is directed to identify projects that could benefit from the addition of nature-based features or other modifications.

Sec. 124. Sense of Congress on Multi-Purpose Projects.

This section provides a Sense of Congress that the Corps should maximize the consideration and evaluation of projects with multiple benefits.

Sec. 125. Beneficial Reuse of Dredged Material; Dredged Material Management Plans.

This section renews the Congressional commitment to beneficial reuse of dredged material obtained from Corps projects and increases the authorized number of demonstration projects to 30 projects. Additionally, this section expands the Corps' considerations when evaluating the placement of dredged materials and when calculating the economic benefits of dredged material. This section also ensures that the Corps considers small, rural, and economically disadvantaged communities when selecting its additional projects. Lastly, this section increases the coordination of beneficial reuse projects by directing the Corps to develop five-year regional dredged material management plans.

Sec. 126. Aquatic Ecosystem Restoration for Anadromous Fish.

This section amends the section 206 continuing authorities program for aquatic ecosystem restoration to include projects that maximize benefits for anadromous fish. This section directs the Corps to give projects for anadromous fish habitat and passage equal priority for implementation as other projects pursued under section 206.

Sec. 127. Annual Report to Congress.

This section requires that the Corps include in the main table of the Section 7001 Annual Report to Congress on Future Water Resources Development Projects proposed projects for municipal and agricultural water use.

Sec. 128. Harmful Algal Bloom Demonstration Program.

This section directs the Corps to carry out a demonstration program for detecting, treating, preventing, and eliminating harmful algal blooms. Additionally, this section directs the Corps to consult with Federal and state agencies and to maximize the use of existing data and programs.

Sec. 129. Update on Invasive Species Policy Guidance.

This section requires the Corps to update the Invasive Species Policy Guidance based on the most recent National Invasive Species Council Management Plan. The Corps may also include invasive species management efforts for Corps projects in Alpine Lakes and the Tennessee and Cumberland River Basins in its updated guidance.

Sec. 130. Report on Debris Removal.

This section directs the Corps to report to Congress on activities related to debris removal in the prior 10 fiscal years, and the extent to which the Corps plans to start potential debris removal activities in the future.

Sec. 131. Missouri River Interception-Rearing Complex Construction.

This section prohibits the Corps from constructing any additional interception-rearing complexes on the Missouri River until the Corps reports on their effects, conducts further research through the Engineer Research and Development Center, and develops a plan to repair certain structures affected by erosion. The Corps is directed to solicit public comments prior to constructing any additional interception-rearing complexes.

Sec. 132. Cost and Benefit Feasibility Assessment.

This section clarifies that a non-Federal sponsor may contribute work to an amount sufficient to make the costs equal to the estimated benefits of repair work done in the P.L. 84-99 program.

Sec. 133. Materials, Services, And Funds for Repair, Restoration, Or Rehabilitation of Projects.

This section allows the Corps to reimburse a non-Federal interest or private party for contributed materials, funds, or services in the case of emergency or major disaster declarations, if the Corps determines that reimbursement is in the public interest. Any work contributed under this section must comply with all applicable Corps laws and regulations regarding acquired materials and services.

Sec. 134. Levee Safety.

This section directs the Corps to identify specific engineering and maintenance deficiencies for certain levees within the National Levee Database.

Sec. 135. National Dam Safety Program.

This section makes changes to the Federal Emergency Management Agency's High Hazard Potential Dam Rehabilitation Program, including making eligible hydropower dams that generate less than 1.5 megawatts.

Sec. 136. Rehabilitation of Corps of Engineers Constructed Pump Stations.

This section allows the Corps to make repairs and improvements to Corps-constructed pump stations with identified major deficiencies and the failure of which would impair the function of flood risk management projects. This section also requires the Corps to undertake an inventory of Federally constructed pump stations.

Sec. 137. Non-Federal Project Implementation Pilot Program.

This section extends the Non-Federal Project Implementation Pilot Program until 2026. The Secretary is required to issue implementation guidance 120 days after enactment of this Act.

Sec. 138. Definition of Economically Disadvantaged Community.

This section provides a definition of economically disadvantaged community for purposes of this Act.

TITLE II—STUDIES AND REPORTS

Sec. 201. Authorization of Proposed Feasibility Studies.

This section authorizes the Corps to conduct feasibility studies for 35 projects for water resources development and conservation and other purposes. These feasibility studies were submitted in a Report to Congress on Future Water Resources Development pursuant to Section 7001 of the Water Resources Reform and Development Act of 2014, or were otherwise reviewed by Congress.

Sec. 202. Expedited Completions.

This section directs the Corps to expedite the completion of 33 feasibility studies currently underway. Upon completion of the study, if the Corps determines that the project is justified, the Corps may proceed directly to preconstruction planning, engineering, and design. This section also directs the Corps to expedite the completion of the following reviews currently underway: post-authorization change reports for five projects, watershed assessments for two projects, and a disposition study for one project.

Sec. 203. Feasibility Study Modifications.

This section directs the Corps to make modifications to the scope or process of four feasibility studies currently underway.

Sec. 204. Selma, Alabama.

This section directs the Corps provide an update on the study for flood risk management and bank stabilization for Selma, Alabama.

Sec. 205. Comprehensive Study of the Sacramento River, Yolo Bypass, California.

This section directs the Corps to conduct a comprehensive study of the Sacramento River in the vicinity of the Yolo Bypass System, California, and make recommendations for potential water resources development projects, modifications of existing water resources development projects, or other measures to respond to changing hydrologic and climatic conditions in the region.

Sec. 206. Great Lakes Coastal Resiliency Study.

This section directs the Corps to expand its comprehensive assessment of water resources needs for the Great Lakes System, and make recommendations for potential water resources development projects, modifications of existing water resources development projects, or other measures to respond to changing hydrologic and climatic conditions in the region.

Sec. 207. Rathbun Lake, Chariton River, Iowa.

This section directs the Corps to submit a report to Congress that evaluates the existing water storage allocations at Rathbun Lake and analyze the affordability and costs of future municipal water supply allocations to users of the system.

Sec. 208. Report on the Status of Restoration in the Louisiana Coastal Area.

This section directs the Coastal Louisiana Ecosystem Protection and Restoration Task Force to submit a report to Congress that includes policies, strategies, plans, programs, projects, and activities undertaken for addressing conservation, protection, restoration, and maintenance of the coastal Louisiana ecosystem, as well as the financial participation by each agency represented on the Task Force.

Sec. 209. Lower Mississippi River Comprehensive Study.

This section directs the Corps to submit a report to Congress that includes the results of a comprehensive study of the Lower Mississippi Basin and identifies actions the Corps can take for the comprehensive management of the Basin for the purposes of flood risk management, navigation, ecosystem restoration, water supply, hydropower, and recreation.

Sec. 210. Upper Mississippi River Comprehensive Plan.

This section directs the Corps to conduct an assessment of the water resources needs of the Upper Mississippi River Basin.

Sec. 211. Lower Missouri Basin Flood Risk and Resiliency Study, Iowa, Kansas, Nebraska, And Missouri.

This section directs the Corps to expand the scope of the Lower Missouri Basin study, or otherwise carry out additional studies to identify site specific flood risk reduction solutions. The section also requires additional consultation measures for any recommended actions and specifies that the study is not subject to the traditional Corps cost and duration limitations.

Sec. 212. Cougar and Detroit Dams, Willamette River Basin, Oregon.

This section directs the Corps to submit a report to Congress on the initial analysis of deauthorizing hydropower as an authorized project purpose at Cougar and Detroit Dams.

Sec. 213. Port Orford, Oregon.

This section directs the Corps to submit a report to Congress regarding the configuration of a breakwater for the navigation project in Port Orford, Oregon in order to address shoaling issues.

Sec. 214. Wilson Creek and Sloan Creek, Fairview, Texas.

This section directs the Corps to provide Congress with a status update on efforts to address flooding along Wilson Creek and Sloan Creek in the City of Fairview, Texas.

Sec. 215. GAO Study on Mitigation for Water Resources Development Projects.

This section directs the Comptroller General to conduct a study on the mitigation of fish, wildlife, and environmental impacts resulting from the construction of water resources projects. This section further directs the Comptroller General to review the long-term effectiveness of the various types of mitigation; assess the backlog of mitigation projects; review how mitigation requirements might contribute to the resilience of water resources; assess compliance with mitigation requirements and mitigation plans; and provide recommendations to ensure compliance with and successful implementation of mitigation requirements for water resources development projects.

Sec. 216. GAO Study on Application of Harbor Maintenance Trust Fund Expenditures.

This section directs the Comptroller General to conduct a study on the operation and maintenance needs of Federally authorized harbor and inland harbor projects, including the primary uses of such harbor projects, and annual or deferred operation and maintenance needs.

Sec. 217. Study on Water Supply and Water Conservation at Water Resources Development Projects.

This section directs the Corps to submit a report to Congress that analyzes the benefits and consequences of including municipal water supply and water conservation as a primary mission of the Corps when carrying out water resources development projects. Within the report, the Corps is directed to include an analysis of how adding municipal water supply and water conservation as a primary mission may impact the ability of the Corps to carry out future water resources development projects, and recommendations related to their inclusion as a primary mission of the Corps.

Sec. 218. PFAS Review and Inventory at Corps Facilities.

This section directs the Corps to complete an inventory of Civil Works facilities that are contaminated or could become contaminated by a perfluoroalkyl or polyfluoroalkyl substance (PFAS) and submit a report on the results to Congress.

TITLE III – DEAUTHORIZATIONS AND MODIFICATIONS

Sec. 301. Deauthorization of Inactive Projects.

This section establishes a process that will lead to the deauthorization of at least \$10 billion of old, inactive projects, which is the value of projects authorized in this Act.

Sec. 302. Abandoned and Inactive Noncoal Mine Restoration.

This section increases the authorization amounts for the Abandoned and Inactive Noncoal Mine Restoration program.

Sec. 303. Tribal Partnership Program.

This section increases the per-project authorization level for the Tribal Partnership Program.

Sec. 304. Lakes Program.

This section provides additional eligibility for the Corps' Lakes Program.

Sec. 305. Watercraft Inspection Stations.

This section directs the Corps to establish a watercraft inspection station for the Russian River Basin and makes a technical correction to WRDA 2018.

Sec. 306. Chesapeake Bay Environmental Restoration and Protection Program.

This section increases the authorization amounts for the Chesapeake Bay Environmental Restoration and Protection Program. This section also directs the Corps to increase outreach and engagement with non-Federal sponsors on projects within the program.

Sec. 307. Upper Mississippi River System Environmental Management Program.

This section increases the authorization amounts for the Upper Mississippi River System Environmental Management Program.

Sec. 308. McClellan-Kerr Arkansas River Navigation System.

This section clarifies that any Federal funds used to carry out construction of McClellan-Kerr Arkansas River Navigation System are considered as initiating construction of the project.

Sec. 309. Ouachita-Black River Navigation Project, Arkansas.

This section authorizes water supply as a project purpose for the Ouachita-Black project after the Corps completes its feasibility study and review.

Sec. 310. Sacramento River, Glenn-Colusa, California.

This section deauthorizes a portion of the project for flood control in the Sacramento River, California, consisting of a riverbed gradient restoration facility at the Glenn-Colusa Irrigation District Intake.

Sec. 311. Lake Isabella, California.

This section provides the Corps with the authority to acquire real property to support the Isabella Dam Safety Modification Project, and the ability to transfer this property to any Federal agency without reimbursement.

Sec. 312. Lower San Joaquin River Flood Control Project.

This section aligns the project for flood risk management and the second phase of the feasibility study for flood risk management in the Lower San Joaquin River.

Sec. 313. San Diego River and Mission Bay, San Diego County, California.

This section deauthorizes a portion of the project for flood control and navigation in San Diego River and Mission Bay, San Diego County, California.

Sec. 314. San Francisco, California, Waterfront Area.

This section clarifies a declaration of non-navigability for the San Francisco Waterfront Area.

Sec. 315. Western Pacific Interceptor Canal, Sacramento River, California.

This section deauthorizes a portion of levee in the Sacramento River Flood Control Project that is associated with the Western Pacific Interceptor Canal.

Sec. 316. Rio Grande Environmental Management Program, Colorado, New Mexico, And Texas.

This section reauthorizes the Rio Grande Environmental Management Program through 2029.

Sec. 317. New London Harbor Waterfront Channel, Connecticut.

This section deauthorizes a portion of the project for navigation in New London Harbor, Connecticut.

Sec. 318. Washington Harbor, District of Columbia.

This section deauthorizes a portion of the project for navigation in Washington Harbor, District of Columbia.

Sec. 319. Central Everglades, Florida.

This section clarifies that the Corps is directed to carry out the Everglades Agricultural Area modification (authorized in WRDA 2018) as part of the ongoing Central Everglades Planning Project.

Sec. 320. Miami River, Florida.

This section deauthorizes a portion of the project for navigation in Miami River, Florida.

Sec. 321. Taylor Creek Reservoir and Levee L-73 (Section 1), Upper St. Johns River Basin, Florida.

This section deauthorizes a portion of the project for flood control and other purposes in the Upper St. Johns River Basin, Florida.

Sec. 322. San Juan-Chama Project, Abiquiu Dam, New Mexico.

This section would remove the 200,000-acre-foot storage limitation at Abiquiu Reservoir and allow for additional storage of either San-Juan Chama or native water if the entity requesting the storage acquires the necessary property interests to accommodate the storage.

Sec. 323. Pawcatuck River, Little Narragansett Bay and Watch Hill Cove, Rhode Island And Connecticut.

This section deauthorizes a portion of the project for navigation in Pawcatuck River, Little Narragansett Bay and Watch Hill Cove, Rhode Island and Connecticut.

Sec. 324. Harris County, Texas.

This section repeals Section 575 of the Water Resources Development Act of 1996.

Sec. 325. Cap Sante Waterway, Washington.

This section deauthorizes a portion of the project for navigation in Cap Sante Waterway and Navigation Channel, Skagit County, Washington.

Sec. 326. Additional Assistance for Critical Projects.

This section makes modifications to 13 projects for environmental infrastructure which were included in the Corps' Annual Report to Congress for 2019 and 2020.

Sec. 327. Project Modification Authorizations.

This section modifies the water supply contracts for three projects at the request of the non-Federal interest. The section also makes modifications to two projects for flood risk management.

Sec. 328. Application of Credit.

This section allows Louisiana Coastal Area project credit to be applied against obligations by the State of Louisiana related to the Greater New Orleans Hurricane and Storm Damage Risk Reduction System Project.

Sec. 329. Project Reauthorizations

This section directs the Corps to study and submit a report to Congress on the feasibility of reauthorizing four projects that were previously deauthorized.

Sec. 330. Conveyances.

This section authorizes the Corps to convey real property owned by the Federal government in the following locations: Eufaula, Alabama; Montgomery, Alabama; Massac County, Illinois; Clinton, Missouri; Tri-Country Levee District, Missouri; Judge Joseph Barker, Jr., House, Ohio; Leaburg Fish Hatchery, Oregon; and Willamette Falls Locks, Oregon.

Sec. 331. Repeals.

This section repeals previous WRDA deauthorization provisions.

TITLE IV—AUTHORIZATIONS

Sec. 401. Project Authorizations.

This section authorizes 34 water resources projects that have completed technical review by the Corps and are recommended by the Chief of Engineers. The projects are authorized to be carried out in accordance with the plan, and subject to the conditions, described in the Chief's Reports. Each of the projects has as its primary purpose, one of the following: navigation, hurricane and storm damage risk reduction, flood risk management, water supply, or ecosystem restoration. This section also authorizes four project modifications for previously authorized projects.

Sec. 402. Special Rules.

This section provides additional guidance for certain projects.

Sec. 403. Authorization of Projects Based on Feasibility Studies Prepared by Non-Federal Interests.

This section authorizes four water resources development and conservation projects that were prepared by non-Federal interests and have undergone review assessments by the Chief of Engineers. These projects are authorized to be carried out in accordance with the plan, and subject to the modifications or conditions described in the review assessments.

August 10, 2020

The Honorable Todd T. Semonite
Chief of Engineers and Commanding General
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20001

Dear Lt. General Semonite:

The Calhoun Port Authority based in Port Lavaca, Texas has long waited for the release of a Project Deficiency Report for the Matagorda Ship Channel's entrance channel and jetties. The Army Corps first began this study in 2017 and was expected to complete it in just over a year. To date, the Army Corps still has not finalized the report. While we understand that the report was recently transmitted to Army Corps Headquarters, we write to request that you expeditiously review and finalize the report for immediate release.

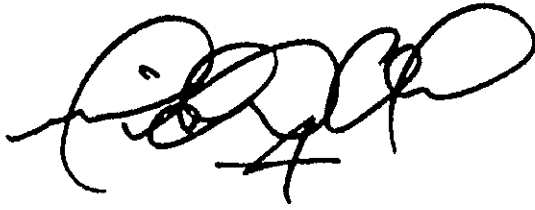
Construction on the Matagorda Ship Channel's jetties first began in 1963. While the channel is authorized to be 36 feet deep, there are certain parts of the channel that drop to 90-100 feet in depth as a result of scouring related to the Army Corps' design. As a result, it has become one of the most dangerous channels in terms navigability.

According to a 2012 Army Corps memo, the Corps acknowledges that the "original design and/or construction of the Matagorda Ship Channel significantly interferes with the project's authorized purpose." This memo highlights that the velocity of currents could have been predicted had the right analytical techniques been used. Furthermore, the memo cites that the ship channel meets all five conditions for Design Deficiency repair authority under ER 1165-2-119. In March 2017, the Army Corps initiated a design deficiency report to address the engineering deficiencies at the entrance of the Matagorda Ship Channel.

It has now been over two years since the report's proposed July 4, 2018 completion date. The immediate completion and release of this report is especially important as both the House and Senate are considering authorizing a navigation project for the Matagorda Ship Channel in this year's Water Resources and Development Act. Any further delay in finalizing the report and recommending modifications that address the project's deficiencies could jeopardize the Port's future dredging project. Therefore, we respectfully request that you promptly finalize the Project Deficiency Report.

Thank you for your personal attention to this matter of importance.

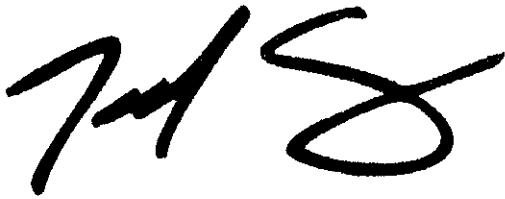
Sincerely,

A stylized, cursive handwritten signature in black ink, appearing to read 'Michael Cloud'.

Michael Cloud
Member of Congress

A handwritten signature in black ink that reads 'John Cornyn' in a cursive style.

John Cornyn
U.S. Senator

A handwritten signature in black ink that reads 'Ted Cruz' in a cursive style.

Ted Cruz
U.S. Senator

116TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } 116-449

ENERGY AND WATER DEVELOPMENT AND RELATED
AGENCIES APPROPRIATIONS BILL, 2021

JULY 15, 2020.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Ms. KAPTUR, from the Committee on Appropriations,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 7613]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for en-
ergy and water development for the fiscal year ending September
30, 2021, and for other purposes.

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CORPS OF ENGINEERS - OPERATION AND MAINTENANCE
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE RECOMMENDED
PROJECT CONDITION SURVEYS, PR	---	100 *
SAN JUAN HARBOR, PR	---	4,070 *
RHODE ISLAND		
FOX POINT HURRICANE BARRIER, RI	680	680
GREAT SALT POND, BLOCK ISLAND, RI	---	350 *
INSPECTION OF COMPLETED WORKS, RI	---	51 ~
PROJECT CONDITION SURVEYS, RI	---	500 *
WOONSOCKET LOCAL PROTECTION PROJECT, RI	596	596
SOUTH CAROLINA		
ATLANTIC INTRACOASTAL WATERWAY (AIWW), SC	100	100
CHARLESTON HARBOR, SC	---	19,700 *
COOPER RIVER, CHARLESTON HARBOR, SC	---	3,931 *
INSPECTION OF COMPLETED WORKS, SC	---	65 ~
PROJECT CONDITION SURVEYS, SC	---	775 *
SOUTH DAKOTA		
BIG BEND DAM AND LAKE SHARPE, SD	9,989	9,989
COLD BROOK LAKE, SD	472	472
COTTONWOOD SPRINGS LAKE, SD	229	229
FORT RANDALL DAM, LAKE FRANCIS CASE, SD	11,795	11,795
INSPECTION OF COMPLETED WORKS, SC	---	209 ~
LAKE TRAVERSE, SD and MN	640	640
OAHE DAM AND LAKE OAHE, SD	13,148	13,148
SCHEDULING OF RESERVOIR OPERATIONS, SD	---	144 ~
TENNESSEE		
CENTER HILL LAKE, TN	7,765	7,765
CHEATHAM LOCK AND DAM, TN	12,702	12,702
CORDELL HULL DAM AND RESERVOIR, TN	7,983	7,983
DALE HOLLOW LAKE, TN	7,889	7,889
INSPECTION OF COMPLETED WORKS, TN	---	137 ~
J. PERCY PRIEST DAM AND RESERVOIR, TN	5,526	5,526
NORTHWEST TENNESSEE REGIONAL HARBOR, TN	---	15 *
OLD HICKORY LOCK AND DAM, TN	13,351	13,351
PROJECT CONDITION SURVEYS, TN	---	5 *
TENNESSEE RIVER, TN	22,380	22,380
WOLF RIVER HARBOR, TN	---	655 *
TEXAS		
AQUILLA LAKE, TX	1,814	1,814

CORPS OF ENGINEERS - OPERATION AND MAINTENANCE
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	HOUSE RECOMMENDED
BARDWELL LAKE, TX	2,662	2,662
BELTON LAKE, TX	4,494	4,494
BENBROOK LAKE, TX	3,566	3,566
BRAZOS ISLAND HARBOR, TX	---	3,000 *
BUFFALO BAYOU AND TRIBUTARIES, TX	3,433	3,433
CANYON LAKE, TX	3,897	3,897
CHANNEL TO HARLINGEN, TX	---	1,100 *
CORPUS CHRISTI SHIP CHANNEL, TX	---	4,600 *
DENISON DAM, LAKE TEXOMA, TX	8,483	8,483
ESTELLINE SPRINGS EXPERIMENTAL PROJECT, TX	39	39
FERRELLS BRIDGE DAM - LAKE O' THE PINES, TX	5,607	5,607
FREEPORT HARBOR, TX	---	8,500 *
GALVESTON HARBOR AND CHANNEL, TX	---	10,400 *
GIWW, CHANNEL TO VICTORIA, TX	---	50 *
GULF INTRACOASTAL WATERWAY, CHOCOLATE BAYOU, TX	---	50 *
GRANGER LAKE, TX	2,582	2,582
GRAPEVINE LAKE, TX	3,326	3,326
GULF INTRACOASTAL WATERWAY, TX	24,200	24,200
HORDS CREEK LAKE, TX	1,727	1,727
HOUSTON SHIP CHANNEL, TX	---	22,300 *
INSPECTION OF COMPLETED WORKS, TX	---	1,748 ~
JIM CHAPMAN LAKE, TX	1,907	1,907
JOE POOL LAKE, TX	2,478	2,478
LAKE KEMP, TX	350	350
LAVON LAKE, TX	3,683	3,683
LEWISVILLE DAM, TX	3,813	3,813
MATAGORDA SHIP CHANNEL, TX	---	4,450 *
NAVARRO MILLS LAKE, TX	3,877	3,877
NORTH SAN GABRIEL DAM AND LAKE GEORGETOWN, TX	3,026	3,026
O. C. FISHER DAM AND LAKE, TX	1,686	1,686
PAT MAYSE LAKE, TX	1,251	1,251
PROCTOR LAKE, TX	2,367	2,367
PROJECT CONDITION SURVEYS, TX	---	325 *
RAY ROBERTS LAKE, TX	1,683	1,683
SABINE - NECHES WATERWAY, TX	---	10,625 *
SAM RAYBURN DAM AND RESERVOIR, TX	10,668	10,668
SCHEDULING OF RESERVOIR OPERATIONS, TX	---	401 ~
SOMERVILLE LAKE, TX	3,538	3,538
STILLHOUSE HOLLOW DAM, TX	3,491	3,491
TEXAS CITY SHIP CHANNEL, TX	---	350 *
TOWN BLUFF DAM, B. A. STEINHAGEN LAKE AND ROBERT DOUGLAS WILLIS	3,967	3,967
HYDROPOWER PROJECT, TX	---	---
WACO LAKE, TX	4,814	4,814
WALLISVILLE LAKE, TX	2,605	2,605
WHITNEY LAKE, TX	6,813	6,813
WRIGHT PATMAN DAM AND LAKE, TX	4,223	4,223

Calhoun Port Authority
 Stmt of Rev Exp
 From 7/1/2020 Through 8/31/2020

		Current Period Actual	Current Period Budget Original	Current Period Budget Variance - Original	Total Budget - Original	Total Budget Variance Original
Harbor Operations Income						
Wharfage						
Sales	SLS					
Wharf - GCD - Chemical Cargos	402020	48,054.63	60,000.00	(11,945.37)	380,000.00	(331,945.37)
Wharf - GCD - Fertilizer Cargos	402021	1,846.44	2,800.00	(953.56)	25,000.00	(23,153.56)
Wharf - GCD - Dry Bulk Cargos	402022	0.00	4,000.00	(4,000.00)	20,000.00	(20,000.00)
Wharf - GCD - Break Bulk Cargos	402023	0.00	3,500.00	(3,500.00)	3,500.00	(3,500.00)
Wharf - Liquid Cargo Pier North	402030	21,836.75	72,000.00	(50,163.25)	450,000.00	(428,163.25)
Wharf - Liquid Cargo Pier South	402040	41,559.07	84,000.00	(42,440.93)	450,000.00	(408,440.93)
Wharf - CD - Liquid Fertilizer	402051	773.91	0.00	773.91	15,000.00	(14,226.09)
Wharf - DBD - Dry Bulk Cargo	402055	6,092.37	19,000.00	(12,907.63)	100,000.00	(93,907.63)
Wharf - DBD - Liquid Cargo	402056	15,837.04	54,166.66	(38,329.62)	325,000.00	(309,162.96)
Wharf - Barge Berths 1-4	402060	21,038.21	55,000.00	(33,961.79)	300,000.00	(278,961.79)
Wharf - Barge Berths 5-6	402061	12,389.20	20,833.34	(8,444.14)	125,000.00	(112,610.80)
Wharf - Multi-Purpose Dock	402070	0.00	0.00	0.00	5,000.00	(5,000.00)
Wharf - MPD - Dry Bulk Cargo	402072	0.00	5,000.00	(5,000.00)	5,000.00	(5,000.00)
Wharf - GCD Vessels, Steel, Pressure, Iron	402080	1,555.47	1,666.66	(111.19)	10,000.00	(8,444.53)
Total SLS		170,983.09	381,966.66	(210,983.57)	2,213,500.00	(2,042,516.91)
Total Wharfage		170,983.09	381,966.66	(210,983.57)	2,213,500.00	(2,042,516.91)
Dockage						
Sales	SLS					
Dock - General Cargo Dock	402121	29,019.82	38,800.00	(9,780.18)	300,000.00	(270,980.18)
Dock - Liquid Cargo Pier North	402130	24,865.17	51,000.00	(26,134.83)	500,000.00	(475,134.83)
Dock - Liquid Cargo Pier South	402140	67,522.09	69,000.00	(1,477.91)	500,000.00	(432,477.91)
Dock - Conveyor Dock	402150	1,663.20	10,000.00	(8,336.80)	60,000.00	(58,336.80)
Dock - Plains Dock	402152	873.18	5,833.34	(4,960.16)	35,000.00	(34,126.82)
Dock - Tug Staging Area	402155	0.00	83.34	(83.34)	500.00	(500.00)
Dock - Barge Berth 1-6	402160	9,223.83	19,166.66	(9,942.83)	110,000.00	(100,776.17)
Dock - Multi-Purpose Dock	402170	0.00	2,500.00	(2,500.00)	15,000.00	(15,000.00)
Dock - Dry Bulk Dock	402180	34,979.44	29,166.66	5,812.78	175,000.00	(140,020.56)
Dock - Barge Fleeting Area	402190	14,915.98	20,833.34	(5,917.36)	125,000.00	(110,084.02)
Total SLS		183,062.71	246,383.34	(63,320.63)	1,820,500.00	(1,637,437.29)
Total Dockage		183,062.71	246,383.34	(63,320.63)	1,820,500.00	(1,637,437.29)

Calhoun Port Authority
 Stmt of Rev Exp
 From 7/1/2020 Through 8/31/2020

		Current Period Actual	Current Period Budget Original	Current Period Budget Variance - Original	Total Budget - Original	Total Budget Variance Original
Other Harbor Income						
Other Income	OTH					
Equipment Use Fees	402300	105.00	250.00	(145.00)	1,500.00	(1,395.00)
Misc Operations Income	402340	360.00	1,250.00	(890.00)	7,500.00	(7,140.00)
Electrical Service Sales	402355	0.00	8,500.00	(8,500.00)	50,000.00	(50,000.00)
Water Sales - Ships/Barges	402370	3,968.92	5,500.00	(1,531.08)	35,000.00	(31,031.08)
Other Water Sales	402376	879.94	583.34	296.60	3,500.00	(2,620.06)
Security Fees	402390	46,534.89	70,000.00	(23,465.11)	500,000.00	(453,465.11)
Security - TWIC Escort	402392	0.00	25.00	(25.00)	150.00	(150.00)
Gangway Fee	402400	600.00	1,400.00	(800.00)	9,000.00	(8,400.00)
Wastewater Revenue	403190	550.00	533.34	16.66	3,200.00	(2,650.00)
Total OTH		52,998.75	88,041.68	(35,042.93)	609,850.00	(556,851.25)
Total Other Harbor Income		52,998.75	88,041.68	(35,042.93)	609,850.00	(556,851.25)
Total Harbor Operations Income		407,044.55	716,391.68	(309,347.13)	4,643,850.00	(4,236,805.45)
Non-Harbor Income						
PSB Office Leases						
Other Income	OTH					
Office Space Lease	403180	10,425.74	10,000.00	425.74	60,000.00	(49,574.26)
Total OTH		10,425.74	10,000.00	425.74	60,000.00	(49,574.26)
Total PSB Office Leases		10,425.74	10,000.00	425.74	60,000.00	(49,574.26)
Surface Leases and Option Revenue						
Other Income	OTH					
Simplot	403100	117,909.20	117,909.20	0.00	117,909.20	0.00
Simplot 3.0 Acre Lease	403110	21,968.61	21,968.61	0.00	87,874.44	(65,905.83)
Lease: Loading Arm Spaces	403133	6,000.00	6,000.00	0.00	33,000.00	(27,000.00)
Surface Lease - G/R	403170	1,413,616.14	1,374,463.00	39,153.14	1,850,000.00	(436,383.86)
Land Lease - incl Submerged	403175	407,500.00	407,500.00	0.00	2,445,000.00	(2,037,500.00)
Lease - Surface Alamo Beach	403200	0.00	0.00	0.00	19,543.00	(19,543.00)
Site Lease Option Fee	403410	71,875.00	0.00	71,875.00	0.00	71,875.00
Surface Lease Bean Tract	403710	90,600.00	2,400.00	88,200.00	95,775.00	(5,175.00)
Total OTH		2,129,468.95	1,930,240.81	199,228.14	4,649,101.64	(2,519,632.69)
Total Surface Leases and Option Revenue		2,129,468.95	1,930,240.81	199,228.14	4,649,101.64	(2,519,632.69)
Pipeline/Piperack Easements						
Other Income	OTH					
Pipeline/Piperack Easements	403500	55,274.73	180,000.00	(124,725.27)	300,000.00	(244,725.27)
Total OTH		55,274.73	180,000.00	(124,725.27)	300,000.00	(244,725.27)
Total Pipeline/Piperack Easements		55,274.73	180,000.00	(124,725.27)	300,000.00	(244,725.27)

Calhoun Port Authority
 Stmt of Rev Exp
 From 7/1/2020 Through 8/31/2020

		Current Period Actual	Current Period Budget Original	Current Period Budget Variance - Original	Total Budget - Original	Total Budget Variance Original
Other Non-Harbor Revenue						
Other Income	OTH					
Storage Fees - AN	402015	223,501.61	331,040.84	(107,539.23)	1,986,245.00	(1,762,743.39)
Storage Fees NH3	402115	366,464.79	993,122.84	(626,658.05)	5,958,737.00	(5,592,272.21)
Administration Fee	402325	344,345.93	7,500.00	336,845.93	45,000.00	299,345.93
Total OTH		934,312.33	1,331,663.68	(397,351.35)	7,989,982.00	(7,055,669.67)
Total Other Non-Harbor Revenue		934,312.33	1,331,663.68	(397,351.35)	7,989,982.00	(7,055,669.67)
Total Non-Harbor Income		3,129,481.75	3,451,904.49	(322,422.74)	12,999,083.64	(9,869,601.89)
Other Revenue						
Investment Income						
Interest Income	INR					
Interest Income	405000	60,466.13	49,999.98	10,466.15	300,000.00	(239,533.87)
Total INR		60,466.13	49,999.98	10,466.15	300,000.00	(239,533.87)
Total Investment Income		60,466.13	49,999.98	10,466.15	300,000.00	(239,533.87)
Other Income	OTH					
Ad Valorem Tax Collection - M&O	401020	159.49	150.00	9.49	21,000.00	(20,840.51)
Facility Use Fees	402310	0.00	0.00	0.00	250.00	(250.00)
FTZ Reimbursements	404020	600.00	600.00	0.00	2,400.00	(1,800.00)
Miscellaneous Income	406000	0.00	166.66	(166.66)	1,000.00	(1,000.00)
Water Rights - Assigned	407000	10,893.67	18,333.34	(7,439.67)	110,000.00	(99,106.33)
3rd Party Reimbursement	408000	(22,725.50)	5,000.00	(27,725.50)	30,000.00	(52,725.50)
AN/NH3 Fund Reimb - M&O	408520	6,306.50	6,306.50	0.00	37,839.00	(31,532.50)
Total OTH		(4,765.84)	30,556.50	(35,322.34)	202,489.00	(207,254.84)
Total Other Income		(4,765.84)	30,556.50	(35,322.34)	202,489.00	(207,254.84)
Total Other Revenue		55,700.29	80,556.48	(24,856.19)	502,489.00	(446,788.71)
Total Revenue		3,592,226.59	4,248,852.65	(656,626.06)	18,145,422.64	(14,553,196.05)
Expenditures						
Wages & Salaries						
Salaries	SAL					
Salary Expense	510000	236,336.06	263,557.55	27,221.49	1,405,512.64	1,169,176.58
Automobile Allowance	537000	3,060.00	4,200.00	1,140.00	25,200.00	22,140.00
Total SAL		239,396.06	267,757.55	28,361.49	1,430,712.64	1,191,316.58
Total Wages & Salaries		239,396.06	267,757.55	28,361.49	1,430,712.64	1,191,316.58

Calhoun Port Authority
 Stmt of Rev Exp
 From 7/1/2020 Through 8/31/2020

		Current Period Actual	Current Period Budget Original	Current Period Budget Variance - Original	Total Budget - Original	Total Budget Variance Original
Fringe Benefits						
Fringe	FRG					
Group Health Expense	521000	65,596.70	59,866.66	(5,730.04)	359,200.00	293,603.30
Retirement Plan Expense	522000	15,954.36	16,666.66	712.30	100,000.00	84,045.64
Total FRG		81,551.06	76,533.32	(5,017.74)	459,200.00	377,648.94
Miscellaneous	MSC					
Workers Compensation	523000	5,513.50	4,166.66	(1,346.84)	25,000.00	19,486.50
Total MSC		5,513.50	4,166.66	(1,346.84)	25,000.00	19,486.50
Payroll Taxes	PRT					
Social Security Tax Expense	520000	16,058.72	15,833.34	(225.38)	95,000.00	78,941.28
Medicare Tax Expense	520500	3,797.60	3,666.66	(130.94)	22,000.36	18,202.76
Total PRT		19,856.32	19,500.00	(356.32)	117,000.36	97,144.04
Total Fringe Benefits		106,920.88	100,199.98	(6,720.90)	601,200.36	494,279.48
Operational Expenditures						
Dues & Subscriptions	DUE					
Dues & Subscriptions	538000	0.00	8,500.00	8,500.00	10,000.00	10,000.00
Total DUE		0.00	8,500.00	8,500.00	10,000.00	10,000.00
Equipment Rental	EQR					
Equipment Rental	548000	2,027.76	833.34	(1,194.42)	5,000.00	2,972.24
Total EQR		2,027.76	833.34	(1,194.42)	5,000.00	2,972.24
Maintenance & Repairs	MNT					
M/R - Lighting	546111	856.54	8,333.34	7,476.80	51,500.00	50,643.46
M/R - General Maint & Repair	546115	91,492.50	309,000.00	217,507.50	873,500.00	782,007.50
M/R - Fire System Maintenance	546135	19,859.78	85,833.34	65,973.56	515,000.00	495,140.22
M/R - Cathodic Protection System	546140	0.00	0.00	0.00	50,000.00	50,000.00
M/R - Sewer Supplies	546150	377.67	125.00	(252.67)	750.00	372.33
M/R - Storm/Waste Water Test	546151	2,831.00	3,333.34	502.34	20,000.00	17,169.00
M/P - Misc Supplies & Tools	547105	3,757.64	1,666.66	(2,090.98)	10,000.00	6,242.36
M/P - Vehicles & Equipment	547130	16,100.64	16,666.66	566.02	200,000.00	183,899.36
Total MNT		135,275.77	424,958.34	289,682.57	1,720,750.00	1,585,474.23
Miscellaneous	MSC					
M&O Overhead Reimbursement	519500	6,306.50	6,306.50	0.00	37,839.00	31,532.50
Security Service Fees	533000	66,120.00	69,166.68	3,046.68	415,000.00	348,880.00
Appraisal District Fees	534000	99.71	625.00	525.29	2,500.00	2,400.29
Promotional	536000	26,051.50	5,000.00	(21,051.50)	30,000.00	3,948.50
Tech Training & Travel	536500	1,711.68	9,166.66	7,454.98	55,000.00	53,288.32
Automobile Expense	537100	448.34	533.34	85.00	3,200.00	2,751.66

