

Harris Co. Sketch File 100

**LAND EXCHANGE  
EXXON CORPORATION AND PORT OF HOUSTON AUTHORITY  
SUMMARY OF APPRAISED VALUES**

<u>PROPERTY</u>	<u>SIZE</u>	<u>DOMINY/FORD VALUE</u>
Spillman Island (Exxon's 1/2 Interest)	355.4 Acres	\$639,720
Lagoon #1	168.0810 Acres	252,122
Lagoon #1 Extension	30.8365 Acres	30,837
Scott Bay	3.6818 Acres	104,246

Summary:

Total Value of Port of Houston's Property	\$387,205
Value of Exxon's 1/2 Interest in Spillman Island	639,720

File No. Sketch File 100  
Harris County  
Agreement between Exxon & Port of Houston  
Filed April 12 19 91  
GARRY MAURO, Com'r  
By Douglas Howard

Counter 25674

Harris Co. Sketch File 100

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 2180 • HOUSTON, TEXAS 77252-2180

RIGHT OF WAY & CLAIMS

P. G. McDIVITT  
CHIEF AGENT

RECEIVED

JUL 5 1990

GENERAL LAND OFF.

July 3, 1990

File 68388  
Land Exchange Between  
Exxon & Port of Houston  
Authority

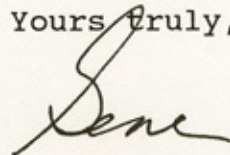
Mr. Spencer L. Reid  
Deputy Land Commissioner  
Texas General Land Office  
Stephen F. Austin Building  
1700 North Congress  
Austin, Texas 78701

Dear Mr. Reid:

Enclosed is a copy of the appraisal prepared by Dominy, Ford & McPherson, Inc. covering the parcels of land included in the exchange between Exxon and the Port of Houston Authority. Please note that the acreage contained in Lagoon No. 1 has been increased from the amount shown in the appraisal of 154.0866 acres to 168.0810 acres. Consequently, the value increased from \$231,130 to \$252,122. For your reference, a summary of the values, on a per parcel basis, is also included.

As soon as the exchange deed is prepared, a copy will be sent to you for review. We appreciate your assistance in coordinating this matter with the School Land Board.

Yours truly,



PGM:mp  
Enclosure

cc: Mr. R. P. Leach

**LAND EXCHANGE  
EXXON CORPORATION AND PORT OF HOUSTON AUTHORITY  
SUMMARY OF APPRAISED VALUES**

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Total Value of Port of Houston's Property	\$387,205
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APPRAISAL OF

THREE PARCELS OF LAND, SPILLMAN ISLAND, THE LAGOON I  
PROPERTIES, AND THE SCOTT BAY PROPERTY IN BAYTOWN  
AND LA PORTE, TEXAS

PREPARED FOR

MR. P. G. MCDIVITT  
EXXON USA  
800 BELL, ROOM 1793  
HOUSTON, TEXAS 77002

File No. Sketch File 100  
Harris County  
Agreement between Exxon & Port of Houston  
Filed April 12 19 91  
By GARRY MAURO, Com'r  
Douglas Howard

AS OF  
JANUARY 1, 1990

REFERENCE 89539

PREPARED BY

DOMINY, FORD & MCPHERSON, INC.  
REAL ESTATE APPRAISERS AND CONSULTANTS  
855 UVALDE  
HOUSTON, TEXAS 77015

HOUSTON REGIONAL OFFICE OF VALUATION NETWORK, INC.

Counter 25677



**DOMINY, FORD & MCPHERSON, INC.**  
**REAL ESTATE APPRAISERS AND CONSULTANTS**  
855 UVALDE • HOUSTON, TEXAS 77015  
TELEPHONE (713) 455-1265

JERRY S. DOMINY, SREA, MAI  
G. WAYNE FORD, MAI, SRPA  
O. F. MCPHERSON, MAI, SRPA

January 16, 1990

Exxon USA  
800 Bell, Room 1793  
Houston, Texas 77002

Attn: Mr. P. G. McDivitt,  
Chief of Right of Way and Claims

Re: Appraisal of 3 properties being Spillman Island,  
The Lagoon I Property, and the 3.6818 acres  
on Scott Bay, in La Porte and Baytown, Texas

Dear Sir:

In accordance with your request, we have made an appraisal of the properties legally described as:

**SPILLMAN ISLAND:**

355.4 acres, known as Spillman Island, out of the H. K. Lewis Survey, Abstract 41, Harris County, Texas.

**LAGOON I PROPERTIES::**

184.9321 acres, being Lagoon I and part of Black Duck Bay out of the William Scott Upper League, Abstract 66, Harris County, Texas.

**SCOTT BAY PROPERTY:**

3.6818 acres, more or less, out of the Arthur McCormick Survey, Abstract 46, Harris County, Texas.

The subject properties consist of three distinct properties located in and along the Houston Ship Channel in the vicinity of the Exxon refinery in Baytown and LaPorte, Texas. The Spillman Island property is located on the southwest side of the Houston Ship Channel just north of the Barbours Cut terminal and south of Highway 146. The Lagoon I properties



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OFFICES IN MAJOR CITIES THROUGHOUT THE UNITED STATES

*counter 25678*

consist of a 154.0866 acre tract of land belonging to the Port Authority of Houston, and a 30.8365 acre tract of land north of Lagoon I in Black Duck Bay just south of the Exxon refinery and north of State Highway 146. The third property is a 3.6818 acre tract of land that lies just south of Bay Villa Subdivision along the shore of Scott Bay, west of Bayway Drive. Both the Scott Bay property and the Spillman Island property are low-lying properties along the Houston Ship Channel. The Lagoon I properties are all covered with water either in Lagoon I or in Black Duck Bay. The fee ownership interests which were appraised were one-half undivided interest for Spillman Island, and a one hundred percent fee ownership for the remaining properties.

The purpose of this appraisal is to estimate the market value of the subject properties. Market value may be defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller, each acting prudently, knowledgeably, for self-interest, and assuming that neither is under undue duress.

After completing an analysis of the property as reflected in the attached report, it is our opinion that the market value of said properties as of January 1, 1990.

SPILLMAN ISLAND -----	\$639,720
LAGOON I -----	\$231,130
30 ACRES NORTH OF LAGOON I-----	\$30,837
SCOTT BAY PROPERTY-----	\$104,246

The above valuations are based upon the following unit values. The Spillman Island property; one-half undivided interest was valued at \$1,800 per acre. This valuation is based upon the fee simple ownership of the property being \$4,000 per acre with a 10% discount for the one-half undivided interest. The Lagoon I properties were estimated to have a unit value of \$1,500 per acre while the 30 acres in Black Duck Bay are estimated to have a value of \$1,000 per acre. The Scott Bay property is estimated to have a value of \$.65 per square foot.

This letter is to transmit the attached report which reflects our reasoning for the value conclusion reached. Please call if we may be of further assistance to you in this matter.

Sincerely,

DOMINY, FORD & MC PHERSON, INC.  
BY:

\_\_\_\_\_  
Jerry S. Dominy, SREA, MAI

\_\_\_\_\_  
H. Randall Jackson, Senior Analyst



Dominy, Ford & McPherson

counter 25679

APPRAISAL OF THE VALUE

CERTIFICATE:        For Market Value

We hereby certify that we have analyzed the properties described as:

SPILLMAN ISLAND:

355.4 acres, known as Spillman Island, out of the H. K. Lewis Survey, Abstract 41, Harris County, Texas.

LAGOON I PROPERTIES::

184.8365 acres, being Lagoon I and part of Black Duck Bay out of the William Scott Upper League, Abstract 66, Harris County, Texas.

SCOTT BAY PROPERTY:

3.6818 acres, more or less, out of the Arthur McCormick Survey, Abstract 46, Harris County, Texas,

and it is our opinion that the market value of said properties as of January 1, 1990 is:

SPILLMAN ISLAND -----	\$639,720
LAGOON I -----	\$231,130
30 ACRES NORTH OF LAGOON I -----	\$30,837
SCOTT BAY PROPERTY -----	\$104,246

We further certify that we have no present or contemplated future interest in the properties appraised or the result of this appraisal and that this appraisal was made in conformity with the Standards of Professional Practice of the Society of Real Estate Appraisers and American Institute of Real Estate Appraisers.

DOMINY, FORD & MC PHERSON, INC.  
BY:

\_\_\_\_\_  
Jerry S. Dominy, SREA, MAI

\_\_\_\_\_  
H. Randall Jackson, Senior Analyst



Dominy, Ford & McPherson

Counter 25680

FUNCTION OF THE APPRAISAL

The function of this appraisal is to determine the market value of the subject properties for internal management decisions and negotiations concerning the subject property.



## PREFACE

An appraisal is a type of research into the law of probabilities with respect to real estate valuation. Through the appraiser's education, training, experience, and integrity, he is able to project sellers' and buyers' past activities into a forecast of real estate values. Because of the individuality and uniqueness of each property, comparisons of like properties often entail adjustments in arriving at a conclusion. Financial consideration for similar properties sometimes reflect sentiment, compassion, sympathy, bias, politics, specific needs, lack of understanding and other factors not considered by the impartial appraiser. The appraiser cannot be an advocate else he belies the very reason for his profession.

An appraisal cannot be guaranteed; cannot be proven. However, the opinion of value can be substantiated and justified and the final opinion of value is the result of a professional analysis of a considerable quantity of physical and economic facts. An appraisal must not be considered absolute but should be used as a basis of negotiation between parties involved in the property, whatever their interests.

With the foregoing in mind, the reader is invited to review the following report which sets forth the data and reasoning leading to the estimates of value of the property under appraisal.

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#### LAGOON #1 PROPERTIES

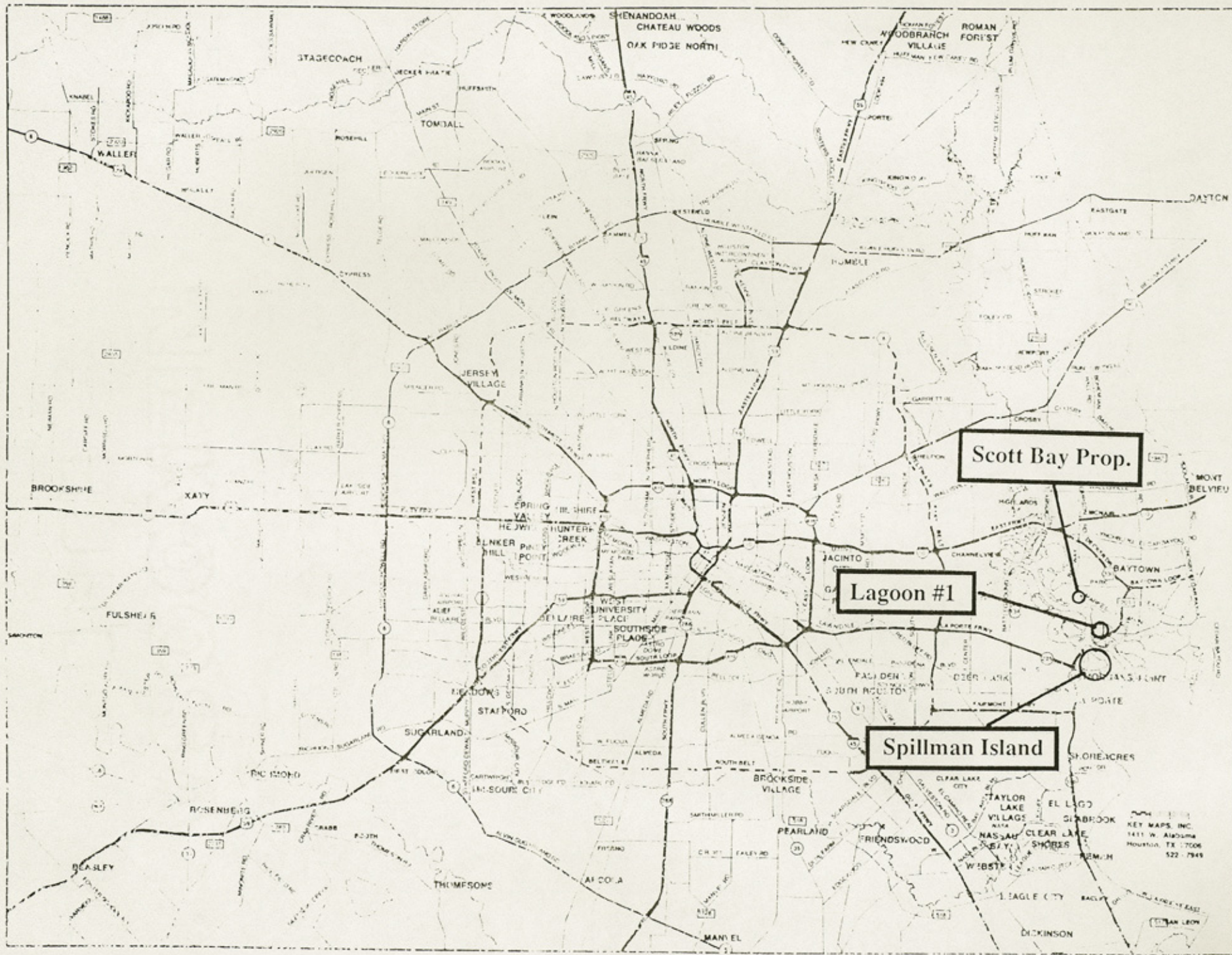
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Area Map



Scott Bay Prop.

