

PORT OF HOUSTON AUTHORITY

EXECUTIVE OFFICES: 111 EAST LOOP NORTH • HOUSTON, TEXAS 77029-4327
MAILING ADDRESS: P.O. BOX 2562 • HOUSTON, TEXAS 77252-2562
TELEPHONE: (713) 670-2400 • FAX: (713) 670-2429



March 26, 2010

NAME
ADDRESS
CITY, TX ZIP

Re: Bayport Mitigation Solution Program Application and Package

Dear NAME:

On March 10, 2010, the Port of Houston Authority (“Port Authority”) announced the mitigation solution of its Good Neighbor Program – one of its action commitments to north shore homeowners near the Bayport Container and Cruise Terminal. The mitigation solution follows an independent study commissioned by the Port Authority to address the sound effects of the terminal.

Under this program, the Port Authority will make a \$40,000 program payment to the owners of each eligible property within the program area that had a permanent, habitable structure on it between February 8, 2007, and January 26, 2010. Property owners with an eligible property in the program area without a permanent, habitable structure during that period will receive a \$5,000 program payment.

In return, the Port Authority requires that the homeowner or landowner (in the case where there was not a permanent, habitable structure during the eligibility period) enter into an easement that:

- grants “permission” for the Port Authority to construct, develop, operate and maintain the Bayport Container and Cruise Terminal without liability to the owner for lawful activities there; and
- gives up rights owners may have to sue the Port Authority for these lawful activities.

Your residential property has been identified as one of the 411 residential properties within the program area.

This letter provides important information regarding your possible participation in the program.

1. Enclosed are the following action documents:

- Bayport Mitigation Solution Program Application (the “Application”); and
- Return envelope for your convenience.

If you are interested in participating, please complete the Application and return it to the Port Authority in the envelope provided.

IN ORDER TO BE ELIGIBLE FOR PARTICIPATION IN THE PROGRAM, YOU MUST SUBMIT THE COMPLETED APPLICATION FORM TO THE PORT AUTHORITY NO LATER THAN 60 DAYS FROM YOUR RECEIPT OF THIS PROGRAM INFORMATION PACKET.

If you have any questions about the application, please contact me at (713) 670-2678 or lbrown@poha.com.

2. Also enclosed are these important *sample* program documents:

- Bayport Terminal Construction and Operations Mitigation Agreement (Improved Property);
- Bayport Terminal Construction and Operations Mitigation Agreement (Lots); and
- Bayport Program Easement Agreement.

Following receipt of your application, the Port Authority will prepare and send to you a Bayport Terminal Construction and Operations Mitigation Agreement, reflecting whether you own one or more homes and/or lots, and request that you return the signed agreement.

We will use every effort to get the agreement to you in 30 to 60 days, but this timing will depend on the number of participants in the program.

Once the agreement is signed, the Port Authority will work with a title company to review title to your property and verify its ownership details. Depending on the terms of your mortgage or deed or trust, your lender may have to consent to the easement.

Title matters must be resolved by you before the mitigation payment is made, and the easement is recorded.

Once title is approved, all the owners of your property will be required to sign the Bayport Program Easement Agreement at the title company conducting your title review (or other convenient location). The title company will transmit the mitigation payment to you, and record the easement.

The process is expected to take between 30 to 60 days, from the time you sign and return the Operations and Mitigation Agreement to closing, depending on title matters.

3. Finally, the following documents are enclosed solely for your information:

- Frequently Asked Questions (FAQs);
- Copies of previous correspondence;
- Boundary Map; and
- W.D. Shock Study.

We hope these additional materials answer any questions you may have. The Port Authority will continue to update the FAQs in the coming days and weeks, and post the updated information at www.BayportMitigationSolution.com.

If you have any questions about this letter, once again I urge you to contact me at (713) 670-2678 or lbrown@poha.com.

Sincerely,

Linda Brown

Mitigation Program Coordinator