



PORT OF HOUSTON AUTHORITY

November 3, 2011

NAME
ADDRESS
CITY, TX ZIP

Re: Bayport Mitigation Solution Program Package

Dear NAME:

As you may be aware, in 2010, the Port of Houston Authority ("Port Authority") announced the Bayport Mitigation Solution Program. The program followed a series of sound mitigation initiatives by the Port Authority and provides the owners of 411 residential properties (in an area defined by the results of an independent study) the opportunity to apply for a mitigation payment for use as the owner sees fit.

To date, owners of 271 of the 411 properties have participated in the program. This count includes 233 homes and 33 vacant lots. The Port has paid eligible homeowners approximately \$9,510,000 in mitigation payments.

The initial program required applicants to apply within 60 days of receiving the program information packet. Since then, the Port has received a number of application requests from owners who had not applied within the original 60 day time frame.

On September 27, 2011, the Port Commission approved the re-opening of the Mitigation Solution Program to eligible property owners within the program area who have not yet taken advantage of the program.

Your property has been identified as one of these eligible residential properties.

The original program criteria are still in place:

Under this program, the Port Authority will make a \$40,000 payment to the owners of each eligible tax parcel 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 tax parcel 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:

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- 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 the owner may have to sue the Port Authority for these lawful activities.

In order to be deemed “eligible”, an owner must not be engaged in litigation against the Port Authority. If an owner has been involved in any litigation against the Port Authority, he or she must furnish evidence acceptable to the Port Authority showing the owner is no longer involved in such litigation. **This must be submitted with the Bayport Mitigation Solution Application.**

Following receipt of the application, the Port Authority will prepare and send the owner(s) a Bayport Terminal Construction and Operations Mitigation Agreement, reflecting ownership of the homes and/or lots indicated in the application, and request that the owner(s) return the signed agreement. We will use every effort to get the agreement to the owner(s) within 10 days, but this timing will depend on the number of applications received.

Once the agreement is signed, the Port Authority will request a title report on the property or properties in order to verify ownership and review any title issues. Once title is approved, all the owners of the property will be required to sign the Bayport Program Easement Agreement at the offices of Stewart Title Company (or another convenient location).

Please be aware that, depending on the terms of the mortgage or deed of trust, the lender may have to consent to the easement. Lender consent (if required) must be obtained and all title matters must be resolved before the mitigation payment is made, and the easement is recorded by the title company. The title company will transmit the mitigation payment to the owner(s), and record the easement.

The process is expected to take between 30 to 60 days, from the time the Operations and Mitigation Agreement is signed and returned to closing, depending on title matters and lender requirements.

All other facts on the program and the Program Application can be found at our website: **www.bayportmitigationsolution.com**. The Port Authority wants you to be well informed before making your decision and therefore strongly recommends you take the time to review this important information.

If you are interested in participating, please complete the enclosed application and return it to the Port Authority.

If you have any questions about this letter or the program, please feel free to contact me at (281) 924-5904 or **lbrown@poha.com**. Again, a copy of the Application and additional information can also be found at **www.bayportmitigationsolution.com**.

Sincerely,

Linda Brown

Linda Brown
Mitigation Program Coordinator