Lagoon #1

Spillman Island

KEY MAPS, INC.  
1411 W. Algodina  
Houston, TX 77066  
522-7949

counter 25685

SUMMARY OF SALIENT FACTS & CONCLUSIONS

SPILLMAN ISLAND

Name:	Spillman Island
Location:	The southwest side of the Houston Ship Channel, north of Barbour's Cut and south of State Highway 146 in Harris County, Texas.
Size:	355 acres
Road Access:	State Highway 146 at the northern end of the subject property.
Ship Channel Frontage:	±3,500 feet
Elevation:	From sea level to approximately 10 feet N.G.V.D. Datum 1979..
Highest & Best Use:	Spoil storage area
Value per Acre - 100% fee ownership:	\$4,000 per acre
Value per Acre - 50% undivided interest:	\$1,800 per acre
Value Indication - 100% fee ownership:	\$1,421,600
Market Value - 50% undivided interest:	\$639,720

LAGOON #1 PROPERTIES

Name:	Lagoon #1 Properties
Location:	The west side of Black Duck Bay south of the Exxon Refinery and north of State Highway 146 in Harris County, Texas.
Size:	In Lagoon #1 - 154.0866 acres North of Lagoon #1 - 30.8365
Road Access:	Through the Exxon Refinery property to the north
Elevation:	From sea level to approximately 10 feet N.G.V.D. Datum 1979..
Highest & Best Use:	Waist water treatment
Value per Acre - 100% fee ownership:	In Lagoon #1 - \$1,500 per acres North of Lagoon #1 - \$1,000 per acre
Value Indication - 100% fee ownership:	In Lagoon #1 - \$231,130 North of Lagoon #1 - \$30,837



SUMMARY OF SALIENT FACTS & CONCLUSIONS( CONTINUED)

SCOTT BAY

Name:	Scott Bay Property
Location:	The east side of Scott Bay north of Mitchell Bay, and west of the Exxon Refinery, Harris County, Texas.
Size:	3.6818 acres
Road Access:	No known legal access. The closest road is Bayshore Drive several hundred feet to the East
Scott Bay Frontage:	±1,362 feet
Elevation:	From sea level to approximately 10 feet N.G.V.D. Datum 1979..
Highest & Best Use:	Industrial
Value per Acre - 100% fee ownership:	\$.65 per Sq. Ft.
Value Indication - 100% fee ownership:	\$104,246
Valuation Date:	January 1, 1990



DESCRIPTIONS,  
ANALYSIS  
AND  
CONCLUSIONS

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property, being:

#### SPILLMAN ISLAND:

355.4 acres, known as Spillman Island, out of the H. K. Lewis Survey, Abstract 41, Harris County, Texas.

#### LAGOON I PROPERTIES:

184.8365 acres, being Lagoon I and part of Black Duck Bay out of the William Scott Upper League, Abstract 66, Harris County, Texas.

#### SCOTT BAY PROPERTY:

3.6818 acres, more or less, out of the Arthur McCormick Survey, Abstract 46, Harris County, Texas.

### PROPERTY RIGHTS APPRAISED

The unencumbered fee estate of the Lagoon I properties and the Scott's Bay property as of January 1, 1990, and the one-half undivided interest of Spillman Island as of January 1, 1990.

### MARKET VALUE

The purpose of this appraisal is to estimate the market value of the subject property. Market value may be defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller, each acting prudently, knowledgeably, for self-interest, and assuming that neither is under undue duress.<sup>1</sup>

Fundamental assumptions and conditions presumed in this definition are:

- (1) Buyer and seller are motivated by self-interest.
- (2) Buyer and seller are well informed and are acting prudently.
- (3) The property is exposed for a reasonable time on the open market.
- (4) Payment is made in cash, its equivalent, or in specified financing terms.
- (5) Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date.
- (6) The effect, if any, on the amount of market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, Second Edition (Copyright 1984, 1989 by the AIREA of the National Association of Realtors), Pg. 192.



## APPRAISAL PROCESS

This process is an orderly program by which the problem is defined; the work necessary to solve the problem is planned; and the data involved is acquired, classified, analyzed and interpreted into an estimate of value.

In defining the problem five basic steps were taken:

1. Identify the property to be appraised.
2. Specify the rights involved.
3. State the purpose of the appraisal (to estimate the market value in this instance).
4. Ascertain the date as of which the estimate is desired.
5. Define the value to be estimated.

Once the problem is defined a preliminary survey is made to determine the character, scope and the amount of work it would take to solve the problem. If the problem is to estimate the market value of the property the "highest and best use" must be determined (or most profitable use) as well as any qualifications relating to that estimate of value.

Data is accumulated that is relative to the appraisal of the property in question and that data can be divided into two categories; general data and specific data. The general data relates to facts about conditions in the region, the city and the neighborhood and all elements outside of property which affect its value. The specific data involves information about the title, the improvements (if any), and the physical site. This data is then classified and analyzed and applied to the three approaches to value. These three approaches are the cost approach, the direct sales comparison approach and the income approach.

### REGIONAL DATA

All sources of information indicate that the southwest region of the United States, in general, and the Texas Gulf Coast in particular, are areas of economic stabilization.

Located as the "hub" of the Texas Gulf Coast is the City of Houston. Commercially and industrially, this area is well-established. Although tremendous growth has occurred in the past, a stabilization of growth is now evident due mainly to the current crisis in the oil industry, coupled with overbuilding in the early 1980s. The expansion of other industries that are not oil related appear to be steady. This is mainly due to the Houston Ship Channel which is the 3rd largest port in the nation. The availability of land for expansion, labor supply, climate, and natural resources are contributing factors for enhanced growth of the area.

Whereas expansion in the area seems to have stabilized, we feel that as the economy continues to rebound from the past recession, we should witness more growth with new industries being announced as well as expansion of existing plants. Included among this list of industries are metals, chemical, transportation, agriculture, cattle, petroleum, and various forms of manufacturing.

Capital investment, together with good management skills, insure an enhanced future for the area.

## GREATER HOUSTON CITY DATA

The purpose of the Greater Houston City Data section is to provide a setting for the Neighborhood Analysis. This section will delineate factual data according to the social, economic, governmental and environmental forces that affect people and, thus, value.

Most of the data provided was defined in terms of the Houston-Galveston-Brazoria CMSA (Consolidated Metropolitan Statistical Area). This CMSA consists of Harris, Galveston, Brazoria, Fort Bend, Liberty, Montgomery and Waller Counties, which contain three Primary Metropolitan Statistical Areas (PMSA). They are as follows: The Houston PMSA (Fort Bend, Harris, Liberty, Montgomery and Waller Counties); the Galveston-Texas City PMSA (Galveston County); and the Brazoria PMSA (Brazoria County). For convenience, the Houston-Galveston-Brazoria CMSA statistical area is referred to as the "Houston CMSA" in this Greater Houston City Data. The information gathered for this study was provided by the Research Division of the Houston Chamber of Commerce, which compiles data from federal, state and local sources. Also, the Office Building Division of the Home Company, Realtors provided data on the Houston office market.

### SOCIAL FORCES

Population: Houston is the nation's fourth most populous city and is the largest in the South and Southwest. The Houston CMSA ranks 8th in population among the nation's metropolitan areas. The population of the Houston CMSA for the 1980 census was over 3.1 million persons which represented a 43% increase from the 1970 census. Estimated population for the Houston CMSA in 1987 was approximately 3.55 million persons and projections to the year 2000 show a slight decrease in the compounded annual growth rate.

The largest population increase has taken place within the West, Southwest, Northwest and North areas of the Houston CMSA. The growth for the counties of Harris, Brazoria, Fort Bend, Liberty, Montgomery and Waller have increased substantially due to their proximity to the City of Houston.

GREATER HOUSTON CITY DATA (CONTINUED):

The Houston CMSA population contains a diversified distribution of races which include: white, black, Asian, Hispanics, American Indian, Vietnamese, Chinese and others. The estimated median age for Harris County stands at 29.5 years. Per capita income, after taxes, stands at approximately \$13,409 per year.

Education: As of September, 1986, the Houston Independent School District was the sixth largest in the nation with a total enrollment of 191,831 persons in 233 schools. H.I.S.D. has 34 senior high, 33 middle, and 166 elementary schools, of which 76 are "magnet" schools offering specialized programs. The 23 school districts in Harris County reported a total enrollment of 525,090 students in the fall of 1987. Approximately 30,000 are enrolled in private and parochial schools.

Houston has 28 colleges, universities and institutes which contain 120,166 students. Major universities include the University of Houston, University of Houston Downtown, University of Houston at Clear Lake City, Rice University, Texas Southern University, University of St. Thomas, Houston Baptist University, South Texas College of Law and various junior colleges. Medical schools and colleges include the University of Texas Health Science Center, Baylor College of Medicine, Houston Baptist University School of Nursing, Texas Chiropractic College, University of St. Thomas School of Nursing and others.

Health Care: Harris County has 69 hospitals with a total of 18,255 beds, of which 52 hospitals are in the city limits of Houston. The largest hospital in Houston is Methodist Hospital, with 1,218 beds. Emergency ambulance service within the Houston city limits is provided by the Houston Fire Department. In addition to numerous ambulances, there are three emergency life flight helicopters which operate within a 130 mile radius of the heliport in the Texas Medical Center.

The Texas Medical Center was authorized in 1943 as a major education and health facility. It currently has 39 major institutions occupying 550 acres. The combined value of the Texas Medical Center buildings completed or under construction is in excess of \$4 billion. The

GREATER HOUSTON CITY DATA (CONTINUED):

total 1987 operating budget was over \$2 billion. The total 1987 employment was 52,000 persons and over 10,000 students were attending institutions in the center.

Cultural Attractions: Houston receives financial support from several special-purpose organizations for the arts which include a 1% hotel tax, the Houston Business Arts Fund, the Houston Festival Foundation, the Houston Municipal Art Commission, and other fund raising organizations.

The Houston Symphony Society was founded in 1913 and has an orchestra of 94 musicians which conducts concerts in Jones Hall and Hermann Park's Miller Theatre, as well as on tour. The Houston Grand Opera presents a full season of productions and a free opera program in Miller Outdoor Theater. The Houston Ballet was founded in 1955 and formed into a professional company in 1969. Both Houston Opera and Ballet are housed in the new Wortham Center. Houston has many museums including the Museum of Natural Science and Burke Baker Planetarium, the San Jacinto Museum of History and other smaller museums.

Recreation: Houston has 324 municipal parks encompassing 20,000 land acres and 12,500 water-covered acres. Recreational facilities include area lakes, 18-hole golf courses, swimming pools, tennis centers, neighborhood tennis courts, baseball/softball fields, football fields, soccer/rugby fields, covered and uncovered basketball courts, and community recreation centers. In addition, Harris County maintains 95 parks with 16,200 acres. The San Jacinto State Park is situated three miles east of Pasadena and features the San Jacinto Monument and the Battleship Texas.

Professional sports teams in Houston include the Houston Astros of the National Baseball League, the Houston Oilers of the American Conference of the National Football League, and the Houston Rockets of the National Basketball Association. In addition, local collegiate teams compete in most major sports.

Major sports stadiums and convention centers in Houston provide excellent modern facilities for their respective activities. Some of the major sport complexes include the

### GREATER HOUSTON CITY DATA (CONTINUED):

Astrodome complex, which houses the Houston Astros, Houston Oilers and Houston Livestock Show and Rodeo, as well as other spectator events throughout the year; the Summit houses the Houston Rockets, as well as concerts and other sporting events; and Rice Stadium the home of the Rice Owls of the Southwest Conference.

Houston presently has three major convention centers. The Albert Thomas Hall has 127,500 gross square feet of exhibit space, while the George R. Brown Convention Center contains 470,500 gross square feet of first class exhibit space. Both are located in the "downtown" area. The Astrohalla contains over 300,000 square feet of exhibit space and is also home to the Houston Livestock Show and Rodeo.

Other recreational facilities include Astroworld and Waterworld located on Loop 610, across from the Astrodome/Astrohalla complex. The Gulf of Mexico and Galveston are also tourist attractions situated approximately 50 miles south of the central business district.

### ECONOMIC FORCES

Employment: Houston's employment increased through the 1970s and into the 1980s at an average annual rate of 7.0%, peaking in March of 1982. For 16 months in 1982 and 1983, there was a net loss of 10.1% non-farm payroll employment. Since that time, a gradual recovery has recouped over 83,000 jobs, including some 30,300 in 1985 which created a 12-month advance of 1.9%. National unemployment for 1985 averaged 7.6%, which was up from 1984's 6.6%, but below Houston's 9.3% average in 1985. Unemployment in the Houston area in 1987 was 9.0%.

Industrial/Manufacturing: Harris County ranked fourth among U.S. counties in value of shipments of manufactured products in 1987. The Brazoria PMSA in 1987 produced 14.7% of U.S. value of shipments of industrial organic chemicals. The Houston and Brazoria PMSAs, in 1982, produced shipments valued at \$52.016 billion, 2.65% of the U.S. total. Petroleum refining and chemicals accounted for 62.5% of that figure.

GREATER HOUSTON CITY DATA (CONTINUED):

The Houston CMSA's economy is, to a large degree, tied to the petroleum and petro-chemical related industries. Petroleum refining in Houston and the Texas Gulf Coast amounts to a crude operable capacity of 3,597,708 barrels per calendar day of refined products - 87.9% of the Texas total and 23.5% of the U.S. total. Harris County petroleum refining in 1987 produced \$6.414 billion dollars in shipments, or 6.8% of the U.S. total. U.S. petro-chemicals production is highly concentrated in the Houston-Gulf Coast Region, which has over 50% of the nation's basic petro-chemical manufacturing capacity and nearly 50% of its capacity for first stage derivatives. In some instances, such as synthetic rubber, this region accounts for as much as 80% of the nation's production.

The United States had an average 922 rotary rigs running as of July, 1987. This compares to 1,976 in 1985 and 3,117 in 1982. Texas land rigs decreased from 749 in 1983 to 267 in July of 1987 and has remained in the low 200's since. .

