

May 19, 2010

NAME
ADDRESS
CITY, STATE ZIP

Re: Bayport Mitigation Solution Program – FINAL Reminder

Dear NAME:

IF YOU HAVE ALREADY RETURNED YOUR APPLICATION TO THE PORT AUTHORITY, PLEASE DISREGARD THIS LETTER.

On March 10, 2010, the Port of Houston Authority (the “Port Authority”) announced the mitigation solution of its Good Neighbor Program. Your* residential property was identified as one of the 411 residential properties within the program area.

On March 26, 2010, the Port Authority mailed you a Program Application and package. **On May 7, 2010, the Port Authority mailed you a courtesy letter to remind you of the application deadline.**

The Port Authority is mailing this letter as a final courtesy to remind you that ***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 THE PROGRAM INFORMATION PACKET.***

- **Payments.** As you know, under this program, the Port Authority will make \$40,000 program payments to eligible current owner(s) who timely apply and had a permanent, habitable structure in the program area between February 8, 2007 and January 26, 2010. Current owners who timely apply and had an eligible tax parcel in the program area, but without a permanent, habitable structure during this time period, can receive a \$5,000 program payment.
- **Easement.** In return, the Port Authority requires that the owner enter into an easement granting your legal “permission” for the Port Authority to construct, develop, operate and maintain the Bayport Container and Cruise Terminal for lawful activities there. The easement agreement does not give the Port Authority the right to enter your property at any time, or the right of “possession.” Neither does it alter your ability to use or build on your property. In this respect it is different from a road, pipeline, or utility easement.

However, you are giving up rights you may have to sue for these activities only. **State and federal statutes will continue to govern Port Authority activities, and you will retain rights under these laws, even if you grant the easement.**

Since the easement document will be recorded in title records, this permission and release binds not only you, but future owners of your property.

* “You”, “Your”, etc. identifies the eligible legal property owner.

- **Mitigation Agreement.** Following receipt of your application, the Port Authority will send a Bayport Terminal Construction and Operations Mitigation Agreement, for you to sign and return.
- **Title.** The Port Authority will then work with a title company to review your property title and verify its ownership details. We advise you to determine prior to closing if lender consent is required. We are not responsible to obtain lender consent, but will coordinate with you and your lender in this process if you request.
- **Closing.** Once title is approved, you will sign the Bayport Program Easement Agreement at the title company (or other convenient location). The title company will transmit the mitigation payment to you, and record the easement.
- **Timing.** **There will be no exceptions to the 60 day period provided.** If an application is submitted after the 60 day period, it will not be processed.
- **Applications/Agreements to Date.** The Port of Houston Authority has received completed program applications for over 200 properties. Out of those, 75 Easement Agreements have been processed representing almost \$3 million of closing commitments and/or payouts. More than 90 percent of these Easement Agreements are for homes.

We look forward to your program participation. If you have any questions or concerns, please contact me at (713) 670-2678 or lbrown@poha.com.

Sincerely,

Linda Brown

Linda Brown
Mitigation Program Coordinator