Calhoun Port Authority
 Stmt of Rev Exp
 From 7/1/2020 Through 8/31/2020

		Current Period Actual	Current Period Budget Original	Current Period Budget Variance - Original	Total Budget - Original	Total Budget Variance Original
Permit Fees & License	538500	0.00	1,333.32	1,333.32	17,000.00	17,000.00
Insurance Expense	539000	71,299.05	70,982.82	(316.23)	425,897.00	354,597.95
Postage & Freight	540000	320.99	666.66	345.67	4,000.00	3,679.01
Electrical Service Expense	542000	69,889.13	66,833.34	(3,055.79)	401,000.00	331,110.87
Janitorial Service Expense	542500	2,162.20	3,000.00	837.80	18,000.00	15,837.80
Industrial Water Expense	542600	0.00	833.34	833.34	5,000.00	5,000.00
Lease Expense	542700	0.00	0.00	0.00	6,090.00	6,090.00
Bank Charges	544000	198.00	145.00	(53.00)	9,250.00	9,052.00
Misc General Expense	545000	4,347.56	4,166.66	(180.90)	25,000.00	20,652.44
Fuel & Oil Expense	549000	2,292.62	2,333.34	40.72	14,000.00	11,707.38
Raw Water Expense	553000	17,405.76	18,333.34	927.58	110,000.00	92,594.24
Treated Water Expense	554000	3,757.13	4,458.34	701.21	26,750.00	22,992.87
Waste Disposal Service	555000	825.24	1,000.00	174.76	6,000.00	5,174.76
Facility Operator Fee - AN/NH3	555561	<u>460,094.60</u>	<u>1,150,000.00</u>	<u>689,905.40</u>	<u>6,900,000.00</u>	<u>6,439,905.40</u>
Total MSC		733,330.01	1,414,884.34	681,554.33	8,511,526.00	7,778,195.99
Professional Fees	PRF					
Legal Service Fees	532000	8,483.56	26,908.34	18,424.78	159,342.00	150,858.44
Consult - Auditors	551105	0.00	0.00	0.00	22,650.00	22,650.00
Consult - Computer & Info Systems	551107	0.00	1,666.66	1,666.66	10,000.00	10,000.00
Consult - General Engineer	551125	147.00	4,500.00	4,353.00	27,000.00	26,853.00
Consult - Security	551153	0.00	833.34	833.34	5,000.00	5,000.00
Consult - Environmental	551165	2,447.50	27,833.34	25,385.84	137,500.00	135,052.50
Consult - Gov't Relations	551166	<u>31,858.74</u>	<u>35,000.00</u>	<u>3,141.26</u>	<u>210,000.00</u>	<u>178,141.26</u>
Total PRF		42,936.80	96,741.68	53,804.88	571,492.00	528,555.20
Salaries	SAL					
Board Service	510500	<u>6,550.00</u>	<u>10,000.00</u>	<u>3,450.00</u>	<u>60,000.00</u>	<u>53,450.00</u>
Total SAL		6,550.00	10,000.00	3,450.00	60,000.00	53,450.00
Supplies	SUP					
Office Expense & Supplies	543000	<u>1,737.16</u>	<u>2,500.00</u>	<u>762.84</u>	<u>23,000.00</u>	<u>21,262.84</u>
Total SUP		1,737.16	2,500.00	762.84	23,000.00	21,262.84
Telephone	TEL					
Telephone Expense	541000	3,605.46	4,166.66	561.20	25,000.00	21,394.54
Total TEL		<u>3,605.46</u>	<u>4,166.66</u>	<u>561.20</u>	<u>25,000.00</u>	<u>21,394.54</u>
Total Operational Expenditures		925,462.96	1,962,584.36	1,037,121.40	10,926,768.00	10,001,305.04
Non-Operational Expenditures						
Interest Expenses	INX					
Interest Expense	557000	<u>16,490.31</u>	<u>94,166.66</u>	<u>77,676.35</u>	<u>565,000.00</u>	<u>548,509.69</u>

Calhoun Port Authority
 Stmt of Rev Exp
 From 7/1/2020 Through 8/31/2020

		Current Period Actual	Current Period Budget Original	Current Period Budget Variance - Original	Total Budget - Original	Total Budget Variance Original
Total INX		16,490.31	94,166.66	77,676.35	565,000.00	548,509.69
Miscellaneous	MSC					
Debt Service Contribution Exp	556000	18,958.02	54,166.66	35,208.64	325,000.00	306,041.98
Remarketing Fee Expense	557500	0.00	0.00	0.00	30,000.00	30,000.00
Total MSC		18,958.02	54,166.66	35,208.64	355,000.00	336,041.98
Total Non-Operational Expenditures		35,448.33	148,333.32	112,884.99	920,000.00	884,551.67
Total Expenditures		1,307,228.23	2,478,875.21	1,171,646.98	13,878,681.00	12,571,452.77
Net Revenue		2,284,998.36	1,769,977.44	515,020.92	4,266,741.64	(1,981,743.28)
Depreciation Expense						
Depreciation	DPR					
Depreciation Expense	558000	160,000.00	160,000.00	0.00	960,000.00	800,000.00
Total DPR		160,000.00	160,000.00	0.00	960,000.00	800,000.00
Total Depreciation Expense		160,000.00	160,000.00	0.00	960,000.00	800,000.00
Transfers						
Miscellaneous	MSC					
Transfers In	701000	103,300.15	103,404.92	(104.77)	619,603.21	(516,303.06)
Transfers Out	801000	(103,300.15)	(103,404.92)	104.77	(619,603.21)	516,303.06
Total MSC		0.00	0.00	0.00	0.00	0.00
Total Transfers		0.00	0.00	0.00	0.00	0.00
Net After Depreciation & Transfers		2,124,998.36	1,609,977.44	515,020.92	3,306,741.64	(1,181,743.28)

Joslin Plant Revenue and Expenditures

July 1, 2004 to Present

Revenue:	August Totals	July 2004 to Present Totals
Light Fuel Oil Sale	\$0.00	\$1,420,154.11
Option Payments and Electric Reimbursement	\$0.00	\$1,441,879.33
Renewal Payment	\$0.00	\$1,400,000.00
Cash for Land FPC & Sanchez Lease	\$0.00	\$2,337,500.00
Bond Issue Fee	\$0.00	\$542,250.00
	\$0.00	\$7,141,783.44
Expenses:		
Purchase Price	\$0.00	\$50,000.00
Jackson Walker/Birch Beckner	\$0.00	\$39,462.83
Roy Hart Consulting	\$0.00	\$165,417.29
Smothers Consulting	\$0.00	\$54,059.87
Bibb Engineers	\$0.00	\$48,193.81
AEP Maintenance Fee	\$0.00	\$14,035.38
G&W Engineers	\$0.00	\$109,827.11
Hill Country Environmental	\$0.00	\$409,833.52
CAMS/eSparc	\$0.00	\$38,433.46
Roberts, Roberts, Odefey and Witte	\$0.00	\$371,281.90
Sempra Energy & Direct Energy/GEXA	\$420.99	\$412,222.36
TCEQ	\$0.00	\$148,681.30
Mako Environmental	\$0.00	\$33,779.00
Miscellaneous Vendors	\$0.00	\$91,664.24
	\$420.99	\$1,986,892.07
	-\$420.99	\$5,154,891.37

ALAMO BEACH PROPERTY		Current Month 8/31/2020	Total Project
Capital Asset - Land			
Subtotal		0.00	4,595,114.68
Misc Income - Lease			480,582.65
Total Revenues		0.00	480,582.65
Expenses		(63.32)	(228,882.48)
Option Renewal Fees			(125,000.00)
Reimbursed Expenses			
Net Expenses		(63.32)	(353,882.48)
Total Net		(63.32)	126,700.17

CASTLEMAN PORT COMFORT PROJECT (PORT COMFORT POWER)	Current Month 8/31/2020	Total Project
Project Site Lease Option Fee		19,500.00
Project Site Lease		266,938.01
Easement Fee		10,000.00
Admin Fee		14,000.00
Subtotal	0.00	310,438.01
Wharfage		0.00
Dockage		0.00
Security		0.00
Other		41,244.10
Total Revenues	0.00	351,682.11
Expenses		(23,890.18)
Reimbursed Expenses		12,166.95
Net Expenses	0.00	(11,723.23)
Total Net	0.00	339,958.88

DRY BULK DOCK PROJECT		Current Month 8/31/2020	Total Project
Capital Asset - Dry Bulk Dock			37,123,251.64
9/28/2011	Lease		540,000.00
	Bond Issuance Fee		337,500.00
	Subtotal	0.00	877,500.00
	Wharfage	10,528.48	2,096,177.11
	Dockage	2,176.02	747,272.93
	Maintenance Fee		461,335.62
	Security	3,188.16	183,821.36
	Other		5,000.00
	Total Revenues	15,892.66	4,371,107.02
	Expenses		(1,037,460.08)
	Debt Service Contribution	(11,400.93)	(2,104,656.31)
	Reimbursed Expenses		
	Net Expenses	(11,400.93)	(3,142,116.39)
	Total Net	4,491.73	1,228,990.63

MAX (fka NST) PROJECT	Current Month 8/31/2020	Total Project
Lease: Project Site Lease Option Fees	154,940.50	1,920,177.70 179,940.50
Subtotal	154,940.50	2,100,118.20
Wharfage		55,360.98
Dockage		15,613.40
Security		1,919.82
Other		457,453.03
Total Revenues	154,940.50	2,630,465.43
Expenses	(150.00)	(57,039.85)
Reimbursed Expenses		7,500.00
Net Expenses	(150.00)	(49,539.85)
Total Net	154,790.50	2,580,925.58

South Peninsula Project		Current Month 8/31/2020	Total Project
	Subtotal	0.00	
	Total Revenues	0.00	
	Expenses		(2,377,917.63)
	Net Expenses	0.00	(2,377,917.63)
	Total Net	0.00	(2,377,917.63)



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www.calhounport.com

PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 8, Review and Approval of Board Members Committee/Conference Attendance.

Members of the Board, I have enclosed a copy of the committee/conference meeting attendance form for your review. This form is filed by Board Members that attended any committee/conference meetings of the Calhoun Port Authority.

Please feel free to contact me if you have any questions regarding the committee/conference meeting attendance forms.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 9, Review and Consideration of Proposed Maintenance and Operation (M&O) Tax for 2020.

Members of the Board, I have enclosed for your preliminary review, copies of the following documents received from Mr. Jesse W. Hubbell, Chief Appraiser of the Calhoun County Appraisal District regarding the 2020 maintenance and operations tax:

1. The 2020 Certified Totals for Calhoun Port Authority.
2. The 2020 Notice of Effective Tax Rate for Calhoun Port Authority.

The tax roll for 2020 for the Calhoun Port Authority has decreased by approximately \$23.3 million dollars, an approximate 1.011% decrease from 2019 ad valorem taxable improvements.

The effective M&O rate for 2020 has been calculated to be .0009 cents per each \$100 dollar valuation for the no new revenue tax rate. The 2019 rate was .0010 cents per each \$100 dollar valuation. This rate will return \$20,328.00 in tax revenue for 2020.

Please feel free to contact me, if you have any questions regarding the .0009 cents per \$100 valuation for the 2020 M&O tax levy.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

CALHOUN COUNTY APPRAISAL DISTRICT
426 West Main Street * P.O. Box 49
Port Lavaca, Texas 77979
Appraisal: (361) 552-8808
Collections: (361) 552-4560
Fax: (361) 552-4787
Website: www.calhouncad.org



Board of Directors
William Swope, Chairman
William Bauer, Vice Chairman
Jessie Rodriguez, Secretary
Vern Lyssy, Board Member
Kevin Hill, Board Member

Chief Appraiser
Jesse W. Hubbell

July 24, 2020

Mr. J. C. Melcher Jr., Chairman
Calhoun Port Authority
P. O. Box 397
Point Comfort, Texas 77978

Dear Mr. Melcher:


In compliance with Section 26.01 of the Texas Property Tax Code, I, Jesse W. Hubbell, Chief Appraiser for Calhoun County Appraisal District, do hereby certify the 2020 Appraisal Roll for
Calhoun Port Authority:

Certified Net Taxable Value: \$2,064,911,285

The **estimated** Net Taxable value of values still under protest and not yet certified is: \$38,026,498*

The **estimated net taxable value amount is approximately 70% of the actual taxable value remaining that is under ARB review or protested and **not yet certified**. The final net taxable value may be lower once all protests are resolved.*

Sincerely,

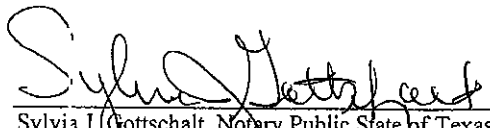

Jesse W. Hubbell, Chief Appraiser
Calhoun County Appraisal District

Cc: See Attached

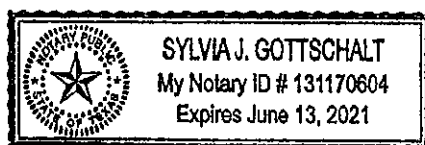
State of Texas
County of Calhoun

Before me, a Notary Public, on this day personally appeared, Jesse W. Hubbell, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office the 24th day of July, A.D., 2020.


Sylvia J. Gottschalt, Notary Public State of Texas

My commission expires June 13, 2021.



CALHOUN COUNTY APPRAISAL DISTRICT
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Board of Directors

William Swope, Chairman
William Bauer, Vice Chairman
Jessie Rodriguez, Secretary
Vern Lyssy, Board Member
Kevin Hill, Board Member

Chief Appraiser

Jesse W. Hubbell

Cc: Mr. Charles R. Hausmann, CPA Port Director
Calhoun Port Authority
P.O. Box 397
Point Comfort, TX 77978

2020 Notice of Tax Rates in CALHOUN PORT AUTHORITY

Property Tax Rates in CALHOUN PORT AUTHORITY. This notice concerns the 2020 property tax rates for CALHOUN PORT AUTHORITY. This notice provides information about two tax rates. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. The voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$20,328
This year's adjusted taxable value (after subtracting value of new property)	\$2,087,228,715
=This year's no-new-revenue tax rate	0.000900/\$100
+This year's adjustments to the no-new-revenue tax rate	\$0 /\$100
=This year's adjusted no-new-revenue tax rate	0.000900/\$100

This is the maximum rate the taxing unit can propose unless it publishes a notice and holds a hearing.

This year's voter-approval tax rate:

Last year's adjusted operating taxes (after adjusting as required by law)	\$20,947
This year's adjusted taxable value (after subtracting value of new property)	\$2,087,228,715
=This year's voter-approval operating tax rate	0.001000/\$100
× (1.035 or 1.08, as applicable) = this year's maximum operating rate	0.001000/\$100
+This year's debt rate	0.000000/\$100
+The unused increment rate, if applicable	0.000000/\$100
=This year's total voter-approval tax rate	0.001/\$100

This is the maximum rate the taxing unit can adopt without an election for voter approval.

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by

Name of person preparing this notice: Tammy Blakeman

Position: Chief Deputy

Date prepared: August 13, 2020

You can inspect a copy of the full calculations on the taxing unit's website at:
www.calhouncad.org.

**2020 Notice of No-New-Revenue Tax Rate
Worksheet for Calculation of Tax Increase/Decrease**

Entity Name: CALHOUN PORT AUTHORITY

Date: 08/13/2020

1. 2019 taxable value, adjusted for actual and potential court-ordered adjustments. Enter line 8 of the No-New-Revenue Tax Rate Worksheet.	\$2,092,966,421
2. 2019 total tax rate. Enter line 4 of the No-New-Revenue Tax Rate Worksheet.	0.001000
3. Taxes refunded for years preceding tax year 2019. Enter line 15 of the No-New-Revenue Tax Rate Worksheet.	\$18
4. Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3.	\$20,948
5. 2020 total taxable value. Enter Line 21 of the No-New-Revenue Tax Rate Worksheet.	\$2,108,619,992
6. 2020 no-new tax rate. Enter line 26 of the No-New-Revenue Tax Rate Worksheet or Line 54 of the Additional Sales Tax Rate Worksheet.	0.000900
7. 2020 taxes if a tax rate equal to the no-new-revenue tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100.	\$18,978
8. Last year's total levy. Sum of line 4 for all funds.	\$20,948
9. 2020 total taxes if a tax rate equal to the no-new-revenue tax rate is adopted. Sum of line 7 for all funds.	\$18,978
10. Tax Increase (Decrease). Subtract Line 8 from Line 9.	\$(1,970)

Tax Levy: This is calculated by taking the adjusted taxable value (line 21 of No-New-Revenue Tax Rate Worksheet), multiplying by the appropriate rate, such as the No-New-Revenue Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 34 of the Voter-Approval Tax Rate Worksheet), multiplying by the appropriate rate, dividing by 100 and then adding this year's frozen tax levy on homesteads of the elderly.

Additional Levy Last Year: This is calculated by taking Last Year's taxable value (line 3 of No-New-Revenue Tax Rate Worksheet), multiplying by Last Year's tax rate (line 4 of No-New-Revenue Tax Rate Worksheet) and dividing by 100.

For School Districts: This is calculated by taking Last Year's taxable value, subtracting Last Year's taxable value for the elderly, multiplying by Last Year's tax rate, dividing by 100 and adding Last Year's tax ceiling.

Additional Levy This Year: This is calculated by taking the current adjusted taxable value, multiplying by the No-New-Revenue Tax Rate and dividing by 100.

For School Districts: This is calculated by taking the adjusted taxable value (line 34 of the Voter-Approval Tax Rate Worksheet), multiplying by the No-New-Revenue Tax Rate, dividing by 100 and adding This Year's tax ceiling.

COUNTIES ONLY: All figures in this worksheet include ALL County Funds. Tax Levy amounts are the sum of each Fund's Taxable Value X each Fund's Tax Rate.

CALHOUN PORT AUTHORITY

Tax Rate Recap for 2020 Tax Rates

Description of Rate	Tax Rate Per \$100	Tax Levy This is calculated using the Total Adjusted Taxable Value (line 21) of the No-New- Revenue Tax Rate Worksheet	Additional Tax Levy Compared to <u>last year's</u> <u>tax levy</u> of 20,930	Additional Tax Levy Compared to <u>no-new-</u> <u>revenue tax rate levy</u> of 18,978
Last Year's Tax Rate	0.001000	\$21,086	\$157	\$2,109
No-New-Revenue Tax Rate	0.000900	\$18,978	\$-1,952	\$0
Notice & Hearing Limit	0.000900	\$18,978	\$-1,952	\$0
Voter-Approval Tax Rate	0.001000	\$21,086	\$157	\$2,109
Proposed Tax Rate	0.000000	\$0	\$-20,930	\$-18,978

No-New-Revenue Tax Rate Increase in Cents per \$100

0.00	0.000900	18,978	-1,952	0
0.50	0.005900	124,409	103,479	105,431
1.00	0.010900	229,840	208,910	210,862
1.50	0.015900	335,271	314,341	316,293
2.00	0.020900	440,702	419,772	421,724
2.50	0.025900	546,133	525,203	527,155
3.00	0.030900	651,564	630,634	632,586
3.50	0.035900	756,995	736,065	738,017
4.00	0.040900	862,426	841,496	843,448
4.50	0.045900	967,857	946,927	948,879
5.00	0.050900	1,073,288	1,052,358	1,054,310
5.50	0.055900	1,178,719	1,157,789	1,159,741
6.00	0.060900	1,284,150	1,263,220	1,265,172
6.50	0.065900	1,389,581	1,368,651	1,370,603
7.00	0.070900	1,495,012	1,474,082	1,476,034
7.50	0.075900	1,600,443	1,579,513	1,581,465
8.00	0.080900	1,705,874	1,684,944	1,686,896
8.50	0.085900	1,811,305	1,790,375	1,792,327
9.00	0.090900	1,916,736	1,895,806	1,897,758
9.50	0.095900	2,022,167	2,001,237	2,003,189
10.00	0.100900	2,127,598	2,106,668	2,108,620
10.50	0.105900	2,233,029	2,212,099	2,214,051
11.00	0.110900	2,338,460	2,317,530	2,319,482
11.50	0.115900	2,443,891	2,422,961	2,424,913
12.00	0.120900	2,549,322	2,528,392	2,530,344
12.50	0.125900	2,654,753	2,633,823	2,635,775
13.00	0.130900	2,760,184	2,739,254	2,741,206
13.50	0.135900	2,865,615	2,844,685	2,846,637
14.00	0.140900	2,971,046	2,950,116	2,952,068
14.50	0.145900	3,076,477	3,055,547	3,057,499



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 10, Review and Consideration of Declaring the Emergency Bearing Oil Pump Assembly at the Joslin Plant as Surplus Property.

Members of the Board, I have attached a copy of an email from Gary Clark with CAMSTX the company that operates the Peaker Power Plant on the Joslin tract stating they would be interested in purchasing the emergency oil pump assembly. In order to advertise for public bids to sell this equipment to the highest bidder, the Port will need to declare it surplus property. I am researching what the value of an item like this might be. Also attached are photos of the requested pieces.

Please feel free to contact me if you have any questions regarding the designation of the emergency bearing oil pump assembly as surplus.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

Charles Hausmann

From: Gary Clark <GClark@camstex.com>
Sent: Wednesday, August 26, 2020 10:47 AM
To: crh@calhounport.com
Subject: RE: Potential purchase of backup oil pumping equipment from Joslin facility
Attachments: IMG_6281R.jpg; IMG_6282R.jpg; IMG_6283R.jpg; IMG_6284R.jpg

Charles...

Apologies for taking so long to get back to you on the potential purchase of the pump assembly.

We would be interested in purchasing one of the pump assemblies that we looked at on August 11th. Specifically, we would be interested in purchasing the entire Emergency Bearing Oil Pump assembly to include the following (photographs are attached):

1. Pump assembly and any associated piping, check valves, relief valves and other equipment inside the tank that is essential for pump service (img_6281R)
2. Breaker and contactor assembly and all related equipment within the enclosure (img_6282R)
3. DC motor and coupling (img_6283R)
4. Pump mounting flange that supports the pump installation (img_6283R)
5. Photograph of data plate is attached for reference (img_6284R)

We would also like to have any associated equipment manuals for the pump and motor assuming they can be located with reasonable effort.

Understanding that you will have to seek approval for the sale, please advise a desired price at your earliest convenience. Also, please advise whether the Port would be willing to remove the equipment. Alternatively, we can engage a contractor to remove if necessary.

Regards,

Gary Clark
361.947.9934

From: Gary Clark
Sent: Friday, August 7, 2020 8:50 AM
To: 'crh@calhounport.com' <crh@calhounport.com>
Subject: RE: Potential purchase of backup oil pumping equipment from Joslin facility

Great. I will plan on getting there about 9 am. I will also be visiting the peaking unit that we operate there.

Gary Clark
361.947.9934

From: Charles Hausmann [<mailto:crh@calhounport.com>]
Sent: Friday, August 7, 2020 8:44 AM

To: Gary Clark <GClark@camstex.com>

Subject: RE: Potential purchase of backup oil pumping equipment from Joslin facility

That day will work in the morning is fine.

Charles

Charles R. Hausmann, CPA
Port Director
Calhoun Port Authority
Email: crh@calhounport.com
Phone: (361) 987-2813

NOTICE: Texas has a very broad public record law. Most written communications to or from Port Authority officials/employees regarding Port business are public records available to the public and media. Your email communication may be subject to public disclosure.

From: Gary Clark <GClark@camstex.com>

Sent: Friday, August 7, 2020 8:41 AM

To: crh@calhounport.com

Subject: RE: Potential purchase of backup oil pumping equipment from Joslin facility

Yes, my apologies for the error.

Gary Clark
361.947.9934

From: Charles Hausmann [<mailto:crh@calhounport.com>]

Sent: Friday, August 7, 2020 8:40 AM

To: Gary Clark <GClark@camstex.com>

Subject: RE: Potential purchase of backup oil pumping equipment from Joslin facility

Gary,

Did you mean Tuesday, August 11th?

Charles

Charles R. Hausmann, CPA
Port Director
Calhoun Port Authority
Email: crh@calhounport.com
Phone: (361) 987-2813

NOTICE: Texas has a very broad public record law. Most written communications to or from Port Authority officials/employees regarding Port business are public records available to the public and media. Your email communication may be subject to public disclosure.

From: Gary Clark <GClark@camstex.com>

Sent: Friday, August 7, 2020 8:36 AM

To: crh@calhounport.com

Subject: Potential purchase of backup oil pumping equipment from Joslin facility

Mr. Hausmann...

Following up on our call on Monday regarding the possibility of procuring some surplus lube oil pumping equipment from the old Joslin power plant at Point Comfort. Would Tuesday, August 10th work for a site visit to assess the condition and suitability of the equipment? Any time that fits your schedule will work. I am available all day but would prefer an AM time. I am also available on Wednesday and Friday of that week.

The purpose of the trip is to assess the condition of the steam turbine auxiliary oil pump, emergency bearing oil pump and the generator seal oil pumps. I would also like to look at one of the equipment manuals to verify the capacity of the pumps. I am familiar with the facility and the manuals so it should not take long to complete the assessment.

Please advise if Tuesday, August 10th will work or if there is another day that better suits your schedule.

Regards,

Gary Clark

Consolidated Asset Management Services

4301 Waldron Road

Corpus Christi, TX 78418

Phone: 361.939.5019

Cell: 361.947.9934

gclark@camsops.com

Emergency Bearing Oil
Pump Assy w DC motor



Westinghouse

WARNING
THIS EQUIPMENT
- starts -
automatically





E.B.
OIL
PUMP

CONTAINED SPACE
ENTER BY PERMIT ONLY

Pump mounting flange

11024

THERMOGUARD
PROTECTION

Westinghouse

11024

DIRECT CURRENT MOTOR

HP	15	SCM	10	WIND
AMPS	107	DEC. C RISE		WIND
WINDING	SHUNT	TR. P.D.	5.0	
S/R FACTOR	1.0	ENCLOSURE		FRAME
TYPE	<i>S 111</i>			
BP	STYLES	GR. END		
STYLE	<i>62E 430</i>	16 PIN		



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 11, Review and Consideration of Approval to Advertise for Bids for the AN Vapor Destruction Unit Project.

Members of the Board, I have attached a copy of a memorandum from David Knuckey that outlines the anticipated schedule for the AN vapor destruction unit replacement project. Also attached is a draft copy of the scope of work for the project for your review. This project is long term project and we would advertise for bids in September of this year and due to the long lead time for receiving the unit, it is estimated that the project would not be completed until February of 2022. The estimated cost of the project is in the range of \$1.5 to \$1.7 million. This would be paid for out of the AN/NH3 Depreciation and Major Repair Fund as well as the AN/NH3 Operating Fund.

Please feel free to contact me, if you have any questions regarding the AN Vapor Destruction Unit Project.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

INTEROFFICE MEMORANDUM

To: Charles R. Hausmann, COA, Port Director
Forrest E. Hawes, Deputy Port Director

From: David M. Knuckey, P.E., Interim Director of Engineering Services

Date: September 4, 2020

Subject: Acrylonitrile Vapor Destruction Unit Replacement Project

Attached you will find a draft of the technical specifications and scope of work prepared by INEOS for the replacement of the AM vapor destruction unit, the two dock safety units as well as upgrades to the outdated operating system. The plan is for the Port to advertise for bids and award the contract and INEOS will act as the Owner's Representative during the design, construction and commissioning phases.

The current anticipated schedule is as follows:

September 9, 2020	Receive authorization to Advertise for Bids
September 23, 2020	First Advertisement for Bids
September 30, 2020	Second Advertisement for Bids
October 8, 2020	Pre-Bid Conference
November 11, 2020	Bid Opening & Award of Contract (tentative)
December 14, 2020	Issue Notice to Proceed
September 17, 2021	Complete Design & Fabrication Phases
December 17, 2021	Complete Installation Phase
February 25, 2022	Complete Commissioning Phase & Project Completion

The estimated budget range is \$1.5 - \$1.7 million.

At this time I am requesting authorization to advertise for bids.

attachment

SCOPE OF WORK

Replace Marine Vapor Combustion System

Scope of Work

1) Purchase and installation of a new Marine Vapor Combustion System (MVCS):

One (1) Marine Vapor Combustion System (MVCS), One (1) Vapor Transport Unit (VTU) and two (2) Dock Safety Units (DSU's), to be located at INEOS petroleum products terminal in Port Lavaca, TX. The system shall be designed in accordance with the appropriate sections of 33 CFR Part 154 to condition, transfer and combust the hydrocarbon vapors displaced during the loading of marine vessels as well as NFPA 86.

Special Considerations:

- All reasonable steps should be taken to ensure minimal outage during system installation.
- Supplier shall have field service available within 4 hour callout.
- Supplier shall provide spare parts list.
- All elevated instrumentation and equipment requiring periodic maintenance shall be accessible from work platforms with fixed ladders installed.
- An ant flashback burner shall be used to eliminate the need for a liquid seal.
- System in addition to 33 CFR 54, shall also meet NFPA 86.
- Existing Piping between systems will be reused.
- System shall be interfaced with the existing Modicon/Wonder Ware system for control and process history data collection.
- Guaranteed Hydrocarbon Emissions Level
 - 99.9% Reduction in Total Hydrocarbon Vapor Emissions
 - 0.15 lb/MMBTU of NO_x
 - 0.20 lb/MMBTU of CO

The system will include:

Engineering Deliverables

1. Piping and Instrument Diagrams (P&ID)
2. PHA (Process Hazard Analysis), LOPA (Layer of Protection Analysis) and all associated SIL (Safety Integrity Level) life cycle documents.
3. Data package necessary for USCG Third Party Certification
4. Natural gas enrichment requirements
5. Utility requirements
6. Data sheets for purchased components for the following modules:
 - Dock Safety Unit (DSU)
 - Vapor Transport Unit (VTU)
 - Vapor Blower Safety Unit (VBSU)
 - Knockout Tank (KO)
 - Combustion Stack
7. General arrangement drawings with complete tagging and assembly information.
8. Control panel(s) and junction box schematics.
9. Electrical and power one-line diagrams.
10. Weights, dimensions, moment and shear at base, lift points, and anchor bolt pattern for combustion stack.
11. Weights, dimensions, and lift points for structural skids, and, if applicable, vessels.
12. Written operational procedure.

Equipment

1. One (1) Marine Vapor Combustion System (MVCS)
2. Two (2) Dock Safety Units (DSU's)
3. One (1) Vapor Blower Safety Unit (VBSU)
4. One (1) Vapor Transport Unit (VTU)
5. One (1) Skidded Knockout Tank
6. One (1) Ship Loose Combustion Stack

Design Basis

Number of Docks Two (2)
 Vessels Loaded Ships / Barges
 Vessels Atmospheres Inert / Non-inert
 System Designed for Simultaneously Vessels Loading No
 Inerted and Non-Inerted Atmospheres Loaded Simultaneously No
 System Designed for Multi-Barge Tandem Loading No
 Loading Rates 2,500 GPM
 Vapor hose connection to DSU 59 feet (max)
 Control Pressure at the DSU Inlet 0.5-1" w.c. (non-inert)
 Control Pressure at the DSU Inlet 6" w.c. (inert)
 Products Loaded: Acrylonitrile
 Area Electrical Classification
 DSU skid Class 1, Division 2, Group C & D
 VBSU skid Outdoor unclassified (non-hazardous)
 VCU stack Outdoor unclassified (non-hazardous)
 Motor Type TEFC
 DSU Enclosure Type NEMA 4X with Z-purge
 VBSU/VSU Enclosure Type NEMA 4X
 Detonation Arrestor Classification Group D Vapors
 Earthquake Zone IBC 2012 Site Class D
 Wind Velocity 120 mph
 Ambient Temperature 40-100 oF
 Electrical Power 230/480 V, 3 Ph, 60 Hz and 120 V, 1 Ph, 60 Hz
 Enrichment Gas Natural Gas @ 30 psig minimum
 Instrument Air/Nitrogen 80 psig (-40oF dew point)

Justification for Purchase

The existing Marine Vapor Combustion System is approaching end of life and is in need on replacement. It is not compliant with current Coast Guard regulations or Ineos plant standards. The new system will meet 33 CFR Part 154 and will be (SIL) certified by a 3rd party to SIL level determined in PHA not less than SIL 2 to meet NFPA 86.

SHE Considerations

Due to this change being on a controlled emission device, communication with Mona Johnson of CAMS eSPARC, LLC, Environmental Engineer for the Port Authority, will ensure Permit Modifications, if any, will be properly requested/approved prior to work being completed.

Relevant Project Drawings and Information

Drawing Number	Drawing Title
BP003401.DWG	ACRYLONITRILE BARGE VAPOR SAFETY UNIT
BP003501.DWG	ACRYLONITRILE SHIP VAPOR SAFETY UNIT
BP003801.DWG	VAPOR COMBUSTION UNIT
BP631701.dwg	AN TANKS/PRODUCT PUMPS REMOTE I/O JB8701
BP631915.DWG	SHIP JETTY REMOTE I/O DROP 11 SLOT 15 WIRING DIAGRAM
JFD03004.dwg	CB-7402 VAPOR DESTRUCTION UNIT (VDU)

Relevant INEOS Nitriles Engineering Practices and Other Standards

<http://ineosit.com/bids/Standards>

Practices	Requirements
Welding	AWS and ASME IX
Weld Examination & Testing	AWS, John Zink Standard Inspection and Test Plan.
Structural Mechanical Design	AISC, ASCE 7-10, where applicable
Piping Fabrication	EP 5-5-1
Welding Requirements for Piping	EP 5-5-2
Pressure Vessels	EP 7-1-1
Welding Requirements for Pressure Vessels	EP 7-1-5
Piping Specifications (for piping class AA1)	H-229
Shop and Field Painting	EP 10-3-1
Structural Steel (contains ladders)	EP 4-5-1 or 4-5-2
Steel Stacks	EP 4-7-1
Green Lake Paint Specifications	EP 10-3-1

INEOS Standard Orders for Safe Operations (SOSO) Procedures

All SOSO procedures may be found on the <http://greenlake.biz>

I-A-01.00	Reporting/Investigating Accidents/Incidents
I-A-07.00	Contractor Safety Program
I-D-01.00	Operating Equipment in Process Areas
I-D-02.00	Entry Into Operating Areas of the Plant
I-D-02.10	Entry to Top of Tankage and Upper Levels of Towers
I-D-03.00	Lockout - Electrical & Mechanical
I-D-04.80	Inclement Weather
I-D-05.12	Permit To Work
I-D-05.80	Electrical Safety-Related Work Practices
I-D-06.00	Barricades, Guards, & Roping Off

I-D-07.00 Housekeeping
I-D-13.00 Smoking in Plant
I-D-14.00 In Plant Vehicular Transportation
I-D-16.00 Eating and Drinking in Plant
I-D-17.00 Care of Contaminated Clothing
I-D-20.00 Lifting Safely
I-D-23.40 MSDS Copy Request
I-F-00.50 General Safety Rules
I-F-00.60 Requirements Pertaining to Hair
I-F-01.00 Personal Protective Equipment Policy
I-F-01.01 Heat Stress Prevention Program
I-F-01.10 Eye/Face Protection
I-F-01.20 Hand Protection
I-F-01.40 Requirements Pertaining to Clothing
I-F-01.50 Requirements Pertaining to Footwear
I-F-01.90 Personal Fall Protection Equipment
I-F-01.91 Scaffolding and Elevated Work Procedure
I-H-11.00 Security ID Badges
I-H-11.05 Parking Permit
I-H-11.06 Green Lake Plant Entrance/Exit Gate Security
I-H-11.12 Camera, Mobile Phone, and Electronic Devices Permit



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 12, Review and Consideration of Approval of an Owner's Representative Agreement Regarding the AN Vapor Destruction Unit Replacement Project.

Members of the Board, I have attached a copy of the Owner's Representative Agreement that was prepared by Port Special Counsel for your review. This agreement is to have Ineos assist in the project as well as oversee the installation of the new unit. The old unit is approximately 22 years old and is still functioning but is time to replace this unit.

Please feel free to contact me, if you have any questions regarding the proposed owner's representation agreement.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

**OWNER'S REPRESENTATIVE AGREEMENT
REGARDING AN VAPOR DESTRUCTION UNIT REPLACEMENT PROJECT**

This instrument constitutes an Owner's Representative Agreement (this "Agreement") by and between the Calhoun Port Authority ("CPA"), a unit of local government created under the constitution and laws of the State of Texas, and INEOS, a business enterprise whose principal place of business in the State of Texas is located in the City of Houston, regarding the replacement of the AN Vapor Destruction Unit (the "Project"). If this instrument becomes effective as an agreement between CPA and INEOS, it becomes effective as of the date shown below (the "Effective Date"). The Project involves the replacement of a component of the Facility's Process Equipment, and related modifications, updating, and reconfiguration of associated Facility components. In this Agreement, CPA may also be referred to as the "Owner" and INEOS may also be referred to as the "Owner's Representative."

Except as otherwise defined in this Agreement, capitalized terms and phrases have the meanings given to them in that certain instrument, titled "Terminal-Storage Agreement," dated effective as of December 22, 1998, by and between the Calhoun County Navigation District [the previous name of CPA] (the "District") and BP Chemicals, Inc. ("BPC") (together with its Exhibits, and as subsequently modified, if at all, the "Terminal-Storage Agreement"), and references to Articles, Sections or other textual components are to their counterparts in the Terminal-Storage Agreement. INEOS is the successor to, or successor in interest of, BPC, and for purposes of this Agreement, references in the Terminal-Storage Agreement to BPC shall apply as if referring to INEOS.

For good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties to this Agreement, CPA and INEOS contract and agree as follows:

SECTION 1 – ESTABLISHMENT OF RELATIONSHIP

1.1 As Owner, CPA engages INEOS as its Owner's Representative with respect to the development and accomplishment of the Project, and INEOS, as Owner's Representative, agrees to serve as representative of Owner with respect to the Project, all as set forth in this Agreement and in the relevant provisions of the Terminal-Storage Agreement.

SECTION 2 - SERVICES OF OWNER'S REPRESENTATIVE

2.1 Owner's Representative shall provide services and coordinate with Owner with respect to the Preliminary Design Phase, the Bidding or Negotiating Phase, the Construction Phase, and the Operational Phase, and such other and further actions to which the parties may hereafter agree in writing

SECTION 3 - OWNER'S RESPONSIBILITIES

OWNER shall do the following:

- 3.1. Designate in writing one or more persons to act as OWNER's representative with respect to the services to be performed or furnished by OWNER'S REPRESENTATIVE under this Agreement.
- 3.2. Arrange for or assist in providing access to OWNER'S REPRESENTATIVE to enter upon public and private property as required for OWNER'S REPRESENTATIVE to perform services under this Agreement.
- 3.3. Attend the pre-bid conference, bid opening, preconstruction conferences, construction progress and other job-related meetings and Substantial Completion and final payment inspections.
- 3.4. Give reasonably prompt written notice to OWNER'S REPRESENTATIVE whenever OWNER observes or otherwise becomes aware of any development that affects the scope or time of performance or furnishing of OWNER'S REPRESENTATIVE's services, or any defect or nonconformance in OWNER'S REPRESENTATIVE's services.