Other Business: Houston is a major center of international business activity. More than half of the Port of Houston's cargo is foreign trade. Among U.S.ports, Houston currently ranks third in foreign tonnage and third in value of foreign trade. Houston is a leading steel importer, as well as a major market for imports of petroleum and passenger cars. Houston is the world's largest petroleum equipment machinery exporter. Algeria, Mexico and Nigeria were Houston's leading foreign trade partners for 1987 in tonnage. West Germany, Jasper and Algeria were top import partners for 1987 in total dollar value. Along with foreign trade, Houston contains 61 foreign banks with 68 offices, 54 foreign consular offices, and 27 foreign governments maintain trade, investment and tourist offices.

Houston is an important center for research and development housing more than 120 research firms, including the Texas Medical Center, Johnson Space Center, and area universities. The Johnson Space Center is a \$761 million complex constructed in 1962 on 1,620 acres in southeastern Harris County. JSC employs approximately 10,000 people, 3,500 of which are contractors of firms such as Rockwell International, IBM, Lockheed and Boeing.

GREATER HOUSTON CITY DATA (CONTINUED):

The Johnson Space Center is one of the largest research and development facilities of the National Aeronautics and Space Administration.

The Houston-Galveston-Brazoria CSMA is the nation's 10th ranking area in retail sales. Total retail sales rose 14.3% during 1981-86 and is expected to rise another 36.8% during 1986-91.

Construction: In 1987, the City of Houston issued 13,929 building permits with a total value of approximately \$8.9 million, which was down from 1983's and 1985's issuance of some 23,000 and 14,449 building permits respectively. Non-residential contracts awarded in Harris County in 1987 totaled \$1,541,664,268, and are broken down as follows:

Commercial and Industrial	\$545,706,771
Churches	\$28,478,320
Schools	\$83,129,802
Public Works	\$633,999,397
Public Utilities	<u>\$250,349,978</u>
Total	\$1,541,664,268

In 1985, tenants in the Houston office market were eager to make deals because the market offered a greater variety of options and incentives which resulted in a sound level of leasing activity. Unfortunately, this type of activity did not reduce the overall vacancy figure; it merely transfers from one building to another. Predictions of the current supply of office space are that there is more than adequate space to satisfy demand through the 1980s and possibly into the 1990s.

New residential units put in place in the Houston CMSA total 63,250 in 1983, according to the National Association of Home Builders. With this rise in inventory, housing starts dipped 45% to 34,710 unit in 1987, with single-family down 40% on 20,050 units and multi-family off 51% on 14,660 units. In 1987, total starts for the CMSA dropped to 7,960 units of single family and 630 of units for multi-family. With this substantial decrease in



GREATER HOUSTON CITY DATA (CONTINUED):

housing starts, the current inventory has begun to increase in occupancy. Multi-family vacancy is approximately 18% - 20% and single family vacancy is approximately 11% - 13%.

Transportation: As before mentioned, Houston ranks third among U.S. ports in tonnage and second in foreign tonnage. The Houston Ship Channel, a 52 mile inland waterway, connects Houston with sea lanes of the world. Its turning basin is situated approximately four miles east of the Houston central business district. Most of the channel has a minimum width of 400 feet and a depth of 40 feet. Two hundred steamship lines offer regular service between the Port of Houston and some 250 ports throughout the world. In 1987, 4,827 deep draft ships called at Houston. Houston has over 100 wharves in operation in the \$15 billion industrial complex that lines both sides of the channel.

The Intracoastal Waterway is a 1,737 mile waterway which links Houston with mid-continent regions of the Mississippi River and its tributary systems. Service is offered by nine common carrier lines and many contract operators.

Five major rail systems operate 14 lines of main line track radiation from Houston and two switching lines serve industrial areas plus the port. Truckline railroads are Burlington North, Katy, Union Pacific-Missouri Pacific, Santa Fe and Southern Pacific. Thirty other railroads maintain off line offices in Houston. Amtrak passenger service operates on the New Orleans-Houston-Los Angeles route.

Common-carrier truck lines operate daily schedules serving the southwestern distribution center and provide direct routes throughout the state and nation. In addition, over 200 local delivery trucking firms operate in the 44-city local delivery commercial zone.

The Houston area is one of the nation's most important oil and gas transmission centers. Of the 35 natural gas pipeline systems in Harris County, seven traverse the county and 28 terminate in it. Harris County also is the terminus for 18 crude oil pipeline systems, and has 25 finished product pipeline systems for distribution within and beyond the Houston area.

### GREATER HOUSTON CITY DATA (CONTINUED):

In Harris and adjoining counties, 479.8 miles of freeways and expressways (45% of the planned 1,071-mile freeway and expressway system) are in operation. Houston is the crossroads for Interstate Highways 10 and 45. Other major highways tying to this region include U.S. Highway 59, U.S. Highway 90 and U.S. Highway 290. There are three concentric loops that encircle the central business district of Houston. Interstate 610 encircles Houston on a radius of 6 miles from the CBD, the Sam Houston Tollway (Beltway 8) is an 88 mile facility that traverses Houston at a 12 mile radius, and the Grand Parkway (165 miles) encircles at a 25-30 mile radius. Portions of the Sam Houston Tollway (Beltway 8) remain under construction, with the Grand Parkway being in the planning stages. The State of Texas plans to spend over \$11.8 billion on Houston area highways between 1988 and 2007.

In addition to its freeway systems, the Houston CMSA has a network of primary, secondary and state farm-to-market highways. Harris and the adjoining counties have 21,894 miles of public roads. Houston and Harris County voters approved road and traffic bonds totaling over a billion dollars over the past five years.

The Metropolitan Transit Authority, or METRO, which began operations in January of 1979, runs 698 buses daily, plus 75 contract buses for park and ride service. METRO carries over 250,000 passengers daily, serving an area of 1,275 square miles. Nineteen park and ride lots throughout the METRO region offer express bus service to downtown Houston, with special trips to Galleria/Post Oak, Greenway Plaza, and the Texas Medical Center. METRO has also increased mobility in downtown Houston with downtown circulator service. METRO is also constructing contra-flow lanes into part of Houston's freeway system. These special lanes will facilitate METRO buses and permitted vehicles only to give them sole access to the freeways.

The aforementioned construction, as well as basic highway maintenance, adds up to a large area of blocked freeways, highways and roads. Although long-term improvements may result, Houston drivers must deal with short-term traffic inconveniences on a daily basis.

GREATER HOUSTON CITY DATA (CONTINUED):

Houston airports handled 23,324,853 passengers in 1987, up 6.5% from 1986. The Houston Intercontinental Airport and Hobby Airport handle most of the domestic air service within the Houston area. Houston Intercontinental Airport is approximately 16 air miles north of downtown Houston between I.H. 45 and U.S. 59. Hobby Airport is located approximately five miles south of the business district with access from I.H. 45 South.

GOVERNMENTAL FORCES

Houston has a mayor-council form of government in which the mayor and 14 council members (5 elected at large and 9 from single member districts) serve as the legislative body. These 15 officials and the city controller are elected for two year terms which run concurrently. A county judge and four commissions perform the principal administrative and legislative functions for Harris County, and serve four year staggered terms. The City of Houston is the largest U.S. city with no zoning ordinances. Building permits are required when building within the city limits and Harris County, but no inspection is required by the county unless a building is to be located within a flood hazard area. Additionally, no building codes are required by the county.

In Houston there are no state or local personal or corporate income taxes. There is a limited 8% sales tax (6% state, 1% city, 1% transit authority), on purchases of 9 cents or more, with certain food and drug items being exempt. Sales tax on new or used vehicles is 5%. The only taxes applied generally to all types of business firms in Texas are ad valorem taxes, corporate fees, and annual corporation franchise taxes.

No ad valorem taxes are imposed by the State of Texas. The Harris County tax rate for 1988 (per \$100 of assessed valuation) was \$.49293; City of Houston \$.63; Houston Independent School District \$.78791. All properties are assessed at 100% of market value. Exemption from assessed valuation apply to those owners declaring homesteads, owners over 65 years of age and owners under 65 years of age with 10% of more OASI disability.

ENVIRONMENTAL FORCES

### GREATER HOUSTON CITY DATA (CONTINUED):

The City of Houston lies in three counties including Harris, Fort Bend, and Montgomery Counties. The official altitude of the City of Houston is 49' with Harris County ranging from sea level to 310'.

Climate: Houston has an average temperature of 66.5 degrees and precipitation of 48.19 inches per year. Houston average 23 dates per year with low temperatures of 32 degrees Fahrenheit or less and 94 dates per year with high temperatures of 90 degrees or more. Based on departure from 65 degrees Fahrenheit, Houston averages 1,549 heating degree days and 2,761 cooling days per year. The relative humidity along the Gulf Coast creates a slight discomfort with the area's annual average ranging 88% at midnight, 92% at 6:00 A.M., 60% at noon and 66% at 6:00 P.M.

Natural Resources: Houston's natural resources include minerals, timber, industrial soil, seawater and fresh water. Oil and gas furnish hydrocarbon compounds for refineries and chemical and petro-chemical plants. Timber resources support lumbering, plywood production, furniture fabrication and paper milling. Much of the U.S. supply of sulphur is produced around the Houston area. Salt recovery is in the form of rock salt and evaporated salt. Magnesium is extracted from sea water and a Texas Gulf Coast pilot plant is experimenting with the desalination of sea water. In addition, principal metals and minerals production in the Houston region include Bearite grinding, Bromine, cement clays, Calcined Gypsum, lime, magnesium compounds, salt and shell.

Houston obtains its municipal and industrial water from both underground and surface sources. Surface water now accounts for 43% of potable supply and is targeted for 70%. The City of Houston used an average of 325 million gallons of water per day in 1987. The primary source of surface water is Lakes Houston and Conroe which provide the city an estimated 205,000,000 gallons per day. Wells add 206,000,000 gallons per day. Surface water from Lake Livingston accounts for 83% of the 186,000,000 gallons per day industrial usage in the

### GREATER HOUSTON CITY DATA (CONTINUED):

Houston area. The water supply now available and under development will be adequate for Houston's needs well beyond the year 2000.

The City of Houston's use of underground water has caused subsidence in some areas of Houston. Because of the subsidence problems, regulations concerning the drilling of water wells is becoming more stringent within the Houston SMSA. New municipal utility districts are required to provide an engineering study to the Texas Department of Water Resources who reviews and regulates water districts within the state.

The City of Houston operates 41 waste water treatment plants, 3 sludge processing plants, and more than 250 lift stations. The City maintains 4,720 miles of sanitary sewer/water connections. To accommodate growth, the city is building additional major trunk sewers and laterals. There is an aggressive program to build new plants and sewers, with a rehabilitation approaching \$2 billion through 1998.

### CONCLUSION

Presently, the Houston area economy could be defined as stable, relative to the decline since the early 1980s when oil prices began to drop. During the mid 1980s property values dropped and foreclosures on virtually every type of real estate was prevalent in the market. Bank failures were also a result of the drop in oil prices and real estate values. Lending institutions are still suffering from both bad real estate loans and oil related loans. The large volume of foreclosures has held down property values, as the number of properties on the market at distressed price increases. The Houston economy is slowly diversifying and overcoming its hardships as a result of the over supply and the drop in crude oil prices. Economic indicators show a slight upturn in the Houston area economy. Real estate prices are considered a "bargain" as compared to other major U.S. cities such as Boston, New York, San Francisco and Los Angeles, which should enhance the attractiveness of the city for corporate relocations and major investors. Slight improvement is projected for the Houston economy,

GREATER HOUSTON CITY DATA (CONTINUED):

however; considerable improvement is not expected until local and national economic conditions recover from past deficits.

## NEIGHBORHOOD ANALYSIS

As used in this narrative, the area or neighborhood is defined as follows:

"A homogeneous grouping of individuals, buildings, or business enterprises within, or a part of a larger community. These groupings may be devoted to residential use, trade and service activities, industrial activities, recreational activities, or cultural and civic activities."

Location/Delineation: The subject neighborhood is described as all the property located on both sides of the Houston Ship Channel, generally within and extending beyond the 2,500 foot Navigation District Zone, which runs parallel to both sides of the channel. This area is commonly known as the "Fabulous 50 Miles" because the Houston Ship Channel has 50 miles of shoreline from the entrance of Galveston Bay where the Barbour's Cut Terminal was constructed to the 600 foot wide turning basin. The Houston Ship Channel was officially opened on November 10, 1914, with the dredging of Buffalo Bayou. At present, the channel is 400 feet wide, approximately 40 feet deep from Point Boliver to the Clinton Island turning basin and 36 feet deep to its end. Local industries have invested more than \$15 billion in plants along both sides of the Ship Channel. A bond issue was approved by voters in November, 1989 for the purposes of expanding the channel to 530 feet wide at its entrance at Galveston Bay to the Beltway 8 Bridge and deepening to 45 feet. The widening will be within the current banks of the channel and will not require additional right of way takings. This widening project will greatly improve the safety and viability of the Houston Ship Channel.

Industries (Port of Houston): The Houston Ship Channel has developed into one of the largest industrial concentrations in the world. It has developed with a multitude of petrochemical refineries, ship building and repair facilities, steel plants, and terminals facilitating the international trade of agriculture, steel and automobiles. As per the figures published by the Houston Port Authority, the Port handled 64.5 million tons in 1988 (value of \$22 billion), which is an increase of 13.7% from 56.7 million tons in 1987 (value of \$19.5 billion). As of the end of November, 1989, total tonnage was up 2%. The Port of Houston ranked first in foreign trade for the first time in 1979 with 64.9 million tons and retained that title in 1980. In

## NEIGHBORHOOD ANALYSIS (CONTINUED):

1988, the Port of Houston once again surpassed all other U.S. ports in Foreign Trade to capture the #1 ranking.

The top exports are cereal, petroleum and petroleum products, organic chemicals, synthetic resins, rubber and plastic materials, specialized industrial machinery and inorganic chemicals. Main imports include petroleum, petroleum products, iron, steel, organic chemicals, natural gas, manufactured gas, crude fertilizer and mineral fertilizers.