SECTION 4 - GENERAL CONSIDERATIONS

- 4.1 Except as modified or superseded by the provisions of this Agreement, all provisions of the Terminal-Storage Agreement remain in full force and effect and are incorporated into this Agreement by reference as if fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the 3rd day of September, 2020.

OWNER:

Calhoun Port Authority

By: _____

Chairman, Board of Commissioners

OWNER'S REPRESENTATIVE:

INEOS Nitrolex Green Lake

By: [Signature]

Title: Site Director



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 13, Review and Consideration of Adopting Bylaws for the Calhoun Port Authority.

Members of the Board, I have attached a copy of the bylaws that I received from Port Special Counsel on August 31, 2020 and I have already provided a copy to you.

Please feel free to contact me, if you have any questions regarding the bylaws.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services



CALHOUN PORT AUTHORITY

**BYLAWS
OF THE
CALHOUN PORT AUTHORITY**
Adopted _____, 2020

*Received
8/31/20
from Port Counsel*

**BOARD OF COMMISSIONERS
CALHOUN PORT AUTHORITY**

**BYLAWS
OF THE
CALHOUN PORT AUTHORITY**

PREAMBLE

A. Scope of Bylaws:

The purpose of these Bylaws is to establish written policies and procedures describing and governing the authority, actions and conduct of the Board of Commissioners ("Board of Commissioners" or the "Board") of the Calhoun Port Authority ("Port") and the Port Director of the Calhoun Port Authority ("Port Director").

B. Calhoun Port Authority:

The Calhoun Port Authority ("Port"), formerly the Calhoun Navigation District, was created by special legislation, authorized by the Texas Constitution, Article XVI, Section 59. The Port was created in 1953. In 1957 the enabling legislation was amended. In 2007 the name of the Calhoun Navigation District was changed by the Legislature to Calhoun Port Authority. The Port is principally governed by Chapters 60 and 62 of the Texas Water Code and Chapters 551 and 552 of the Texas Government Code. The referenced provision of the Constitution, the amended enabling legislation, Chapters 60 and 62 of the Texas Water Code and Chapters 551 and 552 of the Texas Government Code specify purposes, duties, authorities and responsibilities the Port must fulfill. Other state and federal statutes, regulations, case decisions and executive orders also provide additional sources for the Port's overall legal environment and, collectively, are referred to in these Bylaws as "Governing Law."

C. Purposes of the Port:

- C.1 The Texas Constitution, Article XVI Section 59 provides in part that the conservation and development of all of the natural resources of this State, including, but not limited to the navigation of its inland and coastal waters and the preservation and conservation of all such natural resources of the State, are declared to be public rights and duties, and the legislature is authorized to pass any laws appropriate thereto.
- C.2 The Port's enabling legislation, as amended in 1957, provides a broad grant of authority to the Board of Commissioners, including the authority to tax, exercise the right of eminent domain, and to create industrial areas and/or plant sites for the aid of navigation and navigation-related commerce. The primary purpose of the Port is to preserve and protect the natural resources within its jurisdiction, and to designate and define areas in the Port fronting

on any navigable waters within the Port as industrial areas and/or plant sites for the aid of navigation. To fulfill the constitutional and legislative purposes for which the Port was created, the Port has been and is committed to development of inland waterways and the Port facilities within its jurisdiction to support development of industry and maritime commerce in Calhoun County, Texas and to encourage industry to use to its advantage water-born transportation through the Port facilities developed by the Port. As the Port develops its Port facilities and the attendant inland waterways and coastal waters under its jurisdiction, local industries benefit and are encouraged to increase their commitments in Calhoun County, Texas, including building larger facilities, thereby creating additional jobs and at the same time increasing the tax base within the County. It is the policy and purpose of the Port to develop, operate and promote its Port facilities to encourage industrial development that utilizes water-born transportation.

- C.3 The Port was specifically created so as to authorize the improvement of navigation, the maintenance, development, and extension of Port facilities, wharf and dock facilities. Furthermore, the Port was created for the development of marine shipping. The legislature declared, when creating the Port that all property within the geographic boundaries of the Port is found to be benefited by the creation and operation of the Port.

ARTICLE 1 Offices, Domicile, and Service

Section 1. The principal office of the Port shall be located at 2313 FM 1593 South, Point Comfort, Calhoun County, Texas 77978 and the mailing address is P.O. Box 397, Point Comfort, Texas 77978. The Port may have such other or alternative or replacement offices as the business of the Port may require or otherwise establish, as determined by the Board of Commissioners.

Section 2. The domicile of the Port is Calhoun County, Texas.

Section 3. The Port may be served with process through its Port Director or Record Counsel ~~or other senior-most staff attorney of the Port ("General Counsel")~~ whether GeneralRecord Counsel is directly employed by the Port or is engaged by contract as outside counsel. However, service of process upon the Port does not, alone, establish the jurisdictional validity of the proceeding for which process has been ~~effected~~performed, nor does it constitute a waiver or abandonment by the Port of any defense, remedy, contention or privilege, including but not limited to governmental immunity under Governing Law.

ARTICLE 2 Governing Body

Section 1. The Port is governed by the Board of Commissioners. There are six Commissioners, of which three are elected for staggered terms of four years every odd numbered year. Commissioners are grouped by Precincts 1, 4, 6 and Precincts 2, 3, 5 for elections. Each Commissioner represents a specific district within the boundaries of Port. The current map for the Port Commissioners Precincts is located in APPENDIX C. The governing body is vested with broad authority to govern and oversee the management of the Port, subject to Governing Law.

Section 2. One Commissioner shall be elected from each of the six Port precincts as defined in Texas Election Code §11.002. In the event of a vacancy on the Board of Commissioners, the remaining Commissioners shall appoint the successor member to fill such vacancy for the balance of the term of office to which respect said vacancy occurred. In the event of two (2) vacancies on the Board of Commissioners, the Commissioners may call a special election to fill the two vacancies. Vacancies on the Board of Commissioners shall not impair the power of the remaining members of the Board of Commissioners to conduct the business of the Port.

Section 3. Each Commissioner may receive the sum of Four Hundred and no/100 dollars (\$400.00) for each regular meeting and one special meeting per month. If additional special meetings are required during a given month the Board of Commissioners will be paid Two Hundred Fifty dollars (\$250.00) per additional meeting. When traveling for official Port business the Commissioner may receive Two Hundred Fifty Dollars (\$250.00) per day in compensation and any reimbursable expenses. Each Commissioner may elect to reduce or forego his compensation by submitting a written request to the Board Chairman. Each Commissioner may be reimbursed for his/her necessary and reasonable expenses incurred in the discharge of duties as a Commissioner subject to the Port policy in place for expenditures. All reimbursements are subject to the Port's Board of Commissioners Expense Reimbursement Policies and Procedures attached hereto as APPENDIX A, and any amendments or revisions thereto.

OPTION A: Each Commissioner may also receive a monthly contribution funded by the Port in the amount of One Hundred Twenty-Five Dollars (\$125.00) per month into a 457b deferred compensation plan, although an individual Commissioner may decline, in writing, to participate in the plan. This plan and contribution commitment will remain in place unless and until the Board duly adopts a resolution or motion terminating or modifying it.

OPTION B: This deferred compensation plan will be funded by the Port through the month of September, 2020. Beginning the month of October, 2020, the rights, benefits and procedures of the participants in the deferred compensation plan, including but not

limited to withdrawal from or distributions of plan assets to a participant, will be governed by the administrative provisions of the plan, but the Port will no longer fund monthly contributions to the plan following the contribution covering the month of September, 2020.

ARTICLE 3

Authorities, Duties, Responsibilities, and Committees and Task Forces of the Board of Commissioners

Section 1. The Board of Commissioners can only exercise its authority in an open meeting. No individual Board Member or group of Board Members may exercise any authority of the Board of Commissioners, or make any agreement, or take any action on behalf of the Board of Commissioners outside of an open meeting where a quorum is present except as expressly provided by Governing Law. A quorum is defined as four or more members of the Board of Commissioners.

Section 2. The Board of Commissioners has broad powers and responsibilities that are delineated in Chapters 60 and 62 of the Texas Water Code.

Section 3. Any action that may be taken or authority that may be exercised by the Board of Commissioners may, in the discretion of the Board of Commissioners, be delegated to the Port Director, or other designee, unless such action or authority is expressly required by Governing Law to be taken or exercised directly by the Board of Commissioners.

Section 4. Board of Commissioners Committees and Task Forces:

a. Any Commissioner may request from time to time that the Board of Commissioners establish committees which may be considered by the Chairman or at least two Commissioners. The Chairman may create additional task forces or committees as deemed appropriate.

b. The Chairman shall appoint the chair and all members of committees and task forces of the Board of Commissioners, at such times as the Chairman considers necessary or appropriate. All subject to each member's consent to his/her appointment and Board of Commissioners approval, and as more particularly described below.

c. Members of the committees and task forces of the Board of Commissioners shall be limited to members of the Board of Commissioners. Port staff and outside consultants, such as legal counsel, may assist committees and task forces as appropriate but not as members of the committees or task forces.

d. The Board of Commissioners may refer any matter to the appropriate established committee for consideration. However, only the Board of Commissioners may take action unless the committee referral expressly provides for action by the committee and action by the Board of Commissioners as an entire governing body is not required by Governing Law.

e. Meetings of each committee of the Board of Commissioners shall be held at such times, places, and days as the chair of such committee shall specify. ~~Such time, place, and day shall be set out in a written notice of the meeting delivered to such committee members by the Secretary of the Board of Commissioners or by the Port Director.~~

ARTICLE 4 Individual Commissioners

Section 1. Each Commissioner shall be a qualified elector within the jurisdictional boundaries of the Port and of the District to which he or she is elected.

Section 2. Any Commissioner may be removed from office in the manner established by Governing Law.

Section 3. A member of the Board of Commissioners may not vote by proxy, secret ballot, or in absentia.

Section 4. Individual Commissioners shall not take or attempt to take any action outside of the Board of Commissioners meeting that purports to obligate or commit the Port to any agreement or obligation, without express authorization by a majority of a quorum of the Commissioners present in a duly posted open meeting.

Section 5. Unless otherwise directed and authorized by the Board of Commissioners, no individual Commissioner shall attempt to issue directives, orders, commands or reprimands to the Port Director, or any other employee of the Port.

Section 6. Individual Commissioners are entitled to communicate directly with the Port Director for purposes of making inquiries about the status of any aspect of the Port's business and administration; for the purpose of obtaining factual information regarding the operations of the Port; for the purpose of expressing concerns, or making the Port Director aware of pertinent information a Commissioner might have, provided that the Commissioner does not attempt to direct what action the Port Director should or should not take with regard to such concern.

Section 7. A Commissioner is entitled to request copies of records and documents that belong to the Port. When making such requests, it should be in writing, and sufficiently clear to identify the documents and information requested. The Port Director shall have a reasonable period of time to compile the information requested and make it available to the Commissioner requesting such information, and otherwise the process shall be conducted pursuant to Governing Law.

Section 8. Commissioners must comply with Governing Law with respect to communications with each other regarding Port matters, including but not limited to refraining from engaging in “walking quorums” or serial communications generated in an effort to avoid the requirements of the Texas Open Meetings Act.

ARTICLE 5 Board Meetings

Section 1. Unless a necessity exists to meet elsewhere, all meetings of the Board of Commissioners of the Port will be held in the Board Room at the then-current administrative offices of the Port

Section 2. Every regular, special or called meeting of the Board of Commissioners of the Port, and all proceedings therein, shall be open to the public, except as otherwise provided by Texas Government Code, Ch. 551.

Section 3. The notice of a meeting of the Board of Commissioners of the Port shall be filed, circulated, posted, published or otherwise distributed as provided by Governing Law.

Section 4. The Board of Commissioners shall hold regular meetings as necessary for the purpose of conducting the business of the Port. Regular meetings shall be held at such times, places, and days as the Chairman of the Board of Commissioners shall specify, subject to the provisions of the Texas Open Meetings Act

Section 5. The Chair or any two (2) Port Commissioners may schedule a special meeting or an emergency meeting of the Port Commission by providing the Port Director with written instructions concerning the date, time, place and primary purpose of the meeting, subject to the provisions of the Texas Open Meetings Act.

Section 6. Meeting Agendas:

a. The Port Director shall establish the proposed agenda for each regular meeting of the Board of Commissioners and special or emergency meetings, with the

assistance of the Chairman and ~~General~~Record Counsel.

b. Any two members of the Board of Commissioners may request to have an item placed on the agenda by timely making a request in writing to the Port Director or the Chairman of the Board of Commissioners. The request shall state the subject of the agenda item. If two Commissioners request the same agenda item, their request to place an item on the agenda may not be denied.

c. Upon the request of any Commissioner, unless the request is opposed by at least four of the other Commissioners, consideration of, or action on, an item placed on the agenda at a regular or special or emergency meeting shall be deferred until the next meeting of the Board of Commissioners, provided such deferral will not cause undue hardship, increase the cost of a matter under consideration, or render the item moot. Any Commissioner may request such deferral, but only once with respect to any specific item.

Section 7. A majority of the Board of Commissioners shall constitute a quorum of the Board of Commissioners for the purpose of conducting its business and exercising its powers. If a quorum is not present at any meeting of the Board of Commissioners, a majority of the Board of Commissioners present may adjourn the meeting to another time and place. Notice of any such adjourned meeting shall be given ~~to all Commissioners~~ pursuant to Governing Law.

Section 8. Procedure at Meetings:

a. The Chairman shall preside at and conduct the business of all meetings of the Board of Commissioners. In the absence of the Chairman at any meeting, the Secretary shall preside.

b. The Secretary or, if absent, an Assistant Secretary, shall act as Secretary at all meetings of the Board of Commissioners. In their absence, the Chairman may designate any person to act as Secretary pro tem.

c. At meetings of the Board of Commissioners, the business shall be conducted in such order as the Chairman may from time to time determine and not necessarily in the order or sequence stated in the Meeting Agenda.

Section 9. The Board of Commissioners may allow members of the public in attendance to address the Board of Commissioners. The amount of comment time is limited to 5 minutes per person that has signed up to address the Board of Commissioners. The Board of Commissioners may not take any action on any request by a person addressing the Board of Commissioners during the comment period, unless there is a properly posted agenda item. The Chairman may limit commentary that is repetitious or not relevant to Port

purposes, but shall not do so on the basis of discrimination based upon the content of the commentary as being favored, or disfavored, by a perceived majority or minority of the Board of Commissioners.

Section 10. Powers and Duties of Board of Commissioners Officers during the meetings:

a. Chairman:

- i. The Chairman may undertake such inquiries as necessary to determine if actions of the Board of Commissioners are being carried into effect, and may report his/her findings from time to time to the Board of Commissioners.
- ii. The Chairman may execute for and on behalf of the Port instruments or documents of whatever nature which the Board of Commissioners has authorized him/her to execute.
- iii. The Chairman shall, in consultation with the Board of Commissioners, select, retain, oversee, direct and terminate professionals that assist the Board of Commissioners with policy matters, or to effectuate directives and policies of the Board of Commissioners, including but not limited to those retained for independent legal advice, state and federal legislative consultants, and others as deemed appropriate by the Chairman and the Board of Commissioners as necessary to effectuate effective oversight and policies of the Board of Commissioners.
- iv. The Chairman shall perform, in general, all duties incident to the office of Chairman as provided by the laws of the State of Texas, and such other duties as may be prescribed by these bylaws or assigned to him/her by the Board of Commissioners from time to time.
- v. The Chairman shall hold office in such capacity for a two-year term, until death, resignation, disqualification, incapacity to serve, removal from office, or by board election. Prior to a sequential term, the office must be rendered for a period of at least one year.

b. Secretary:

The Board of Commissioners shall name a Secretary of the Board of Commissioners, from among the Commissioners.

- i. The Secretary shall keep or see to the keeping of the permanent

records of all proceedings of the Port, shall keep the minutes of all official meetings of the Board of Commissioners in one or more books provided for such purpose, and shall see that notices of Board of Commissioners meetings are duly given in accordance with the provisions of these bylaws and as required by Governing Law.

- ii. The Secretary shall be custodian of the seal of the Port and shall, as may be necessary or appropriate, execute or affix the seal of the Port to any instruments or documents of whatever nature which the Board of Commissioners has authorized to be executed or which a Board of Commissioners, officer, or staff member of the Port has authority to execute, and attest to same if such attestation is necessary or advisable.
- iii. The Secretary shall perform, in general, all the duties incident to the office of Secretary as provided by the laws of the State of Texas, and such other duties as may be prescribed by these bylaws or assigned to him/her by the Board of Commissioners from time to time.
- iv. The Secretary of the Board of Commissioners shall hold office for a two-year term, until death, resignation, disqualification, incapacity to serve, removal from office, or by board election. ~~Prior to a sequential term, the office must be rendered for a period of at least one year.~~

v.
c. Assistant Secretaries:

- i. The Board of Commissioners may from time to time appoint one or more Assistant Secretaries.
- ii. Any Assistant Secretary of the Port may perform all the duties and exercise all the powers of the Secretary in case of the absence or disability of the Secretary, or otherwise upon request of the Chairman, the Board of Commissioners, or the Secretary.
- iii. Assistant Secretaries of the Board of Commissioners shall hold office for a two-year term until death, resignation, disqualification, incapacity to serve, or removal from office, or by board election. ~~Prior to a sequential term, the office must be rendered for a period of at least one year.~~
- iv.

Section 11. Parliamentary Rules:

a. The latest version of *Robert's Rules of Order*, as from time to time revised, applied to local governmental bodies such as the Port's Board of Commissioners, shall govern the proceedings of the Board of Commissioners and its committees and task forces, except where inconsistent with these bylaws and Governing Law.

b. Those Board of Commissioners present or if authorized participating by remote access at each meeting of the Board of Commissioners shall be noted by the Secretary in the minutes of the meeting.

c. Action may be taken by the Port upon a vote of a majority of the Board of Commissioners present, unless the act of a greater number shall be required by the laws of the State of Texas or by these bylaws.

d. Any person serving as a Commissioner, including any person serving in the office of Chairman, or member of a committee, who is present at a meeting of the Board of Commissioners or committee, as applicable, at which action on any Port matter is taken, is presumed to have assented to the action taken, unless:

- i. His/her dissent, abstention, or recusal is entered in the minutes of the meeting; such Commissioner files his/her written dissent, abstention, or recusal regarding such action with the Secretary or an Assistant Secretary before the adjournment of the meeting; or
- ii. Such Commissioner forwards such dissent, abstention, or recusal by hand delivery to the Secretary or an Assistant Secretary promptly after the adjournment of the meeting. The right to subsequent dissent does not apply to a Board of Commissioners who voted in favor of an action of the Board of Commissioners, in the event such subsequent dissent would alter the outcome of such action.

e. The votes cast by each Commissioner present at each meeting of the Board of Commissioners, or recusal or abstention by a Commissioner with respect to a matter, shall be recorded by or at the direction of the Secretary or one of the Assistant Secretaries in the minutes of the meeting.

Section 12. Relinquishment of Duties:

a. Any Board of Commissioners or Board of Commissioners officer may resign and relinquish his/her duties at any time, as provided hereafter. Such resignation shall be made in writing and delivered to the members of the appointing body.

b. The acceptance of a resignation of a Board of Commissioners or Board of

Commissioners officer shall not be necessary to make it effective, unless expressly so provided in the notice of resignation.

ARTICLE 6 Board Officers and Organization

Section 1. The offices of the Board of Commissioners shall consist of a Chairman, and Secretary, and as applicable Assistant Secretaries, to be elected by the Commissioners from and among their number.

Section 2. The offices of Chairman, ~~and~~ Secretary ~~and any one or more Assistant Secretaries~~, shall be for a term of two years, said officers to be elected by a simple majority of the quorum of the Board of Commissioners.

Section 3. The election of officers will be held by the Board of Commissioners at the first regular Board of Commissioners meeting on the first month following the regular election of Commissioners.

Section 4. If for any reason the office of any officer is vacated during the term for which such officer is elected, the remaining members of the Board of Commissioners shall, at the next scheduled regular meeting, elect a new officer to fulfill the unexpired term, which unexpired term will not be considered as a full term and such Board member shall be eligible for reelection to serve a full two year term to such office.

Section 5. The Board Chair may elect not to vote, but is not prohibited from voting, on any agenda item, ~~unless there is a tie vote, then the Board Chair must vote~~

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ARTICLE 7 The Port Director

Section 1. The Port Director is the Chief Executive Officer of the Port, and shall be in charge of the day to day management and operations of the business and affairs of the Port. The Port Director has the authority to manage the operations, work, activities and affairs, and properties and facilities of the Port, as directed by the Board of Commissioners as a governing body, as required in connection with discharge of his/her duties, and within the limits prescribed by law. Such delegation of powers and duties shall not include those specifically reserved to the Board of Commissioners under the laws of the State of Texas, these Bylaws, and as the Board of Commissioners may specify from time-to-time.

Section 2. The Port Director shall be accountable to the Board of Commissioners for his/her performance.

Section 3. The Port Director shall organize, hire, assign, and re-assign all employees of the Port, except the Deputy Port Director. The Port Director shall recommend the employment and termination of the Deputy Port Director, subject to approval by the Board of Commissioners. The Port Director shall be responsible for all other personnel decisions. Provided, that salaries and salary increases shall be recommended by the Port Director, subject to approval of the Board of Commissioners.

Section 4. The Port Director has the authority to undertake and discharge the following duties, subject to the provision of Section 1 above:

a. Subject to the budgetary constraints and policy directives of the Board of Commissioners, employ, supervise, and discharge employees, establish positions and salaries for employees, and authorize other persons to act on his/her behalf;

b. Collect revenues and moneys due the Port and deposit them to the accounts of the Port;

c. Make purchases and enter into contracts in accordance with Board of Commissioners policies and directives;

d. If directed by the Chairman or the Board of Commissioners, and only after consultation with the Board of Commissioners and the Chairman to receive necessary policy direction, administer the Port's relations with public and private bodies, agencies, and associations, and serve such entities in such capacity as may be directed by the Board of Commissioners, or required in connection with discharge of his/her duties after consultation with the Board of Commissioners;

e. Make such reports to the Board of Commissioners and other authorities as the Board of Commissioners directs, or as required in connection with discharge of his/her duties;

f. Keep and maintain all other records, accounts, books, files, and papers of the Port;

g. Sign, attest, certify, or deliver, on behalf of the Port, agreements, deeds, leases, month-to-month rental agreements, licenses, franchises, permits, minutes, notices, accounts, receipts, invoices, warrants, requisitions, vouchers, ~~checks~~, records, and other instruments, as required in the lawful and proper discharge of his/her duties or otherwise pursuant to applicable law, or as may be approved or as directed by the Board of Commissioners;

g.h. ~~Approve~~ Accomplish and administer all expenditures from any designated funds as authorized or directed by the Board of Commissioners, ~~which authority may be~~

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~~delegated to the Port Director;~~ and

h.i. Perform all other duties of the Port Director and General Manager of the Port, as required by law ~~or as authorized or directed by the Board of Commissioners.~~

Section 5. The Port Director may formally and in writing delegate his/her powers, duties, and related authority to one or more Port employees unless expressly prohibited from doing so by the Board of Commissioners, these bylaws, or Governing Law.

Section 6. The Port Director may travel as deemed appropriate or necessary to execute the duties and responsibilities of the Port Director, but any such travel is subject to the same rules, regulations, and oversight as those established for Board of Commissioners.

Section 7. Any or all of the duties and authorities of the Port Director as specified above or later prescribed by the Board of Commissioners are subject to change or cancellation by the Board of Commissioners at any time with the Port Director's consent or notwithstanding the Port Director's lack of consent or his or her objection.

Section 8. The Port Director shall perform such other duties as from time to time directed and assigned by the Board of Commissioners, provided that such duties are consistent with the position of Port Director.

ARTICLE 8

Relationship between the Board of Commissioners and the Port Director

Section 1. The Board of Commissioners governs and oversees from a governance, oversight and policy perspective the management of all aspects of the Port. The Port Director is the Chief Executive Officer, and is responsible for the day-to-day management, supervision and administration of all operations of the Port, except as such duties are limited herein.

Section 2. Governing means adopting policies, goals, objectives, and taking action and exercising authority required to be taken or exercised by the Board of Commissioners. Overseeing the management of the Port means scrutinizing, evaluating, and holding the Port Director responsible for the day-to-day management, administration, supervision and operations of the Port.

Section 3. The Board of Commissioners shall hire and terminate the Port Director and the Deputy Port Director.

Section 4. The Board of Commissioners determines the salary and any ~~increases~~ terms of compensation for the Port Director and the Deputy Port Director.

Section 5. The Board of Commissioners evaluates the Port Director and the Deputy Port Director, on an annual basis. The annual evaluation of the Port Director and the Deputy Port Director shall be in the month of April.

Section 6. The Port Director recommends and the Board of Commissioners may either approve or disapprove the employment of the Deputy Port Director as recommended. The Board of Commissioners ~~must~~has sole authority to approve the involuntary termination of employment of the Deputy Port Director.

Section 7. Each Commissioner and the Port Director and the Deputy Port Director shall be committed to building and maintaining an effective working relationship with one another. Essential elements of an effective relationship, to which the Board of Commissioners and the Port Director and Deputy Port Director are committed to establishing and maintaining include but are not limited to:

a. Trust is a firm belief or confidence in the honesty, integrity and reliability of another person. Confidence is likewise a firm belief, trust and reliance. It is a fact of feeling certain. Trust and confidence are recognized as the foundation of an effective relationship between the Board of Commissioners and the Port Director. The Board of Commissioners must have confidence in how the Port Director and Deputy Port Director performs his/her duties and responsibilities, serving as the Chief Executive Officer and administrative leaders for the Port, responsible for the day-to-day management and operations of Port activities. The Port Director and the Deputy Port Director must have confidence in how the Board of Commissioners governs and oversees the management of the Port and performs the duties of the Board of Commissioners. The Board of Commissioners and the Port Director and the Deputy Port Director shall be alert to any symptoms that trust or confidence is deteriorating.

b. The Board of Commissioners and the Port Director and the Deputy Port Director each must have integrity and honesty with regard to following the laws, policies, rules and regulations that apply to the governance and administration of the Port. Each Commissioner and the Port Director and the Deputy Port Director must continually demonstrate integrity by keeping in focus the purpose for which the Board of Commissioners and the Port Director and Deputy Port Director exist.

c. Communication must be two way between the Board of Commissioners and the Port Director and, as appropriate, the Deputy Port Director. The Port Director and, as appropriate, the Deputy Port Director, shall keep all the Commissioners informed of what is going on in the Port. Communication between the Board of Commissioners and the Port Director and Deputy Port Director shall be candid, honest, and realistically describe or report whatever the concern or situation might be.

d. Understanding the role, responsibility and authority of the Board of Commissioners and Port Director and Deputy Port Director. All members of the Board of Commissioners and the Port Director and Deputy Port Director are each expected to understand and respect the other's roles, responsibilities and authorities. Without a clear understanding and respect for each other's role, responsibilities and authority, the Commissioners and Port Director and Deputy Port Director will have difficulty staying within the parameters of their respective roles.

e. A mutual commitment to purpose fosters a stronger relationship. A commitment by individual Commissioner, the Board of Commissioners as a whole, and the Port Director and Deputy Port Director to continue to improve their relationship is essential. It is also important to have commitments to continuing education programs that keep each participant abreast of changes and developments. The goal is to have a knowledgeable Board of Commissioners and Port Director and Deputy Port Director, who continue to learn more about their respective roles and responsibility, which will substantially contribute to building an effective relationship between the Board of Commissioners and the Port Director and Deputy Port Director. The commitment between the Board of Commissioners and the Port Director and Deputy Port Director must include an unequivocal agreement among and between the Board of Commissioners and the Port Director and Deputy Port Director to work together to pursue the other principles identified in these policies that are essential to build and maintain an effective relationship.

f. The Board of Commissioners works in unity and coordination with the Port Director and Deputy Port Director to lead the Port toward the vision that the Board of Commissioners has created, such unity is intended to promote the utilization and enhancement of the operations and facilities of the Port.

ARTICLE 9 Texas Open Meetings Act

Section 1. Each elected or appointed Commissioner shall complete a course of training of the Open Meetings Act regarding the responsibilities of the governmental body and its members under Texas Government Code §551.005. The said Commissioner will also review Texas Water Code Acts 60 and 62 not later than the 90th day after the date the member takes the oath of office, to assume the person's duties as a member of the governmental body.

Section 2. All meetings of the Board of Commissioners, whether Regular, Special, or Emergency will be scheduled with proper public notice given as required by the Texas Open Meetings Act.

Section 3. The CPA General Record Counsel, the Port Director, if applicable the Deputy Port Director, and each elected or appointed Commissioner have the responsibility to

ensure the CPA meetings are held within the requirements of the Texas Open Meetings Act.

ARTICLE 10 The Texas Public Information Act

Section 1. The Port is subject to the Public Information Act, Texas Government Code Chapter 552. Public information is information collected, assembled, or maintained under a law or ordinance or in connection with a transaction of official business by the Board of Commissioners.

Section 2. The general forms in which the media containing public information exists include a book, paper, letter, document, printout, photograph, film, tape, microfiche, microfilm, photostat, sound recording, map, and drawing and a voice, data, or video representation held in computer memory.

Section 3. Subject to certain limited exceptions, all information collected, assembled, or maintained in whatever format by the Port is considered to be public information.

Section 4. Public information is available to the public, and without limitation a Board Commissioner, for inspection, duplication, or both on application by any person to the Port Director or designee, subject to the requirements and procedures of Governing Law.

Section 5. There are certain exceptions in the Public Information Act that protect some information from public disclosure. If information requested is not clearly defined by Texas law as an exception to disclosure in order to withhold information from public disclosure under one of the exceptions, the Port must submit a request for an Open Records Decision, along with the requested information, to the Attorney General of Texas for a determination whether the information sought to be withheld in fact can be withheld from public disclosure and otherwise comply with Governing Law.

ARTICLE 11 Contracts and Indebtedness

Section 1. Contracts:

a. The Board of Commissioners may through action at a regular, special or emergency meeting authorize the Chairman or the Port Director, or his/her representative, to enter into any contract or execute and deliver any other instrument or document in the name of and on behalf of the Port, and such authority may be general or confined to specific instances or categories of matters.

b. All such instruments and documents authorized by the Board of Commissioners shall be executed by either the Chairman or the Port Director, or their designated representatives.

Section 2. The Port shall not incur indebtedness, nor shall evidence of indebtedness be issued in its name, unless expressly authorized by action of the Board of Commissioners, executed by the Chairman or Port Director, and attested by the Secretary or an Assistant Secretary.

Section 3. All Contracts between the Port and any individual, proprietorship, partnership, corporation, or other legal entity shall be authorized and approved by the Board of Commissioners, and executed by the Chair, attested by the Secretary or an Assistant Secretary of the Board of Commissioners, unless such authority is expressly delegated by the Board of Commissioners to the Port Director in writing approved in a duly held meeting of the Board of Commissioners.

Section 4. Contracts for goods and services in excess of the statutory limits shall be submitted to competitive bidding in accordance with requirements of applicable law.

Section 5. Contracts with certified public accountants, architects, landscape architects, land surveyors, professional engineers and state certified or state licensed real estate appraisers shall be entered into in accordance with the procedures contained in the Professional Services Procurement Act, Government Code, Section 2254.001, et seq.

ARTICLE 12 Banking and Investments

Section 1. All checks, drafts, notes, or other orders for the payment of funds issued in the name of the Port shall be signed by ~~the Port Director or he/she may delegate a employee of the Port as shall from time to time be authorized by action of the Board of Commissioners or as otherwise provided by the laws of the State of Texas~~ **OPTION A:** not less than two (2) members of the Board of Commissioners.

OPTION B: FIRST: not less than two (2) members of the Board of Commissioners; OR SECOND: (a) the Port Director or Deputy Port Director, on the one hand, and (b) the Board Chairman, Board Secretary, or any Assistant Board Secretary, on the other hand.

Section 2. Depositories:

a All funds of the Port, except petty cash, shall be deposited from time-to-time to the credit of the Port in such banks as the Board of Commissioners may from time to time designate, and upon such terms and conditions as shall be fixed by the Board of

Commissioners, and as otherwise provided by the laws of the State of Texas and required by orders or resolutions authorizing the issuance of Port indebtedness.

b. The Board of Commissioners may from time-to-time authorize the opening and maintaining of general and special accounts within any such depository as it may designate, and may make such special rules and regulations with respect thereto as it may deem necessary.

c. To the extent that funds in any depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided for by the laws of the State of Texas.

Section 3. Investments:

a. The Board of Commissioners, by action and as provided by the laws of the State of Texas, may authorize representatives of the Port to invest and reinvest the funds of the Port and withdraw funds from the appropriate accounts of the Port for investment on terms the Board of Commissioners considers advisable.

b. Such investments must be made pursuant to the policies of the Port as adopted by the Board of Commissioners from time to time and as otherwise provided by ~~the laws of the State of Texas~~Governing Law.

ARTICLE 13
Audit and Budget

Section 1. Audit:

a. Each year the Board of Commissioners shall have an audit of the affairs of the Port conducted by an independent certified public accountant or a firm of independent certified public accountants, as provided by ~~the laws of the State of Texas~~Governing Law, which audit shall be open to public inspection.

b. Such auditors shall have no personal interest directly or indirectly in the fiscal affairs of the Port and shall be experienced and qualified in the accounting and auditing of public bodies.

c. The Port's auditors may undertake consulting services for the Port in addition to their duties in connection with the annual audit pursuant to written agreement approved by the Board of Commissioners.

ARTICLE 14

Personnel Issues

Section 1. Except for the Deputy Port Director, all other employees of the Port shall be under the control and supervision of the Port Director, or his/her designee including but not limited to the Deputy Port Director.

Section 2. The Port Director may recommend salary increases for any and all other employees at the time of the annual budget or when deemed necessary, subject to approval by the Board of Commissioners.

Section 3. The Port Director shall have authority to hire and terminate all employees of the Port, except the employment, compensation and termination of the Deputy Port Director which said position, compensation, hiring and termination shall be subject to approval by the Board of Commissioners with or notwithstanding any advice or recommendation regarding those matters being provided by the Port Director.

ARTICLE 15

Code of Ethics and Conflicts of Interests

Section 1. 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 these bylaws and Code of Ethics of the Calhoun Port Authority (CPA).

c. "Commissioner" means any member of the Port Commission of CPA.

d. "Employee" means any full-time employee of the CPA.

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

f. "CPA" means Calhoun Port Authority.

g. "Port Commission" or "Board of Commissioners" means the governing body of CPA.

Section 2. Substantial Interest in Business Entity or Real Property:

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

- i. 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
- ii. 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 3. Prohibited Acts. No Commissioner or Employee may:

a. act as surety for a Business Entity that has work, business, or a contract with CPA;

b. act as surety on any official bond required of a Commissioner or Employee;

c. accept or solicit any gift, favor, or service that might reasonably tend to influence the Commissioner or Employee or reasonably be perceived to potentially result in the influence in the discharge of the person's official duties, or that the Commissioner or Employee knows or reasonably should know is being offered with the intent to influence the Commissioner's or Employee's official conduct;

d. disclose confidential information acquired by reason of the Commissioner's or Employee's position with CPA;

e. intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the Commissioner's or Employee's official powers or performed the Commissioner's or Employee's official duties in favor of another person or entity.

Section 4. 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:

- i. in the case of a substantial interest in a Business Entity the action on the matter will have a special and particular economic effect on the Business Entity that is distinguishable from the general effect on the public; or
- ii. in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special and particular economic effect on the value of the property, distinguishable from its general effect on the public.

b. The affidavit must be filed with CPA's official record keeper. A copy of the Conflict of Interest form is attached as APPENDIX A.

c. If a Commissioner is required to file and does file an affidavit under Subsection "a" of this Section 4 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. Provided, that in all such circumstances the affected Commissioners must comply with Governing Law.

Section 5. Voting on Budget.

a. The Port Commission shall take a separate vote on any budget item specifically dedicated to or directly related to a contract with a Business Entity or with respect to real property in which a Commissioner has a substantial interest.

b. Except as provided by Section 4(c), above, the affected Commissioner may not participate in that separate vote. The Commissioner may vote on a final budget if:

- i. the Commissioner has otherwise complied with this Code; and
- ii. the matter in which the Commissioner is concerned due to having a substantial interest has been resolved or otherwise established.

Section 6. Whistleblower Protection Policy: The current version of the Calhoun Port Authority ~~adopted the current version of the~~ Whistleblowers Protection Policy ~~on the 10th day of June, 2009. It~~ is attached as APPENDIX B.

ARTICLE 16
Nepotism

Section 1. No person shall be employed by the Port who is related to a member of the Board of Commissioners within the third degree by consanguinity (blood) or within the second degree by affinity (marriage), unless such employee was employed prior to the election or appointment of the public official in accordance with ~~chapter 573.062 of the Texas Government Code as it now exists or may hereafter be amended.~~ Governing Law.

ARTICLE 17
Indemnification of Board of Commissioners

Section 1. Indemnification:

a. It is the intent of the Port to protect its Board of Commissioners from defense expense and legal liability through the purchase of appropriate public officials liability insurance, and such other liability insurance as the Port obtains and maintains in force and effect. The Port Director shall periodically report to the Board of Commissioners on the liability insurance coverage maintained in force covering Commissioners as insureds and on proposed changes thereto.

b. To the extent that the Port's liability insurance does not afford coverage with respect to a matter involving a Commissioner, it is the express intent of the Port to indemnify its Commissioners to the fullest extent allowed by Texas law for liabilities or legal expense arising from conduct (including acts or omissions) that reasonably appears to be within the scope of a Commissioners' authority as such.

c. Absent a conflict of interest, a Commissioner named as a defendant along with the Port shall be defended by the Port's counsel. Otherwise, in view of the importance of a capable defense, an individual Commissioner's legal expense related to a civil or criminal action, proceeding, subpoena, investigation, or demand is intended to be funded on a current basis. However, in the event a criminal conviction of a Port Commissioner, or finding of breach of the duty of loyalty to the Port or official misconduct, on the part of a Port Commissioner, results from any such matter, all legal expense paid by the Port in connection therewith shall be reimbursed by such Commissioner.

d. Commissioners who receive notice of a suit, proceeding, subpoena, investigation, or demand related to their service as a Commissioner shall promptly inform the General Counsel, who shall determine the applicability of the Port's insurance coverage, and oversee and review requests for funding of any legal expense in connection

therewith.

e. Inasmuch as this section is not intended to foreclose any future Board of Commissioners' judgment as to the public interest, all payments under this section indemnifying for the liability of a Commissioner, or funding the legal expense of Commissioner, are subject to Board of Commissioners approval. This section is a non-binding statement of intent and does not create a property interest or a contract and does not waive any of the Port's immunities under law.

Section 2. Any right of indemnification granted by this Article 17 is in addition to and not in lieu of any other such right to which any Commissioner of the Port may at any time be entitled under the laws of the State of Texas or as otherwise provided for by the Port. If any indemnification which would otherwise be granted by this Article 17 is disallowed by any competent court or administrative body as illegal or against public policy, then any Commissioner with respect to whom such adjudication was made, and any other Commissioner, shall be indemnified to the fullest extent permitted by the laws of the State of Texas and public policy.

Section 3. Any Commissioner requesting indemnification hereunder shall regularly report to the Board of Commissioners regarding the matters that may be subject to such indemnification, as necessary to keep the Board of Commissioners reasonably informed as to such matters.

Section 4. The Port may purchase and maintain insurance on behalf of any person who is or was a Commissioner of the Port, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status or former status as Commissioner.

Section 5. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of a deceased Commissioner.

ARTICLE 18 Fiscal Year

Section 1. The fiscal year of the Port shall begin on July 1 and end on June 30 of the next-ensuing calendar year.

ARTICLE 19 Amendments of Bylaws

Section 1. These ~~Policies~~Bylaws may be altered, amended or repealed, in whole or in part, or new policies may be adopted by a majority vote of the Board of Commissioners at

any regular meeting of the Board of Commissioners or at any special or emergency meeting of the Board of Commissioners ~~for which notices have been provided to each Port Commissioner at least seventy-two (72) hours prior to such meeting and is a properly posted agenda item conducted pursuant to Governing Law.~~

Section 2. The Board of Commissioners, acting not contrary to Governing Law, may specifically provide for one or more exceptions, limitations, conditions or alternative arrangements than provided for in these Bylaws, without the necessity of amending these Bylaws.

ARTICLE 20 General Provisions

Section 1. Words used in the Bylaws shall be read as the singular or plural, as the context requires. The captions or headings in this document are for convenience only and are not intended to limit or define the scope or effect of any provision of this document.

ADOPTED as the Bylaws of the Calhoun Port Authority by its Board of Commissioners on the ____ day of _____ 2020.

J. C. Melcher, Jr., Board Chair

Shields "Tony" Holladay, Secretary

H. C. "Tony" Wehmeyer, Jr., Commissioner

Johnny J. Perez, Commissioner

Jasper A. Cuellar, Jr., Commissioner

Luis De La Garza, Commissioner

APPENDIX A

CONFLICT OF INTEREST AFFIDAVIT

CONFLICT OF INTEREST AFFIDAVIT

THE STATE OF TEXAS §

COUNTY OF CALHOUN §

I, _____, as a member of the Port Commission of the
(Name)

Calhoun Port Authority, make this affidavit and hereby under oath state the following:

I have reviewed the Agenda for the Port Commission meeting to be held on the ____ day of _____, 2012, and I will abstain from any discussion, vote, or decision involving Agenda Item Number ____ because *[please complete Part One or Part Two]*:

PART ONE

(Part One must be completed if it is applicable)

☐ I have a substantial interest in a business entity or real property that may receive a special economic effect by a vote or decision of the Port Commission on this Agenda Item and the economic effect on my business entity or the value of my real property is distinguishable from its effect on the general public.

☐ My spouse, parent, step-father, step-mother, child, son-in-law or daughter-in-law has a substantial interest in a business entity or real property that may receive a special economic effect by a vote or decision of the Port Commission on this Agenda Item and the economic effect on this business entity or the value of this real property is distinguishable from its effect on the general public.

I affirm that the name of the business entity or the location of the real property referred to above is: _____.

The nature of the substantial interest in this business entity or real property is:

- ☐ an ownership interest of 10 percent or more of the voting stock or shares of the business entity;
- ☐ an ownership interest of 10 percent or \$15,000 or more of the fair market value of the business entity;
- ☐ funds received from the business entity exceed 10 percent of _____ (my, his, her) gross income for the previous year;
- ☐ real property is involved and _____ (I, he, she) have/has an equitable or legal ownership with a fair market value of at least \$2,500.

PART TWO

(If Part One is not applicable, please state your reason for abstaining due to a conflict of interest here)

 _____.

Signed this the _____ day of _____, 2012.

 Signature of Port Commissioner

BEFORE ME, the undersigned authority, this day personally appeared _____ and by oath swore that the facts herein above stated are true and correct to the best of his/her knowledge or belief.

Sworn to and subscribed before me on this the _____ day of _____, 202__.

 Notary Public, State of Texas

APPENDIX B

WHISTLEBLOWER PROTECTION POLICY

**RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE CALHOUN PORT AUTHORITY
ADOPTING THE CALHOUN PORT AUTHORITY
WHISTLEBLOWER PROTECTION POLICY**

WHEREAS, on the 10th day of ~~June, 2009, August 12~~ September 9, 2020, the Board of Commissioners of the Calhoun Port Authority met to discuss the Whistleblower Protection Act contained in the Texas Government Code, chapter 554, entitled "Protection for Reporting Violations of Law"; and

WHEREAS, it was concluded that a Policy for Whistleblower Protection was appropriate or needed under Chapter 554 of the Texas Government and the Board found that such policy would be in the best interest of the District;

NOW, THEREFORE, BE IT RESOLVED:

In complying with the Texas Government Code and the requirements of the Calhoun Port Authority, the Board of Commissioners of the Calhoun Port Authority, hereinafter referred to as "Port", hereby authorizes this Whistleblower Protection Policy.

The Port or its agents or employees shall not suspend or terminate the employment of, or take other adverse personnel action against an employee who in good faith reports an actual or reasonably believed to exist violation of state or federal law by the Port or another public employee to the appropriate law enforcement authority.

DEFINITIONS

Employee: shall mean an employee or appointed officer who is paid to perform services for the port. It does not include independent contractors.

Good faith: shall mean that an employee had a good-faith, subjective basis that also was and objectively reasonable basis for believing there has been or is substantially likely to occur in the near future, a violation of state or federal law.

Law: shall mean (1) a state or federal statute or authoritative case decision; (2) an ordinance of a local governmental entity; or (3) a rule or regulation adopted by an agency or other unit of government under a statute or ordinance.

Personnel action: means an action that affects a public employee's compensation, promotion, demotion, transfer, work assignment, or performance evaluation.

REPORTING

A report is made to an appropriate law enforcement authority if the authority is a part of a state or local government entity or the federal government that the employee in good faith believes is authorized to:

1. regulate under or enforce the law alleged to be violated in the report;
or
2. investigate or prosecute aan actual or potential violation of criminal law.

A supervisor who suspends or terminates the employment of or takes an adverse personnel action against an employee for properly reporting in good faith an actual, possible or reasonably perceived in good faitha violation of law shall be subject to civil penalties as provided by ~~the Texas Government Code §554.008 as now enacted or hereinafter modified~~applicable law.

RELIEF

An employee whose employment is suspended or terminated or who is subject to an adverse personnel action in violation of Government Code §554.002 is entitled to sue for injunctive relief, actual damages, court costs, and reasonable attorney's fees. Additionally, an employee whose employment is suspended or terminated in violation of the Whistleblower Act is entitled to:

1. reinstatement to the employee's former position or an equivalent position;
2. compensation for wages lost during the period of suspension or termination; and
3. reinstatement of fringe benefits and seniority lost because of the suspension or termination.

PROCEDURE

A. Before suing, an employee must initiate action under the Port's grievance policy or other applicable policies concerning suspension or termination of employment or adverse personnel action unless that preliminary step is excused by governing law.

The employee must invoke the Port's grievance procedure not later than the 90th day after the date on which the alleged suspension, termination, or other adverse employment action occurred or was discovered or should have been discovered by the employee through reasonable diligence.

B. If the Port does not render a final decision before the 61st day after grievance procedures are initiated, the employee ~~may~~must elect to do and timely accomplish one of the following:

1. exhaust the Port's grievance procedures, in which case the employee must sue in the Texas State District Court of Calhoun County, Texas, not later than the 30th day after the date those procedures are exhausted to obtain relief under the Whistleblower Act; or
2. terminate Port grievance procedures and sue ~~within the time lines established by Government Code 554.005, which isis the Port in the~~ Texas State District Court of Calhoun County, Texas, not later than the 90th day after the date on which the alleged suspension, termination, or other adverse employment action occurred or was discovered or should have been discovered by the employee through reasonable diligence.

Suit by an employee is to be brought exclusively in the Texas State District Court of Calhoun County, Texas as per Government Code §554.07(b). The Port does not consent to being sued in any federal court and, except as otherwise expressly provided in this Policy, reserves and does not waive or release any defense, remedy or course of action otherwise available to it, including but not limited to governmental immunity and immunity to suit or judgment under the 11th Amendment to the United States Constitution.

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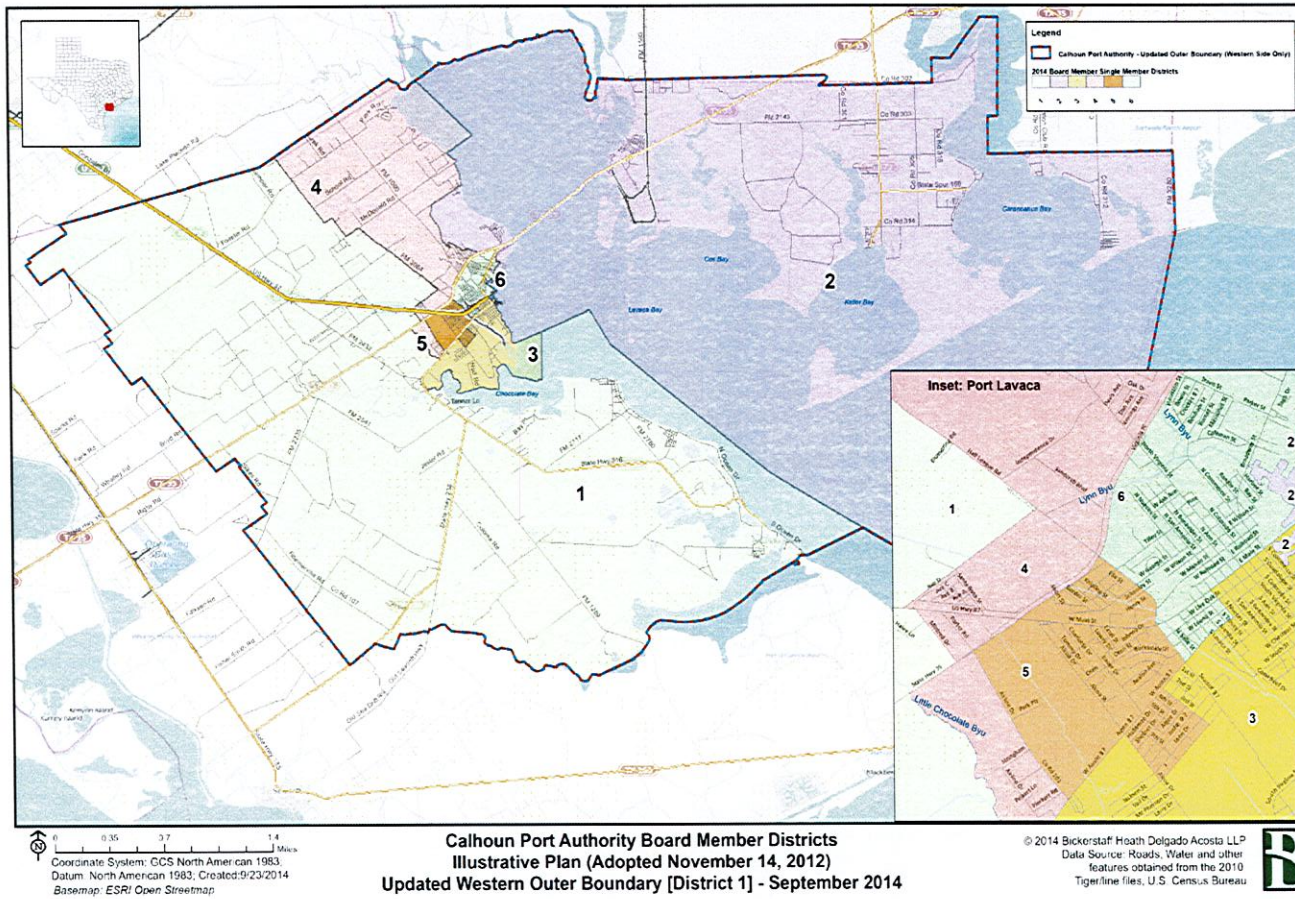
NOTICE OF RIGHTS

The Port shall inform its employees of their rights regarding whistleblower protection by posting a sign in a prominent location in the workplace. The design and content of the sign shall follow the Attorney General's prescribed guidelines.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Commissioners on the 10th day of June, 2009. ~~August 12~~ September 9, 2020.

APPENDIX C

Commissioner Boundary Map





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www.calhounport.com

PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 14, Review and Consideration of a Letter of Support for Calhoun County's CMP Grant Application for Magnolia Beach / Indianola County Parks.

Members of the Board, attached is a copy of an email from Mr. Allan Berger the Calhoun County Parks Chair requesting a Letter of support for the County's Magnolia Beach / Indianola County Parks CMP Grant Application. I have also attached a copy of the proposed letter of support along with a brief scope of work as well as a brief description of the projects.

Please feel free to contact me, if you have any questions regarding the request for a letter of support.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

Charles Hausmann

From: Allan <allanrberger@comcast.net>
Sent: Wednesday, September 2, 2020 3:33 PM
To: crh@calhounport.com
Subject: Letter of support - Magnolia Beach / indianola pavilion Project
Attachments: CMP Grant Letter of Support - Calhoun Port Authority.docx; Miller Point Pavilons - Scope of work v4.1.docx

Charles, attached is a brief description of the proposed project. The CMP grant is due Oct 7, and I am assisting Commissioner Hall and his grant writer compiling the final application.

Might you be able to provide a letter of Support? a draft is attached. Trying to compile by Sept 16.

Please call with any questions or suggestions.

Thanks, Allan
Chair, Parks Board
713-829-2852



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

September 15, 2020

Re: Calhoun County's CMP grant application for Magnolia Beach / Indianola Pavilions

Commissioner David E. Hall
211 S Anne St
Port Lavaca, Tx 77979

Dear Commissioner,

The Calhoun Port Authority wishes to extend its support for your application to a Coastal Management Plan (CMP) grant for the purpose of constructing pavilions at Miller Point. The proposed structures will provide needed infrastructure for community use and will enhance the ability to attract additional visitors to Calhoun County.

The Magnolia Beach / Indianola County parks are an important asset to the community—both for residents and visitors. They provide access to the water for fishermen and paddlers, an excellent spot to bird, and has served as an outdoor environmental education site for local students. As the owner-of-record of the bay bottom in this area, the Port Authority thinks it is critical to improve the parks so that all can continue to enjoy it. The proposed improvements are an important step.

Please let me know how we can be of assistance.

Sincerely,

Charles R. Hausman
Port Director
Calhoun Port Authority

Magnolia Beach / Indianola

Scope of proposed improvement plan for Miller Point Area

1. Educational Pavilion at Boardwalk
 - a. approx. 20x30'
2. Educational Materials
 - a. marsh birds and animals
 - b. history of Indianola
3. Event Pavilion
 - a. approx. 60x100'
 - b. Potential uses: Group outing and events for residents and visitors: group picnics, weddings, parties, staging points for beach cleanup; fund raising event for local groups and charities, fishing tournaments weigh in
4. Large grill / smoker to support local events
5. Paved Parking at roads edge
 - a. 30 vehicles x 10' = 300'
6. Bollard Fencing – 600'



Pre – application Grant Text:

The purpose of this project is to enhance the facilities available to the public and encourage use of the public beaches in Indianola and Magnolia Beach by constructing two pavilions for public use in the Miller Point area.

Magnolia Beach / Indianola beaches are the most utilized beaches in the County, attracting both residents and visitors. However, the area has no beach front facility for local events.

This proposal constructs two pavilions for public use:

1. A general use pavilion to support community events fishing tournaments, community fund raisers, and beach cleanup--including on-parking and bollard fencing adjacent. The facility would also be available to individuals for their use.
2. An educational pavilion that highlights the areas significant history and the ecology of the adjacent marsh. The pavilion would be adjacent to the birding boardwalk overlooking the marsh and to current historical signage regarding Indian Point. The proposed educational material would enhance the currently available materials. The Calhoun County Museum will collaborate on this aspect of the project.

County property total about 8.6 acres with nearly 1800' of beach access.

The General Land Office has made significant investment in the area to reduce erosion, protect the marsh and to promote public use of the area. The County Parks Board has developed improvement plans for all of the County's assets in Magnolia Beach and Indianola that includes the recommended pavilions.

The County will meet its local match with a combination of construction activities and its GOMESA funds.



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 3, 2020

SUBJECT: Agenda Item No. 15, Review and Consideration of Approval of a Request for an Extension of Time on Memorandum of Understanding between the Calhoun Port Authority and IDE Americas Inc.

Members of the Board, I have attached a copy of an email from Chris Morss with IDE that is requesting an extension of time to continue IDE's investigation of a potential desalinization facility. They are requesting a 180 days extension to complete their water analysis but would prefer to have 360 days. I have attached an extension document for the MOU that was prepared by Port General Counsel for your review. You will see the time period has been left blank so the Board can decide what amount of time you are willing to give to IDE to continue their investigation for a potential desalinization plant.

Please feel free to contact me, if you have any questions regarding this proposed extension.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

Charles Hausmann

From: Chris Morss <chrism@ide-tech.com>
Sent: Wednesday, September 2, 2020 4:52 PM
To: Charles Hausmann
Cc: Forrest Hawes (feh@calhounport.com)
Subject: Renewal of our MOU

Charles,

I hope this finds you safe and healthy. It has been a trying few months as covid-19 ebbs and flows across the country (and globe). I have pretty much been hunkered down at my home office, though I recently took a trip from here to the East Coast for a business engagement. It was a somewhat unnerving experience and I'm not convinced air travel going forward will return to what it was anytime soon.

I wanted to reach out to let you know what we have been doing since we last saw each other in March. Our sampling program continues and will be stepping up even more this coming month (I understand our contractor, ERM, is out collecting samples at the Port today). We are looking at a system for providing continuous sampling and monitoring of certain water quality parameters to get more detailed information, but also to reduce the risks associated with having humans out and about. We are in the process of procuring a remote monitoring device (called a sonde) with analytical probes specific to our sampling needs. More on that to follow as we will need to work with you on placement of the device within or adjacent to the Port.

Our design team has completed their initial work and are preparing our first cut at what range we expect a water price to be for industrial off takers. This will be useful in speaking with prospective Port tenants who may inquire as to cost, availability and timing. While our conversation with Formosa have slowed since the outbreak of the virus, we stay in contact and I believe will ramp up our discussion in the next weeks ahead. I am working to get in front of their site management again soon to discuss a draft term sheet we have presented. I've been informed of a new name in the mix on the Formosa side, Ken Mounger, who I intend to brief on our project. I know Ken has been there for over a year, but I have been informed he has recently taken on additional responsibility.

I would also like to find out from you how you would like to proceed to extend our MOU, which currently terms in mid-September. While our agreement doesn't specify a process, I believe you, I and the Board agreed that we would provide a status update as part of a renewal. I could put together a brief PowerPoint update for circulation or presentation to the Board. We would look to get a 180 day extension, but would prefer 360 days since we have lost some onsite visiting flexibility due to covid and progressing forward will continue to be cautious and likely time consuming.

Let me know how you want to proceed.

Best,

Chris

IDE Technologies – Your Water Partners

Chris Morss | Director Assets and Development, North America | m: +1-760-583-6699
chrism@ide-tech.com | www.ide-tech.com

AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("MOU")

This instrument (this "**Amendment**") relates to and amends a **Memorandum of Understanding** (the "**MOU**") dated as of March 11, 2020, by and between **IDE Americas, Inc. ("IDE")** and **Calhoun Port Authority ("Port")**. Unless otherwise defined herein, all capitalized terms and phrases have the meaning and definition given to them in the MOU. Unless otherwise specified in this instrument, references to paragraphs, sections, or component parts thereof or other textual provisions, are to their counterparts in the MOU. Unless specifically modified, deleted or added by this Amendment, the provisions of the MOU remain in full force and effect as originally adopted and as previously modified or amended, if at all, prior to this Amendment.

1. Paragraph 6, Term, is amended to state as follows:

The term ("Term") of this Agreement shall commence as of the Effective Date, and shall continue thereafter until and through _____. The Term may be renewed, extended, or shortened, by the written further agreement of the Parties.

2. This Amendment is effective as of September 9, 2020.

IDE AMERICAS, INC.

Signature of Authorized Representative

Printed Name of Authorized Representative

Title of Authorized Representative

CALHOUN PORT AUTHORITY

Signature of Authorized Representative

Printed Name of Authorized Representative

Title of Authorized Representative

ATTEST:

Signature of Board Secretary

Printed Name of Board Secretary

MEMORANDUM OF UNDERSTANDING
("MOU")

This Memorandum of Understanding ("MOU") is entered into on the 1st of March 2020 between:

IDE Americas Inc., a Delaware limited liability Company with offices at 5050 Avenida Encinas, Suite 250, Carlsbad, CA 92008 and/or through its affiliated Israeli based parent company IDE Technologies Ltd.,
("IDE")

And

The Calhoun Port Authority an entity formed under the laws of the State of Texas, with offices at 2313 FM 1593 South, Point Comfort, TX 77978
("Port")

(Each a "Party" and collectively the "Parties")

WHEREAS:

1. IDE engages in the design, supply, operation and maintenance of, inter alia, water desalination and water treatment facilities; and
2. Port is a Navigation District formed and operating pursuant to the provisions of Article XVI, Section 59 of the Constitution of the State of Texas, which owns and operates the Port of Port Lavaca - Point Comfort, located in Calhoun County, Texas; and
3. IDE desires to obtain from Port an agreement to access the Property (as further defined herein) in order to examine, inspect and perform reasonably necessary due diligence analysis and activities on the Property related to the development, design, construction and operation of a proposed water treatment facility utilizing IDE's advanced desalinization technology; and
4. IDE desires to enter into an relationship with Port to develop a solution that will provide a new, sustainable, and uninterrupted source of water for current and future clients of the Port of Point Comfort to be developed by IDE and located in or on the properties of the Port of Port Lavaca - Point Comfort, Texas (the "Project"); and
5. The Parties desire to enter into this MOU to establish the general principles for their collaboration on the Project opportunity.

NOW, THEREFORE, in consideration of the mutual covenants and premises which are hereby acknowledged and received, the Parties agree as follows:

1. Grant of Access. Port hereby grants to IDE, subject to the terms and conditions contained herein, a temporary right to access Port controlled properties ("Property"), at IDE's sole cost and risk, for the limited purpose of examining, inspecting and taking water samples on the Property reasonably related to the development, design, construction and operation of a proposed water treatment facility utilizing IDE's desalinization technology (collectively, the "Purpose"). The access granted to IDE by this Agreement is specifically limited to the Property and does not grant IDE access to any other properties or facilities owned by Port.

2. Access to the Property. The right and license to access the Property shall be limited to IDE and persons whose presence on the Property is believed by the IDE to be necessary to further the License Purpose, including any contractor retained by IDE, agent or other representative ("IDE Personnel"). When weather and soil conditions permit, IDE may bring such equipment and vehicles onto the Property as are reasonably necessary to perform the activities described herein. During such access IDE Personnel may be accompanied at all times by a representative(s) of Port, at Port's sole discretion.
3. Conduct of Activities. When accessing the Property, IDE shall at all times strictly follow, and cause all IDE Personnel to follow, all applicable legal requirements, and all requests and instructions given by Port regarding operating, maintenance, environmental, health, safety, security or other practices in or at the Property. IDE shall conduct, and shall cause IDE Personnel to conduct, all activities at the Property with a high degree of care and in a technologically responsible manner.
4. Use of the Site. Should the Property be found adequate to perform the Project, the Parties shall further investigate, discuss and negotiate an agreement for Lease option of the Property, or any part thereof, for the implementation of the Project.
5. Compliance with Laws and Regulations. IDE shall comply with all laws and regulations applicable to its activities on the Property, including, without limitation, all laws and regulations applicable to the discovery, collection and/or analysis of any cultural artifacts discovered on the Property. IDE shall be financially responsible and liable for any and all costs, fees and/or expenses associated with IDE's discovery, collection and/or analysis of cultural artifacts discovered on the Property, and any other cultural resource activities on the Property attributable to IDE's activities on the Property, including, but not limited to, costs, fees and/or expenses associated with the collection and analysis of cultural artifacts, including, but not limited to costs, fees and/or expenses relating to the removal, disinterment, transportation, preparation, examination, cataloging, identifying, storage, replacement, and/or reinterment of artifacts or other items found on the property, and any and all other like, similar, resulting or associated costs, fees and/or expenses resulting from IDE's cultural resource activities on the property.
6. Term. The term ("Term") of this Agreement shall commence as of the Effective Date, and shall continue thereafter for a period of one hundred and eighty (180) days and may be renewed by IDE for additional periods time upon mutual agreement of the Parties.
7. Restoration. If the Property is physically altered because of IDE's activities on the Property, IDE must return the Property to its pre-inspection condition promptly after the alteration occurs. IDE shall restore the Property to substantially the same condition as existed prior to IDE accessing the Property and conducting the due diligence activities described herein, provided IDE may leave in place surveyor stakes and other similar markers. IDE shall immediately dispose of all waste generated by IDE's activities at or on the Property, at IDE's expense.
8. Liens. IDE shall keep the Property free and clear of all mechanics', materialmen's and other liens resulting from IDE's activities on the Property.
9. No Disruption of Activities. Any work performed or activities undertaken by or on behalf of IDE shall not disrupt, delay or in any way interfere with the business activities of Port, its Tenants, or any individual or entity holding leases, other licenses, permits or easements relating to the Property. IDE shall coordinate the timing and extent of the work to be undertaken so as to minimize the possibility of its work adversely affecting the business activities of Port, any Tenant

on or adjacent to the Property, and any other individual or entity holding leases, licenses, permits or easements relating to the Property (the "Port Parties"). In the event IDE's activities on the Property result in any reimbursement or expense liability to Port, IDE shall promptly pay any such reimbursement or expense. IDE shall also be responsible for the cost incurred by Port for legal and engineering expenses incurred as a result of any activities by IDE under this MOU. IDE shall pay a an administrative fee of \$2,500 at the time this MOU is executed.

10. Exclusivity. Port and IDE agree to cooperate on an exclusive basis on the Project until the earlier of: (i) 6 months from the date of this Agreement (or longer if mutually extended); (ii) the entry by the parties into definitive agreements for the lease option of the Property as part of the Project Development and implementation; or (iii) the termination of this Agreement by either party upon sixty days' prior written notice to the other party.
11. Non-Binding and Binding Nature. The Parties agree that no provision of this MOU shall oblige either Party to enter into the proposed Lease or any other agreement. The Parties further agree that the execution by a Party of a Lease, or any other agreement, will be subject to such Party receiving all required internal and other approvals.
12. Confidentiality. Each Party hereto shall hold all confidential documents and information relating to this MOU in strict confidence in accordance with the existing confidentiality agreement(s) between the Parties. The Parties agree that the existence and substance of any discussions or negotiations and the terms of any draft of this MOU, as well as any information exchanged pursuant to this MOU and information previously exchanged between the Parties that relates to the subject matter of this MOU, are subject to the terms and conditions of the Non-Disclosure Agreement between the Parties dated October 17, 2019 (the "NDA"), and nothing herein is intended to affect the legality, validity or enforceability of the NDA. Except as required by law or permitted by the NDA, neither Party may make a public disclosure or announcement, including a press or media release, regarding the nature or existence of this MOU without the other Party's prior written consent and approval for such disclosure. IDE acknowledges that Port is a governmental entity subject to certain open records disclosures.
13. Relationship. Nothing in this MOU shall be deemed to constitute, create, give effect to, or otherwise recognize a joint venture, partnership, or formal business entity of any kind. Further, nothing herein shall be deemed to confer any right or impose any obligation or restriction on either Party with respect to any other relationships, efforts or marketing activity at any time undertaken by either Party, nor limit the rights of either Party to promote, market, sell, lease, license or otherwise dispose of its standard products or services.
14. Indemnity. IDE shall protect, defend, indemnify and hold harmless the Port and Port's board members, officers, directors, employees, agents, successors, personal and legal representatives and assigns (collectively the Indemnified Parties), from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, expenses and disbursements of whatever nature, regardless of the cause thereof, and expense in connection therewith, including, without limitation, attorney's fees and expenses, penalties and interest, for damages to the Port's property or injury to or death to any person, to the extent arising out of IDE's, including IDE's contractors, subcontractors, agents invitees and/or representatives, presence on Port's property, irrespective of whether such liability, damages, losses, claims and/or expenses are actually or allegedly caused wholly or in part through the negligence, strict liability, breach of warranty, or other legal fault of IDE its employees or agents or the Indemnified Parties. The only exception to this indemnity agreement is that IDE shall not be responsible for the gross negligence, malice, or intentional conduct of the

Port, any Indemnified Party or any third party. Further, the Indemnified Parties are not liable for any loss, damage, or injury of any kind to any person or property arising from IDE's use of the Property or IDE's presence on Port property.

15. Intellectual Property. Intellectual property developed by a Party during work related to the Project will remain the property of the Party that developed such property.
16. Miscellaneous. This Agreement may not be modified except by written instrument signed by a duly authorized representative of each party hereto. This Agreement or any part thereof may not be assigned by either party without the prior written consent of the other party, except that this Agreement may be assigned to a wholly owned subsidiary of a party upon notice of such assignment to the other party. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior written or oral agreements with respect hereto.
17. Notice. Any notices exchanged by the parties shall be in writing and shall be deemed to have been delivered and properly served 7 days after the date of posting thereof by registered mail to the following addresses, or by air courier, one business day after delivery, together with evidence of written receipt, or within one business day from after facsimile transmission together with confirmed transmission:

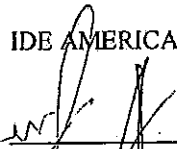
IDE Americas, Inc. 5050 Avenida Encinas
Suite 250
Carlsbad, CA 92008
Fax: 619-487-0759
Attn.: Chris Morss
E-Mail: chrism@ide-tech.com

Calhoun Port Authority Calhoun Port Authority
P.O. Box 397
Point Comfort, TX 77978
Fax: 361-987-2189
Attn.: Port Director
E-Mail: crh@calhounport.com

18. Applicable Laws. This MOU shall be governed by and construed in accordance with the laws of Texas, excluding any choice of law rules, with venue being in the State District Courts of Calhoun County, Texas. In case of a dispute between the Parties in connection with this MOU, the Parties shall initially attempt to resolve such dispute amicably through negotiations.
19. Public Statements. Except as required by applicable law, no Party or its representatives shall make any public statements regarding this MOU or the Proposed Transaction without the prior written approval of the other Party, which shall not be unreasonably withheld, conditioned or delayed.
20. Entire Agreement. This MOU contains the entire agreement between the Parties in connection with the subject matter hereof. It shall not be varied, except by an instrument in writing duly executed by both Parties.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed as of the date above written.

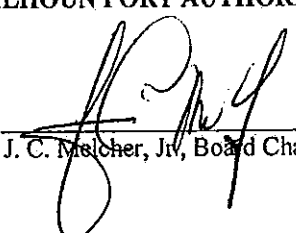
IDE AMERICAS, INC



Name: May Pinchusowicz, Gal Zohar

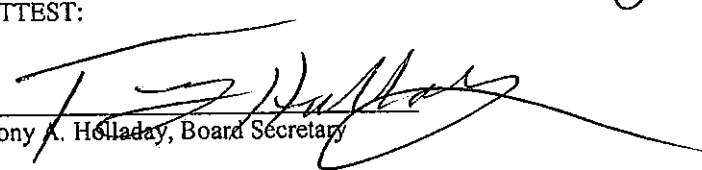
Title: Directors

CALHOUN PORT AUTHORITY

By: 

J. C. Melcher, Jr, Board Chair

ATTEST:



Tony A. Holladay, Board Secretary



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PORT OF PORT LAVACA - POINT COMFORT

Providing Calhoun County Industries with Direct Deep-Draft Access to Global Markets

MEMORANDUM

TO: Calhoun Port Authority Board Members

FROM: Charles R. Hausmann, Port Director

DATE: September 4, 2020

SUBJECT: Agenda Item No. 16, Review and Consideration of Approval of a Request from Max Midstream, Texas to Align their Port Terminal Lease, The Pipelines Easements and the Loading Arm Lease to Match the Terms in the North Peninsula / Office Building Lease.

Members of the Board, I have attached a copy of an email from Mr. Brandon Lantrip, CFO with Max Midstream Texas requesting that the terminal lease and the pipeline/ loading arm lease terms be adjusted to match the terms of the North Peninsula/building lease term. I have also attached a copy of the north peninsula, original terminal lease and the pipeline/loading arm agreement for your review. After discussing with Port Special Counsel, the maximum length of term we can grant on the lease referred to above is 50 years from the original date of the start of the old agreements. Max has requested this change because of their bond issuance firm needs the longer term for bond financing. Port Counsel will review in detail with the Board on how the Board can legally extend the terms to.

Please feel free to contact me, if you have any questions regarding Max's request.

Cc: Alan Sanders, Port Special Counsel
Forrest E. Hawes, Deputy Port Director
David M. Knuckey, Director of Engineering Services

Charles Hausmann

From: Brandon Lantrip <brandon.lantrip@maxmidstream.com>
Sent: Thursday, September 3, 2020 2:57 PM
To: Charles Hausmann
Subject: Max Midstream - Long Term Operating Leases
Attachments: Max Midstream - Operating Leases.zip; Max Midstream - Long-Term operating leases.xlsx

Gentlemen,

Please see attached a list of current long-term operating leases and the recorded original filing at the Calhoun Country clerk's office.

The 2 leases of concern pertain to the actual Port Terminal ground lease and the Dock, Pipe racks, and Loading Pier lease / easements (30 year term; 21 years remaining). Based on Todd and I's discussion with you last week, it was determine that we can request a modification of the original leases that will align terms with those expressed in the recent Max / Port Office building lease on 5ac at North Peninsula. This will be voted on by the (CPA) at the upcoming board meeting, September 9, 2020.

Requested lease revision

- 50 years (2020-2070)
 - 30 year initial term
 - 2 renewal terms of 10 years / each
 - At discretion of the grantee

Thanks,

Brandon Lantrip | CFO

1800 Post Oak Boulevard, 6 BLVD Place - Suite 450, Houston, TX 77056
Office: +1.281.962.4556 | Cell: +1.254.231.8262 | brandon.lantrip@maxmidstream.com
Website: <http://www.maxmidstream.com>



LEASE AGREEMENT

THIS AGREEMENT CONTAINS EXPRESS NEGLIGENCE INDEMNIFICATION

THIS LEASE AGREEMENT (hereinafter referred to as "Lease") is entered effective as of June 1, 2020 by and between Calhoun Port Authority, a body politic and a governmental subdivision of the State of Texas (hereinafter referred to as "Port"), and Max Midstream Texas, LLC (hereinafter referred to as "Max Midstream"), a Texas limited liability company.

RECITALS

WHEREAS, Max Midstream desires to lease a tract of land consisting of approximately 5 acres, owned by Port, generally depicted in the map or plat attached hereto as Exhibit "A" for locative purposes, such land to be surveyed at Max Midstream's sole cost and expense, and a supplement to this Lease will be executed by the Parties to set forth the actual acreage and legal description, and upon execution it will be incorporated herein for any and all purposes and in substitution of the existing Exhibit "A" (hereinafter, the "Property"); and

WHEREAS, Port intends to lease to Max Midstream for the Permitted Use (defined below in 4.01) the Property; and

WHEREAS, the Port has determined that this Lease to Max Midstream is authorized by law and constitutes a valid use for the benefit of the public; and

WHEREAS, the Port has determined following due investigation and evaluation that the obligation of Max Midstream to build an Office Building defined below and to lease a minimum of 3,950 square feet of usable office space to the Port (the "Port Lease-back") for \$1.00 per year for a term of not less than X years (the "Port Lease-back Term") would constitute sufficient consideration equivalent to the fair market rental value of the property and that the failure to construct in whole or in part this Office Building would be an Event of Default under this Lease; and

WHEREAS, as a part of the consideration for this Lease, at the end of the Initial Term or any renewal thereof as defined herein, whichever occurs later, the Port shall own all of the improvements identified in Paragraph 6.01 below, including the Office Building; and

WHEREAS, the Port has determined that the consideration and the benefits received under this Lease are valid and adequate compensation to the Port and in no way were intended to usurp public bidding laws, including a finding that the non-completion of the non-monetary requirements of the Lease not being met is an Event of Default, which would allow the Port to terminate this Lease and lease the Leased Premises to a third party under such terms and conditions as the Port may in its sole discretion determine to be lawful and proper.

NOW, THEREFORE, the Parties hereto, in consideration of the premises and covenants herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each intending to be legally bound, agree as follows:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

AGREEMENTS

In consideration of the mutual agreements herein set forth, Port and Max Midstream agree and contract as follows:

ARTICLE 1 Definitions

Section 1.01 Definitions. As used in this Lease, the following terms (in addition to the terms defined elsewhere herein), and whether the singular or plural thereof, shall have the following meanings when used herein with initial capital letters:

"Business Day" for the purposes of this Lease shall be a day that a Party is open for business at the office for service as provided in Section 17.05, excluding Saturdays and Sundays and any day on which the Federal Reserve Bank of Dallas, Texas, is closed or any other day that the Port is closed for business. Provided, that if notice is given or an event occurs or an action is taken after 5:00 p.m. local time of the Port, the notice shall be deemed to have been given or the event to have occurred or action to have been taken as of 9:00 a.m. local time of the Port of the next-following Business Day.

"Charges" shall mean all taxes, assessments and fees lawfully assessed on Max Midstream's Facilities, including but not limited to the leasehold rights granted under this Lease and the difference between the surface land value of the Leased Premises as assessed during the Initial Term and any subsequent assessment on the Leased Premises to the extent directly attributable to the Facilities or to any increase due to the change in the current classification for taxation purposes of the Leased Premises as of the date of this Lease to the extent arising directly from Max Midstream's construction and/or operation of its Facilities. In addition "Charges" shall mean all local, state and federal taxes (including without limitation, franchise, sales, use, excise to the extent pertaining to the Facilities or this Lease), governmental charges of any kind whatsoever for the possession or the use of the Leased Premises pursuant to this Lease or the Facilities, and any collection costs, penalties, fines or interest imposed for Max Midstream's failure to pay any of the foregoing; however, it shall not include any income taxes, gross receipts, licensing or occupation taxes payable by the Port, its employees, agents, officers, directors, board members, contractors or sub-contractors.