The main industries within and along the Port of Houston and Ship Channel involve petro-chemicals and resins. Other significant operations include steel imports, grain exports and container movements. Increased export activities in recent years are attributed to a weaker U.S. dollar.

The Port of Houston is the main industry along the Houston Ship Channel. The Port's facilities include the Turning Basin Terminal, Barbour's Cut Container Terminal, Jacintoport Terminal, Public Grain Elevator and Bulk Materials Handling Plant.

The Turning Basin is located approximately 6 miles from downtown Houston and is the navigational head of the Houston Ship Channel. The shoreline of the channel is lined for 2.5 miles with wharfs, transit sheds and warehouses. Approximately 3,000 ships and barges per year tie up at the terminal's 37 docks. The docks are equipped to handle any type of breakbulk, containerized, project or heavy lift cargoes.

The public grain elevator has a storage capacity of 6 million bushels and more than 600 separate bins for storing and blending products delivered by truck or rail. The public elevators, combined with four privately owned elevators, provide more grain storage capacity than any other U.S. port facility.

The bulk materials handling plant is located nine miles downstream from the turning basin. It is on the north side of the Ship Channel and is accessed by Penn City Road from Interstate Highway 10. The facility can handle any type of commodity ranging from particles as fine sand to eight inch lumps of material weighing up to 200 pounds per cubic foot.

The Barbour's Cut container terminal is a \$150 million ultra-modern facility dedicated





NEIGHBORHOOD ANALYSIS (CONTINUED):

to one priority, which is vessel productivity. The terminal is at the entrance of the Houston Ship Channel and has four berths which provide 4,000 linear feet of docking facility. A fifth berth at the terminal is under construction. The facility is improved with eight container cranes, 255,000 square feet of covered warehouse space and 150 acres of paved land.

The Jacintoport terminal is the newest Port facility. The 125 acre tract on the north side of the Ship Channel was purchased in 1987 and is the site of an automated facility that will substantially reduce the handling cost for bagged and boxed agricultural goods. The remaining portion of the Jacintoport terminal will be used for handling and storage of other cargos. The facility currently features 1,500 feet of continuous wharfage that is available for public use.

Considering each of the excellent facilities provided by the Port of Houston, as well as the future growth and development trends for the Port, it is our opinion that it will continue to provide strong support for the Houston Ship Channel and be one of the major industries along the channel and for the Houston area.

The most significant industry along the Ship Channel is the petro-chemical refining industries. Other new developments along the Ship Channel include the re-opening of the Armco Steel Mill, which is located on the north side of the Houston Ship Channel within the Greens Bayou area. Northwestern Steel and Wire Company directors have voted to buy and re-open the steel beam mill formerly operated on the Ship Channel by Armco, Inc. This announcement was made public in September, 1988, with an opening expected in mid-1990 for the new form called H/N Steel Company. The firm indicated that the \$150 million purchase and modernization of the 770,000 square foot mill will create between 300 to 400 jobs. The steel firm indicated an additional 1,200 workers will be hired by separate companies providing supplies and services for mill operation. President Robert M. Wilthew indicated that additional jobs will be created through the Houston area and will be mainly for machinists, pipefitters, plumbers and electrical workers. He stated that the steel industry is generally having a good year with higher profits reported by major products such as Bethlehem Steel, Inland Steel and a steel division of USX Corporation. A portion of the success of the steel industry is attributed



NEIGHBORHOOD ANALYSIS (CONTINUED):

to the devaluation of the dollar, which enhances exports of steel from the United States.

Accessibility: The key in the growth of the subject neighborhood is obviously the Houston Ship Channel and the various modes of transportation readily available to the area. The Houston Ship Channel gives direct deep water access to world shipping lanes. The presence of State Highway 225 (LaPorte Freeway), which connects with the Loop system on the western boundary of the neighborhood, gives more than adequate highway accessibility. The Loop system connects the neighborhood with several major highway systems. These include, in a north/south direction, Interstate Highway 45 and U.S. Highway 59. The major east/west facility connected by the Loop system is Interstate Highway 10. This good accessibility by the freeways affords accessibility to air transportation. Hobby Airport is located just south of the immediate neighborhood, with easy accessibility via the 610 Loop system and Interstate Highway 45 South. Houston Intercontinental Airport is located north of the area with accessibility via either U.S. Highway 59 or Interstate Highway 45. The Texas Turnpike Authority Toll Bridge traverses the Houston Ship Channel, connecting the major thoroughfares of Interstate Highway 10 and State Highway 225 via the East Belt. This is part of a proposed outer belt system which would give further accessibility to the subject neighborhood and should have a major impact on residential development in the area; thus, giving more convenient access to the employment centers in the major industrial areas along the Ship Channel.

Public Services: All public utilities are generally available to all of the industries located along the Ship Channel, even though many of the industries have their own deep water wells, electrical generating plants, sanitary sewerage treatment plants and fuel gases, the City of Houston has adequate water resources to furnish the industries all of their necessary raw water needs and has completed construction of additional facilities to provide raw water from the Trinity River. The main distribution point for the Trinity River water is at the location of the Lynchburg Ferry, crossing State 134 on the north side of the Ship Channel across from the San Jacinto Monument. Houston Lighting & Power Company has adequate high capacity



NEIGHBORHOOD ANALYSIS (CONTINUED):

transmission lines running parallel and across the Ship Channel to supply industrial electrical requirements.

In addition to highway and deep water transportation, five Class "A" railroads serve the Houston area, providing cargo distribution to all portions of the United States. These are the Southern Pacific, Burlington Northern, Missouri Pacific, Santa Fe and the Missouri-Kansas-Texas Railroads. The Port Terminal Railroad Association provides switching service to all Port Authority docks and private industries along the upper reaches of the Ship Channel.

Most industries have their own internal fire protection systems; however, the Port Authority provides additional fire protection with three fireboats, being the Capt. Braeswell, the Capt. Tellepsen and the Capt. Farnsworth. Although the vessels are owned and operated by the port Authority, they respond to emergencies of both public and private facilities. The Capt. Farnsworth was commissioned in 1974, while the other two were commissioned in 1983.

Jacintoport: The Jacintoport industrial development, which is located on the north side of the Houston Ship Channel, is accessed by Penn City Road from Interstate Highway 10. The Jacintoport complex originally contained 4,430 acres. At this time, ±1,366 acres remain. These tracts vary in size from 5 to 500 acres, of which one tract containing 400 acres has frontage on the Houston Ship Channel. Other parcels within Jacintoport are interior tracts with convenient access to Interstate Highway 10 and Beltway 8. A representative for Jacintoport Corporation indicated asking prices vary from \$20,000 per acre for interior tracts to \$45,000 per acre for parcels located along the Houston Ship Channel. These prices are a decrease from asking prices from the period of 1980 through 1985, when tracts along the Ship Channel typically had an asking price of \$40,000 to \$55,000 per acre depending on physical characteristics. Approximately 45% to 50% of Jacintoport is developed at this time. Vacant tracts within Jacintoport are some of the more valuable sites available in the Ship Channel area at this time.

There was limited development between 1985 to 1987. However, more recently,



### NEIGHBORHOOD ANALYSIS (CONTINUED):

activity has been increasing, such as the construction of a trucking terminal at the intersection of Interstate 10 and Beltway 8, expansion of a number of existing operations within Jacintoport and the development of the Port of Houston Jacintoport Terminal.

Purchased by large corporations include Howell Industries, Dixie Chemical Corporation, Port of Houston Authority and Proler International, which is a scrap material corporation. Many of these transactions took place in 1987 and 1988 and are indicators of increasing activity in Jacintoport, as well as along the Houston Ship Channel. Many representatives from the sale of these properties were contacted, and indicated that, based on the current depressed prices, the facilities are economically feasible to re-open and operate at this time. The growth and expansion of the Jacintoport and Ship Channel industries is a major contributor to the Houston economic recovery.

Trends/Conclusions: During the late 1970s and early 1980s, the Ship Channel and Port industries were booming, which was primarily attributed to rapidly expanding petro-chemical industries. The most significant portion of the industry was oil related. The area suffered under the oil bust; however, chemical operations prospered. Real estate prices were at an all time high in conjunction with the boom and reached record lows during the oil bust in 1985 to 1987. At present, the Channel real estate market is in transition, with the general trend being positive. The future of the Port of Houston and Ship Channel is encouraging due to the stabilization of the oil industry, the growth of the chemical and plastic industry and expansion of the Port facilities.



### COST DATA APPROACH

The Cost Data Approach is one of the steps in the valuation process. The indication of value derived from this approach is reached by estimating the value of the land and adding to this reproduction cost new of the improvements, less accrued depreciation. The Cost Approach to value does not apply to the subject property, as a land study only is being made.

## INCOME APPROACH

The Income Approach is an approach to value whereby the present worth of the future potential benefits of a property is measured by an income stream. This is generally measured by the net income which a fully informed person is warranted in assuming the property will produce during its remaining useful life. After comparison with investments of similar type and class, this net income is capitalized into a value estimate.

The Income Approach to Value on the subject property does not apply, as a land study only is being made.

DIRECT SALES COMPARISON APPROACH

(SITE VALUATION)

This section of the appraisal report is concerned with estimating the value of the subject land. This is accomplished by a comparison of the subject property with similar properties which have recently sold in the open market, together, when appropriate, with comparable properties which are for sale at this time. A thorough search was conducted of the Harris County Deed Records in order to ascertain this information, and data is listed on the following pages concerning a number of sales and, when appropriate, listings which have been utilized in the formulation of our final value estimate for the subject site.

Sale No.: 1                      Ref No.: 4113                      Map Ref.: 499E  
Date of Sale:                      JAN 15 80  
Grantor:                              Heirs of the Carter Estate  
Grantee:                              Port of Houston  
Legal Description:                1/2 interest in 730 acres, more or less, known as Lost Lake Island,  
out of the Harris and Carpenter Survey, Abstract 28, Harris County,  
Texas.  
Size - Acre:                        730.000000  
Consideration:                    \$2,190,000  
Consideration/Acre:              \$3,000  
Financing:                         Cash.  
Remarks:                         This island tract of land is located just north of the Houston Ship  
Channel between the Old River and the San Jacinto River. A one-  
half undivided interest was purchased. The purchase price for the  
one-half interest was \$990,000 or approximately \$1,356 per acre.  
Using a 10% discount factor for the undivided ownership, an  
estimate of the market value of the property of \$3,000 per acre is  
made. The property was purchased for use as a spoil area for the  
maintenance dredging of the Houston Ship Channel. The original  
size of the property before subsidence was 967 acres.



Sale No.: 2                      Ref No.: 4114                      Map Ref.: 549L  
Date of Sale: JUN 15 80  
Recording Data: 153-90-2430  
Grantor: The Kilpatrick and Bray Estate  
Grantee: Port of Houston  
Legal Description: 1/2 interest in 400 acres, more or less, known as Spilman Island in the H.K. Lewis Survey, Abstract 41, Harris County, Texas.  
Size - Acre: 400.000000  
Consideration: \$1,333,333  
Consideration/Acre: \$3,333  
Financing: Cash.  
Remarks: This island tract is located on the southwest line of the Houston Ship Channel, just southeast of the Baytown tunnel. A one-half undivided interest was purchased for \$600,000 or \$1,500 per acre. Using a 10% discount factor for the 1/2 undivided interest ownership, a market value estimate of \$3,333 per acre is calculated ( $\$1,500 / .90 \times 2$ ). The tract was purchased for use as a spoil disposal area for the Houston Ship Channel. The island and adjoining areas are enclosed by a levee and are covered with spoils.



Sale No.: 3                      Ref No.: 4112                      Map Ref.: 541T  
Date of Sale:                      MAY 30 75  
Recording Data:                      121-12-1371  
Grantor:                      Craig C. Cantey, Jr., Trustee  
Grantee:                      Conoco, Inc.  
Legal Description:                      151.96 acres, more or less, known as Atkinson Island, out of the Johnson Hunter Survey, Abstract 35, Harris County, Texas.  
Size - Acre:                      151.960000  
Consideration:                      \$1,057,000  
Consideration/Acre:                      \$6,956  
Financing:                      Cash.  
Remarks:                      This island tract is located at the northern end of Galveston Bay, just east of the Houston Ship Channel. The tract has 2,600' of frontage on the west line of the Houston Ship Channel and 1,600' of frontage on the south line of the Cedar Bayou Channel. At the time of sale, it was a proposed site for an LPG terminal, with pipeline connections to be established to storage facilities at Mont Belview. The terminal was never built due to a slacking in demand for LPG and a general economic downturn. By 1989, subsidence has left approximately 70 acres of land above water, with only 15 acres usable.



Sale No.: 4                      Ref. No.:                      329                      Map Ref.:                      498M  
Date of Sale:                      MAR 4 82  
Recording Data:                      008-95-1043  
Grantor:                      Glenn J. Youngblood, Trustee  
Grantee:                      Penn-Texas, Inc.  
Legal Description:                      105 acres of land out of the Harris and Carpenter Survey, Abstract  
28, Harris County, Texas.  
Acres:                      105.0000  
Consideration:                      \$4,250,000  
Consideration/Ac.:                      \$40,476  
Financing:                      Cash transaction and the deed indicated a note in the amount of  
\$4,100,000 to Girard Bank Pennsylvania.  
Remarks:                      This consists of an irregular shaped property except for the 5.58  
acres which was subsequently sold to Interdec

Sale No.: 5                      Ref. No.: 4134                      Map Ref.: 498T  
Date of Sale: FEB 25 75  
Recording Data: 116-19-2489  
Grantor: Jacintoport Corporation  
Grantee: Oiltanking of Texas, Inc.  
Legal Description: 139.203 acres out of the Harris and Carpenter Survey, Abstract 28,  
Harris County, Texas.  
Acres: 139.203000  
Consideration: \$3,150,660  
Consideration/Ac.: \$22,634  
Remarks: This is a vacant tract of land located within the Jacintoport Industrial  
Development. The property has 2,063 feet of frontage along the  
north line of the Houston Ship Channel and an 80' roadway access  
from Jacintoport Boulevard. The property also has access to rail  
facilities. This property is approximately 1/2 of a total of about 290  
acres which was optioned in November of 1974 by Oiltanking of  
Texas. Since the date of purchase on this tract, the grantee has  
dredged a large slip at the southeast corner of this property. This  
land was placed under option in November of 1974 with waterfront  
(18+ acres) selling for \$30,000 per acre and the remainder at  
\$17,000 per acre.