"Commencement Date" shall have the meaning defined in Section 3.01.

"Event of Default" shall have the meaning set forth in Section 15.01 hereof or as otherwise expressly provided in this Lease.

"Facilities" shall mean the improvements Max Midstream makes, installs or constructs on the Leased Premises in connection with its Permitted Use as provided by this Lease, including but not limited to an office building that may include a laboratory, a parking lot and a vapor destruction unit. The parking lot shall be constructed of asphalt meeting and or exceeding the specifications required for a roadway in the Calhoun County Subdivision Regulations as they currently exist or may be amended. Upon completion, the office building and the parking lot shall also meet all standards required by Texas Accessibility Standards and the American's with Disabilities Act.

"Final Adjudication" shall mean after any and all appeals by Max Midstream of a court decision or administrative finding by a regulatory agency imposing a fine or penalty for violation of environmental Legal Requirements arising from Max Midstream's operations on or occupancy of the Leased Premises have been adjudicated and are not subject to further appeal, supervisory review or motion for rehearing.

"Force Majeure" shall mean:

- (a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, epidemics, acts of a public enemy, terrorist acts, wars, blockades, insurrections, riots or civil disturbances, including but not limited to interruption of navigation or other disruption of normal business conditions;
- (b) labor disputes, strikes, work slowdowns, or work stoppages;
- (c) orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;
- (d) power failure and outages affecting the Leased Premises; and
- (e) any other similar cause or event, provided that the foregoing is beyond the reasonable control of the party claiming Force Majeure.

"Hazardous Materials" are defined in Section 4.05.

"Leased Premises" shall mean the property leased by Max Midstream pursuant to this Lease and further described in a Supplemental Lease Agreement to this Lease which will be executed by the Parties within a reasonable time after the survey is complete, to set forth the actual acreage and legal description and which shall thereafter constitute the Property. All costs associated with the preparation of the Supplemental Lease Agreement, including surveying and legal expenses shall be paid by Max Midstream.

"Legal Requirements" shall mean, for the purposes of this Lease, any rule, regulation, mandatory standard or law of any governmental body having jurisdiction over the Leased Premises, and pertaining to Max Midstream's operations on the Leased Premises; however, nothing in this Lease shall be construed to prohibit or limit in any way a Party's rights to appeal or protest such rules, regulations, mandatory standards, laws or whether the regulatory body in question has jurisdiction.

"Office Building" shall mean the approximate 12,000 (+/- 1000) square foot building Max Midstream shall construct on the Leased Premises for commercially reasonable office purposes and for a crude oil and condensate analysis laboratory, and constructed and finished in a manner approved by Port, and of which a minimum of 3,950 square feet will be exclusively occupied by the Port, to use for the Port's office purposes.

"Party" or "Parties" shall mean the Port and/or Max Midstream either individually or collectively.

"Port" shall mean the Calhoun Port Authority, the body politic and governmental subdivision identified in the opening recital of this Lease, and its successors and assigns and subsequent owners of the Leased Premises.

"Port Facilities" shall mean all channels, waterways, docks, slips and other facilities and improvements owned, operated or controlled by Port (other than the Facilities) which are necessary or reasonably convenient for access to, or the use and operation of, the Facilities as contemplated hereunder.

"Port Group" shall mean the Port, its employees, contractors, agents and representatives.

"Transfer" shall mean an authorized assignment of the rights or obligations of a party, in full or in part, by a Party to this Lease.

ARTICLE 2

Leased Premises

Section 2.01. Description of the Leased Premises. Subject to the provisions of this Lease, Port hereby leases, demises and lets to Max Midstream and Max Midstream hereby leases from Port, the Property. Both parties acknowledge and agree that Port shall have the right to use the Leased Premises in any manner that will not unreasonably interfere with Max Midstream's Permitted Use thereof.

Section 2.02. Ingress and Egress. Both parties acknowledge that the rights included in this Lease shall include non-exclusive rights-of-way for Max Midstream's vehicles over the Port's roads for the purpose of ingress and egress to the Leased Premises from public roads, subject to the rules and regulations of the Port regarding access to the Port and use of its roads. The Port will not enact rules and regulations which would unreasonably restrict Max Midstream's access to the Leased Premises for the Permitted Use; provided, that the Port's generally-applicable access regulations such as those pertaining to homeland security shall not be deemed to unreasonably restrict Max Midstream's access to the Leased Premises for the Permitted Use. Max Midstream's rights pursuant to this Section 2.02 apply equally to any permitted assignee or sublessee of Max Midstream.

ARTICLE 3

Term

Section 3.01 Term. The Term of this Lease is for a period of thirty (30) years, commencing at 12:01 a.m. local time of the Port on June 1, 2020 (hereinafter referred to as the "Commencement Date") and continuing until 12:00 midnight local time of the Port on May 31, 2050 (the "Initial Term"). Thereafter, Max Midstream, so long as it is not then in uncured default as of the end of the Initial Term, and upon giving to the Port not less than one hundred twenty (120) days' advance written notice, shall have the option to renew this Lease for up to two (2) additional terms of ten (10) years each (each, a "Renewal Term") unless this Lease is sooner terminated by Max

Midstream by providing Port with written notice of termination not less than one (1) year prior to the end of the Initial Term or Renewal Term, as applicable.

Section 3.02. Holdover. If Max Midstream holds over and continues in possession of the Leased Premises after the lease term (or any extension) expires or following Max Midstream's notice of earlier termination as provided in Section 3.01, Max Midstream will be considered to be occupying the Leased Premises on a month-to-month tenancy, subject to all the terms of this Lease and subject to the Port having the right to terminate the month-to-month tenancy upon giving Max Midstream not less than sixty (60) days' prior written notice of termination.

ARTICLE 4

Use

Section 4.01. Permitted Use. Max Midstream shall use the Leased Premises for the development and operation of the Facilities for use as an office building, crude oil and condensate analysis laboratory, parking lot and other items incidental for the use of the property as office space and laboratory. Max Midstream shall also be allowed to construct and operate on the Leased Premises a vapor destruction unit. All constructed facilities shall be constructed to meet and/or exceed the minimum standards of the National Fire Protection Association and Texas Windstorm Insurance Association.

Section 4.02. Notification. Max Midstream will, on an annual basis on or about July 1 but in no event later than July 15th, provide to the Port an inventory of all regulated chemicals used, stored on or at the Leased Premises and also all emissions, generated onsite by Max Midstream. This inventory shall not include: (a) office furnishings, including but not limited to carpet, furniture, window hangings, paper or other office supplies, office machinery, any food items for the use of Max Midstream's employees, visitors and contractors; or (b) materials or chemicals that are used, stored or generated in quantities per annum of less than five (5) gallons if liquid or fifty (50) pounds if a solid. This may, at the option of Max Midstream be in the form of an Annual Waste Summary (if and as required by TCEQ), Tier II Report (if and as required by the TSDHS), Emissions Inventory Questionnaires (EIQs if and as required by TCEQ), and Toxic Release Inventories Reports (if and as required by EPA), or a general list of the materials from purchase records.

Section 4.03. Continuous Operation. Max Midstream will occupy and use the Leased Premises solely for any or all of the Permitted Uses and in strict compliance with all Legal Requirements. This Lease shall terminate in the event Max Midstream abandons the use of the Leased Premises for a continuous period of one hundred eighty (180) days unless excused by Force Majeure.

Section 4.04. Specifically Prohibited Use. Max Midstream will not (a) use, occupy or permit the use or occupancy of the Leased Premises or use Port's other property for any purpose or in any manner which is or may be, directly or indirectly, (1) inconsistent with the requirements of this Lease, (2) violative of any of the Legal Requirements, (3) dangerous to life, health, the environment 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 in or about the Leased Premises which, directly or indirectly, would or might reasonably justify any insurance carrier in canceling the insurance policies maintained by Max Midstream on the Leased Premises. The Port hereby confirms to Max Midstream that the use of

the Leased Premises for the Permitted Use shall not constitute a prohibited use hereunder so long as the same is conducted in compliance with applicable Legal Requirements and the provisions of this Lease.

Section 4.05. Environmental Restrictions. Except as explicitly set forth herein, Max Midstream shall not cause or permit any Hazardous Materials to be generated, treated, stored, manufactured, disposed or released on or about the Leased Premises or transferred or transported to or from the Leased Premises, in contravention of any Legal Requirements. Any use of Hazardous Materials by Max Midstream, its employees, contractors, subcontractors, agents or invitees on the Leased Premises shall be in strict conformance with all Legal Requirements and shall not cause the Leased Premises to be subject to remedial obligations to protect health or the environment. The terms "Hazardous Materials" shall mean any flammables, explosives, radioactive materials, hazardous waste and hazardous constituents, toxic substances or related materials, including substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "solid wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.A. Sec. 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. Sec. 5101, et seq.; the Resources Conservation and Recovery Act, 42 U.S.C.A. Sec. 6901, et seq.; the Toxic Substance Control Act, as amended, 15 U.S.C.A. Sec. 2601 et seq.; Grantor's Tariffs; the Solid Waste Disposal Act, Chapter 361 of the Health and Safety Code of Texas; or any other legal (statutory, caselaw or regulatory) requirement. This Section 4.05 does not prohibit Max Midstream or any sublessee from possessing, using and storing any substances or materials that are necessary or desirable in connection with operation of a crude oil and condensate analysis laboratory, which is a Permitted Use of the Leased Premises, but only so long as that possession, use or storage complies with all Legal Requirements and the provisions of this Lease, including, but not limited to, meeting and/or exceeding the minimum standards of the National Fire Protection Association.

Section 4.06. Notification of Potential Liability Triggering Event. Promptly, and in any event not later than two (2) business days following receipt thereof, Max Midstream shall notify and provide Port with all copies of written notices, demands, lawsuits, or other correspondence from any federal, state or local governmental agency or private party relating to Max Midstream's operations on or use of the Leased Premises including, but not limited to, the following:

- (a) The violation of any federal, state, or local statute or regulation;
- (b) The loss, revocation or suspension of any operating permit;
- (c) Any enforcement action undertaken by any federal, state or local governmental agency, or any private party; or
- (d) The institution of any lawsuit by any governmental entity or any private party.

Section 4.07. Consequences of Max Midstream's Violation of Environmental Legal Requirements. In the event Max Midstream's violation of environmental Legal Requirements expose Port to fines or penalties as the owner of the Leased Premises, Max Midstream shall provide the defense of the Port with respect to such fines and penalties under the appropriate regulatory, administrative, or judicial procedures, and will pay and hold the Port harmless of and from, and indemnify the Port with respect to, any such fines or penalties timely and promptly after

completion of any such defensive or mitigative proceedings, including appeals, if any, and including all of Port's costs and expenses in connection therewith, including reasonable attorney's fees and dispute costs. In the event of Max Midstream's unreasonably repeated conviction or adjudication of the same violation of environmental Legal Requirements within any twelve-month period, upon Final Adjudications of such convictions Port may re-open negotiations regarding the Term and additional consideration to be paid under this Lease. In the event the Parties are unsuccessful in renegotiating the Terms and additional consideration, then in such event Port shall have the right to terminate this Lease.

Section 4.08. ENVIRONMENTAL CLAUSE. IT IS EXPRESSLY AGREED AND UNDERSTOOD THAT MAX MIDSTREAM SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE PORT, ITS EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, AND BOARD MEMBERS, FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES, ENFORCEMENT ACTIONS, OR PENALTIES, AND INCLUDING ALL OF PORT'S COSTS AND EXPENSES IN CONNECTION THEREWITH, INCLUDING REASONABLE ATTORNEY'S FEES AND DISPUTE COSTS, WHETHER KNOWN OR UNKNOWN AS OF THE EFFECTIVE DATE, ARISING OUT OF:

(A) THE PRESENCE, TRANSPORTATION, USE, MANUFACTURE, HANDLING, CREATION, STORAGE, TREATMENT, DISCHARGE, OR RELEASE OF ANY HAZARDOUS SUBSTANCE, HAZARDOUS MATERIAL, TOXIC SUBSTANCE, OR SOLID WASTE AS SUCH TERMS ARE DEFINED IN CERCLA (42 U.S.C.A. 9601, ET SEQ.), THE SOLID WASTE DISPOSAL ACT, AS AMENDED BY THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C.A. 6901, ET SEQ.), AND THE TOXIC SUBSTANCES CONTROL ACT (15 U.S.C.A. 2601, ET SEQ.) (HEREINAFTER COLLECTIVELY REFERRED TO AS "HAZARDOUS SUBSTANCE"), TO, ON, IN OR FROM THE LEASED PREMISES AS OF AND SUBSEQUENT TO THE EFFECTIVE DATE OF THIS LEASE;

(B) THE PLACEMENT, TRANSPORTATION, USE, MANUFACTURE, HANDLING, CREATION, STORAGE, TREATMENT, DISCHARGE, OR RELEASE OF ANY HAZARDOUS SUBSTANCE TO, ON OR FROM THE LEASED PREMISES BY MAX MIDSTREAM AFTER THE EFFECTIVE DATE OF THIS LEASE; AND

(C) ANY VIOLATION OF ANY FEDERAL, STATE, OR LOCAL ENVIRONMENTAL LAW, ORDINANCE OR REGULATION RELATING TO MAX MIDSTREAM'S USE OF OR OPERATIONS UPON OR FROM THE LEASED PREMISES.

MAX MIDSTREAM SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES WITH RESPECT TO THE FOREGOING INDEMNITY.

Section 4.09. Environmental Liens. Max Midstream shall promptly notify the Port as to any liens threatened or purportedly attached against the Leased Premises pursuant to any environmental law. In the event that an environmental lien or claim of lien is filed against the Leased Premises, Max Midstream shall, within 30 days from the date on which the lien or claim of lien is placed against

the property, or before the date on which any governmental authority commences proceedings to sell the Leased Premises pursuant to a lien, either: (a) pay the claim and remove the lien or claim of lien from the Leased Premises; or (b) furnish either (i) a bond satisfactory to the Port in the amount of the claim on which the lien or claim of lien is based or (ii) other security satisfactory to the Port in an amount sufficient to discharge the claim on which the lien is based.

Section 4.10. Max Midstream TAKES "AS IS". MAX MIDSTREAM HAS INSPECTED THE CONDITION OF THE SUBJECT PROPERTY AND ACCEPTS SAME "AS IS" AND IN ITS EXISTING CONDITION. MAX MIDSTREAM IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF PORT REGARDING ANY ASPECT OF THE LEASED PREMISES, BUT IS RELYING SOLELY ON MAX MIDSTREAM'S OWN INSPECTION OF OR OPPORTUNITY TO INSPECT THE LEASED PREMISES. THE PORT MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OR THE FITNESS FOR ANY PARTICULAR PURPOSE OR GENERAL USE OF THE LEASED PREMISES, INCLUDING BUT NOT LIMITED TO THE LEASED PREMISES' SUITABILITY FOR MAX MIDSTREAM'S NEEDS OR ANTICIPATED USE UNDER THIS LEASE. THE PORT SHALL NOT BE RESPONSIBLE FOR AND MAX MIDSTREAM ABSOLVES THE PORT FROM ANY LIABILITY WHATSOEVER FOR ANY LATENT DEFECTS, GRADUAL DETERIORATION OR LOSS OF SERVICE OR USE OF THE LEASED PREMISES OR ANY PORTION THEREOF. THE PORT SHALL NOT BE LIABLE TO MAX MIDSTREAM OR TO ANYONE ELSE FOR ANY LIABILITY, INJURY, CLAIM, LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF THE LEASED PREMISES OR ANY PORTION THEREOF, ANY INTERRUPTION OF USE OR LOSS OF USE OF THE LEASED PREMISES, MAX MIDSTREAM'S PROPERTY OR ANY PORTION THEREOF OR ANY LOSS OF BUSINESS OR OTHER CONSEQUENCE OR DAMAGE, RESULTING DIRECTLY OR INDIRECTLY FROM ANY OF THE FOREGOING. THE PORT SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES WITH RESPECT TO THE LEASED PREMISES AS TO MAX MIDSTREAM OR ANY OTHER PERSON OR PARTY.

ARTICLE 5

Consideration

Section 5.01. Consideration. The Port has determined following reasonable investigation and inquiry that the consideration for this Lease is at least equal to or more than the monetary rental income the Port would receive from Max Midstream under its usual and customary land rental rate by the non-monetary obligation of Max Midstream to construct and maintain an Office Building as provided herein, including the payment of all utilities and insurance, and the obligation to allow the Port to have exclusive use and possession of a minimum of 3,950 square feet of the Office Building for its own purposes for the rental rate of one dollar (\$1.00) per year to be paid by Port, paid in full for the Initial Term at the time of execution of this Lease. An administrative fee of \$3,500.00 shall be due and payable from Max Midstream at the time of execution of this Lease, should the costs related to the preparation of this Lease exceed the \$3,500.00 then Max Midstream shall reimburse the Port within thirty (30) days of Max Midstream's receipt of an invoice therefor..

Section 5.02. Amount of Consideration for Renewal Term. The consideration for any Renewal Term shall be under the same terms and conditions of this Lease, in that Max Midstream must then continue to provide Port with the exclusive use and possession of a minimum of 3,950 square feet of office space for the rental rate of one dollar (\$1.00) per year during a Renewal Term.

Section 5.03. Place of Payment. Any payments due hereunder shall be paid to Port at its address for notice hereunder or to such other person or at such other address in Calhoun County, Texas, as Port may from time to time designate in writing not less than thirty (30) days prior to the date such payment is due.

Section 5.04. Delinquent Payments. Any payments due hereunder not paid within thirty (30) days of invoicing, shall bear interest at ten percent (10%) per annum from the date due until the date paid. In no event, however, shall the charges permitted under this Section or elsewhere in this Lease, to the extent any or all of the same are considered to be interest under applicable law, exceed the maximum rate of interest allowable under applicable law.

Section 5.05. Charges. Max Midstream shall comply with and shall pay all Charges (as defined above) during the Term of this Lease.

Section 5.06. Max Midstream to Control Charges. Port shall, to the maximum extent permitted by law, permit Max Midstream to pay directly to the relevant taxing or other authorities or third parties all Charges due under Section 5.05, if Max Midstream so requests in writing. The Port agrees to promptly provide the necessary written authorization if required. Whichever Party pays such Charges shall promptly provide the other Party with written proof of payment of such Charges upon request; however, the paying Party shall not be responsible for delays by an agency to which such Charge is paid in providing proof of payment or in processing the payment.

a. Max Midstream may, at Max Midstream's expense and in Max Midstream's or Port's name, in good faith contest any Charges (and Port shall reasonably cooperate in any such contest) and, in the event of any such contest, may permit such charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Port shall notify Max Midstream in writing that, in the reasonable opinion of Port, by nonpayment of any such Charges the interest of Port in the Lease will be materially endangered or any part thereof will be subject to loss or forfeiture, in which event Max Midstream shall promptly pay any such Charges reserving Max Midstream's right to appeal the same, and give contemporaneous written notice to the Port of such payment.

b. Max Midstream agrees to conduct any such contest or appeal in a reasonable manner and further agrees that it will not enter into any settlement or compromise that would obligate Port to make any payment or to take or refrain from taking any action, other than ministerial acts, without the prior written consent of the Port.

c. All rebates, refunds or other return of Charges shall be paid directly to Max Midstream, or if received by the Port, shall be promptly paid over to Max Midstream.

ARTICLE 6

Construction, Ownership and Operation of Facilities

Section 6.01. Title to Facilities. All improvements constructed on the Leased Premises by or on behalf of Max Midstream as part of its Facilities shall initially be the property of Max Midstream. At the expiration or earlier termination of the Term of this Lease, the Port may elect to require Max Midstream to remove its Facilities from the Leased Premises by providing Max Midstream written notice thereof on or before one hundred and eighty (180) days after the date of expiration or earlier termination. If so required by Port, Max Midstream shall, at Max Midstream's sole expense, be required to restore the Leased Premises to a reasonably unimproved condition, excluding any improvements existing on the date of this Lease or subsequently installed by the Port for the use of the Port and/or the Port's contractors or other tenants (for example, pipelines for delivery of natural gas to Port) within one hundred and eighty (180) days of receipt of written notice thereof from Port. Max Midstream shall be required to leave the Office Building constructed on the Leased Premises, unless the Port requests that the Office Building be removed. Max Midstream shall always be entitled to remove (i) all of its own contents and fixtures contained in the Office Building, including without limitation all equipment and materials associated with the laboratory, and (ii) the vapor destruction unit. If Max Midstream fails to remove its Facilities, or any portion thereof, as required herein, then, within ninety (90) days of the end of such one hundred and eighty (180) day period, at Port's election (i) Max Midstream's rights, title and interest in and to such Facilities, or portion thereof, shall be vested in Port without the necessity of executing any conveyance instruments, or (ii) Port shall be entitled to remove and dispose of such Facilities, or portion thereof, in a commercially reasonable manner, at Max Midstream's cost, expense and liability, and Max Midstream shall timely pay the Port such amount. Notwithstanding anything to the contrary in this Section 6.01, Max Midstream shall not be obligated to remove (or pay for the removal of) any (i) underground pipelines located under the Leased Premises, (ii) sheet pilings, (iii) roads and road culverts, (iv) any parking lot, or (v) below grade improvements, provided that such pipelines are plugged and abandoned in compliance with applicable law and in accordance with prudent industry standards.

Anything to the contrary in this Section 6.01 notwithstanding, the Parties understand and agree that any improvements made by the Port ("Port's Improvements") shall belong exclusively to the Port and shall not be considered part of Max Midstream's Facilities. The Port understands and agrees that Max Midstream shall have no responsibility or liability hereunder for the maintenance, repairs and abandonment of the Port's Improvements and that the Port's Improvements cannot be connected to or disconnected from Max Midstream's Facilities or placed on the Leased Premises without the prior written consent of Max Midstream, which consent shall not be unreasonably withheld.

Section 6.02. Permits. Max Midstream shall obtain and maintain in effect at all times during the Term all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of its Facilities and Max Midstream's use and occupancy of and operations at the Leased Premises.

Section 6.03. Repair and Maintenance. Max Midstream shall maintain the Leased Premises at all times during the Term in a good, clean, safe and well-kept condition, and will not commit or allow to remain any waste or damage to any portion of the Leased Premises.

Section 6.04. Laborers and Mechanics. Max Midstream shall timely pay for all labor and services performed for, materials used by or furnished to Max Midstream, or used by or furnished to any contractor or subcontractor employed by Max Midstream, with respect to the Leased Premises and hold Port and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by Max Midstream for unpaid labor or materials. If Max Midstream elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with the above, Max Midstream agrees to include Port as an additional obligee thereunder.

Section 6.05. Possession by Port. The Port shall have the exclusive use and possession to a minimum of 3,950 square feet of the Office Building. Port shall be responsible for janitorial services and security to its portion of the Office Building, and Max Midstream shall be responsible for all maintenance and utilities to the entire Office Building, including the portion occupied by the Port. Port shall be allowed to place any signage on the Office Building, subject to Max Midstream's approval which shall not be unreasonably withheld. Port shall have the right, but not the obligation, to remodel, reconfigure or make non-structural modifications to its portion of the Office Building at any time, without the consent of Max Midstream.

ARTICLE 7

Fencing and Utilities

Section 7.01. Fencing and Utilities. Max Midstream, at its sole cost and expense, shall provide for appropriate fencing as approved in advance by Port for the Leased Premises. Max Midstream shall, at its sole cost and expense, provide for whatever additional services and utilities it may desire, including but not limited to water, both potable and nonpotable, fire water, gas, electricity, telephone, sewage treatment, waste water collection and drainage, garbage collection and any other utilities or similar services used in or on the Leased Premises. As further consideration under this Lease Max Midstream will provide at its sole expense, all of the utilities for the Port's use of the Office Building. Port will provide its own janitorial service to its portion of the Office Building. Max Midstream shall be responsible for all costs and charges in connection therewith required of it under this Lease and agrees to pay the same promptly as such charges accrue, and to protect, indemnify and hold Port harmless from and against any and all liability for any such costs or charges. To the extent Port provides any such services to the Leased Premises or pays the cost for any such services, Max Midstream shall pay to Port the cost of such services within thirty (30) days of Max Midstream's receipt of an invoice therefor.

ARTICLE 8

Emergencies

Section 8.01. Emergencies on Facilities or Leased Premises. If any emergency occurs in the operation, maintenance and use of the Facilities or the Leased Premises, involving imminent and material harm or potential harm to persons, property or the environment, Max Midstream shall immediately give notice to the Port Director of the Port, any applicable federal, state or local authorities and their regulatory agents having jurisdiction, and fully and promptly comply with all legal directives from any relevant authorities having jurisdiction to safely resolve the emergency and minimize hazards to persons, property or the environment. The Port shall have not any access to any meters, valves, controls or other parts of the Facilities, other than for non-contact inspection,

except in the event of an emergency involving imminent material harm to persons, property or the environment. The parties shall enter into a separate mutual aid agreement for incident response.

Section 8.02. Emergencies on Port Facilities. If any emergency occurs in the operation, maintenance and use of the Port or any facilities (other than the Facilities or Leased Premises), involving imminent harm to persons, property or the environment, the Port shall immediately give notice to the Max Midstream and Max Midstream shall conform its use and operations of the Leased Premises in the manner reasonably required by the Port with respect to the emergency.

ARTICLE 9

Assignment, Sublease, Mortgage and Sale; Encumbrances

Section 9.01. Assignment by the Port. The Port shall not assign its obligations under this Lease, and no purported assignment thereof shall be effective; provided, however, that such prohibition shall not apply to any legislatively created successor of the Port or to any merger of the Port with any other political subdivision of the State of Texas.

Section 9.02. Assignment, Sublease, Mortgage or Sale by Max Midstream.

- a. Except as provided by this Section 9.02, this Lease may not be assigned, subleased, mortgaged or sold by Max Midstream without the prior written consent of the Port.
- b. The provisions of Section 9.02(a) to the contrary notwithstanding, Max Midstream may freely assign this Lease, or sublease the Leased Premises, in whole or in part, to: (i) any successor in interest to Max Midstream by statutory merger, (ii) any corporation, partnership, limited liability company or other legal entity, which is a direct or indirect subsidiary of, or which is otherwise ultimately controlled by, Max Midstream or under control of the same entity as Max Midstream; provided, however, any such assignment or sublease of this Lease shall not relieve Max Midstream from liability under this Lease.
- c. The provisions of Section 9.02(a) to the contrary notwithstanding, Max Midstream may freely sublease the Leased Premises, in whole or in part, only to: any person contracted from time to time by Max Midstream to provide crude oil and condensate laboratory services to Max Midstream; provided, however, any such assignment or sublease of this Lease shall not relieve Max Midstream from liability under this Lease.
- d. The provisions of Section 9.02(a) to the contrary notwithstanding, Max Midstream shall be entitled to pledge the Leased Premises and/or Facilities, or any portion thereof, and its rights hereunder in the Lease as collateral for financing but at all times subject to the Port's rights, options and authority under this Lease. Max Midstream shall give notice of its intent to create such lien to the Port not less than thirty (30) days in advance.

ARTICLE 10

Access

Section 10.01. Access by Port. The Port Group shall have the right (and the Port, on behalf of the Port Group, hereby reserves the right), at the sole risk and expense of the Port, to enter the Leased Premises during reasonable business hours and upon prior reasonable notice to Max Midstream:

(a) to inspect the Leased Premises, which shall not include any contact with the meters, valves, computers or other equipment within Max Midstream's Facilities, (b) to show the Leased Premises to prospective purchasers or tenants after Max Midstream has given notice of its intention to terminate, subject to the prospective purchasers or tenants signing non-disclosure agreements acceptable to Max Midstream, (c) to determine, without contact with Max Midstream's equipment unless Max Midstream has given permission and has a representative present, whether Max Midstream is performing its obligations hereunder and, if it is not and after Max Midstream has failed to respond to not less than thirty (30) days prior written notice, to perform same at Port's option or (d) for any other reasonable purpose. In an emergency involving imminent material harm to persons, property or to the environment, the Port Group may use any means to open any door or gate into or within the Leased Premises, without any liability therefor to the extent the Port Group is acting as a first responder or emergency service provider as defined by the laws of the State of Texas or of the United States federal government, but nothing herein shall be deemed to absolve the Port Group from any responsibility or liability for any action directly resulting in the release of hydrocarbons from Facilities with respect to its access under this Section 10.01 but not otherwise. Nothing herein restricts the Port and all of its respective officers, directors, commissioners, and their successors in office, employees, attorneys, designees, representatives, tenants, contractors, subcontractors, invitees, licensees and agents from entering the Port's portion of the Office Building at any time.

ARTICLE 11

Insurance

Section 11.01. Insurance. Max Midstream shall procure and maintain continuously in effect with respect to the Lease, commercial general liability insurance for injuries to or death of any persons or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Leased Premises or any part thereof, providing coverage with a combined single limit of \$10,000,000 for injuries to or death of persons or damage to property per occurrence, or in such other greater amounts and with such other coverages as shall at the time be in accordance with general industry practice for similar facilities and operations of the type and scope of this Lease. The minimum insurance limits required under this Section 11.01 may be satisfied by a combination of primary and excess insurance. In the event of a dispute between the Port and Max Midstream as to general industry practice for insurance coverages, the matter may be referred by either Party to an independent insurance broker with expertise in industrial insurance for such broker's independent determination of the prudent insurance requirements for such facilities and such determination shall be final and binding on the parties hereto for a period of five years. All such policies of insurance shall designate the Port as an additional insured. Max Midstream shall furnish to Port a certificate of insurance designating the Port as an additional insured within thirty (30) days of the date of execution hereof, and upon request by the Port provide it with a copy of Max Midstream's insurance policies, including endorsements, required herein. In the event Max Midstream changes policies, a new certificate of insurance designating the Port as an additional insured shall be furnished to the Port within thirty (30) days. All such policies of insurance shall designate the Port as an additional insured. Max Midstream shall also keep and maintain a pollution policy in the minimum amount of \$10,000,000.00 naming the Port as an additional insured.

Section 11.02. Self Insurance. Max Midstream may at any time during the term of the Lease substitute self-insurance for any insurance coverage required by the terms of this Agreement, to be provided by Max Midstream or any affiliate of Max Midstream provided, however, that Max

Midstream or the relevant affiliate can provide to the Port filings with the Securities and Exchange Commission or other audited financial statements demonstrating that Max Midstream or the relevant affiliate had as of the end of its most recent fiscal year a consolidated net worth of at least Five Hundred Million Dollars (\$500,000,000).

ARTICLE 12 INDEMNITY

1. Definitions for purposes of this Article 12.

- a. **Port Parties:** The Port, its successors and assigns, and all of its respective officers, directors, commissioners, and their successors in office, employees, attorneys, designees, representatives, tenants, contractors, subcontractors, invitees, licensees and agents.
- b. **Max Midstream Parties:** Max Midstream, its officers, directors, employees, subcontractors, suppliers, invitees, licensees, and agents.
- c. **Claims:** Losses, expenses, liens, claims, demands, damages and causes of action of every kind and character whatsoever for damage to the property of Port Parties, personal injury to any person including Port Parties, other liability, damages, fines or penalties (except where reimbursement prohibited by law), including costs, expenses not otherwise taxable as court costs, penalties, and interest, attorney fees, and settlement.

MAX MIDSTREAM HEREBY AGREES TO DEFEND, INDEMNIFY, AND SAVES HARMLESS THE PORT PARTIES FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE PERFORMANCE OR FAILURE TO PERFORM THE COVENANTS OF MAX MIDSTREAM UNDER THIS AGREEMENT. THIS INDEMNITY SHALL INCLUDE CLAIMS ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART BY MAX MIDSTREAM PARTIES, AND MAX MIDSTREAM EXPRESSLY AGREES TO ASSUME THE RISK OF ALL CLAIMS AND MAX MIDSTREAM AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD PORT PARTIES HARMLESS FROM ALL CLAIMS, INCLUDING BUT NOT LIMITED TO CLAIMS IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY MAX MIDSTREAM PARTIES' WILFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT OR BREACH OF WARRANTY, EXPRESSED OR IMPLIED.

THE FOREGOING INDEMNIFICATION SHALL NOT BE APPLICABLE TOWARD OR ENFORCEABLE IN FAVOR OF ANY INDIVIDUAL PORT PARTY FOR A PARTICULAR CLAIM, INsofar AS THAT PARTICULAR CLAIM IS ADJUDICATED BY A COURT OF COMPETENT JURISDICTION, TO RESULT EXCLUSIVELY FROM THE GROSS NEGLIGENCE OR WILLFUL CONDUCT OF THAT PORT PARTY SEEKING TO ENFORCE THE INDEMNIFICATION.

THE PORT AND MAX MIDSTREAM ACKNOWLEDGE THAT THIS STATEMENT AND THE FOREGOING INDEMNIFICATION UNDER THIS ARTICLE COMPLIES

WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS AND HAS BEEN REVIEWED AND APPROVED BY EACH PARTIES' OWN RESPECTIVE INDEPENDENT LEGAL COUNSEL. THE INDEMNIFICATION ARISING HEREIN SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AS TO CLAIMS ACCRUING PRIOR TO THE TERMINATION OF THIS AGREEMENT.

2. The Port's Exculpation. The Port shall have no responsibility or liability to Max Midstream, or to Max Midstream's officers, directors, shareholders, partners, employees, agents, contractors, subcontractors or invitees, for bodily injury, death, property damage, business interruption, loss of profits, loss of trade secrets or other direct or consequential damages occasioned by (a) Force Majeure, (b) vandalism, theft, burglary and other criminal acts (other than those committed by the Port and its employees), or (c) the condition, repair, replacement, maintenance, damage or destruction of the Leased Premises.

ARTICLE 13

Casualty Loss

Section 13.01. Obligation to Restore. If all or any part of Facilities located on (or constituting a part of) the Leased Premises are destroyed or damaged by any casualty covered by Max Midstream's insurance during the Term, Max Midstream shall 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 upon receipt of funds from Max Midstream's insurer. Max Midstream will perform such restoration with at least as good workmanship and quality as the portion of Facilities being restored, and in compliance with the provisions of Article 6 hereof. Notwithstanding the provisions of this Section 13.01 to the contrary, if Max Midstream determines in good faith reasonably exercised that it would be uneconomic to restore Facilities, or the affected portion thereof (and the Parties shall meet to discuss such determination within ninety (90) days after the date the casualty occurred), then Max Midstream shall not be obligated to restore the affected portion of Facilities. If all of Facilities, or such a substantial portion of Facilities that Max Midstream determines it cannot continue its operations on the Leased Premises, is lost or destroyed by the casualty, and Max Midstream elects not to restore the same as provided herein, the Parties agree that this Lease shall terminate as of the date Facilities is removed and the Leased Premises is restored in accordance with Section 6.01 (including any notice provisions).

Section 13.02. Notice of Damage. Max Midstream shall immediately notify Port of any material destruction of or damage to Facilities or to the Leased Premises.

ARTICLE 14

Covenant of Quiet Enjoyment

Section 14.01. Covenant of Quiet Enjoyment. Port covenants that Max Midstream, on paying the Lease Payments and other payments required under this Lease, and on observing and performing all the other terms and conditions in this Lease to be performed or observed by Max Midstream, shall, during the term of this Lease, peaceably and quietly have, hold and enjoy the Leased Premises, without disturbance from any person whatsoever, subject to the terms, covenants, conditions and provisions and agreements of and in this Lease, subject to all rights of

persons holding an interest in the real property underlying the Leased Premises and subject to the Port's exclusive use and possession to a portion of the Office Building located on the Leased Premises.

Section 14.02. Rights of Port. Nothing herein contained shall prevent Port from granting to other persons, firms or corporations, easements to cross the Leased Premises so long as such other easements do not interfere with the rights granted to Max Midstream and Max Midstream's agents, or with the Permitted Use of the Leased Premises. Port shall notify Max Midstream at least thirty (30) days in advance of construction of any easement granted by Port along or crossing the Leased Premises.

ARTICLE 15

Default

Section 15.01. Events of Default. An occurrence of any one or more of the following events shall constitute an event of default hereunder (an "Event of Default"):

- a. Max Midstream fails to observe or perform any covenant, condition or agreement on its part to be observed or performed hereunder (including the payment of any Charges), for a period of thirty (30) days after Max Midstream's receipt of written notice from the Port specifying such failure; provided, however, that if such observance or performance requires work to be done, actions to be taken or conditions to be remedied, which by their nature cannot reasonably be accomplished within such thirty (30) day period, if Max Midstream shall commence such observance or performance within such period and shall be proceeding diligently with respect thereto then the fact that the same shall not have been corrected during such period shall not constitute an Event of Default; or
- b. The discovery by the Port that any statement, representation or warranty made by Max Midstream in this Lease is false, misleading or erroneous in any material respect; or,
- c. Failure to construct and/or complete for occupancy the Office Building on or before January 1, 2021.

Section 15.02. Remedies. Upon the occurrence of an Event of Default and following written notice of such default to Max Midstream, the Port may, without further demand or notice, with or without terminating this Lease, reenter and take possession of the Leased Premises and exclude Max Midstream therefrom; provided, however, that if this Lease has not been terminated, the Port shall return possession of the Leased Premises to Max Midstream when the Event of Default is cured, and provided further that Max Midstream shall continue to be responsible for any Charges due under this Lease.

Section 15.03. No Waiver; No Implied Surrender. Provisions of this Lease may not be waived orally or impliedly, but only by the Party entitled to the benefit of the provision evidencing the waiver in writing. No waiver of any breach by a Party shall constitute a waiver of any subsequent breach.

ARTICLE 16

Right of Reentry

Section 16.01. Reentry. Upon the expiration or termination of the Term for whatever cause, Max Midstream shall immediately, quietly and peaceably surrender to Port possession of the Leased Premises in the condition and state of repair required under the Lease. If Max Midstream fails to surrender possession as herein required, Port may initiate any and all legal action as Port may elect to dispossess Max Midstream and all persons or firms claiming by, through or under Max Midstream and all of their property from the Leased Premises, and may remove from the Leased Premises and store (without any liability for loss, theft, damage or destruction thereto) any such removable property at Max Midstream's cost and expense. If Max Midstream fails to surrender possession of the Leased Premises in the condition herein required, Port may, at Max Midstream's expense, restore the Leased Premises to such condition.

ARTICLE 17

Miscellaneous

Section 17.01. Applicable Law and Venue. This Lease shall be governed by, construed and shall be enforceable exclusively in accordance with the laws of the State of Texas without giving effect to the principles of conflict of laws that would lead to the application of the laws of any jurisdiction other than the State of Texas and, where applicable, federal law. Venue for any action brought hereunder shall lie exclusively in the State District Courts of Calhoun County, Texas.

Section 17.02. Signs. Except as required by law or regulation of governmental authorities having jurisdiction or as needed, in Max Midstream's opinion, for the safe operation of Max Midstream's Facilities, Max Midstream shall not install any signs, placards or other advertising or identifying marks upon the Leased Premises or upon the exterior of Facilities without the prior written consent of Port, which shall not be unreasonably withheld. Max Midstream agrees to remove promptly and to the satisfaction of Port (at Max Midstream's sole cost and expense) upon the expiration or earlier termination of the Term any and all such signs, placards or other advertising or identifying marks.

Section 17.03. Relation of the Parties. It is the intention of the Parties to create hereby the relationship of lessor and lessee, and no other relation is hereby created. Nothing in this Lease shall be construed to make the Parties partners or joint venturers or to render either party liable for any obligation of the other.

Section 17.04. Public Disclosure. Port is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Open Records Act (Texas Government Code Chapters 551 and 552), and as such Port is required to disclose to the public (upon request) this Lease and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Max Midstream agrees that the disclosure of this Lease or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Port as required by the Texas Open Meetings Act, Texas Open Records Act, or any other Legal Requirement will not expose Port (or any party acting by, through or under Port) to any claim, liability or action by Max Midstream. The Port shall, to the extent legally possible, treat any trade secrets or confidential information disclosed and identified by Max Midstream as confidential commercial information.

Section 17.05. Notices and Billing Address. All notices and communications given in connection with this Lease shall be addressed to the other Party at its address as set forth below and (i) delivered by hand or by reputable courier or overnight courier service or overnight mail to the intended recipient's address for service as set forth below, (ii) sent by direct facsimile telecommunication to such Party at its fax number as set forth below (with receipt confirmed), or (iii) sent by email to such Party at its email address as set forth below (with receipt confirmed). Any notice so given shall be deemed to have been given and received on the first Business Day on which it is presented during normal business hours at the address for service of the addressee thereof, or, in the case of a direct facsimile telecommunication or email communication, on the day on which it is transmitted if transmitted prior to or during normal business hours of the recipient on a Business Day, or on the first Business Day following the day on which it is transmitted if transmitted otherwise. A Party may change its address of service by giving not less than five (5) Business Days written notice thereof to the other Party.

- (a) Port shall be:
Calhoun Port Authority
P. O. Box 397
Point Comfort, Texas 77978
Or
2313 FM 1593 South
Port Comfort, Texas 77978
Attention: Port Director
Phone: 361.987.2813
Email: crh@calhounport.com
Facsimile: 361.987.2189

and

- (b) Max Midstream Texas, LLC
1800 Post Oak Boulevard
6 BLVD Place, Suite 450
Houston, Texas 77056.
Attention: Todd Edwards, President
Phone: 281.909.4034
Email: todd.edwards@maxmidstream.com

Section 17.06. Entire Agreement, Amendment and Binding Effect. This Lease, together with the exhibits attached hereto, contain the final and entire agreement regarding the subject matter hereof between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Lease shall be deemed to exist or to bind the parties hereto. This Lease may be amended from time to time by the Port and Max Midstream only by written agreement between the Parties.

Section 17.07. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any of the other provisions hereof.

Section 17.08. Construction. Unless the context of this Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the term "includes" or "including" shall mean "including without limitation"; (d) the word "or" has the inclusive meaning represented by the phrase "and/or"; and (e) the words "hereof" or "herein" refer to this entire Lease and not merely the Section or Article number in which such words appear. Article and Section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated article or section of this Lease.

Section 17.09. No Personal Liability or Accountability. No covenant, condition or agreement contained in this Lease shall be deemed to be the covenant, condition or agreement of any past, present or future officer, commissioner, agent or employee of the Port or Max Midstream, in his or her individual capacity, and neither the officers, agents or employees of the Port, Max Midstream nor any official executing this Lease shall be liable personally on this Lease or be subject to any personal liability or accountability by reason of any transaction or activity relating to this Lease.

Section 17.10. Dispute Expenses, Waiver of Consequential and Punitive Damages and Attorneys' Fees. If any controversy, claim, or dispute arises relating to this Lease or its breach, the prevailing Party shall be entitled to recover from the other Party reasonable expenses, attorneys' fees, and costs; provided, however, that the Parties hereto waive any and all rights, claims or causes of action arising under this Lease for incidental, consequential, exemplary or punitive damages.

Section 17.11. Force Majeure. Port and Max Midstream shall be entitled to rely upon Force Majeure as an excuse for timely performance hereunder only as expressly provided herein and shall not be entitled to rely upon Force Majeure as an excuse for timely performance unless the party seeking to rely on Force Majeure (a) uses its best efforts to overcome the effects of the event of Force Majeure, (b) gives written notice to the other party within 5 days after the occurrence of the event describing with reasonable particularity the nature thereof or as soon thereafter as reasonable communications will permit, (c) commences performance of its obligation hereunder immediately upon the cessation of the event or restoration of use of the Leased Premises, and (d) gives written notice to the other party within 5 days after the cessation of the event advising the other party of the date upon which the event ceased to constitute an event of Force Majeure.

Section 17.12. Interpretation. Both Port and Max Midstream and their respective legal counsel have reviewed and have participated in the preparation of this Lease. Accordingly, no presumption will apply in favor of or adversely to either Port or Max Midstream in the interpretation of this Lease or in the resolution of the ambiguity of any provision hereof.

Section 17.13. Multiple Counterparts. This Lease may be executed and delivered in two or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 17.14. Entire Agreement. This Lease, and the anticipated Supplemental Lease Agreement setting forth the legal description for the Leased Premises, contains the final and entire

Lease regarding the subject matter hereof between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Lease shall be deemed to exist or to bind the parties hereto.

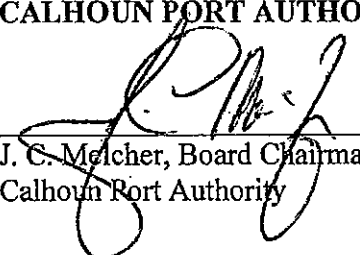
Section 17.15. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Port shall be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or a course of dealing, but any such right or power may be exercised from time to time and as often as may be deemed appropriate by the party exercising it.

Section 17.16. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder, and shall not be construed to be an implied term hereof or a course of dealing between the parties.

[Signatures follow on the next page]

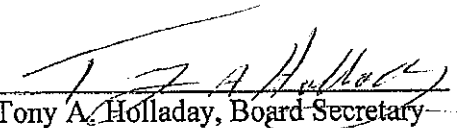
EXECUTED this 1st day of June and effective on June 1, 2020.

CALHOUN PORT AUTHORITY:



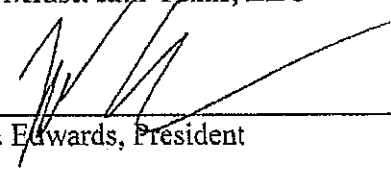
J. C. Melcher, Board Chairman
Calhoun Port Authority

ATTEST:



Tony A. Holladay, Board Secretary
Calhoun Port Authority

Max Midstream Texas, LLC

By: 

Todd Edwards, President

STATE OF TEXAS

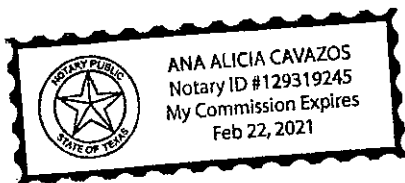
§

COUNTY OF CALHOUN

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§

This instrument was acknowledged before me on the 16th day of July, 2020 by
J.C. Melcher Board Chair of the Calhoun Port Authority.



Ana Alicia Cavares
Notary Public in and for the State of Texas

STATE OF _____

§

COUNTY OF _____

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§

This instrument was acknowledged before me on the _____ day of _____, 2020,
by Todd Edwards, President of Max Midstream Texas, LLC.

Notary Public in and for the State of Texas

605-122)

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "Lease") is entered as of April 13, 2011 (the "Effective Date") between Calhoun Port Authority, a body politic and a governmental subdivision of the State of Texas (hereinafter referred to as "Port"), and Hawk Field Services, LLC, an Oklahoma limited liability company authorized to do business in the State of Texas (hereinafter referred to as "Hawk", and together with Port, the "Parties" and each a "Party").

RECITALS

WHEREAS, Hawk desires to lease a portion of land owned by Port, such land being more fully described in Exhibit "A", which is attached hereto and incorporated herein for any and all purposes; and

WHEREAS, Port intends to lease to Hawk 10.68 acres of land for the purpose of operating a petroleum condensate storage and multi-modal distribution on the Port's property described in Exhibit "A" ("Condensate Terminal"); and

WHEREAS, the Port has determined that this lease to Hawk is authorized by law and constitutes a valid public use; and

WHEREAS, the parties desire to set forth the terms and conditions under which Hawk will lease Port's property from Port;

NOW, THEREFORE, the Parties hereto, in consideration of the premises and covenants herein set forth, and for other good and valuable consideration, receipt of which is hereby acknowledged, each intending to be legally bound, agree as follows:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

AGREEMENTS

In consideration of the mutual agreements herein set forth, Port and Hawk agree as follows:

Article 1. Definitions. As used in this Lease, the following terms (in addition to the terms defined elsewhere herein), and whether singular or plural thereof, shall have the following meanings when used herein with initial capital letters:

"Award" shall mean any payment or other compensation received or receivable from or on behalf of any governmental authority or any person or entity vested with the power of eminent domain for or as a consequence of any Taking.

"Business Day" shall mean a day other than Saturday, Sunday or legal holiday recognized in Port's Tariffs.

"Conditions Precedent" shall mean:

- (a) Receipt of all approvals required by relevant regulatory agencies, including the Texas Commission on Environmental Quality and United States Coast Guard relating to the Condensate Terminal;
- (b) Receipt of approval of all modifications to Port's operating permits, including spill protection and prevention plan, stormwater discharge plan, and emissions to air required by relevant regulatory agencies;
- (c) Receipt of Port's approval to changes in environmental, health and safety procedures relating to the Condensate Terminal;
- (d) Receipt by Hawk of Port's most recent environmental assessment of the Leased Premises; and
- (e) Performance of such environmental assessments and tests prepared by qualified experts selected by Hawk showing no conditions unacceptable to Hawk, in Hawk's sole discretion.

"Event of Default" shall have the meaning set forth in Section 16.01 hereof.

"Fiscal Year" shall mean the twelve month period beginning July 1st of any given year and ending June 30th of the following year.

"Force Majeure" shall mean:

- (a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of a public enemy, wars, blockades, insurrections, riots or civil disturbances, including but not limited to interruption of navigation, acts of terrorism, or other disruption of normal business conditions;
- (b) labor disputes, strikes, work slowdowns, or work stoppages;
- (c) orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the Party relying thereon;
- (d) power failure and outages affecting the Premises; and

- (e) any other similar cause or event, provided that the foregoing is beyond the reasonable control of the Party claiming Force Majeure.

"Hazardous Materials" shall have the meaning ascribed to it in Section 4.04 hereof.

"Initial Improvements" shall mean the following work which may be performed by Hawk, in Hawk's sole discretion:

- (a) Refurbish existing roads and infrastructure as required to accommodate over-the-road truck deliveries of petroleum condensate;
- (b) Refurbish existing truck racks;
- (c) Install 2-6 new truck racks;
- (d) Convert the existing 2 million gallon tank to condensate storage;
- (e) Refurbish, upgrade, extend and connect the existing feeder pipeline from the truck racks to the storage tank;
- (f) Install a new condensate product pipeline from the storage tank to the Port's Liquid Cargo Ship Terminal (Piers #1 and #2); Liquid Cargo Barge Terminal (Piers #4 and #5); and Multi-Purpose Dock;
- (g) Supply an emission destruction unit and safety appliance certified by the US Coast Guard at mutually agreeable locations;
- (h) Install facilities to accommodate two up to 100,000 barrel barges as temporary floating storage alongside the Port's general utility pier ("Temporary Storage");
- (i) Install a, bi-directional flow pipeline from the Condensate Header to Temporary Storage capable of up to 10,000 barrels per hour.

"Impositions" shall mean (a) all real estate, personal property, rental, water, sewer, transit, use, occupancy and other taxes, assessments, charges, excises and levies which are imposed upon or with respect to (1) the Leased Premises or any portion thereof, or the sidewalks, streets or alley ways adjacent thereto, or the ownership, use,

occupancy or enjoyment thereof or (2) this Lease and the Rent payable hereunder; and (b) all charges for any easement, license, permit or agreement maintained for the benefit of the Leased Premises.

"Improvements" shall mean all improvements constructed on the Leased Premises by Hawk during the Term of this Lease, including the Initial Improvements. Improvements shall not include any existing structures or personal property presently located on the Leased Premises, regardless if such structures have been modified, refurbished, enhanced, replaced or in any manner been altered by Hawk.

"Land Rent" shall mean the annual amount payable by Hawk described in Section 5.01, subject to adjustment as provided therein.

"Leased Premises" shall mean (a) the property leased by Hawk pursuant to this Lease and further described in Exhibit "A" hereto, and (b) all existing improvements thereon or Improvements hereafter added to the property described in Exhibit "A".

"Legal Requirements" shall mean any and all (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 Hawk in connection with its use of the Leased Premises or to the Leased Premises, including zoning, environmental and utility conservation matters, (b) Port's Tariffs, (c) insurance requirements described in Article 11 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.

"Minimum Through-Put" shall have the meaning given such term in Section 5.02.

"Permitted Use" shall mean the operation of a liquid petroleum condensate and other oil and gas hydrocarbon storage and multi-modal distribution facility, including without limitation, loading and unloading facilities, on site storage facilities for liquid petroleum condensate and other oil and gas hydrocarbons, on site vapor destruction facilities, use of the transportation infrastructure access via the right-of-way to Port's [Liquid Cargo Ship Terminal (piers #1 and #2)], Liquid Cargo Barge Terminal (piers #4 and #5), Multi-Purpose Dock, the storage of equipment and use of any agreed upon railroad right-of-ways, and including blending, mixing, manufacturing, storage, testing, and related handling of such materials and components in both bulk and non-bulk forms, and including without limitation, use of the transportation infrastructure access to any other easements, privately owned or leased docks, roads or terminals, or public highways.

"Port" shall mean the Calhoun Port Authority, the body politic and governmental subdivision identified in the opening recital of this Lease, and its successors and assigns and subsequent owners of the Leased Premises.

"Port Facilities" shall mean all channels, waterways, docks, slips and other facilities and improvements owned, operated or controlled by Port (other than the Hawk Facility) which are necessary for access to, or the use and operation of, the Hawk Facility as contemplated hereunder.

"Port's Tariffs" shall mean the rates, rules, regulations, policies and tariffs issued, adopted, amended and reissued by Port from time to time (including, without limitation, Tariff No. 003).

"Rent" shall mean Land Rent, Through-Put Cargo Rental and any other tariffs or other amounts payable hereunder by Hawk, whether as additional Rent or otherwise.

"Right-of-Ways" shall mean right-of-ways, now or hereafter defined and granted in separate instruments, to Port's general cargo dock and railroad spur(s).

"Hawk Facility" shall mean the facility to be constructed by Hawk on the Leased Premises.

"Taking" shall mean the taking, damaging or destroying of all or any portion of the Leased Premises by or on behalf of any governmental authority or any other person or entity pursuant to its power of eminent domain. **"Total Taking"** shall mean any Taking of all or substantially all of the Leased Premises, or of so much of the Leased Premises that the portion remaining cannot, in Hawk's good faith judgment reasonably exercised, be economically restored so as to permit economically sound operation. **"Partial Taking"** shall mean any Taking of less than all of the Leased Premises such that the portion remaining can, in Hawk's good faith judgment reasonably exercised, be economically restored so as to permit economically sound operation.

"Term" shall mean a period of approximately 30 years beginning April 13, 2011 (the "Commencement Date") and ending at 11:59 p.m. on March 31, 2041.

"Termination Payment" shall have the meaning given such term in Section 3.02.

"Through-Put" shall mean product transferred by Hawk across Port's docks.

"Through-Put Cargo Rental" shall mean the Port's wharfage fees set on product transferred across Port's docks by Hawk.

"Through-Put Deficiency" shall have the meaning given such term in Section 5.02.

Article 2. Leased Premises.

Section 2.01. Description of the Leased Premises. Subject to the provisions of this Lease, Port hereby leases, demises and lets to Hawk and Hawk hereby leases

from Port, the Leased Premises. Both parties acknowledge that Port shall have the right to access the Leased Premises, including the use of the existing roadway, so long as such use and access does not interfere with Hawk's Permitted Use, subject to the requirements of Article 10 below. Notwithstanding the right to use the roadway set forth above so long as it does not interfere with Hawk's Permitted Use, Hawk acknowledges that it may be necessary to grant Port an access easement over the Leased Premises that allows access to the remainder of property owned by the Port and agrees to execute any documentation required in order to effectuate the grant of such right-of-way and easement.

Section 2.02. Right-of-Ways. Both parties acknowledge that it will be necessary to execute nonexclusive railroad, and access easements to Port's [Liquid Cargo Ship Terminal (piers #1 and #2)], Liquid Cargo Barge Terminal (piers #4 and #5), and Multi-Purpose Dock, general cargo dock. for the benefit of Hawk. Port agrees to promptly execute any additional documentation required in order to effectuate the grant of such right-of-ways and easements. Such grant of right-of-ways and easements shall be in substantially the same form as Exhibit "C" attached hereto.

Section 2.03. Pipe Rack Easement. Both parties acknowledge that it will be necessary to execute a separate Pipe Rack Easement and agree that the fee for such easement will be at a rate of \$1.75 per foot, per year.

Article 3. Term.

Section 3.01. This lease is for a term of 30 years commencing on April 13, 2011 and continuing through March 31, 2041.

Section 3.02. Notwithstanding anything herein to the contrary, Hawk shall have the right to terminate this Lease at any time during the Term upon 180 days prior written notice to Port. Hawk's right to terminate hereunder is conditioned upon the payment in full by Hawk to Port on or before the effective termination date of an amount equal to \$1,000,000.00 (the "**Termination Payment**"). After Port's receipt of the Termination Payment, and so long as Hawk has surrendered the Leased Premises in the condition required under Section 6.01, neither Party shall have any further obligations or liabilities hereunder following the date of such termination, except those which, by the provisions of this Lease, expressly survive the termination of this Lease.

Article 4. Use.

Section 4.01. Permitted Use. Hawk shall use the Leased Premises for the development and operation of any Permitted Uses under this Lease, and any ancillary uses thereto. Hawk shall also use the Port Facilities to the extent necessary or convenient and related to its Permitted Use of the Leased Premises.

Section 4.02. Continuous Operation. Hawk will occupy and use the Leased Premises solely for any or all of the Permitted Uses and any ancillary uses thereto and in compliance with all applicable Legal Requirements. This Lease shall terminate in the event Hawk abandons the use of the Leased Premises for a continuous period of 180 days unless excused by Force Majeure.

Section 4.03. Specifically Prohibited Use. Hawk 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 this Lease, (2) violative of any of applicable Legal Requirements, (3) dangerous to life, health, the environment 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) intentionally commit, or permit to be committed, any action or circumstance in or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in canceling the insurance policies maintained by Hawk on the Leased Premises and Improvements thereon. Port hereby confirms to Hawk that the use of the Leased Premises for the Permitted Uses shall not constitute a prohibited use hereunder so long as the same is conducted in compliance with applicable Legal Requirements.

Section 4.04. Environmental Restrictions. Hawk shall not cause or permit any Hazardous Materials or industrial solid wastes to be generated, treated, stored, manufactured, disposed or released on or about the Leased Premises or transferred or transported to the Leased Premises, in contravention of any Legal Requirements. The term "Hazardous Materials" shall mean any flammables, explosives, radioactive materials, hazardous waste and hazardous constituents, toxic substances or related materials, including substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "solid wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.A. Sec. 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. Sec. 5101, et seq.; the Resources Conservation and Recovery Act, 42 U.S.C.A. Sec. 6901, et seq.; the Toxic Substance Control Act, as amended, 15 U.S.C.A. Sec. 2601 et seq.; Grantor's Tariffs; the Solid Waste Disposal Act, Chapter 361 of the Health and Safety Code of Texas; or any other legal requirement. Both Parties agree and acknowledge that Hawk shall be entitled to operate a petroleum condensate and other oil and gas hydrocarbon storage and distribution facility on the Leased Premises.

Section 4.05. Notification of Potential Liability Triggering Event. Within two (2) business days following receipt thereof, Hawk shall notify and provide Port with all copies of written notices, demands, lawsuits, or other correspondence

from any federal, state or local governmental agency or private party relating to the Leased Premises including, but not limited to, the following:

- (a) The violation of any federal, state, or local statute or regulation;
- (b) The loss of any operating permit;
- (c) Any enforcement action undertaken against Hawk by any federal, state or local governmental agency, or any private party;
- (d) The institution of any lawsuit against Hawk by any governmental entity or any private party; or
- (e) The service of a potentially responsible party demand letter to Hawk from any private or governmental party.

Section 4.06. Consequences of Hawk's Violation of Environmental Legal Requirements. In the event Hawk's violation of environmental Legal Requirements exposes Port to fines or penalties as the owner of the Leased Premises, Hawk shall provide the defense of the Port with respect to such fines and penalties under the appropriate regulatory, administrative, or judicial procedures, and will pay any such fines or penalties timely and promptly after completion of any such defensive or mitigative proceedings, including appeals, if any.

Section 4.07. INDEMNIFICATION. IT IS EXPRESSLY AGREED AND UNDERSTOOD THAT HAWK SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS PORT, ITS EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, AND BOARD MEMBERS, FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES (INCLUDING WITHOUT LIMITATION REASONABLE LEGAL FEES, COSTS AND EXPENSES), ENFORCEMENT ACTIONS, OR PENALTIES, ARISING OUT OF THE PLACEMENT, TRANSPORTATION, USE, MANUFACTURE, HANDLING, CREATION, STORAGE, TREATMENT, DISCHARGE, OR RELEASE OF ANY HAZARDOUS MATERIALS TO, ON OR FROM THE LEASED PREMISES DURING THE TERM OF THIS LEASE BY HAWK, OR HAWK'S AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUB-CONTRACTORS OR INVITEES. NOTWITHSTANDING ANYTHING IN SECTION 6.05 TO THE CONTRARY, IN NO EVENT SHALL HAWK BE LIABLE FOR ANY AND ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES (INCLUDING WITHOUT LIMITATION REASONABLE LEGAL FEES, COSTS AND EXPENSES), ENFORCEMENT ACTIONS, OR PENALTIES, ARISING OUT (I) ANY HAZARDOUS MATERIALS EXISTING ON THE LEASED PREMISES AS OF THE EFFECTIVE DATE OR (II) THE PLACEMENT,

TRANSPORTATION, USE, MANUFACTURE, HANDLING, CREATION, STORAGE, TREATMENT, DISCHARGE, OR RELEASE OF ANY HAZARDOUS MATERIALS TO, ON OR FROM THE LEASED PREMISES DURING THE TERM OF THIS LEASE BY PORT OR ANY THIRD PARTY NOT UNDER THE CONTROL OF HAWK OR HAWK'S AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUB-CONTRACTORS OR INVITEES.

Article 5. Rent.

Section 5.01. Land Rent. Hawk shall lease from Port the land described in Exhibit "A", for an annual Land Rent of \$267,000.00 per year Notwithstanding anything herein to the contrary, the annual Land Rent for the initial year of the Term in the amount of \$267,000.00 shall be due and payable on or before April 13, 2011. On each Fiscal Year anniversary of this Lease, July 1st, Port may increase the annual Land Rent rate to reflect its then prevailing Land Rent rate as set by the Board, but such increases may not exceed 4% per year. Port shall provide written notice to Hawk of any such increases in Land Rent no later than June 1 of each Fiscal Year. An administrative fee of \$25,000.00 shall also be due and payable at the time of execution of this Ground Lease Agreement.

Section 5.02. Cargo Through-Put Rental and Guarantee. In addition to such Land Rent, Hawk shall pay all Through-Put charges applicable under Port's prevailing tariff as that Through-Put accrues. Hawk, during each Fiscal Year of this Lease, guarantees Port a Through-Put of 100,000 short tons of cargo (the "Minimum Through-Put"), including but not limited to liquid petroleum condensate. In the event Hawk fails to meet the Minimum Through-Put requirements for any Fiscal Year, Port shall invoice Hawk at the current tariff rate for the difference between the Minimum Through-Put and the actual amount of Through-Put (the "Through-Put Differential"). All Minimum Through-Put or Through-Put Differential shall be billed by Port on an annual fiscal basis and shall be due and payable within thirty (30) days after Port provides Hawk with a written invoice therefore. Any additional Through-Put Cargo Rental shall be billed as it accrues. The total Through-Put Cargo Rental shall be determined on an annual fiscal basis, starting with the year beginning July 1, 2011.

Section 5.03. Place of Payment. Rent due hereunder shall be paid to Port at its address for notice hereunder or to such other person or at such other address in Calhoun County, Texas, as Port may from time to time designate in writing. Rent shall be paid in legal tender of the United States of America without notice, demand, abatement, deduction or offset except as herein provided.

Section 5.04. Delinquent Payments. All Rent and other payments required of Hawk hereunder which are not paid within ten (10) days following receipt of written notice from Port shall bear interest at the maximum rate allowed by law (or, if there is no maximum rate, at ten percent (10%) per annum) from the date

due until the date paid; provided that, any payments due hereunder that are timely disputed by Hawk in the ordinary course of business shall not be subject to such delinquent payment charge. In no event, however, shall the charges permitted under this Section or elsewhere in this Lease, to the extent any or all of the same are considered to be interest under applicable law, exceed the maximum rate of interest allowable under applicable law.

Section 5.05. Other Charges: Hawk shall comply with and shall pay all local, state and federal taxes (including without limitation, income, franchise, gross receipts, sales, use, excise and real and personal property taxes), governmental charges of any kind whatsoever, payments in lieu of taxes, assessments, special assessments, licenses, registration fees, freight, and transportation charges and any other charges imposed, assessed, levied or liabilities incurred with respect to the ownership, the possession or the use of the Leased Premises or pipelines, any payment of the Rent payments or any other payments by Hawk under this Lease and any penalties, fines or interest imposed on any of the foregoing (collectively, the "Charges") during the Term.

Section 5.06. Hawk to Control Charges. Port shall, to the maximum extent permitted by law, permit Hawk to pay directly to the relevant taxing or other authorities or third parties all charges due under this Article 5, if Hawk so requests.

a. Hawk may, at Hawk's expense and in Hawk's or Port's name, in good faith contest any Charges (and Port shall cooperate fully in any such contest) and, in the event of any such contest, may permit such Charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Port shall notify Hawk that, in the reasonable opinion of Port, by nonpayment of any such Charges the interest of Port in the Lease will be materially endangered or any part thereof will be subject to loss or forfeiture, in which event Hawk shall promptly pay any such charges.

b. Hawk agrees to conduct any such contest or appeal in a reasonable manner and further agrees that it will not enter into any settlement or compromise that would obligate Port to make any payment or to take or refrain from taking any action, other than ministerial acts.

c. All rebates, refunds or other return of charges shall be paid directly to Hawk, or if received by the Port, shall be promptly paid over to Hawk.

Article 6. Construction, Ownership and Operation of Improvements.

Section 6.01. Title to Improvements. All new Improvements constructed by Hawk are the property of Hawk. Hawk may, at its option, remove such Improvements upon the expiration or earlier termination of this Lease; and Hawk shall repair all damage to the Leased Premises caused by such removal at Hawk's cost, expense and liability. At the time of removal Hawk shall be required to restore the Leased Premises to substantially the same condition as of the Commencement Date, ordinary wear and tear excepted. In the event that Hawk elects not to remove its Improvements within one hundred and eighty (180) days of the expiration or earlier termination of the Lease, then, at Port's election (i) Hawk's rights, title and interest in and to such Improvements shall be vested in Port without the necessity of executing any conveyance instruments, or (ii) Port shall be entitled to remove and dispose of such Improvements, in a commercially reasonable manner, at Hawk's cost, expense and liability.

Section 6.02. Permits. Hawk shall obtain and maintain in effect at all times during the Term all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of the Improvements and Hawk's use and occupancy of and operations at the Leased Premises.

Section 6.03. Alterations & Improvements After Initial Construction. After the Initial Improvements have been completed, Hawk shall be permitted to make or cause to be made, any alterations, improvements or additions to, or install, or permit to be installed, any fixture or equipment in or on the Leased Premises without the written approval of Port, so long as such alterations, improvements or additions are made in accordance with industry standard and applicable Legal Requirements. Hawk shall provide Port written notice of its election to make any such additional alterations, improvements or additions at least 30 days prior to commencement of construction. All Improvements made, placed, or constructed on the Leased Premises by Hawk shall be maintained at the sole cost and expense of Hawk. Hawk shall construct and install its Improvements in a good and workmanlike manner.

Section 6.04. [Intentionally deleted.]

Section 6.05. Condition of Leased Premises. Hawk acknowledges that it has independently and personally inspected the Leased Premises and that it has entered into this Lease based upon such examination and inspection. Hawk accepts the Leased Premises in its present condition, **"AS IS, WITH ALL FAULTS, IF ANY, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED,"** other than the warranty of quiet enjoyment; specifically, without limiting the generality of the foregoing, without any warranty of (a) the nature or quality of any construction, structural design or engineering of

any improvements located at or constituting a portion of the Leased Premises as the Commencement Date, (b) the quality of the labor and materials included in any such existing improvements, or (c) the soil and environmental conditions existing at the Leased Premises and the suitability of the Leased Premises for any particular purpose or developmental potential. Port shall not be required to make any improvements to the Leased Premises or to repair any damages to the Leased Premises.

Section 6.06. Repair and Maintenance. Hawk shall maintain the Leased Premises at all times during the Term in a good, clean, safe, operable and well-kept condition, and will not commit or allow to remain any waste or damage to any portion of the Leased Premises.

Section 6.07. Laborers and Mechanics. Hawk shall pay for all labor and services performed for, materials used by or furnished to Hawk, or used by or furnished to any contractor employed by Hawk with respect to the Leased Premises and hold Port and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by Hawk. If Hawk elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with the above, Hawk agrees to include Port as an additional obligee thereunder.

Article 7. Fencing, Rail Service, Utilities and Security.

Hawk shall, at its sole cost and expense, provide for appropriate fencing for the Leased Premises. Hawk shall, at its sole cost and expense, provide for whatever additional services and utilities it may desire, including but not limited to railroad services for the Leased Premises and water, both potable and nonpotable, fire water, gas, electricity, telephone, sewage treatment, waste water collection and drainage and any other utilities or similar services used in or on the Leased Premises, but shall have no obligation to provide such services or utilities except as needed by Hawk. Hawk shall be responsible for all costs and charges in connection therewith and agrees to pay the same promptly as such charges accrue, and to protect, indemnify and hold Port harmless from and against any and all liability for any such costs or charges. To the extent Port provides any such services to the Leased Premises or pays the cost for any such services, Hawk shall pay to Port the cost of such services within 30 days from the date of such invoice.

Article 8. Impositions. Without duplication of Hawk's payment of Charges, during the Term, Hawk shall pay or cause to be paid as and when the same shall become due, all Impositions. Impositions that are payable by Hawk for the tax year in which Commencement Date occurs as well as during the year in which the Term ends shall be apportioned so that Hawk shall pay its proportionate share of the Impositions payable for such periods of time. Where any Imposition that

Hawk is obligated to pay may be paid pursuant to law in installments, Hawk may pay such Imposition in installments as and when such installments become due. Hawk shall deliver to Port evidence of payment of all Impositions Hawk is obligated to pay hereunder, concurrently with the making of such payment. Hawk shall, within 60 days after payment of any Imposition, deliver to Port copies of the receipted bills or other evidence reasonably satisfactory to Port showing such payment.

Article 9. Transfer by Hawk.

Section 9.01. General. Hawk shall not effect or suffer any assignment or transfer of any interest in this Lease or sublet any portion of the Leased Premises (collectively or individually, a "Transfer") without the prior written consent of Port, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempted Transfer without such consent shall be void and of no effect. If Hawk desires to effect a Transfer, it shall deliver to Port written notice thereof in advance of the date on which Hawk proposes to make the Transfer, together with all of the terms of the proposed Transfer and the identity of the proposed Transferee. Port shall have 30 days following receipt of the notice and information within which to notify Hawk in writing whether Port elects (a) to refuse to consent to the Transfer and to continue this Lease in full force and effect as to the entire Leased Premises or (b) to permit Hawk to effect the proposed Transfer. If Port fails to notify Hawk of its election within said 30 day period, Port shall be deemed to have elected option (b). The consent by Port to a particular Transfer shall not be deemed a consent to any other Transfer. Notwithstanding the foregoing, Hawk may Transfer this Lease to any affiliate of Hawk, meaning any person or entity controlling, controlled by or under common control with Hawk, or a successor to all or substantially all of Hawk's business or assets, each without Port's prior consent. If a Transfer occurs without the prior written consent of Port, Port may nevertheless collect Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but such collection and application shall not constitute a waiver of the provisions hereof or a release of Hawk from the further performance of its obligations hereunder. The parties acknowledge herein that they may enter into a letter agreement pre-approving any potential assignees. Notwithstanding anything in this Section 9.01 to the contrary, Hawk shall have the right to freely pledge, encumber and mortgage the rights or obligations granted under this Lease, in whole or in part, to one or more third parties, without the written consent of Port so long as Port is provided a subordination agreement regarding this Lease.

Article 10. Access by Port. Port, its employees, contractors, agents and representatives, shall have the right (and Port, for itself and such persons and firms, hereby reserves the right) to enter the Leased Premises during reasonable business hours and upon reasonable notice (a) to inspect the Leased Premises, (b)

to show the Leased Premises to prospective purchasers or tenants, (c) to determine whether Hawk is performing its obligations hereunder and, if it is not, to perform same at Port's option and Hawk's expense or (d) for any other reasonable purpose. In an emergency, Port (and such persons and firms) may use any means to open any door into or in the Leased Premises without any liability therefor. Entry into the Leased Premises by Port or any other person or firm named in the first sentence of this Article for any purpose permitted herein shall not constitute a trespass or an eviction (constructive or otherwise), or entitle Hawk to any abatement or reduction of Rent, or constitute grounds for any claim (and Hawk hereby waives any claim) for damages for any injury to or interference with Hawk's business, for loss of occupancy or for consequential damages, but Port shall not unreasonably interfere with Hawk's use or quiet enjoyment of the Leased Premises.

Article 11. Insurance.

Section 11.01. Hawk shall procure and maintain continuously in effect with respect to the Leased Premises, insurance against liability for injuries to or death of any persons or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Leased Premises or any part thereof, providing coverage with a combined single limit of \$10,000,000 for injuries to or death of persons or damage to property per occurrence, or in such other amounts and, within 30 days after written notice from Port (subject to the remainder of this Section 11.01), with such other coverages as shall at the time be in accordance with general industry practice for similar facilities and operations of the type and scope of the Leased Premises. In the event of a dispute between the Port and Hawk as to general industry practice for insurance coverages, the matter may be referred by either Party to an independent insurance broker with expertise in industrial insurance for such broker's independent determination of the prudent insurance requirements for such facilities and such determination shall be final and binding on the parties hereto for a period of five years. All such policies of insurance shall designate the Port as an additional insured. Hawk shall furnish to Port a copy of the policy of insurance designating the Port as a named insured within thirty days of the date of execution hereof. In the event Hawk changes policies, a copy of the new policy designating the Port as a named insured shall be furnished to the Port within ten (10) days.

Section 11.02. Self-Insurance. Hawk may at any time during the Term substitute self-insurance for any insurance coverage required by the terms of this Lease Agreement, to be provided by Hawk or any affiliate of Hawk; provided, however, that Hawk or the relevant affiliate can provide to Port filings with the Securities and Exchange Commission or other audited financial statements demonstrating

that Hawk or the relevant affiliate had as of the end of its most recent fiscal year a consolidated net worth of at least Five Hundred Million Dollars (\$500,000,000).

ARTICLE 12. INDEMNITY.

HAWK HEREBY RELEASES AND DISCHARGES PORT, ITS SUCCESSORS AND ASSIGNS, AND ALL OF ITS RESPECTIVE OFFICERS, DIRECTORS, COMMISSIONERS, AND THEIR SUCCESSORS IN OFFICE, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES AND AGENTS, HEREINAFTER COLLECTIVELY AND SEVERALLY REFERRED TO AS "INDEMNITEES" FROM AND AGAINST ALL LIABILITY FOR, AND ASSUMES THE RISK OF ALL LOSSES, EXPENSES, LIENS, CLAIMS, DEMANDS, DAMAGES AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER WHATSOEVER FOR DAMAGE TO THE LEASED PREMISES AND IMPROVEMENTS OF THE INDEMNITEES AND OF HAWK, AND FOR THE PERSONAL INJURY TO OR DEATH OF ANY PERSONS (INCLUDING BUT NOT LIMITED TO PORT, ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS OF PORT) AND/OR DAMAGE TO ANY PERSONAL PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY BELONGING TO PORT, ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS) AND FOR ANY OTHER LIABILITY, DAMAGES, FINES OR PENALTIES (EXCEPT WHERE REIMBURSEMENT FOR FINES OR PENALTIES IS PROHIBITED BY APPLICABLE LAW), INCLUDING COSTS, EXPENSES, PENALTIES AND INTEREST, ATTORNEY FEES AND SETTLEMENTS HEREINAFTER REFERRED TO COLLECTIVELY AND SEVERALLY AS "CLAIMS", ARISING OUT OF OR IN ANY WAY CONNECTED WITH HAWK'S OBLIGATIONS UNDER THIS LEASE AGREEMENT OR THE PERFORMANCE OR FAILURE OF HAWK TO PERFORM THE COVENANTS OF THIS LEASE AGREEMENT, EXCEPT TO THE EXTENT ARISING FROM THE NEGLIGENCE, GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF THE INDEMNITEES. THIS INDEMNITY SHALL INCLUDE CLAIMS ARISING OUT OF, BROUGHT BY OR CAUSED, IN WHOLE OR IN PART BY HAWK, ITS OFFICERS, DIRECTORS, EMPLOYEES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS OF HAWK, AND HAWK EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD PORT, ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, ATTORNEYS,

DESIGNEES, REPRESENTATIVES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS, HARMLESS FROM ALL "CLAIMS" OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO "CLAIMS" IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY HAWK'S (INCLUDING ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS) WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT OR BREACH OF WARRANTY, EXPRESSED OR IMPLIED.