Sale No.: 6                      Ref. No.:              4135                      Map Ref.:              498T  
Date of Sale:                      FEB 22 77  
Recording Data:                      159-09-1113  
Grantor:                              Jacintoport Corporation  
Grantee:                              Oiltanking of Texas, Inc.  
Legal Description:                      150.097 acres out of the Richard & Robert Vince Survey, Abstract  
76, Harris County, Texas.  
Acres:                                  150.097  
Consideration:                      \$2,837,522  
Consideration/Ac.:                      \$18,905  
Remarks:                              This property was purchased based on a price of approximately  
\$30,000 per acre for about 24 acres along the Ship Channel and  
about \$17,000 per acre for 126 acres to the rear of this tract. The  
property wraps around a previous purchase by the same grantee of  
139 acres. The tract has frontage along the Jacintoport Boulevard  
and also is served by rail. This tract has about 935 feet of frontage  
along the north line of the Houston Ship Channel. This tract was  
placed under option in November of 1974, with the waterfront ( $\pm$ 40  
acres) at \$25,000 and the remainder somewhat less.

Sale No.: 7                      Ref. No.: 4136                      Map Ref.: 407U  
Date of Sale: JUN 16 80  
Recording Data: 150-99-1030  
Grantor: Bayou Steel Corporation  
Grantee: Gunther Dreissel  
Legal Description: 88.1516 acres out of the Harris & Wilson Survey, Abstract 31 and the Ezekial Thomas Survey, Abstract 73, Harris County, Texas.  
Acres: 88.1516  
Consideration: \$4,848,338  
Consideration/Ac.: \$55,000  
Remarks: This is a vacant tract of land which is located at the southwest quadrant of the intersection formed by Clinton Drive and Federal Road. It has frontage along the north line of the Houston Ship Channel. This tract of land was vacant at the time of sale and had all public utilities available. It is an area which is developed with heavy industrial facilities. Texaco, Inc. has a tank farm which adjoins the tract on the west and Champion Paper Company is located directly across from the Ship Channel from this site.



Sale No.: 8                      Ref. No.: 4137                      Map Ref.: 497V  
Date of Sale:                      MAY 15 77  
Grantor:                              Ideal Cement Company  
Grantee:                              Intercontinental Oil Company, Inc.  
Legal Description:                42.15 acres out of the Richard & Robert Vince Survey, Abstract 76,  
   Harris County, Texas.  
Acres:                                42.1500  
Consideration:                      \$1,361,000  
Consideration/Acre:                \$32,289

Remarks:                              This sale was confirmed by the grantee who indicated the purchase price was based on \$1.25 per square foot (\$54,450 per acre) for net usable land. They considered approximately 25 acres to be usable out of this tract. However, the remaining usable land was dredged to a 40 foot depth to allow a 38 foot draft, which is equivalent to the depth of the Houston Ship Channel. Therefore, it would appear that this unusable land was intended for a slip and actually did contribute some value to the overall property. This area could not have been used for construction purposes, since it had a mud and silt deposit to depths of 28 feet. However, this did make it convenient for dredging a slip into the planned area.

Sale No.: 9                      Ref. No.: 4138                      Map Ref.: 496Z  
Date of Sale: APR 24 78  
Grantor: Horton & Horton, Inc.  
Grantee: John Bludworth Marine  
Legal Description: 83.37474 acres out of the Harris & Wilson Survey, Abstract 31,  
Harris County, Texas.  
Acres: 83.37474  
Consideration: \$2,305,112  
Consideration/Ac: \$27,648  
Remarks: This is an irregular shaped property fronting along the south lien of  
the Houston Ship Channel, just east of the Washburn Tunnel. The  
property has access from Witter Street and is served by rail. In  
addition, Cotton Patch Bayou runs through the central portion of  
this tract and would cause much of the property to be unusable.  
This is a government drainage easement and could not be filled to  
create usable area. Due to the very small area of this property at its  
southern tip, this is considered to be unusable property. This is  
approximately 25 acres, leaving a net usable acreage of 58.3 acres,  
which would then yield a price of about \$39,500 per acre. This  
price was paid by the Bludworth Marine Ship Building Company,  
which had leased this property prior to the purchase.



Sale No.: 10                      Ref. No.:                      3289                      Map Ref.:                      499S  
Date of Sale:                      MAY 1 78  
Recording Data:                      193-04-1059  
Grantor:                              Phillips Petroleum Company  
Grantee:                              Pac-Tank, Inc.  
Legal Description:                      89 acres, more or less, out of the George Ross Survey, Abstract  
646, Harris County, Texas.  
Acres:                                89.0000  
Consideration:                      \$2,225,000  
Consideration/Ac.:                      \$25,000  
Remarks:                              This tract fronts about 1,411 feet on the Ship Channel and 600 feet  
on Battleground Road. The land is predominantly high ground and  
was bought for expansion of a tank farm.

Sale No.: 11                      Ref. No.:                      325                      Map Ref.:                      498R  
Date of Sale:                      FEB 26 82  
Recording Data:                      008-83-2285  
Grantor:                      Jacintoport Corporation  
Grantee:                      Powell Investments Company  
Legal Description:                      43.357 acres in the Harris & Carpenter Survey, Abstract 28, Harris  
County, Texas.  
Acres:                      43.3570  
Consideration:                      \$1,517,495  
Consideration/Acre:                      \$35,000  
Remarks:                      This tract is located along the north line of Jacintoport Boulevard,  
approximately 2,500 feet south of I.H. 10. The tract is irregular  
shaped and has frontage along a barge canal. The property was  
purchased for construction of a warehouse for offshore oil rig  
construction. This sale was confirmed by a representative of the  
grantee. It enjoys 1,329 feet of frontage upon the southwesterly  
bank of Carpenters Bayou Barge Canal.

Sale No.: 12                      Ref. No.:                      3942                      Map Ref.:                      498U  
Date of Sale:                      DEC 21 88  
Recording Data:                      135-80-1678  
Grantor:                              Gail McDonald, Tr.  
Grantee:                              Port of Houston Authority  
Legal Description:                      Approximately 16.691 acres of land out of the Harris & Carpenter Survey, Abstract 28, Harris County, Texas.  
Acres:                                16.6910  
Consideration:                      \$835,000  
Consideration/Acre:                      \$50,027  
Financing:                              Cash  
Remarks:                              This tract is located on the southeasterly side of the Jacintoport Boat Slip. Access to the site is via a road easement from Peninsula Boulevard across adjacent properties. Ownership of the tract reportedly extends to the center line of the Boat Slip. The tract was unimproved at the date of sale and contained no bulkheading. The site is reportedly to be utilized with the tract situated across the Jacintoport Boat Slip to the north, which contains an operating shipping terminal and facility. This tract previously sold in October, 1985 for the same price (\$835,000).

Sale No.: 13                      Ref. No.:                      3465                      Map Ref.:                      498T  
Date of Sale:                      JUL 18 88  
Recording Data:                      122-68-0495  
Grantor:                              West India Line  
Grantee:                              Proler International Corporation  
Legal Description:                      Approximately 84.36 acres of land out of the Harris & Carpenter Survey, Abstract 28, Harris County, Texas.  
Acres:                                83.4600  
Consideration:                      \$3,400,000  
Consideration/Ac.:                      \$40,303  
Financing:                              Cash  
Remarks:                              This property is situated within Jacintoport, along the south line of Peninsula Boulevard. Having frontage along the Houston Ship Channel, this property has been listed for an asking price of \$4.35 million for the past couple of years. This property is improved with at least one 28,000 square foot building and has bulkheading and one slip. This sale was confirmed by a confidential source. This yields a sales price, as improved, of \$40,303 per acre.

Sale No.: 14                      Ref. No.:                      3553                      Map Ref.:                      498T  
Date of Sale:                      JUN 29 88  
Recording Data:                      120-73-0460  
Grantor:                              Jacintoport Corporation  
Grantee:                              Oiltanking of Texas, Inc.  
Legal Description:                      33.94 acres of land out of the Harris & Carpenter Survey, Abstract 28 and the Richard & Robert Vince Survey, Abstract 76, Harris County, Texas.  
Acres:                                33.9400  
Consideration:                      \$1,200,000  
Consideration/Acre:                      \$35,357  
Financing:                              Cash to seller  
Remarks:

This tract is on the north line of the Houston Ship Channel, just south of the intersection of Sheldon Road and Jacintoport Boulevard. The tract has approximately 1,091 feet of frontage on the Ship Channel and did not have bulkheading. The property was purchased by an adjoining landowner to the west for expansion purposes. At the date of sale, it did not have immediate road access. A 32 foot wide concrete road was 3/4 of the way between Jacintoport Boulevard to the north and the subject property. Approximately 500 feet of roadway is necessary to complete the road to Jacintoport Boulevard. However, the property now has access due to being purchased by the adjoining owner to the west. The sales price was based on \$40,000 per acre, as several areas located within typical easements were discounted at 50% of market value.

Sale No.: 15                      Ref. No.: 2122                      Map Ref.: 499D  
Date of Sale: SEP 19 86  
Recording Data: 059-72-2551  
Grantor: InterFirst Bank - East  
Grantee: Sue M. Minor  
Legal Description: 2.62 acres out of the Nathaniel Lynch Survey, Abstract 44, Harris County, Texas.  
Acres: 2.6200  
Consideration: \$165,000  
Consideration/Sq. Ft.: \$1.45  
Remarks: This site is located with 630 feet of frontage on the west side of F.M. 2100 and 611 feet of frontage on the San Jacinto River. It is improved with the Riverview Inn, with improvements contributing minimal value. At the time of sale, no public utilities were available except electricity and telephone. The property has a septic tank and water well.



Sale No.: 16                      Ref. No.:            4106                      Map Ref.:            499A  
Date of Sale:                      SEP 30 88  
Recording Data:                    129-78-2067  
Grantor:                            William C. Parsons  
Grantee:                            Lost River Investment  
Legal Description:                2.85 acres out of the J.T. Harrell Survey, Abstract 330, Harris  
County, Texas.  
Acres:                                2.8500  
Consideration:                    \$250,000  
Consideration/Sq. Ft.:            \$2.01  
Financing:                         Cash  
Remarks:                         This site is located 385 feet south of Market Street Road and  
approximately 784 feet west of the west bank of the San Jacinto  
River.



Sale No.: 17	Reference No.: 3631	Map Ref.: 500E
Date Of Sale:	MAY 24 89	
Grantor:	Calvin Mentenger	
Grantee:	S.L. Juber Et Ux	
Legal Description:	Lot 9, Block 50, Section C, Lakewood Subdivision, Baytown, Harris County, Texas.	
Acres:	0.780000 Acres	\$ 2.12 Per Sq Ft
Consideration:	\$72,000	
Financing:	Cash	
Remarks:	This bayside tract is located on Burnette Bay with an Estimated 100' of bay frontage. The address is 142 North Burnette. At the time of sale an older 1,800 SF house was located on the property which had no contributory value and was removed for \$5,000. The property is a residential tract and is in zone A of the flood plain. The property has been improved with a large home.	





Sale No.: 18	Reference No.: 3632	Map Ref.:
Date Of Sale:	MAY 11 83	
Recording Data:	048-94-0463	
Grantor:	M. C. Bray, et al	
Grantee:	W. H. Myers	
Legal Description:	11.78 acres out of the William Scott Survey, A-66, Harris Co., Texas.	
Acres:	11.780000 Acres	\$ 0.57 Per Sq Ft
Consideration:	\$294,500	
Financing:	20% down, owner finance for 5 years	
Remarks:	This tract is located on the north line of Tabbs Bay just south of S.H. 146 in Baytown. This property is currently used as a restaurant site. There were no improvements at the time of sale. The site has some land that is under water. The sit is in a 100 Year vilocity flood plain, meaning it is subject to wave action from Tabbs Bay.	

Sale No.: 19

Reference No.: 3633

Map Ref.:540H

Date Of Sale:

1985

Grantor:

David Kodjar

Legal Description:

4.7 acres

Acres:

4.7 Acres \$ 0.33 Per Sq Ft

Consideration:

\$68,000

Remarks:

This property is located on the east side of Black Duck Bay just north of the S. H. 146 ROW. The tract has approximately 2.7 acres under water in Black Duck Bay. The Grantor indicated he purchased the land based on \$0.78 per sq. ft. for the 2 acres thst was above water.