THE FOREGOING INDEMNIFICATION SHALL NOT BE APPLICABLE TOWARD OR ENFORCEABLE IN FAVOR OF ANY INDIVIDUAL INDEMNITEE FOR A PARTICULAR CLAIM, INsofar AS THAT PARTICULAR CLAIM IS ADJUDICATED BY A COURT OF COMPETENT JURISDICTION, TO RESULT EXCLUSIVELY FROM THE NEGLIGENCE, THE GROSS NEGLIGENCE OR WILLFUL CONDUCT OF THAT INDEMNITEE SEEKING TO ENFORCE THE INDEMNIFICATION.

THE INDEMNIFICATION ARISING HEREIN SHALL SURVIVE THE TERMINATION OF THIS LEASE.

Article 13. Casualty Loss.

Section 13.01. Obligation to Restore.

(a) If all or any part of the existing improvements located on (or constituting a part of) the Leased Premises are destroyed or damaged by any casualty during the Term, Hawk shall promptly commence and thereafter prosecute diligently to completion the restoration of the same to the condition in which the destroyed or damaged portion existed immediately prior to the casualty. Hawk 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 6 hereof. Notwithstanding the foregoing provisions of this subparagraph (a) to the contrary, if all such existing improvements are wholly destroyed by any casualty, or are so damaged or destroyed that, in the Parties' good faith judgment reasonably exercised that it would be uneconomic to cause the same to be restored (and the Parties shall meet to make such determination within 90 Business Days after the date the casualty occurred), then Hawk shall not be obligated to restore such existing improvements and this Lease shall terminate as of the date of the casualty. Notwithstanding anything in

this Section 13.01 to the contrary, Hawk shall not be required to restore the Improvements located on the Leased Premises following any casualty during the Term. In the event it is determined that any such Improvements are so damaged or destroyed that, in the Parties' good faith judgment reasonably exercised that it would be uneconomic to cause the same to be restored (and the Parties shall meet to make such determination within 90 Business Days after the date the casualty occurred), then Hawk shall have the option to terminate this Lease as of the date the Improvements are removed and the property is restored in accordance with §6.01.

(b) If a casualty loss affecting the Leased Premises occurs, all insurance proceeds arising from policies maintained by Hawk for the damages arising from such casualty shall be distributed to Hawk and Hawk shall pay for the performance of the restoration of the Leased Premises under Sections 6.01 and 13.01(a), as interest may appear, for all damages to the Leased Premises or for costs incurred for the restoration of the Leased Premises to its unimproved condition as provided in Section 6.01.

Section 13.02. Notice of Damage. Hawk shall immediately notify Port 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 occurs, then this Lease shall terminate as of the date the condemning authority takes lawful possession of the Leased Premises and the Parties shall be entitled to receive and retain the Award for the Taking of the Leased Premises as interest may appear. [For example, it is anticipated under the present terms of this Lease that the award in respect of the real property would inure to the Port, the award with respect to value of the leasehold estate would inure to Hawk, and the award with respect to the value of the Improvements and the existing improvements would inure to the respective parties as interest might then appear, in accordance with the provisions of Section 6.01 above.]

Section 14.02. Partial Taking. If a Partial Taking of the Leased Premises occurs, as defined in Article 1 above, (a) this Lease shall continue in effect as to the portion of the Leased Premises not Taken, and (b) Hawk shall promptly commence and thereafter prosecute diligently to completion the restoration of the remainder of existing improvements located in (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, the Parties shall be entitled to receive and retain the Award for the portion of the Leased Premises Taken, as interest may appear. [For example, it is anticipated under the present terms of this Lease that the award in respect of the

real property would inure to the Port, the award with respect to value of the leasehold estate would inure to Hawk, and the award with respect to the value of the existing improvements and the Improvements would inure to the respective parties as interest might then appear, in accordance with the provisions of Section 6.01 above.] In addition, upon a Partial Taking, the Land Rent payable during the remainder of the Term (after the condemning authority takes lawful possession of the portion Taken) shall be reduced proportionally giving due regard to the relative value of the portion of the Premises Taken as compared to the remainder thereof.

Section 14.03. Notice of Proposed Taking. Hawk and Port shall immediately notify the other of any Proposed Taking of any portion of the Leased Premises.

Article 15. Quiet Enjoyment. Provided that Hawk is paying the Rent and all other sums called for herein and performing all of Hawk's other obligations contained herein, Hawk shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises during the Term subject to the provisions of this Lease. Port agrees to warrant and forever defend Hawk'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 Port (but not otherwise), subject to the provisions of this Lease, all matters of record in the Official Records of Calhoun County, Texas, and any unrecorded easements, agreements or licenses executed by Port to the extent the foregoing are validly existing and applicable to the Leased Premises. This covenant and all other covenants of Port shall be binding upon Port and its successor during their respective periods of ownership of the Leased Premises.

Article 16. Default.

Section 16.01. Events of Default. Each of the following occurrences shall constitute an Event of Default by a Party under this Lease:

- (a) The failure of a Party to pay any amount due under this Lease, and the continuance of such failure for a period of ten (10) days after receipt of notice from the other Party;
- (b) The failure by a Party to perform, comply with or observe any other agreement, obligation or undertaking of such Party, and the continuance of such failure for a period of thirty (30) days after receipt of notice from the non-defaulting Party specifying such failure, except that if cure is not reasonably possible within such thirty (30) day period, a Party shall not be in default if it promptly commences cure within such period and thereafter diligently pursues cure until completion;

(c) The filing of a petition by or against Hawk in any bankruptcy or other insolvency proceeding, or seeking any relief under the federal Bankruptcy Code or any similar debtor relief laws; or

(d) Use of the Leased Premises by Hawk or its successors or assigns for any purpose other than the Permitted Uses, as defined in Article 1, and Hawk's failure to cease such impermissible use within thirty (30) days of receipt of notice of such violation from Port.

Section 16.02. Remedies. Upon the occurrence of an Event of Default, the non-defaulting Party may, in addition to its other remedies available at law, terminate this Lease upon thirty (30) days notice to the other Party; however, such notice shall not be effective if the defaulting Party cures the Event of Default within the meaning of Section 16.01(b) above prior to the termination date set forth in such notice.

Section 16.03. No Waiver; No Implied Surrender. Provisions of this Lease may not be waived orally or impliedly, but only by the Party entitled to the benefit of the provision evidencing the waiver in writing. No waiver of any breach by a Party shall constitute a waiver of any subsequent breach.

Article 17. Right of Reentry. Upon the expiration or termination of the Term for whatever cause, or upon the exercise by Port of its right to lawfully and peacefully re-enter the Leased Premises without terminating this Lease, Hawk shall immediately, quietly and peaceably surrender to Port possession of the Leased Premises in the condition and state of repair required under the Lease and Hawk shall, at its option, remove the Improvements in accordance with Section 6.01 hereof. If Hawk fails to surrender possession as herein required, Port may initiate any and all legal action as Port may elect to dispossess Hawk and all of its Improvements and all persons or firms claiming by, through or under Hawk and all of their Improvements from the Leased Premises, and may remove from the Leased Premises and store (without any liability for loss, theft, damage or destruction thereto) any such removable Property at Hawk's cost and expense. For so long as Hawk remains in possession of the Leased Premises after such expiration, termination or exercise by Port of its re-entry right, Hawk shall be deemed to be occupying the Leased Premises as a tenant-at-sufferance, subject to all of the obligations of Hawk under this Lease, except that the Land Rent shall be one and one-half times the per day Land Rent in effect immediately prior to such expiration, termination or exercise by Port. No such holding over shall extend the Term. If Hawk fails to surrender possession of the Leased Premises in the condition required under Section 6.01, Port may, at Hawk's expense, restore the Leased Premises to such condition.

Article 18. Miscellaneous.

Section 18.01. Independent Obligations; No Offset. The obligations of Hawk to pay Rent and to perform the other undertakings of Hawk hereunder constitute independent unconditional obligations to be performed at the times specified hereunder, regardless of any breach or default by Port hereunder. Hawk shall have no right, and Hawk hereby waives and relinquishes all rights which it might otherwise have, to claim any nature of lien against the Leased Premises or to withhold, deduct from or offset against any Rent or other sums to be paid to Port by Hawk.

Section 18.02. Applicable Law. This Lease shall be governed by, construed and shall be enforceable in accordance with the laws of the State of Texas without giving effect to the principles of conflict of laws. Venue for any action brought hereunder shall lie in the State District Courts of Calhoun County, Texas.

Section 18.03. Assignment by Port. Port shall have the right to assign, in whole or in part, any or all of its rights, titles or interests in and to the Leased Premises or this Lease and, upon any such assignment, Port shall be relieved of all unaccrued liabilities and obligations hereunder to the extent of the interest so assigned and assumed in writing .

Section 18.04. Estoppel Certificates. From time to time at the request of Port, Hawk will promptly and without compensation or consideration execute, have acknowledged and deliver a certificate stating (a) the rights (if any) of Hawk to extend the Term or to expand the Leased Premises, (b) the Rent (or any components of the Rent) currently payable hereunder, (c) whether this Lease has been amended in any respect and, if so, submitting copies of or otherwise identifying the amendments, (d) whether, within the actual knowledge of Hawk, there are any existing breaches or defaults by Port hereunder and, if so, stating the defaults with reasonable particularity and (e) such other information pertaining to this Lease as Port may reasonably request.

Section 18.05. Signs. Hawk shall not install any signs, placards or other advertising or identifying marks upon the Leased Premises or upon the exterior of any Improvements to or constituting a part of the Leased Premises without the prior written consent of Port, which shall not be unreasonably withheld. Hawk agrees to remove promptly and to the satisfaction of Port (at Hawk's sole cost and expense) upon the expiration or earlier termination of the Term any and all such signs, placards or other advertising or identifying marks.

Section 18.06. Relation of the Parties. It is the intention of the parties to create hereby the relationship of Port and Hawk, and no other relation is hereby created.

Nothing in this Lease shall be construed to make the parties partners or joint venturers or to render either Party liable for any obligation of the other.

Section 18.07. Public Disclosure. Port is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Open Records Act (Texas Government Code Chapters 551 and 552), and as such Port is required to disclose to the public (upon request) this Lease and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, Hawk agrees that the disclosure of this Lease or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Port as required by the Texas Open Meetings Act, Texas Open Records Act, or any other Legal Requirement will not expose Port (or any party acting by, through or under Port) to any claim, liability or action by Hawk.

Section 18.08. Notices and Billing Address. All notices and other communications given pursuant to this Lease shall be in writing and shall either be mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, and addressed as set forth in this Lease, or delivered in person to the intended addressee, or sent by prepaid telegram, cable or telex followed by an confirmatory letter. Notice mailed in the aforesaid manner shall become effective three Business Days after deposit; notice given in any other manner, and any notice given to Port, shall be effective only upon receipt by the intended addressee. For the purposes of notice and/or billing, the address of

- (a) Port shall be:
Calhoun Port Authority
P. O. Box 397
Point Comfort, Texas 77978
Attention: Port Director
- and
- (b) Hawk shall be:
Hawk Field Services, LLC
1101 ESE Loop 323, Suite 150
Tyler, Texas 75701

Each Party shall have the continuing right to change its address for notice hereunder by the giving of 15 days prior written notice to the other Party provided however, if Hawk vacates the location that constitutes its address for notice hereunder without changing its address for notice pursuant to this Lease, then Hawk's address for notice shall be deemed to be the Leased Premises.

Section 18.09. Entire Agreement, Amendment and Binding Effect. This Lease constitutes the entire agreement between Port and Hawk relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated. This Lease may be amended only by a written document duly executed by Port and Hawk, and any alleged amendment which is not so documented shall not be effective as to either Party. The provisions of this Lease shall be binding upon and inure to the benefit of the Parties hereto and their heirs, executors, administrators, successors and assigns; provided, however, that this Section 18.09 shall not negate, diminish or alter the restrictions on Transfers applicable to Hawk set forth elsewhere in this Lease.

Section 18.10. Severability. This Lease is intended to be performed in accordance with and only to the extent permitted by all Legal Requirements. If any provision of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Section 18.11. Construction. Unless the context of this Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the term "includes" or "including" shall mean "including without limitation"; (d) the word "or" has the inclusive meaning represented by the phrase "and/or"; and (e) the words "hereof" or "herein" refer to this entire Lease and not merely the Section or Article number in which such words appear. Article and Section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated article or section of this Lease.

Section 18.12. Authority. The person executing this Lease on behalf of Hawk personally warrants and represents unto Port that (a) (if applicable) Hawk is a duly organized and existing legal entity, in good standing in the State of Texas (b) Hawk has full right and authority to execute, deliver and perform this lease, (c) the person executing this Lease on behalf of Hawk was authorized to do so and (d) upon request of Port, such person will deliver to Port satisfactory evidence of his or her authority to execute this Lease on behalf of Hawk.

Section 18.13. Incorporation by Reference. Exhibit "A" hereto is incorporated herein for any and all purposes.

Section 18.14. Force Majeure. Port and Hawk shall be entitled to rely upon Force Majeure as an excuse for timely performance hereunder only as expressly provided herein and shall not be entitled to rely upon Force Majeure as an excuse for timely performance unless the party seeking to rely on Force Majeure (a) uses its best efforts to overcome the effects of the event of Force Majeure, (b) gives written notice to the other party within 5 days after the occurrence of the event describing with reasonable particularity the nature thereof or as soon thereafter as reasonable communications will permit, (c) commences performance of its obligation hereunder immediately upon the cessation of the event or restoration of use of the Leased Premises, and (d) gives written notice to the other party within 5 days after the cessation of the event advising the other party of the date upon which the event ceased to constitute an event of Force Majeure.

Section 18.15. Interpretation. Both Port and Hawk and their respective legal counsel have reviewed and have participated in the preparation of this Lease. Accordingly, no presumption will apply in favor of either Port or Hawk in the interpretation of this Lease or in the resolution of the ambiguity of any provision hereof.

Section 18.16. Multiple Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 18.17. Further Assurances. Port shall execute and deliver any additional documents and take such further actions as Hawk may, from time to time, reasonably request, in order to effectuate the purpose and to assist Hawk in carrying out the terms of this Lease.

Section 18.18 Safety and Security. Hawk for the duration of this Lease shall at all times comply with all environmental, safety protocol and security protocol of the Port as set forth in Port's published tariff regulations.

Article 19. Option to Lease. Provided that Hawk delivers to Port simultaneously with the execution of this Lease the sum of \$25,000.00 (the "**Option Deposit**"), commencing on the Effective Date and continuing for a period of 6 months thereafter (the "**Option Period**"), Hawk shall have the exclusive option to lease ("**Option to Lease**") from Port additional property consisting on approximately 25 acres, as more particularly described in the lease agreement attached hereto as Exhibit B (the "**Option Property**"). Hawk may exercise the Option to Lease at any time prior to the expiration of the Option Period by delivering to Port written notice of Hawk's exercise of such option. Within ten (10) days after delivery of such notice, Hawk and Port shall each execute the lease of the Option Property in the form attached hereto as Exhibit B (the "**Phase II Lease**"). The rights and

obligations of the Parties under this **Article 19** shall survive the early termination of this Lease.

Article 20. Conditions Precedent. This Lease is contingent upon satisfaction of the Conditions Precedent. Hawk shall give written notice to Port if it is of the opinion that the Conditions Precedent have not occurred. Upon receipt of such written notice Port shall have a reasonable amount of time to cure such defect. The Parties hereby agree that in the event Hawk does not give written notice to Port on or before six (6) months after the Effective Date of this Lease, the Conditions Precedent will be deemed fulfilled. In the event the Conditions Precedent have not been fulfilled within six (6) months of the Effective Date of this Lease then this Lease may be terminated upon the written request of Hawk. In the event of termination under this paragraph, the annual rental rate shall be prorated on a monthly basis.

[Signatures follow on Next Page]


EXECUTED this 13 day of April, 2011.

CALHOUN PORT AUTHORITY:




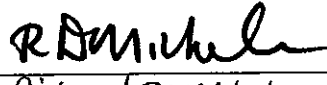
Randy L. Boyd, Board Chair
Calhoun Port Authority

ATTEST:



H. C. Wehmeyer, Board Secretary
Calhoun Port Authority

HAWK FIELD SERVICES, LLC,
an Oklahoma limited liability company

 By: 
Name: Richard DiMichele
Title: _____

FIELDNOTE DESCRIPTION
10.68 ACRES

STATE OF TEXAS }
COUNTY OF CALHOUN }

All of that certain tract or parcel containing 10.68 acres situated in the Thomas Cox Survey, Abstract No. 10 of Calhoun County, Texas and being a part of the same property described as 169.965 acres in Exhibit A-1 of Special Warranty Deed from E. S. Joslin, LP to the Calhoun County Navigation District, recorded in Volume 376, Page 661 of the Official Records of Calhoun County, Texas. This 10.68 acres is more particularly described by metes and bounds as follows:

BEGINNING at an existing 5/8 inch iron rod located at an interior corner of the above referenced 169.965 acre tract and at the Southwest corner of the residue of a 200 acre tract recorded in Volume 256, Page 449 of the Calhoun County Deed Records and for the Northwest corner (X = 2,754,864.76; Y = 13,427,904.02) of this 10.68 acres being described;

THENCE North 87° 33' 20" East, with an interior line of the said 169.965 acre tract and a South line of the said residue tract, a distance of 500.63 feet to an 5/8 inch iron rod with plastic cap set for the Northeast corner of this 10.68 acres being described;

THENCE South 02° 26' 40" East, a distance of 887.44 feet to an existing 5/8 inch iron rod for the Southeast corner of this 10.68 acres being described;

THENCE South 61° 39' 55" West, a distance of 107.15 feet to an existing 5/8 inch iron rod for the a corner of this 10.68 acres being described;

THENCE South 87° 24' 22" West, pass an existing 5/8 inch iron rod located on line at a distance of 183.91 feet and continuing a total distance of 403.13 feet to an 5/8 inch iron rod with plastic cap set for the Southwest corner of this 10.68 acres being described;

THENCE North 02° 30' 43" West, pass an existing 5/8 inch iron rod located at a distance of 307.37 feet and pass another existing 5/8 inch iron rod located at a distance of 337.37 feet and pass another existing 5/8 inch iron rod located at a distance of 669.11 feet and pass another existing 5/8 inch iron rod located at a distance of 729.11 feet and continuing a total distance of 935.28 feet to the **PLACE OF BEGINNING**, containing within these metes and bounds 10.68 acres.

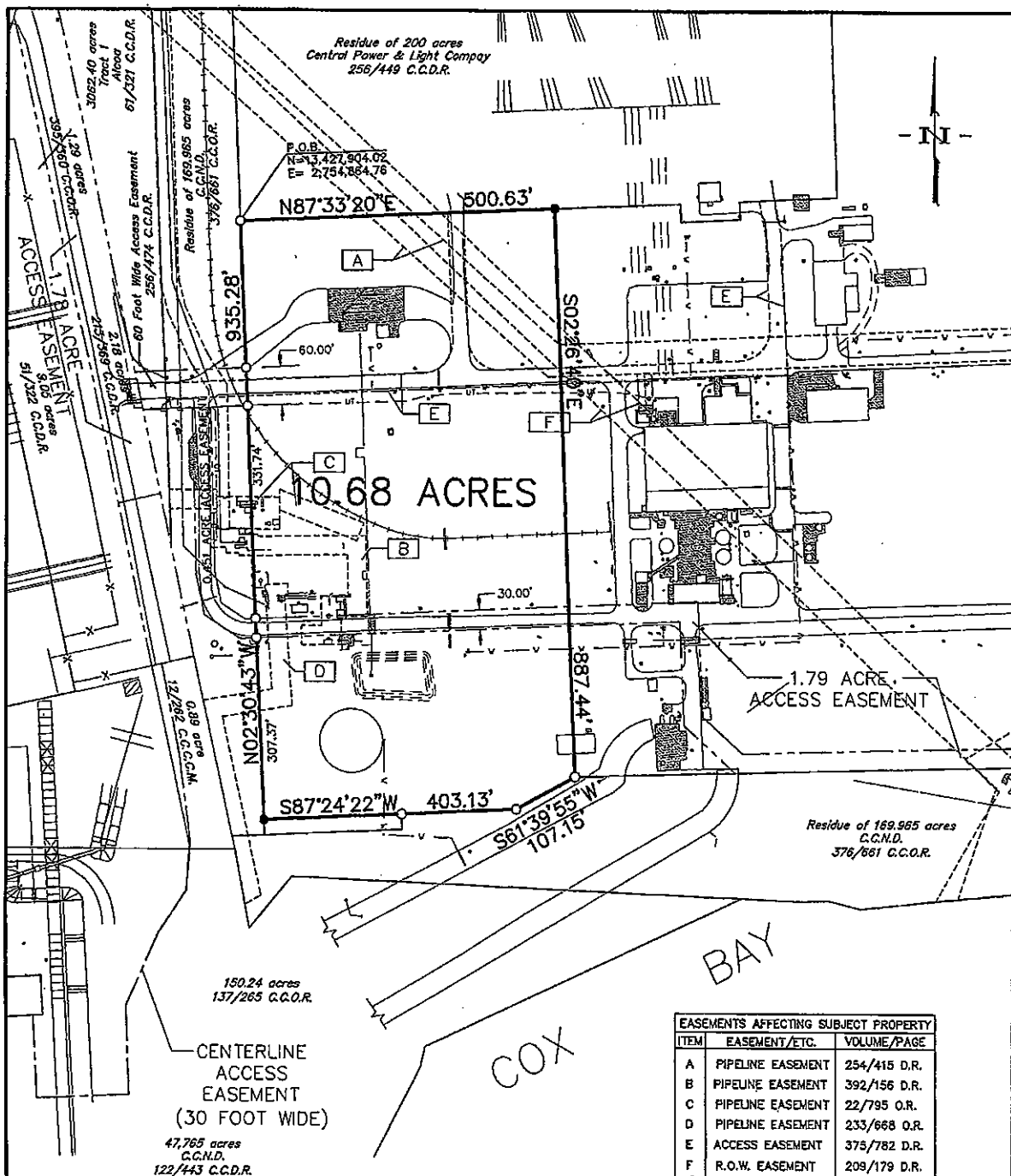
Coordinates and bearings recited herein are Texas State Plane, South Central Zone NAD'83 relative to NGS Monument "Mitchell 2" (X = 2,750,669.14; Y = 13,426,969.87).

This fieldnote description and a plat were prepared from a survey made on the ground under my direction on April 11, 2011.



G & W ENGINEERS, INC.
Henry A. Danysh
Registered Professional Land Surveyor, No. 5088





NOTES:

- COORDINATES AND BEARINGS SHOWN HEREON ARE TEXAS STATE PLANE, SOUTH CENTRAL ZONE NAD 83, RELATIVE TO NGS MONUMENT "MITCHELL 2" (X=2,750,669.14; Y= 13,426,969.87)
- DISTANCES AND AREA SHOWN HEREON ARE IN GRID, (APPLY SCALE FACTOR OF 0.99993498 TO CONVERT TO SURFACE)
- BACKGROUND INFORMATION SHOWN HEREON IS FROM DIGITAL FILES AND NOT FROM ACTUAL FIELD MEASUREMENTS. THE ACCURACY OF THIS INFORMATION IS APPROXIMATE ONLY.

10.68 ACRE SURVEY THOMAS COX LEAGUE ABSTRACT NO. 10 CALHOUN COUNTY, TEXAS

G & W ENGINEERS, INC.

• ENGINEERING • SURVEYING • ARCHITECTURE • PLANNING

205 W. LIVE OAK ST. PORT LAVACA, TEXAS 77979 (361) 552-4509
1801 7th ST., SUITE 260 BAY CITY, TEXAS 77414 (979) 323-7100

DRAWN BY: J.H.D. RECON'D BY: H.A.D. DATE: APRIL 11, 2011 SCALE: 1" = 200' JOB NO.: 9171-000 DRAWING NO.

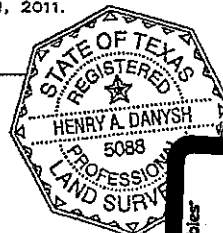
EASEMENTS AFFECTING SUBJECT PROPERTY		
ITEM	EASEMENT/ETC.	VOLUME/PAGE
A	PIPELINE EASEMENT	254/415 D.R.
B	PIPELINE EASEMENT	392/156 D.R.
C	PIPELINE EASEMENT	22/795 O.R.
D	PIPELINE EASEMENT	233/668 O.R.
E	ACCESS EASEMENT	375/782 D.R.
F	R.O.W. EASEMENT	209/179 D.R.

LEGEND

○	EXISTING 5/8" IRON ROD UNLESS NOTED
●	SET 5/8" IRON ROD WITH PLASTIC CAP
C.C.D.R.	CALHOUN COUNTY DEED RECORDS
C.C.O.R.	CALHOUN COUNTY OFFICIAL RECORDS
C.C.C.C.M.	CALHOUN COUNTY COMMISSIONERS COURT MINUTES
P.O.B.	POINT OF BEGINNING
—X—	EXISTING WIRE FENCE
[]	PLAT OR DEED CALL

I, HENRY A. DANYSH, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON AND A FIELDNOTE DESCRIPTION PREPARED REPRESENTS THE RESULT OF A SURVEY MADE ON THE GROUND UNDER MY DIRECTION ON APRIL 11, 2011.

G & W ENGINEERS, INC.
HENRY A. DANYSH
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5088



EXHIBIT

"A"
Page 2 of 2

**LEASE AND EASEMENT AGREEMENT OF
GENERAL CARGO DOCK RACKS AND PIPELINES
BY AND BETWEEN THE CALHOUN PORT AUTHORITY
AND NST POINT COMFORT HOLDINGS, LLC**

THIS LEASE AND EASEMENT AGREEMENT (hereinafter referred to as "Lease") is entered as of 10-1, 2015 (the "Effective Date") between Calhoun Port Authority, a body politic and a governmental subdivision of the State of Texas (hereinafter referred to as "Port"), and NST Point Comfort Holdings, LLC, a Foreign Limited Liability Company authorized to do business in the State of Texas with its place of business at 333 South Grand Avenue, 28th Floor, Los Angeles, CA. 90071 (hereinafter referred to as "NST").

RECITALS

WHEREAS, NST desires to lease a portion of land and pipe rack owned by Port, such land being more fully described in Exhibit "A", which is attached hereto and incorporated herein for any and all purposes. After the pipelines are constructed, a final "as built" description will be filed of record with the Calhoun County Clerk, Calhoun County, Texas to accurately reflect the location of the pipelines; and

WHEREAS, Port intends to lease to NST land space in Port's pipe racks, finger pier and dockside land to support the installation of four pipelines totaling 4,530 feet, new pipe rack, dock safety unit and vapor destruction unit for four pipelines, said property being described in Exhibits "A" through "F", and further defined as set forth above; and

WHEREAS, the Port has determined that this lease to NST is authorized by law and constitutes a valid public use; and

WHEREAS, the parties desire to set forth the terms and conditions under which the Lease can be acquired by NST from the Port;

NOW, THEREFORE, the Parties hereto, in consideration of the premises and covenants herein set forth, and for other good and valuable consideration, receipt of which is hereby acknowledged, each intending to be legally bound, agree as follows:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

OFFICIAL PUBLIC RECORDS
STAMP

AGREEMENTS

In consideration of the mutual agreements herein set forth, Port and NST agree as follows:

Article 1. Definitions. As used in this Lease, the following terms (in addition to the terms defined elsewhere herein), and whether singular or plural thereof, shall have the following meanings when used herein with initial capital letters:

"Business Day" shall mean a day other than Saturday, Sunday or legal holiday recognized in Port's Tariffs.

"Event of Default" shall have the meaning set forth in Section 14.01 hereof.

"Fiscal Year" shall mean the twelve month period beginning July 1st of any given year and ending June 30th of the following year.

"Force Majeure" shall mean:

- (a) acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of a public enemy, wars, blockades, insurrections, riots or civil disturbances, including but not limited to interruption of navigation, acts of terrorism, or other disruption of normal business conditions;
- (b) labor disputes, strikes, work slowdowns, or work stoppages;
- (c) orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;
- (d) power failure and outages affecting the Leased Premises; and
- (e) any other similar cause or event, provided that the foregoing is beyond the reasonable control of the party claiming Force Majeure.

"Hazardous Materials" shall have the meaning ascribed to it in Section 4.04 hereof.

"Impositions" shall mean, without duplication, (a) all real estate, personal property, rental, water, sewer, transit, use, occupancy and other taxes, assessments, charges, excises and levies which are imposed upon or with respect to (1) the Leased Premises or any portion thereof, or the sidewalks, streets or alley ways adjacent thereto,

or the ownership, use, occupancy or enjoyment thereof or (2) this Lease and the Rent payable hereunder; and (b) all charges for any easement, license, permit or agreement maintained for the benefit of the Leased Premises.

"Improvements" shall mean all improvements presently existing or to be constructed on the Leased Premises by NST during the term of this Lease as described in Exhibits "A" through "F".

"Land Rent" shall mean the annual Land Rent otherwise described in Section 5.01.

"Leased Premises" shall mean (a) the property leased by NST pursuant to this Lease and further described in Exhibits "A" through "F" hereto and on any final "as built" description filed of record with the Calhoun County Clerk of Calhoun County, Texas; and (b) all Improvements thereon or hereafter added to the property described in Exhibits "A" through "F".

"Legal Requirements" shall mean any and all (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 NST and the Leased Premises, including zoning, environmental and utility conservation matters, (b) Port's Tariffs, (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.

"NST Facility" shall mean the facilities described in the April 13, 2011 Ground Lease Agreement between Calhoun Port Authority and NST Point Comfort Holdings LLC as successor to Hawk Field Services LLC and as amended.

"Permitted Use" shall mean the utilization of the Finger Pier Dock and Pipe Racks for construction and maintenance of 4 pipelines, and associated equipment for the transportation and storage of product therein by NST.

"Port" shall mean the Calhoun Port Authority, the body politic and governmental subdivision identified in the opening recital of this Lease, and its successors and assigns and subsequent owners of the Leased Premises.

"Port Facilities" shall mean all channels, waterways, docks, slips and other facilities and improvements owned, operated or controlled by Port (other than the NST Facility) which are necessary for access to, or the use and operation of, the NST Facility as contemplated hereunder.

"Port's Tariffs" shall mean the rates, rules, regulations, policies and tariffs issued, adopted, amended and reissued by Port from time to time (including, without limitation, Tariff No. 003).

"Rent" shall mean Land Rent and any other tariffs or other amounts payable hereunder.

"Right-of-Ways" shall mean right-of-ways, now or hereafter defined and granted in separate instruments, to Port's general cargo dock and railroad spur(s).

"Term" shall mean a 26 year period beginning October 1, 2015 and ending at midnight September 30, 2041.

Leased Premises.

Section 2.01. Description of the Leased Premises. Subject to the provisions of this Lease, Port hereby leases, demises and lets to NST and NST hereby leases from Port, the Leased Premises. Both parties acknowledge that Port shall have the right to use the Leased Premises in any manner that will not interfere with NST's Permitted Use thereof nor will it curtail NST's capacity to transport product through its pipes located within the Leased Premises. The Port shall be permitted to make improvements, alterations, repairs or take emergency action in, on or over the leased property or, if found to be necessary in the discretion of the Port, to relocate the Improvements, which cost of relocation shall be negotiated at the time a relocation is required. Any rental due shall be suspended until relocation is completed.

Article 3. Term.

This lease shall be effective as of the Effective Date and shall continue throughout the Term.

Section 3.01 If NST holds over and continues in possession of the Leased Premises after the lease term expires, the holding over may be considered by Port and at the Port's option a month-to-month tenancy binding NST to all terms and conditions as set forth in this Lease.

Article 4. Use.

Section 4.01. Permitted Use. NST shall use the Leased Premises for the development and operation of any Permitted Uses under this Lease, including, without limitation, the construction, operation and maintenance of four (4) pipelines, two vessel loading arms, dock safety unit and a vapor destruction unit within the Leased Premises, and the transportation of product there through.

Section 4.02. Continuous Operation. NST will occupy and continually use the Leased Premises solely for any or all of the Permitted Uses and in strict compliance with all Legal Requirements. This Lease shall terminate in the event NST completely abandons the use of the Leased Premises for a continuous period

of 180 days unless excused by Force Majeure. Abandonment shall be defined as no activity by NST or if NST is not paying the minimum through-put charges.

Section 4.03. Specifically Prohibited Use. NST will not (a) use, occupy or permit the use or occupancy of the Leased Premises or use Port's other property for any purpose or in any manner which is or may be, directly or indirectly, (1) inconsistent with the requirements of this Lease, (2) violative of any of the Legal Requirements, (3) dangerous to life, health, the environment 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 in or about the Leased Premises which, directly or indirectly, would or might justify any insurance carrier in canceling the insurance policies maintained by NST on the Leased Premises and Improvements thereon. Port hereby confirms to NST that the use of the Leased Premises for the Permitted Use shall not constitute a prohibited use hereunder, including, without limitation, the requirements of Section 4.04 hereof, so long as the same is conducted in compliance with applicable Legal Requirements.

Section 4.04. Environmental Restrictions. NST shall not cause or permit any Hazardous Materials or industrial solid wastes to be generated, treated, stored, manufactured, disposed or released on or about the Leased Premises or transferred or transported to the Leased Premises, in material contravention of applicable legal requirements. Any use of Hazardous Materials by any person on the Leased Premises shall be in strict conformance with all legal requirements and shall not cause the Leased Premises to be subject to remedial obligations to protect health or the environment. The terms "Hazardous Materials" shall mean any flammables, explosives, radioactive materials, hazardous waste and hazardous constituents, toxic substances or related materials, including substances defined as "hazardous substances," "hazardous materials," "toxic substances" or "solid wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.A. Sec. 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C.A. Sec. 5101, et seq.; the Resources Conservation and Recovery Act, 42 U.S.C.A. Sec. 6901, et seq.; the Toxic Substance Control Act, as amended, 15 U.S.C.A. Sec. 2601 et seq.; Grantor's Tariffs; the Solid Waste Disposal Act, Chapter 361 of the Health and Safety Code of Texas; or any other legal requirement.

Section 4.05. Notification of Potential Liability Triggering Event. Within two (2) business days following receipt thereof, NST shall notify and provide Port with all copies of written notices, demands, lawsuits, or other correspondence from any federal, state or local governmental agency or private party related to the following as applicable to the Leased Premises:

- (a) The violation of any federal, state, or local statute or regulation;
- (b) The loss of any operating permit;
- (c) Any enforcement action undertaken by any federal, state or local governmental agency, or any private party;
- (d) The institution of any lawsuit by any governmental entity or any private party; or
- (e) The service of a potentially responsible party demand letter from any private or governmental party.

Section 4.06. Consequences of NST's Violation of Environmental Legal Requirements. In the event NST's violation of environmental Legal Requirements expose Port to fines or penalties as the owner of the Leased Premises, NST shall provide the defense of the Port with respect to such fines and penalties under the appropriate regulatory, administrative, or judicial procedures, and will pay any such fines or penalties timely and promptly after completion of any such defensive or mitigative proceedings, including appeals, if any. In the event of NST's unreasonably repeated conviction of the same violation of environmental Legal Requirements within any twelve month period, Port may re-open negotiations regarding the Term and Land Rent under this Lease.

Section 4.07. INDEMNIFICATION. EXCEPT WHERE THE PORT IS NEGLIGENT OR TO THE EXTENT IT RELATES TO A CONDITION EXISTING AS OF THE EFFECTIVE DATE, IT IS EXPRESSLY AGREED AND UNDERSTOOD THAT NST SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS PORT, ITS EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, AND BOARD MEMBERS, FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, DEMANDS, DAMAGES (INCLUDING WITHOUT LIMITATION REASONABLE LEGAL FEES, COSTS AND EXPENSES), ENFORCEMENT ACTIONS, OR PENALTIES, ARISING OUT OF THE PLACEMENT, TRANSPORTATION, USE, MANUFACTURE, HANDLING, CREATION, STORAGE, TREATMENT, DISCHARGE, OR RELEASE OF ANY HAZARDOUS MATERIALS TO, ON OR FROM THE LEASED PREMISES DURING THE TERM OF THIS LEASE BY NST, OR NST'S AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUB-CONTRACTORS OR INVITEES.

Article 5. Rent.

Section 5.01. Land Rent. NST shall lease from Port the Leased Premises, a total of 4530 feet at \$1.75 per foot per year for an annual payment of \$7,927.50 for a

one year period. A one-time administrative fee of \$2,500.00 shall also be due and payable at the time of execution of this Easement.

Section 5.02. Place of Payment. Rental due hereunder shall be paid to Port at its address for notice hereunder or to such other person or at such other address in Calhoun County, Texas, as Port may from time to time designate in writing. Rent shall be paid in legal tender of the United States of America without notice, demand, abatement, deduction or offset except as herein provided.

Section 5.03. Delinquent Payments. All Rent and other payments required of NST hereunder which are not paid within ten (10) days following receipt of written notice from Port shall bear interest at the maximum rate allowed by law (or, if there is no maximum rate, at ten percent (10%) per annum) from the date due until the date paid. In no event, however, shall the charges permitted under this Section or elsewhere in this Lease, to the extent any or all of the same are considered to be interest under applicable law, exceed the maximum rate of interest allowable under applicable law.

Section 5.04. Other Charges: NST shall comply with and shall pay all local, state and federal taxes (including without limitation, income, franchise, gross receipts, sales, use, excise and real and personal property taxes), governmental charges of any kind whatsoever, payments in lieu of taxes, assessments, special assessments, Licenses, registration fees, freight, and transportation charges and any other charges imposed, assessed, levied or liabilities incurred with respect to the ownership, the possession or the use of the Leased Premises or pipelines, any payment of the Lease payments or any other payments by NST and any penalties, fines or interest imposed on any of the foregoing (collectively, the "Charges") during the Lease term.

Section 5.05. NST to Control Charges. Port shall, to the maximum extent permitted by law, permit NST to pay directly to the relevant taxing or other authorities or third parties all charges due under this Article 5, if NST so requests.

a. NST may, at NST's expense and in NST's or Port's name, in good faith contest any charges (and Port shall cooperate fully in any such contest) and, in the event of any such contest, may permit such charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Port shall notify NST that, in the reasonable opinion of Port, by nonpayment of any such charges the interest of Port in the Lease will be materially endangered or any part thereof will be subject to loss or forfeiture, in which event NST shall promptly pay any such charges.

b. NST agrees to conduct any such contest or appeal in a reasonable manner and further agrees that it will not enter into any settlement or compromise that would obligate Port to make any payment or to take or refrain from taking any action, other than ministerial acts.

c. All rebates, refunds or other return of charges shall be paid directly to NST, or if received by the Port, shall be promptly paid over to NST.

Article 6. Construction, Ownership and Operation of Improvements.

Section 6.01. Title to Improvements. All Improvements are the property of NST. At the expiration of the Term or termination of this Lease, NST may remove such Improvements; and NST shall repair all damage, ordinary wear and tear excepted to the Leased Premises caused by such removal at NST's cost, expense and liability. At the time of removal NST shall be required to restore the Leased Premises to the reasonably unimproved condition it existed as of the Effective Date. In the event that NST fails to remove its Improvements within one hundred and eighty (180) days of the expiration or earlier termination of the Lease, then, at Port's election (i) NST's rights, title and interest in and to such Improvements shall be vested in Port without the necessity of executing any conveyance instruments, or (ii) Port shall be entitled to remove and dispose of such Improvements, in a commercially reasonable manner, at NST's cost, expense and liability.

Section 6.02. Permits. NST shall obtain and maintain in effect at all times during the Term all permits, licenses and consents required or necessary for the construction, installation, maintenance, use and operation of the Improvements and NST's use of and operations at the Leased Premises.

Section 6.03. Condition of Leased Premises. NST acknowledges that it has independently and personally inspected the Leased Premises and that it has entered into this Lease based upon such examination and inspection. NST accepts the Leased Premises in its present condition, **"AS IS, WITH ALL FAULTS, IF ANY, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED,"** other than the warranty of quiet enjoyment; specifically, without limiting the generality of the foregoing, without any warranty of (a) the nature or quality of any construction, structural design or engineering of any Improvements currently located at or constituting a portion of the Leased Premises, (b) the quality of the labor and materials included in any such Improvements, or (c) the soil and environmental conditions existing at the Leased Premises and the suitability of the Leased Premises for any particular purpose or developmental potential. Port shall not be required to make any Improvements to the Leased Premises or to repair any damages to the Leased Premises.

Section 6.04. Repair and Maintenance. NST shall, consistent with industry practices maintain the Leased Premises at all times during the Term in a good, clean, safe, operable and well-kept condition, and will not commit or allow to remain any waste or damage to any portion of the Leased Premises. Additionally, NST shall be responsible for its Pro-rata Share (as hereinafter defined) of the costs incurred for the maintenance to the Port's Pipe Racks, including, but not limited to, all regular and routine maintenance of sandblasting and painting (herein after referred to as Maintenance Costs"). For purposes of this Lease, NST's "Pro-rata Share" of the Maintenance Costs shall be a percentage of such Maintenance Costs, the numerator of which shall be 4530 feet (the number of linear feet NST has a right to use under this Lease in the Port's Pipe Racks) and the denominator of which is the total number of linear feet contained in the Port's Pipe Racks. NST shall pay its Pro-rata Share of the Maintenance Costs within forty five (45) days after receipt of an invoice from the Port.

Section 6.05. Laborers and Mechanics. NST shall pay for all labor and services performed for, materials used by or furnished to NST, or used by or furnished to any contractor employed by NST with respect to the Leased Premises and hold Port and the Leased Premises harmless and free from any liens, claims, encumbrances or judgments created or suffered by NST. If NST elects to post a payment or performance bond or is required to post an improvement bond with a public agency in connection with the above, NST agrees to include Port as an additional obligee thereunder.

Article 7. Impositions. During the Term, NST shall pay or cause to be paid as and when the same shall become due, all Impositions. Impositions that are payable by NST for the tax year in which Commencement Date occurs as well as during the year in which the Term ends shall be apportioned so that NST shall pay its proportionate share of the Impositions payable for such periods of time. Where any Imposition that NST is obligated to pay may be paid pursuant to law in installments, NST may pay such Imposition in installments as and when such installments become due. NST shall deliver to Port evidence of payment of all Impositions NST is obligated to pay hereunder, concurrently with the making of such payment. NST shall, within 60 days after payment of any Imposition, deliver to Port copies of the receipted bills or other evidence reasonably satisfactory to Port showing such payment.

Article 8. Transfer by NST.

Section 8.01. General. NST shall not effect or suffer any Transfer without the prior written consent of Port. Any attempted Transfer without such consent shall be void and of no effect. If NST desires to effect a Transfer, it shall deliver to Port written notice thereof in advance of the date on which NST proposes to make the Transfer, together with all of the terms of the proposed Transfer and the identity of the proposed Transferee. Port shall have 30 days following receipt of the notice

and information within which to notify NST in writing whether Port elects (a) to refuse to consent to the Transfer and to continue this Lease in full force and effect as to the entire Leased Premises or (b) to permit NST to effect the proposed Transfer. If Port fails to notify NST of its election within said 30 day period, Port shall be deemed to have elected option (b). The consent by Port to a particular Transfer shall not be deemed a consent to any other Transfer. Notwithstanding the foregoing, NST may Transfer this Lease to any affiliate of NST, meaning any person or entity controlling, controlled by or under common control with NST, or a successor to all or substantially all of NST's assets, each without Port's consent. If a Transfer occurs without the prior written consent of Port, Port may nevertheless collect Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but such collection and application shall not constitute a waiver of the provisions hereof or a release of NST from the further performance of its obligations hereunder. The parties acknowledge herein that they may enter into a letter agreement pre-approving any potential assignees.

Section 8.02. Liens. Without in any way limiting the generality of the foregoing, but subject to the following Section 8.03, NST shall not grant, place or suffer, or permit to be granted, placed or suffered, against all or any part of the Leased Premises or NST'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 does arise or is asserted, NST will, promptly upon demand by Port and at NST's expense, cause same to be released.

Section 8.03. Construction Financing. In the event the Improvements or the Lease are used as collateral for construction financing, NST shall give notice of such lien to the Port within 30 days of creation of such lien.

Article 9. Access by Port. Port, its employees, contractors, agents and representatives, shall have the right (and Port, for itself and such persons and firms, hereby reserves the right) to enter the Leased Premises during reasonable business hours and upon reasonable notice (a) to inspect the Leased Premises, (b) to show the Leased Premises to prospective purchasers or tenants, (c) to determine whether NST is performing its obligations hereunder and, if it is not, to perform same at Port's option and NST's expense or (d) for any other reasonable purpose. In an emergency, Port (and such persons and firms) may use any means to open any door into or in the Leased Premises without any liability therefor. Entry into the Leased Premises by Port or any other person or firm named in the first sentence of this Article for any purpose permitted herein shall not constitute a trespass or an eviction (constructive or otherwise), or entitle NST to any abatement or reduction of Rent, or constitute grounds for any claim (and NST hereby waives any claim) for damages for any injury to or interference with NST's business, for

loss of occupancy or for consequential damages, but Port shall not unreasonably interfere with NST's use or quiet enjoyment of the Leased Premises.

Article 10. Insurance.

Section 10.01. NST shall procure and maintain continuously in effect with respect to the Leased Premises, insurance against liability for injuries to or death of any persons or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Leased Premises or any part thereof, providing coverage with a combined single limit of \$10,000,000 for injuries to or death of persons or damage to property per occurrence, or in such other amounts and with such other coverages as shall at the time be in accordance with general industry practice for similar facilities and operations of the type and scope of the Leased Premises. In the event of a dispute between the Port and NST as to general industry practice for insurance coverages, the matter may be referred by either party to an independent insurance broker with expertise in industrial insurance for such broker's independent determination of the prudent insurance requirements for such facilities and such determination shall be final and binding on the parties hereto for a period of five years. All such policies of insurance shall designate the Port as a named insured. NST shall furnish to Port a copy of the policy of insurance designating the Port as a named insured within thirty days of the date of execution hereof. In the event NST changes policies, a copy of the new policy designating the Port as a named insured shall be furnished to the Port within ten (10) days.

Section 10.02. Self-Insurance. NST may at any time during the Lease Term substitute self-insurance for any insurance coverage required by the terms of this Lease Agreement, to be provided by NST or any affiliate of NST; provided, however, that NST or the relevant affiliate can provide to Port filings with the Securities and Exchange Commission or other audited financial statements demonstrating that NST or the relevant affiliate had as of the end of its most recent fiscal year a consolidated net worth of at least Five Hundred Million Dollars (\$500,000,000).

ARTICLE 11. INDEMNITY.

EXCEPT WHERE THE PORT IS NEGLIGENT OR ENGAGES IN WILLFUL MISCONDUCT FOR ANY CAUSES OF DAMAGE, NST HEREBY RELEASES AND DISCHARGES PORT, ITS SUCCESSORS AND ASSIGNS, AND ALL OF ITS RESPECTIVE OFFICERS, DIRECTORS, COMMISSIONERS, AND THEIR SUCCESSORS IN OFFICE, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES AND AGENTS, HEREINAFTER COLLECTIVELY AND SEVERALLY REFERRED TO AS "INDEMNITEES" FROM AND

AGAINST ALL LIABILITY FOR, AND ASSUMES THE RISK OF ALL LOSSES, EXPENSES, LIENS, CLAIMS, DEMANDS, DAMAGES AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER WHATSOEVER FOR DAMAGE TO THE PROPERTY OF INDEMNITEE AND OF NST, AND FOR THE PERSONAL INJURY TO OR DEATH OF ANY PERSONS (INCLUDING BUT NOT LIMITED TO PORT, ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS OF PORT) AND/OR DAMAGE TO ANY PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY BELONGING TO PORT, ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS) AND FOR ANY OTHER LIABILITY, DAMAGES, FINES OR PENALTIES (EXCEPT WHERE REIMBURSEMENT FOR FINES OR PENALTIES IS PROHIBITED BY APPLICABLE LAW), INCLUDING COSTS, EXPENSES, PENALTIES AND INTEREST, ATTORNEY FEES AND SETTLEMENTS HEREINAFTER REFERRED TO COLLECTIVELY AND SEVERALLY AS "CLAIMS", ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE AGREEMENT OR THE PERFORMANCE OR FAILURE TO PERFORM THE COVENANTS OF THIS LEASE AGREEMENT, SUBJECT TO THE NEGLIGENCE OR WILFUL MISCONDUCT OF THE INDEMNITIES. THIS INDEMNITY SHALL INCLUDE CLAIMS ARISING OUT OF, BROUGHT BY OR CAUSED, IN WHOLE OR IN PART BY NST, ITS OFFICERS, DIRECTORS, EMPLOYEES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS OF NST, AND NST EXPRESSLY AGREES TO DEFEND, INDEMNIFY, REIMBURSE AND HOLD PORT, ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, ATTORNEYS, DESIGNEES, REPRESENTATIVES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS, HARMLESS FROM ALL "CLAIMS" OF ANY KIND OR CHARACTER, INCLUDING BUT NOT LIMITED TO CLAIMS IN ANY MATTER RESULTING FROM, ARISING OUT OF OR CAUSED, IN WHOLE OR IN PART, BY NST'S, (INCLUDING ITS OFFICERS, DIRECTORS, COMMISSIONERS, EMPLOYEES, TENANTS, SUBCONTRACTORS, SUPPLIERS, INVITEES OR LICENSEES AND AGENTS) WILLFUL MISCONDUCT, NEGLIGENCE, GROSS NEGLIGENCE, DELIBERATE ACTS, STRICT LIABILITY IN TORT OR BREACH OF WARRANTY, EXPRESSED OR IMPLIED.

THE FOREGOING INDEMNIFICATION SHALL NOT BE APPLICABLE TOWARD OR ENFORCEABLE IN FAVOR OF ANY INDIVIDUAL INDEMNITEE FOR A PARTICULAR CLAIM, INsofar AS THAT PARTICULAR CLAIM IS ADJUDICATED BY A COURT OF COMPETENT JURISDICTION, TO RESULT PRIMARILY FROM THE NEGLIGENCE OR WILLFUL CONDUCT OF THAT INDEMNITEE SEEKING TO ENFORCE THE INDEMNIFICATION.

PORT AND NST ACKNOWLEDGE THAT THIS STATEMENT AND THE FOREGOING INDEMNIFICATION UNDER THIS ARTICLE 11 COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS AND HAS BEEN REVIEWED AND APPROVED BY EACH PARTIES OWN RESPECTIVE INDEPENDENT LEGAL COUNSEL. THE INDEMNIFICATION ARISING HEREIN SHALL SURVIVE THE TERMINATION OF THIS LICENSE.

Article 12. Casualty Loss.

Section 12.01. Obligation to Restore.

(a) 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 the Term, NST shall 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. NST 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 6 hereof. Notwithstanding the foregoing provisions of this subparagraph (a) to the contrary, if all such improvements are wholly destroyed by any casualty, or are so damaged or destroyed that, in the Parties' good faith judgment reasonably exercised that it would be uneconomic to cause the same to be restored (and the Parties shall meet to make such determination within 90 Business Days after the date the casualty occurred), then NST shall not be obligated to restore such improvements and this Lease shall terminate as of the date the Improvements are removed and the property is restored in accordance with §6.01.

(b) If a casualty loss affecting the Leased Premises occurs, all insurance proceeds arising from policies maintained by NST for the damages arising from such casualty shall be distributed and paid directly to the Party actually performing the restoration of the Leased Premises under Sections 6.01 and 12.01(a), as interest may appear, for all damages to the Leased

Premises or for costs incurred for the restoration of the Leased Premises to its unimproved condition as provided in Section 6.01.

Section 12.02. Notice of Damage. NST shall immediately notify Port of any destruction of or damage to the Leased Premises.

Article 13. Quiet Enjoyment. NST, on paying the Rent and all other sums called for herein and performing all of NST's other obligations contained herein, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Leased Premises during the Term subject to the provisions of this Lease. Port agrees to warrant and forever defend NST'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 Port (but not otherwise), subject to the provisions of this Lease, all matters of record in the Official Records of Calhoun County, Texas, and any unrecorded easements or licenses executed by Port to the extent the foregoing are validly existing and applicable to the Leased Premises.

Article 14. Default.

Section 14.01. Events of Default. Each of the following occurrences shall constitute an Event of Default by a party under this Lease:

- (a) The failure of a Party to pay any amount due under this Lease, and the continuance of such failure for a period of ten (10) days after receipt of notice from the other Party;
- (b) The failure by a Party to perform, comply with or observe any other agreement, obligation or undertaking of such Party, and the continuance of such failure for a period of thirty (30) days after receipt of notice from the non-defaulting Party specifying such failure, except that if cure is not reasonably possible within such thirty (30) day period, a Party shall not be in default if it promptly commences cure within such period and thereafter diligently pursues cure until completion;
- (c) The filing of a petition by or against NSTt in any bankruptcy or other insolvency proceeding, or seeking any relief under the federal Bankruptcy Code or any similar debtor relief laws; or
- (d) Use of the Leased Premises by Lessee or its successors or assigns for any purpose other than a Permitted Use, as defined in Article 1, and Lessee's failure to cease such impermissible use within thirty (30) days of receipt of notice of such violation from Landlord.

Section 14.02. Remedies. Upon the occurrence of an Event of Default, the non-defaulting Party may, in addition to its other remedies, terminate this Lease upon thirty (30) days notice to the other Party; however, such notice shall not be effective if the defaulting party cures the Event of Default within the meaning of Section 14.01(b) above.

Section 14.03. No Waiver; No Implied Surrender. Provisions of this Lease may not be waived orally or impliedly, but only by the Party entitled to the benefit of the provision evidencing the waiver in writing. No waiver of any breach by a Party shall constitute a waiver of any subsequent breach.

Article 15. Right of Reentry. Upon the expiration or termination of the Term for whatever cause, or upon the exercise by Port of its right to re-enter the Leased Premises without terminating this Lease, NST shall immediately, quietly and peaceably surrender to Port possession of the Leased Premises in the condition and state of repair required under the Lease and NST shall remove the Removable Property in accordance with Section 6.01 hereof. If NST fails to surrender possession as herein required, Port may initiate any and all legal action as Port may elect to dispossess NST and all of its Removable Property and all persons or firms claiming by, through or under NST and all of their Removable Property from the Leased Premises, and may remove from the Leased Premises and store (without any liability for loss, theft, damage or destruction thereto) any such removable Property at NST's cost and expense. For so long as NST remains in possession of the Leased Premises after such expiration, termination or exercise by Port of its re-entry right, NST shall be deemed to be occupying the Leased Premises as a tenant-at-sufferance, subject to all of the obligations of NST under this Lease, except that the Land Rent shall be twice the per day Land Rent in effect immediately prior to such expiration, termination or exercise by Port. No such holding over shall extend the Term. If NST fails to surrender possession of the Leased Premises in the condition herein required, Port may, at NST's expense, restore the Leased Premises to such condition.

Article 16. Miscellaneous.

Section 16.01. Independent Obligations; No Offset. The obligations of NST to pay Rent and to perform the other undertakings of NST hereunder constitute independent unconditional obligations to be performed at the times specified hereunder, regardless of any breach or default by Port hereunder. NST shall have no right, and NST hereby waives and relinquishes all rights which it might otherwise have, to claim any nature of lien against the Leased Premises or to withhold, deduct from or offset against any Rent or other sums to be paid to Port by NST.

Section 16.02. Applicable Law. This Lease shall be governed by, construed and shall be enforceable in accordance with the laws of the State of Texas without

giving effect to the principles of conflict of laws. Venue for any action brought hereunder shall lie in the State District Courts of Calhoun County, Texas.

Section 16.03. Assignment by Port. Port shall have the right to assign, in whole or in part, any or all of its rights, titles or interests in and to the Leased Premises or this Lease and, upon any such assignment, Port shall be relieved of all unaccrued liabilities and obligations hereunder to the extent of the interest so assigned.

Section 16.04. Estoppel Certificates. From time to time at the request of Port, NST will promptly and without compensation or consideration execute, have acknowledged and deliver a certificate stating (a) the rights (if any) of NST to extend the Term or to expand the Leased Premises, (b) the Rent (or any components of the Rent) currently payable hereunder, (c) whether this lease has been amended in any respect and, if so, submitting copies of or otherwise identifying the amendments, (d) whether, within the knowledge of NST after due investigation, there are any existing breaches or defaults by Port hereunder and, if so, stating the defaults with reasonable particularity and (e) such other information pertaining to this Lease as Port may reasonably request.

Section 16.05. Signs. NST shall not install any signs, placards or other advertising or identifying marks upon the Leased Premises or upon the exterior of any Improvements to or constituting a part of the Leased Premises without the prior written consent of Port, which shall not be unreasonably withheld. NST agrees to remove promptly and to the satisfaction of Port (at NST's sole cost and expense) upon the expiration or earlier termination of the Term any and all such signs, placards or other advertising or identifying marks.

Section 16.06. Relation of the Parties. It is the intention of the parties to create hereby the relationship of Port and NST, and no other relation is hereby created. Nothing in this Lease shall be construed to make the parties partners or joint venturers or to render either party liable for any obligation of the other.

Section 16.07. Public Disclosure. Port is a governmental authority subject to the requirements of the Texas Open Meetings Act and the Texas Open Records Act (Texas Government Code Chapters 551 and 552), and as such Port is required to disclose to the public (upon request) this Lease and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, NST agrees that the disclosure of this Lease or any other information or materials related to the consummation of the transactions contemplated hereby to the public by Port as required by the Texas Open Meetings Act, Texas Open Records Act, or any other Legal Requirement will not expose Port (or any party acting by, through or under Port) to any claim, liability or action by NST.

Section 16.08. Notices and Billing Address. All notices and other communications given pursuant to this Lease shall be in writing and shall either be mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, and addressed as set forth in this Lease, or delivered in person to the intended addressee, or sent by prepaid telegram, cable or telex followed by an confirmatory letter. Notice mailed in the aforesaid manner shall become effective three Business Days after deposit; notice given in any other manner, and any notice given to Port, shall be effective only upon receipt by the intended addressee. For the purposes of notice and/or billing, the address of

- (a) Port shall be:
Calhoun Port Authority
P. O. Box 397
Point Comfort, Texas 77978
Attention: Port Director

and

- (b) NST shall be:
NST Point Comfort Holdings, LLC
10077 Grogans Mill Road, Suite 530
The Woodlands, TX 77386
Attention: Chief Operating Officer

Each party shall have the continuing right to change its address for notice hereunder by the giving of 15 days prior written notice to the other party provided however, if NST vacates the location that constitutes its address for notice hereunder without changing its address for notice pursuant to this Lease, then NST's address for notice shall be deemed to be the Leased Premises.

Section 16.09. Entire Agreement, Amendment and Binding Effect. This Lease constitutes the entire agreement between Port and NST relating to the precise subject matter of this Lease and all prior agreements relative precisely to the subject matter of this Lease which are not contained herein are terminated. This Lease may be amended only by a written document duly executed by Port and NST, and any alleged amendment which is not so documented shall not be effective as to either party. The provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors and assigns; provided, however, that this Section 16.09 shall not negate, diminish or alter the restrictions on Transfers applicable to NST set forth elsewhere in this Lease.

Section 16.10. Severability. This Lease is intended to be performed in accordance with and only to the extent permitted by all Legal Requirements. If any provision of this Lease or the application thereof to any person or

circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Section 16.11. Construction. Unless the context of this Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the term "includes" or "including" shall mean "including without limitation"; (d) the word "or" has the inclusive meaning represented by the phrase "and/or"; and (e) the words "hereof" or "herein" refer to this entire Lease and not merely the Section or Article number in which such words appear. Article and Section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated article or section of this Lease.

Section 16.12. Authority. The person executing this Lease on behalf of NST personally warrants and represents unto Port that (a) (if applicable) NST is a duly organized and existing legal entity, in good standing in the State of Texas (b) NST has full right and authority to execute, deliver and perform this lease, (c) the person executing this Lease on behalf of NST was authorized to do so and (d) upon request of Port, such person will deliver to Port satisfactory evidence of his or her authority to execute this Lease on behalf of NST.

Section 16.13. Incorporation by Reference. Exhibit "A" hereto is incorporated herein for any and all purposes.

Section 16.14. Force Majeure. Port and NST shall be entitled to rely upon Force Majeure as an excuse for timely performance hereunder only as expressly provided herein and shall not be entitled to rely upon Force Majeure as an excuse for timely performance unless the party seeking to rely on Force Majeure (a) uses commercially reasonable efforts to overcome the effects of the event of Force Majeure, (b) gives written notice to the other party within 5 days after the occurrence of the event describing with reasonable particularity the nature thereof or as soon thereafter as reasonable communications will permit, (c) commences performance of its obligation hereunder immediately upon the cessation of the event or restoration of use of the Leased Premises, and (d) gives written notice to the other party within 5 days after the cessation of the event advising the other party of the date upon which the event ceased to constitute an event of Force Majeure.

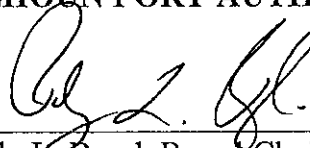
Section 16.15. Interpretation. Both Port and NST and their respective legal counsel have reviewed and have participated in the preparation of this Lease. Accordingly, no presumption will apply in favor of either Port or NST in the interpretation of this Lease or in the resolution of the ambiguity of any provision hereof.

Section 16.16. Multiple Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

[Signatures follow on Next Page]


EXECUTED this 9th day of ~~October~~ ^{November}, 2015, and effective this 1st day of October, 2015.

CALHOUN PORT AUTHORITY:




Randy L. Boyd, Board Chair
Calhoun Port Authority

ATTEST:


H. C. Wehmeyer, Jr., Board Secretary
Calhoun Port Authority

NST POINT COMFORT HOLDINGS, LLC

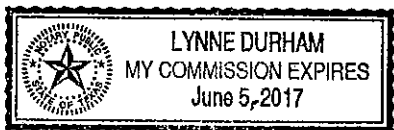
By: 
Name: Steve Ferro
Title: SVP, Commercial and Business
Development

STATE OF TEXAS

§
§
§

COUNTY OF CALHOUN

This instrument was acknowledged before me on the 9th day of November, 2015, by Randy L. Boyd, Board Chair of the Calhoun Port Authority.



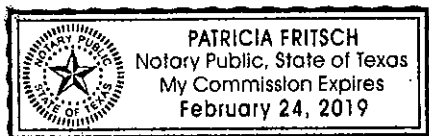
Lynne Durham
Notary Public in and for the State of Texas

STATE OF Tx

§
§
§

COUNTY OF Harris

This instrument was acknowledged before me on the 9th day of November, 2015, by Steve Terra, of NST Point Comfort Holdings, LLC.



Patricia Fritsch
Notary Public in and for the State of Texas

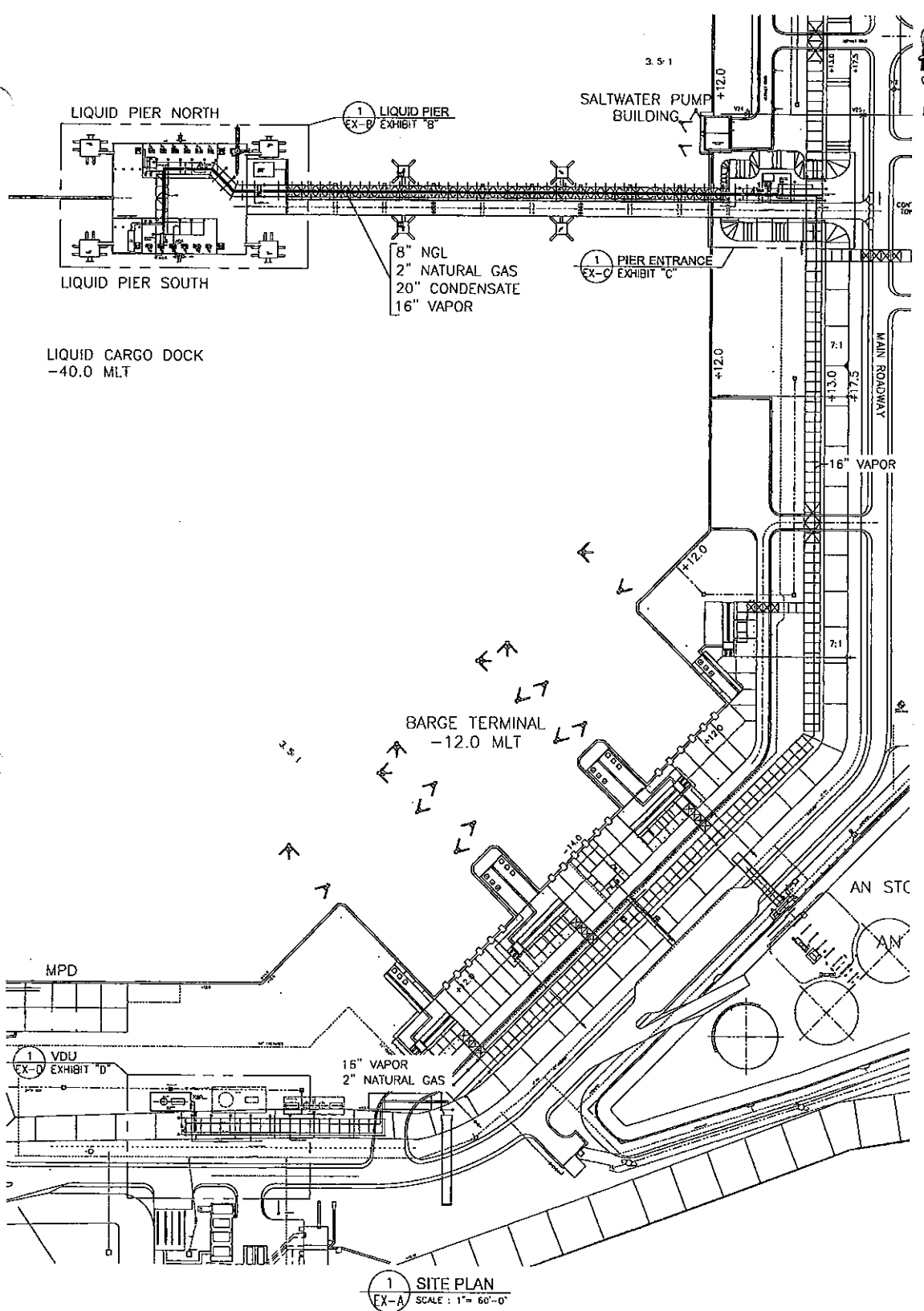


EXHIBIT "A"

CALHOUN PORT AUTHORITY
NST POINT COMFORT HOLDINGS, LLC.
CRUDE CONDENSATE TERMINAL
MARINE FACILITY SITE PLAN
"PRELIMINARY"

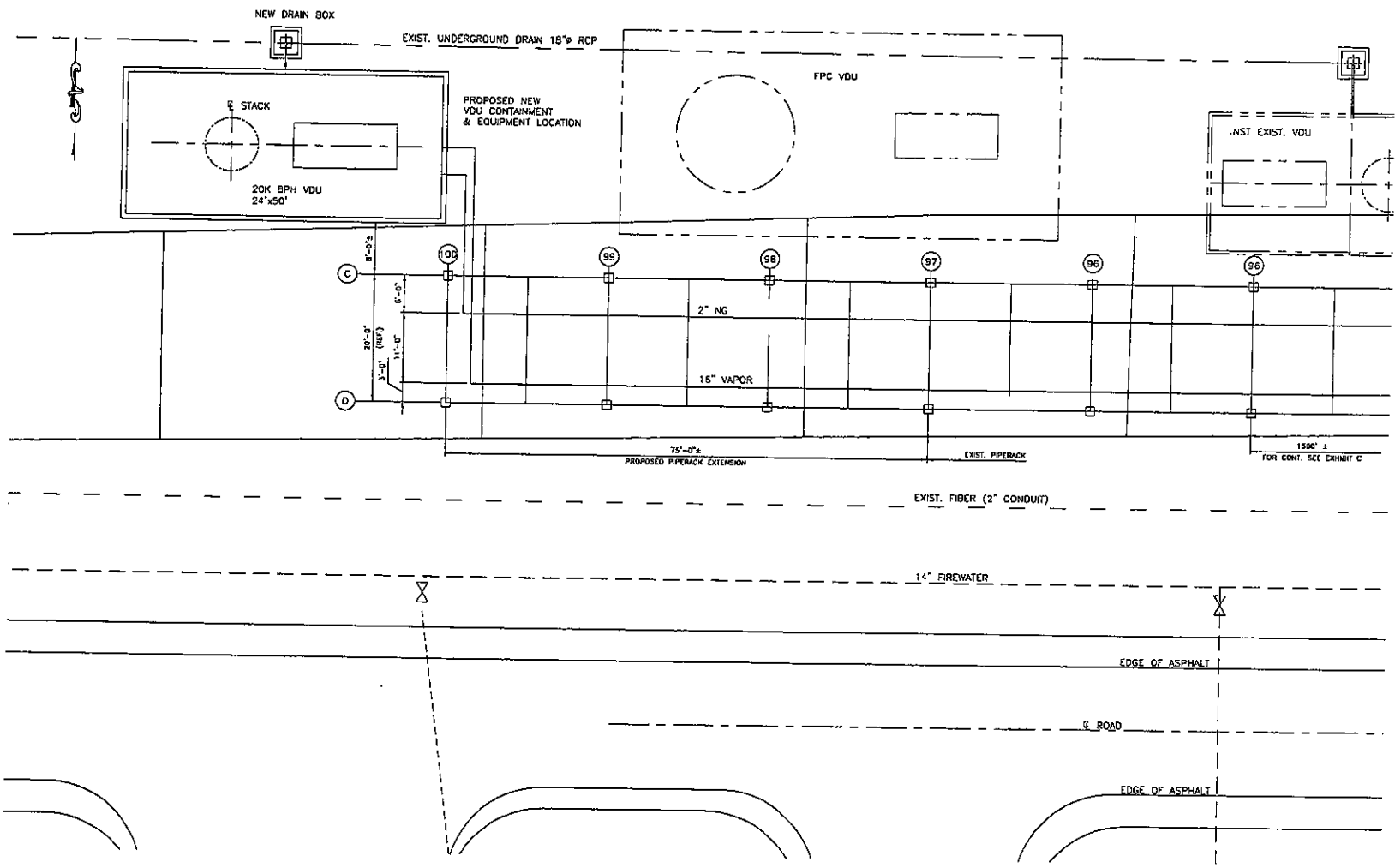
Texas Registered Engineering Firm F-54382

G & W ENGINEERS, INC.

ENGINEERING SURVEYING PLANNING

208 W. Line Oak St. Port Lavaca, Texas 77978 (361)552-4509
1801 7th St., Suite 260 Bay City Texas 77414 (879) 323-7100

REV.	DATE	DESCRIPTION	BY	CHK.
1	7/28/15	PRELIMINARY	SDK	MJS
2				
3				
4				
5				



1
EX-D VDU AREA PLAN
SCALE: 1/8" = 1'-0"

PROJECT NO. 6970-002		DATE 6/25/15	BY CHK.
SCALE: AS NOTED		DATE 7/20/15	BY MJS
DRAWN BY: SDK		DATE 7/20/15	BY MJS
CHK. BY: MJS		DATE 7/20/15	BY MJS
DATE: 6/25/15		DATE 7/20/15	BY MJS
SHT. NO. EX-D		DATE 7/20/15	BY MJS
EXHIBIT "D"		DATE 7/20/15	BY MJS
CALHOUN PORT AUTHORITY NST POINT COMFORT HOLDINGS, LLC CRUDE CONDENSATE TERMINAL VDU AREA ENLARGED PLAN "PRELIMINARY"		DATE 7/20/15	BY MJS
G & W ENGINEERS, INC. REGISTERED ENGINEERING FIRM F-9128 255 N. Blue Oak St., Fort Worth, Texas 76102 (817) 335-1100 1801 Tio St., Suite 200 Bay City, Texas 77414 (979) 335-1100		DATE 7/20/15	BY MJS

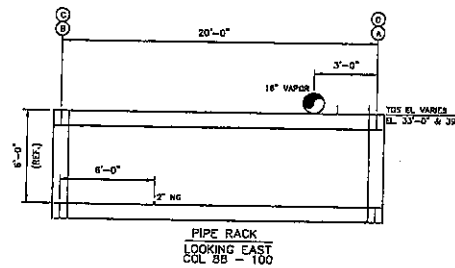
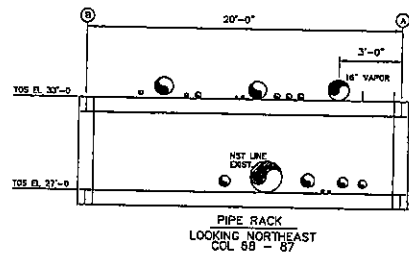
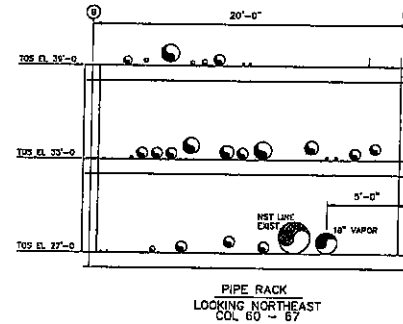
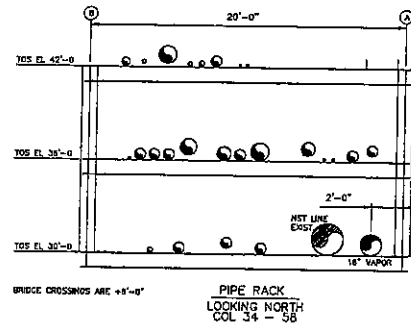
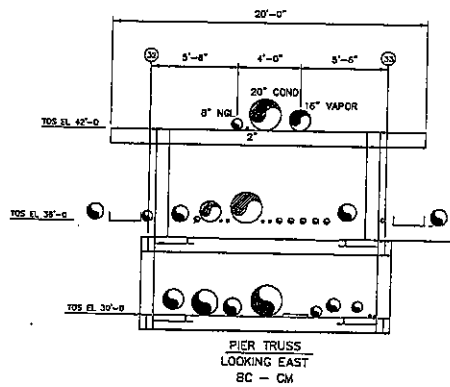


EXHIBIT "E"

CALHOUN PORT AUTHORITY
NST POINT COMFORT HOLDINGS, LLC.
CRUDE CONDENSATE TERMINAL
PIPING ELEVATION IN RACKS
"PRELIMINARY"

Texas Registered Engineering Firm P-24188
G & W ENGINEERS, INC.
ENGINEERING SURVEYING PLANNING
205 E. Live Oak St. Port Lavaca, Texas 77978 (409) 542-4508
1001 TIL St. Suite 250 Bay City Texas 77414 (979) 563-7100

REV.	DATE	DESCRIPTION	BY	CHK.
1	8/10/15	PRELIMINARY	SKK	MJS

PROJECT NO.	6970.002
SCALE:	AS NOTED
DWN. BY:	SKK
CHK. BY:	MJS
DATE:	6/23/15

Exhibit F
LEASE AND EASEMENT AGREEMENT OF
LIQUID CARGO DOCK, PIPE RACKS AND PIPELINES
BY AND BETWEEN THE CALHOUN PORT AUTHORITY ("PORT")
AND NST POINT COMFORT HOLDINGS, LLC ("NST")

- 1) 20 inch crude/condensate pipeline from an interconnections with an existing NST pipeline starting at the landward end of the Liquid Cargo Dock to the NST 20/16 inch vessel loading arm located on Liquid Pier South – 1,000 feet
- 2) 16 inch vapor return pipeline from NST 20/16 inch vessel loading arm on Liquid Pier South to the Vapor Destruction Unit shown in Exhibit "D" – 3,000 feet
- 3) 8 inch LPG pipeline from pipeline interconnect at landward end of the Liquid Cargo Dock to the 8 inch NST vessel loading arm located on Liquid Pier South - 950 feet
- 4) 2 inch natural gas supply pipeline from existing NST pipeline at landward end of the Liquid Cargo Dock to the NST Dock Safety Unit located on Liquid Pier South
- 5) One dual vessel loading arm for 20 inch crude/condensate and 16 inch vapor return pipelines located on Liquid Pier South
- 6) One vessel loading arm for 8 inch LPG pipeline located on Liquid Pier South
- 7) One Dock Safety Unit located near the dual vessel loading arm noted above
- 8) One Vapor Destruction Unit located East of NST's existing barge VDU's as shown in Exhibit "D".
- 9) The third level pipe rack constructed by NST to support NST and others pipelines from the landward end of the Liquid Cargo Dock to Liquid Piers North and South
- 10) Two loading hose connections on Liquid Pier North
- 11) Access for all instrumentation and electrical utilities to NST facilities. Location(s) to be approved by Port.

November 23 2015 8:22 AM

This Document has been received by this Office for
Recording into the Official Public Records. We do
hereby swear that we do not discriminate due to
Race, Creed, Color, Sex or National Origin.

Filed for Record in:
Calhoun County
Honorable Anna Goodman
County Clerk

Josie Sampson
Deputy

Instr.: 145620
Stamps: 28 Page(s)