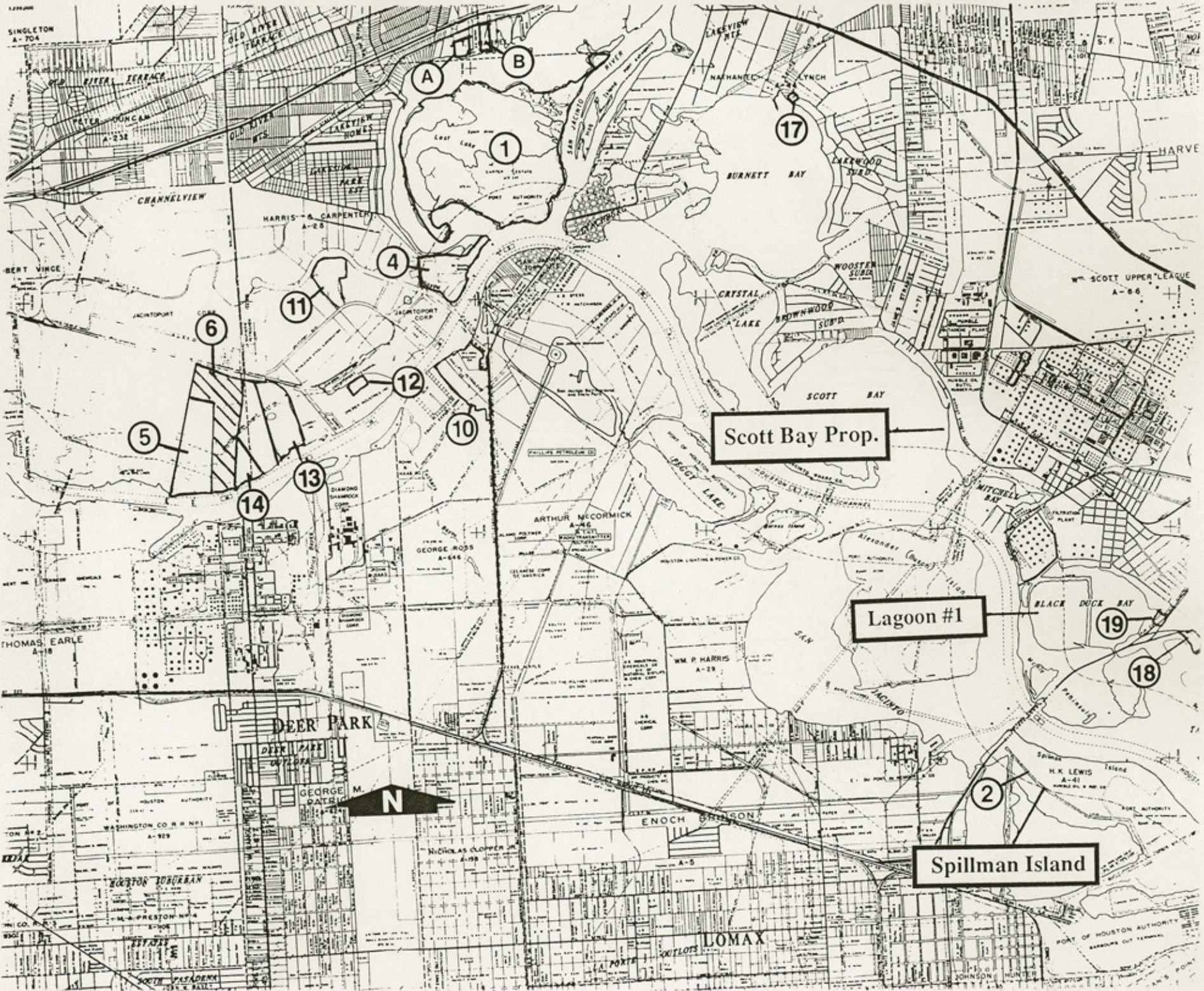
Listing No: A Map Ref.: 499A  
Leasing Agent: Century 21  
Telephone: (713) 487-7000  
Legal Description: Part of Lots 3, 4 & 5, Old River Acres, Harris County, Texas.  
Size: 12.9300 Acres 463,231 Sq. Ft.  
Asking Price: \$500,000  
Asking Price: \$38,669.76 Acres \$0.89 Sq. Ft.  
Financing: Owner financing with 20% down..  
Remarks: This site is improved with a 180' X 300' barge slip. This site has 821 feet of frontage along the Old San Jacinto River.  
Reference No.: 678

Listing No.: B Map Ref.: 499A  
Listing Agent: Bev Faulkenberg  
Telephone: (713) 452-2227  
Legal Description: 11.5 acres out of the J.T. Harrell Survey, Abstract 330, Harris County, Texas.  
Size: 11.5000 Acres 500,940 Sq. Ft.  
Asking Price: \$550,000  
Asking Price: \$47,826.09 Acres \$1.10 Sq. Ft.  
Financing: N/A  
Remarks: This site has 480 feet of frontage along the Old San Jacinto River and 400 feet of frontage along Market Street Road. The site is improved with two houses and a storage building.  
Reference No.: 679

### Summary of Land Sales

SALE #	Date of Sale	Size	Sales Price	SP / Acre	Remarks
1	1/15/80	730.0000	\$2,190,000	\$3,000	Lost Lake Island
2	1/15/80	400.0000	\$1,333,333	\$3,333	Spillman Island
3	5/30/75	151.9600	\$1,063,720	\$7,000	Atkinson Island
4	3/4/82	105.0000	\$4,250,000	\$40,476	Jacintoport
5	2/25/75	139.2030	\$3,150,660	\$22,634	Jacintoport
6	2/22/77	150.0970	\$2,837,522	\$18,905	Jacintoport
7	6/16/80	88.1516	\$4,848,338	\$55,000	West Of Beltway 8
8	5/15/77	42.1500	\$1,361,000	\$32,289	West Of Beltway 8
9	4/24/78	83.3747	\$2,305,112	\$27,648	West Of Beltway 8
10	5/1/78	89.0000	\$2,225,000	\$25,000	Battleground Rd.
11	2/26/82	43.3570	\$1,517,495	\$35,000	Jacintoport
12	12/21/88	16.6910	\$835,000	\$50,027	Jacintoport
13	7/18/88	84.3600	\$3,400,000	\$40,303	Jacintoport
14	6/29/88	33.9400	\$1,200,000	\$35,357	Jacintoport
15	9/19/86	2.6200	\$165,000	\$1.45 /SF	San Jacinto River
16	9/30/88	2.8500	\$250,000	\$2.01 /SF	San Jacinto River
17	6/24/89	0.7800	\$72,000	\$2.12 /SF	Burnett Bay - Residential
18	5/11/83	11.7800	\$294,500	\$0.57 /SF	Tabbs Bay - Commercial
19	1985	4.7000	\$68,000	\$0.33 /SF	Black Duck Bay - Commercial

*county 25734*



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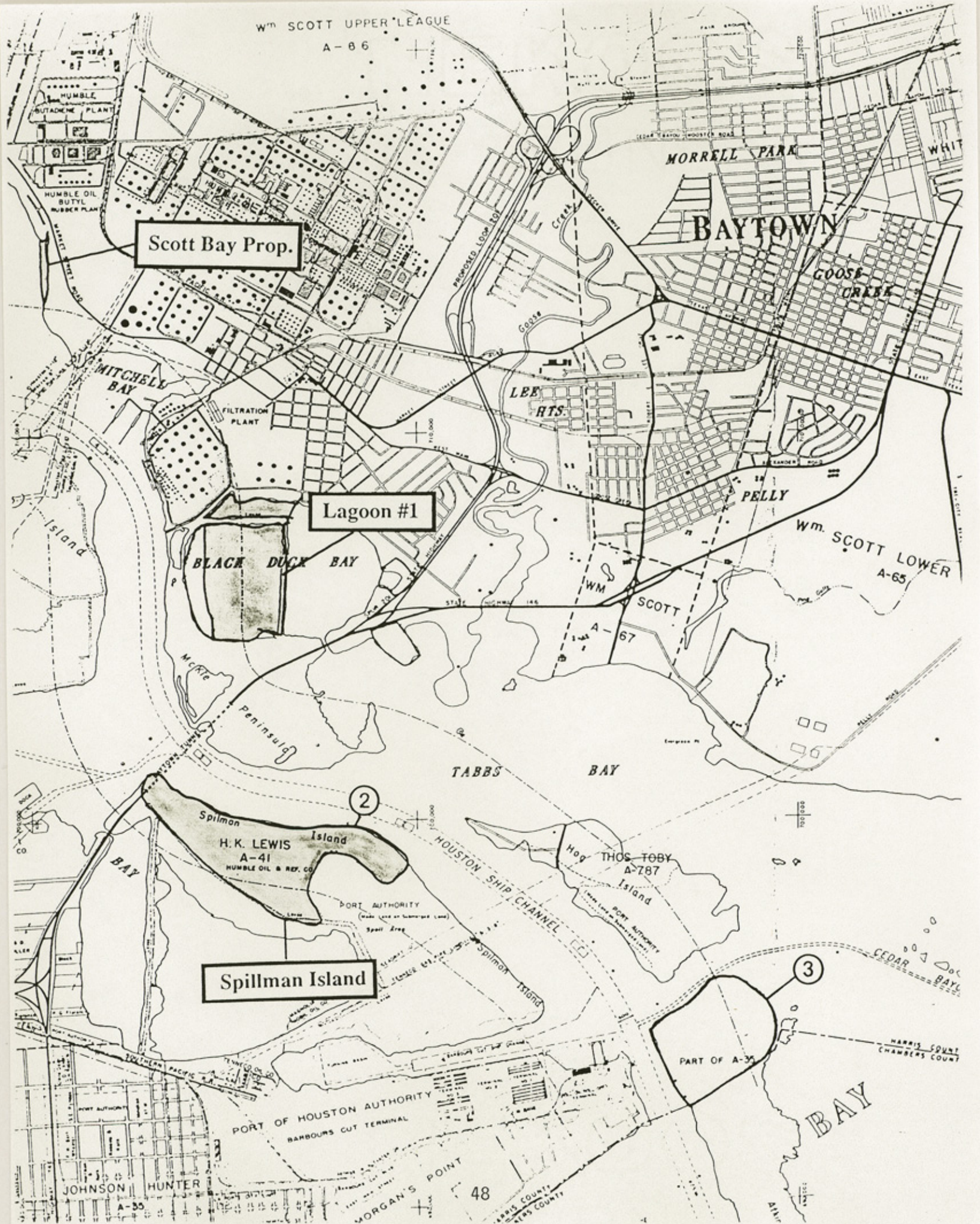
Wm SCOTT UPPER LEAGUE

A-86

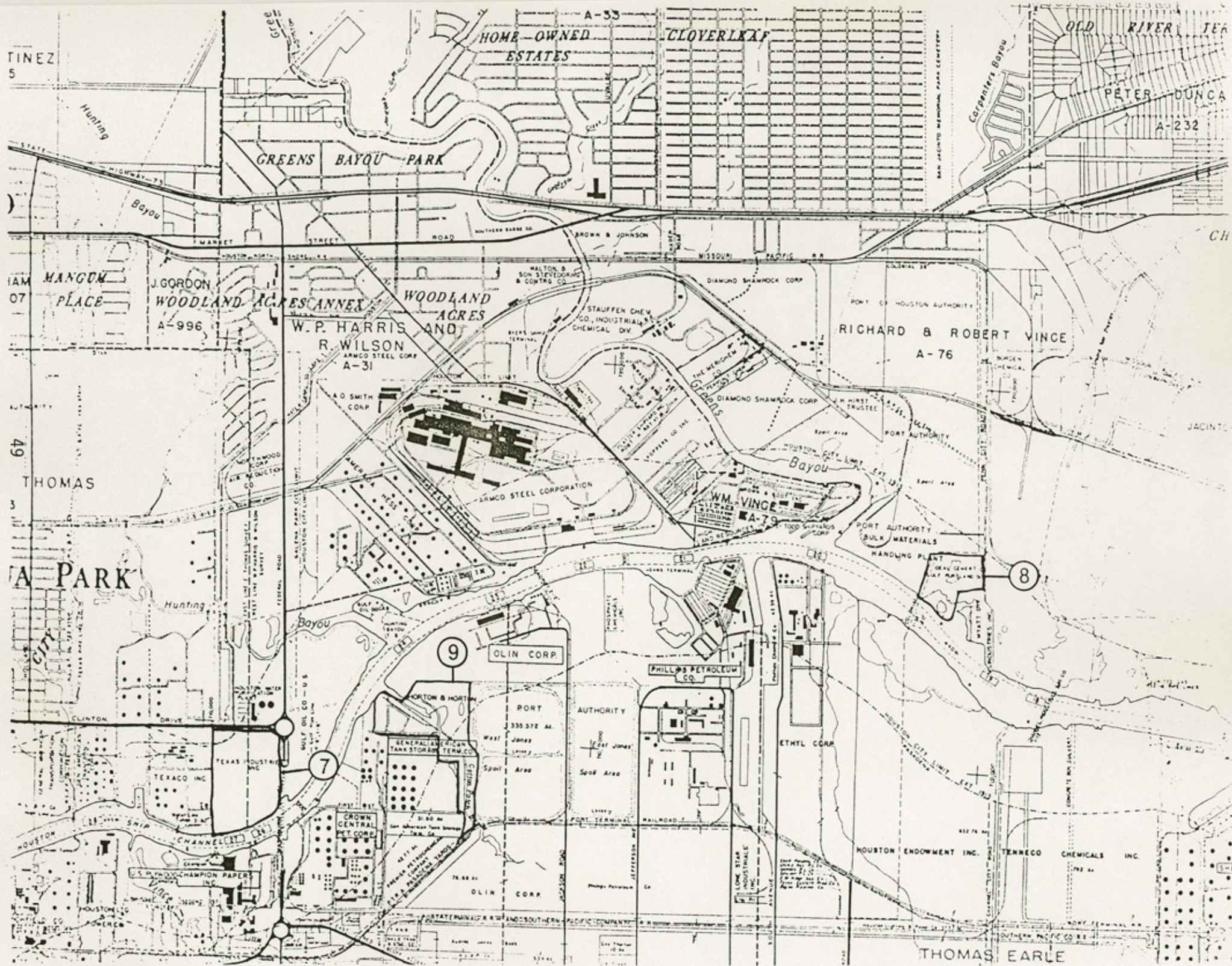
Scott Bay Prop.

Lagoon #1

Spillman Island



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TINEZ  
5

AM  
07

49

THOMAS

3

A PARK

Carter 25737

CH

JACINTO

5

THOMAS EARLE

HOME-OWNED ESTATES

CLOVERLEAF

OLD RIVER TOWN

PETER DUNCA

A-232

GREENS BAYOU PARK

MANGUM PLACE

J. GORDON WOODLAND ACRES  
A-996

WOODLAND ACRES  
W.P. HARRIS AND  
R. WILSON  
ARCO STEEL CORP  
A-31

RICHARD & ROBERT VINCE  
A-76

WM. VINCE  
A-79

OLIN CORP.

PHILLIPS PETROLEUM CO.

HORTON & HORTON

PORT AUTHORITY

ETHYL CORP.

CROWN CENTRAL PET. CORP.

GENERAL AMERICAN TANK STORAGE TERM. CO.

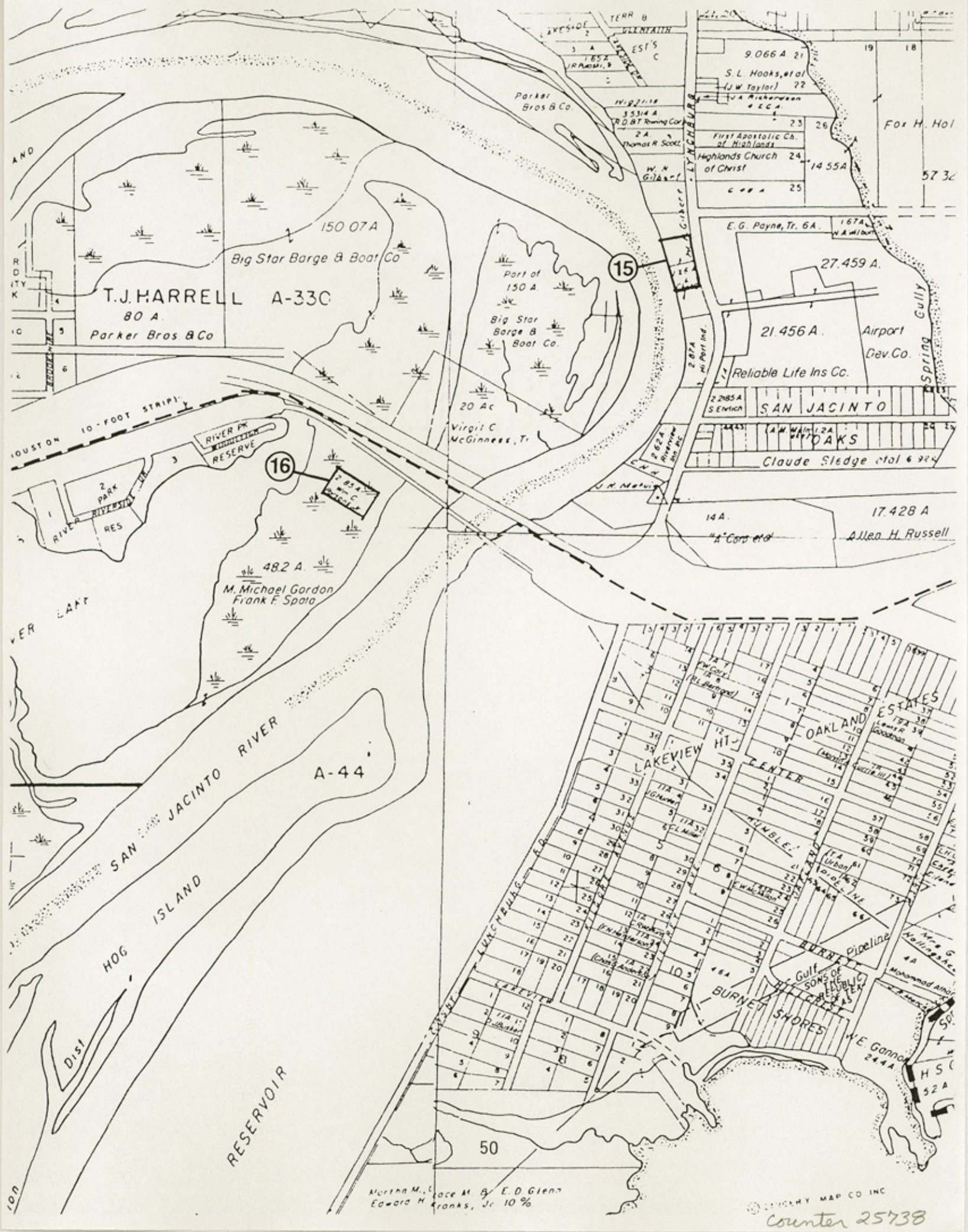
HOUSTON ENDOWMENT INC.

TENNECO CHEMICALS INC.

OLIN CORP.

SOUTHERN PACIFIC CO. RS





T.J. HARRELL A-33C  
80 A  
Parker Bros & Co

150 07 A  
Big Star Barge & Boat Co

Part of 150 A  
Big Star Barge & Boat Co.

16  
RIVER PARK RESERVE

482 A  
M. Michael Gordon  
Frank F. Spola

A-44

15

21 456 A  
Reliable Life Ins Co.

SAN JACINTO

OAKS

17.428 A  
Allen H. Russell

50

North M. C. E. D. Glenn  
Edward M. Franks, Jr. 10%

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SUMMARY - SPILLMAN ISLAND

Name: Spillman Island

Location: The southwest side of the Houston Ship Channel,  
north of Barbour's Cut and south of State Highway  
146 in Harris County, Texas.

Size: 355 acres

Road Access: State Highway 146 at the northern end of the subject  
property.

Ship Channel Frontage: ±3,500 feet

Elevation: From sea level to approximately 10 feet N.G.V.D.  
Datum 1979.

Highest & Best Use: Spoil storage area

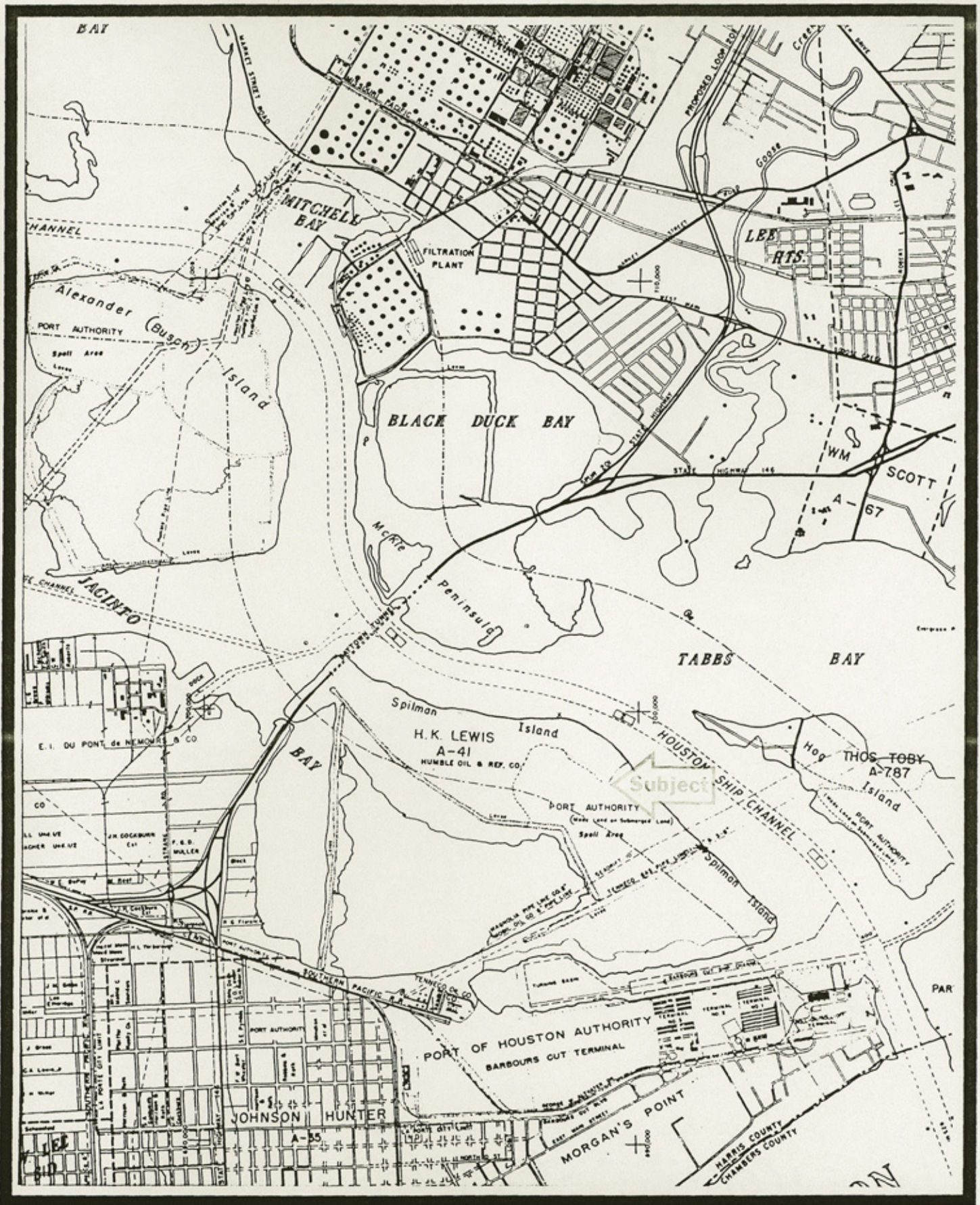
Value per Acre - 100% fee ownership: \$4,000 per acre

Value per Acre - 50% undivided  
interest: \$1,800 per acre

Value Indication - 100% fee  
ownership: \$1,421,600

Market Value - 50% undivided  
interest: \$639,720

Valuation Date: January 1, 1990



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**Area Map**





Looking southwesterly across the Houston Ship Channel at the northern end of Spillman Island where Highway 146 crosses the subject property.



Looking southeasterly down the Houston Ship Channel, the peninsula at the right is the eastern extreme of the subject property.



Looking southerly across the Houston Ship Channel at the middle of Spillman Island.



Looking southeasterly across Spillman Island, the crane derricks visible in the background are on Barbour's Cut Terminal, just south of Spillman Island.

## SITE ANALYSIS - SPILLMAN ISLAND

The subject property is a 344.4 acre island on the southwest bank of the Houston Ship Channel, just north of Barbour's Cut Container Terminal. State Highway 146 cuts across the northwestern extreme of Spillman Island. The subject property may be briefly legally described as being 355.4 acres, more or less, out of the H. K. Lewis Survey, Abstract 41, Harris County, Texas.

The island has approximately 3,034 feet of frontage along the southwest line of the Houston Ship Channel. Approximately 80 percent of the island lies within the jurisdiction of the Port of Houston's industrial zone. The remaining southwestern tip of the island is outside this zone in Harris County. The island was originally surrounded by San Jacinto Bay; however, in recent years spoils placed on the island and around the island in the San Jacinto Bay area have filled much of San Jacinto Bay to the south of the subject property making this shoreline of the island indistinguishable. The northeastern shoreline of the island still remains on the Houston Ship Channel and can be distinguished on the ground. However, the remainder of the island cannot be distinguished from the surrounding spoil area due to the extensive spoils placed on the island.

The island does not appear to have any significant elevations and as a consequence, appears to lie wholly within the 100 year flood plain. Some portions of the island which lie along the Houston Ship Channel raise to elevations to as high as 9.26 feet.

At the northwestern extreme of the island there are a number of easements which traverse the tip of the island. Several water pipelines, as well as the current right of way for the State Highway 146 and the Baytown tunnel cross this section of the island. There is approximately 9.27 acres of the island which lie to the northwest of the State Highway 146 right of way. The current right of way occupies approximately 12.433 acres. At the present time the bridge over the Houston Ship Channel is under construction just to the south of the existing Baytown tunnel. This bridge also crosses over the subject property and though access can be achieved to S.H. 146 through this construction area, it is not considered to be generally good

SITE ANALYSIS - SPILLMAN ISLAND (CONTINUED):

access. It is possible, however, to drive a vehicle from Highway 146 on to Spillman Island.

A detailed inspection was not possible on the island, and as a consequence our analysis is based upon the surveys, what can be seen of the island from adjoining tracts, and aerial photography.

The land immediately to the north and east of the island is occupied by the Houston Ship Channel. Beyond the Houston Ship Channel is part of Trinity Bay and Black Duck Bay. To the west and northwest of the subject property, the land is dominated by San Jacinto Bay which is currently open water connected to the Houston Ship Channel. South of the subject property is the spoil area where San Jacinto Bay has been filled and just beyond is the Barbours Cut Terminal. A Tenneco industrial facility is located at the end of Barbours Cut. Just to the west of the tip of Spillman Island, DuPont has an industrial facility in the area. The City of LaPorte consumes part of southwestern portion of the subject property and appears to have some jurisdiction over this area. Just immediately to the south of the spoil area the land surrounding Barbours Cut is in the City of Morgan's Point.

The above description of the subject property is based upon a survey provided this office for the purpose of this appraisal. No information was made available concerning any other encroachment, easements, or toxic residues which might effect the subject property. For the purposes of our analysis, it is assumed that no unknown easements, encroachments or toxic residues would effect the subject property.



M A P  
 SHOWING SURVEY OF SPILLMAN ISLAND TO REPLACE THE 1917 SHORE  
 LINE IN CASE OF FUTURE FILLING. LOCATED IN HARRIS COUNTY, TEXAS.  
 SCALE 1"=100 YARDS. DATE JULY & AUGUST 1939.  
 FIELD BOOK VOL. Z-5, PG. 131.  
 OFFICE OF J.S. BOYLES C.E. HOUSTON, TEXAS.  
 HUMBLE OIL & REFINING COMPANY

*J.S. Boyles*  
 Surveyor

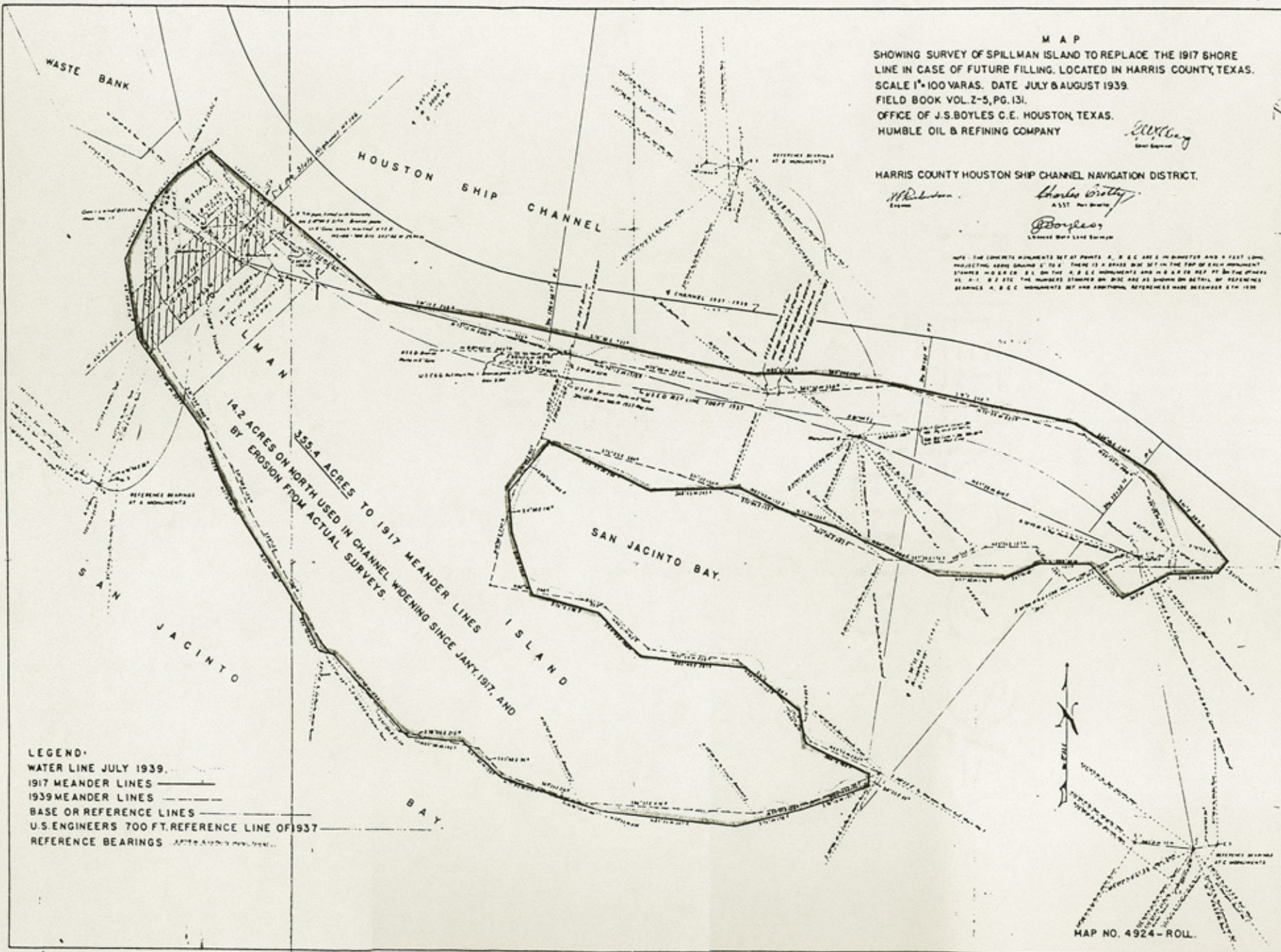
HARRIS COUNTY HOUSTON SHIP CHANNEL NAVIGATION DISTRICT.

*J.S. Boyles*  
 Surveyor

*Charles Bradley*  
 ASST. SURVEYOR

*Boyles*  
 LICENSED SURVEYOR

NOTE: THE CONCRETE MONUMENTS SET AT POINTS A, B & C ARE 6 IN DIAMETER AND 4 FEET LONG.  
 PROTECTIVE IRON RINGS 2 TO 3 FEET IN DIAMETER SET IN THE TOP OF EACH MONUMENT  
 STAMPED "H. O. B. C." ON THE A, B & C MONUMENTS AND "H. O. B. C." ON THE IRON RINGS.  
 PL. A, B & C ARE THE NUMBERS STAMPED ON THE IRON RINGS ON DETAILS OF REFERENCE  
 BEARINGS A, B & C MONUMENTS SET AND BEARINGS REFERENCED HERE DECEMBER 8TH 1938



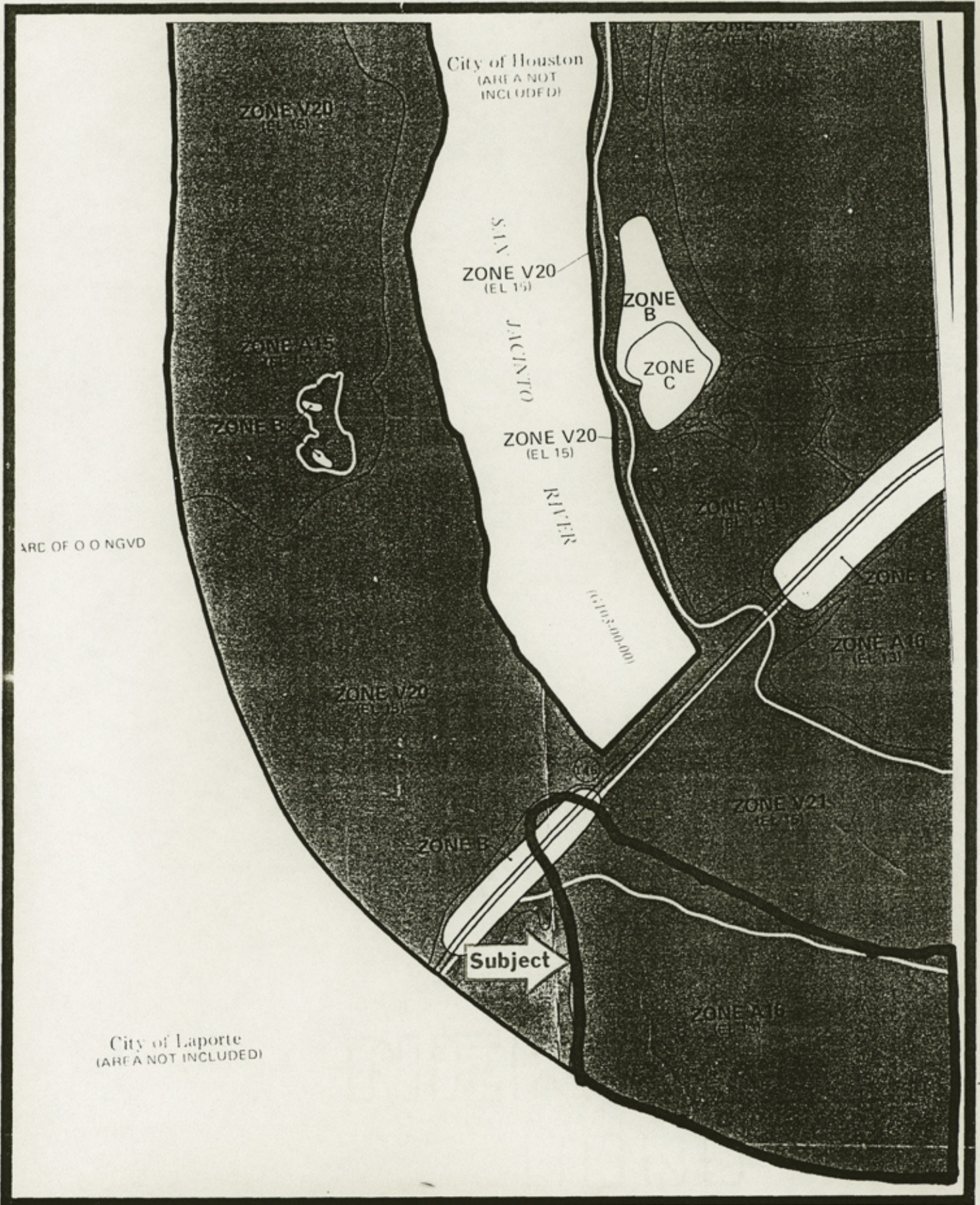
LEGEND:  
 WATER LINE JULY 1939 ———  
 1917 MEANDER LINES - - - - -  
 1939 MEANDER LINES .....  
 BASE OR REFERENCE LINES ———  
 U.S. ENGINEERS 700 FT. REFERENCE LINE OF 1937 ———  
 REFERENCE BEARINGS ———

MAP NO. 4924-ROLL.

STF-1197

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**Flood Plain Map**

HISTORY OF THE SUBJECT PROPERTIES  
SPILLMAN ISLAND:

A one-half undivided interest in the ownership of Spillman Island was purchased by Exxon in 1921. At this time the island was also known as Jennings Island. The island was estimated to contain 400 acres at this point in time. The purchase was made from the Kilpatrick family. In 1980 the Port of Houston purchased a one-half interest in Spillman Island from the Kilpatrick family also. This purchase was for \$600,000 and was believed to be for 400 acres. However, it is known that in July and August of 1939 a survey was done and signed by an assistant port director of Spillman Island which indicated there were only 355.4 acres. For the purposes of this report, we are estimating that the island contains 355.4 acres. However, our analysis of the sale is based upon the 400 acres that is stated by the Port Authority of Houston. The disparity between the two figures could lie in land which has subsided between the original survey of the island and the 1939 survey. Since the 1939 survey, the island and a great deal of the surrounding San Jacinto Bay has been covered with spoils from the dredging of the Houston Ship Channel. Not only the initial dredging spoils, but also the maintenance spoils, have been placed in this area through the years. Some time shortly after 1939, the Baytown Tunnel was constructed and a portion of the northwestern tip of the island was acquired in easement for that tunnel.



## HIGHEST AND BEST USE

The highest and best use may be defined as:

1. The reasonable and probable use that supports the highest present vacant land or improved property, as defined, as of the date of the appraisal.
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value.
3. The most profitable use.<sup>1</sup>

Implied in the above definition are a number of tests for the highest and best use. Amongst these are that the highest and best use must be a legal use for the subject property. In other words, the highest and best use which is proposed for the subject property cannot be a use which is prohibited by law, deed restriction or zoning ordinance. Another test is that the property's highest and best use must be one which is physically possible on the site. If the site's configuration, shape or topography would not permit the utilization of the property for that use, it cannot be a highest and best use for the site. The third test for the highest and best use is that the use must be one which is reasonably probable in that the typical purchaser would visualize the site being utilized for that purpose. The fourth and last test for the highest and best use is that it must be economically feasible. This test, though focused primarily on the income producing properties, applies to all properties to the degree that the use must be a profitable one by income or amenities.

The highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to the individual owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitat or the like.

The best technique for establishing the highest and best use is to determine which uses are physically possible and legally permissible on the site. Then, from amongst these possible

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<sup>1</sup> The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Pg. 152.

HIGHEST AND BEST USE (CONTINUED):

highest and best uses select those which are reasonably probable and financially feasible. Then choose the use from amongst those selected which is the most productive. In other words, from the financially feasible uses, select the one which generates the greatest return to the land.

The surrounding land use pattern associated with the subject property is an important consideration in considering the highest and best use of the subject property. Spillman Island's location, along the Houston Ship Channel, and its proximity to Highway 146 and Loop 201, are an important consideration in developing a highest and best use for the subject property. The Barbour's Cut Ship Channel and terminal facilities located just to the south of the subject property are a surrounding land use that has a bearing on the subject property. A spoil area for the Houston Ship Channel, Alexander Island, is located just to the northwest of the subject property. The current utilization of the subject property as a spoil storage area also is important. Across the Houston Ship Channel and across part of Tabbs Bay, there are several park sites, being primarily Bayland Park Site. The location of the Exxon refinery, just to the north of the subject property across Black Duck Bay, is also a possible consideration of a highest and best use for the site. However, it is important to consider the demand for such uses when considering these uses as highest and best uses for the subject property.

In talking to the Port Authority of Houston and the Corps of Engineers, it is evident that the continued use of Spillman Island as a spoil storage area, is of important consideration considering the proposed projects for the widening and deepening of the Houston Ship Channel. It is our understanding that no additional spoil areas would be required; however, they would be using the existing spoil areas for this project. Additionally, a conversation with the Port Authority indicated that there is no demand for additional docking facilities in and along the Houston Ship Channel. Therefore, the expansion or an additional docking facility such as the Barber's Cut Terminal, would not be an appropriate use since there is no demand for that use. The continued use of Spillman Island as a spoil storage area has both a demand and a history, as well as support from surrounding land use patterns. It is therefore our opinion that the highest and best use for Spillman Island is for its continued use as a spoil



HIGHEST AND BEST USE (CONTINUED):

storage area until the surrounding land use patterns and demands change in such a fashion that a more intense highest and best use would be appropriate.



### Summary of Land Sales

SALE #	Date of Sale	Size	Sales Price	SP / Acre	Remarks
1	1/15/80	730.0000	\$2,190,000	\$3,000	Lost Lake Island
2	1/15/80	400.0000	\$1,333,333	\$3,333	Spillman Island
3	5/30/75	151.9600	\$1,063,720	\$7,000	Atkinson Island
4	3/4/82	105.0000	\$4,250,000	\$40,476	Jacintoport
5	2/25/75	139.2030	\$3,150,660	\$22,634	Jacintoport
6	2/22/77	150.0970	\$2,837,522	\$18,905	Jacintoport
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8	5/15/77	42.1500	\$1,361,000	\$32,289	West Of Beltway 8
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10	5/1/78	89.0000	\$2,225,000	\$25,000	Battleground Rd.
11	2/26/82	43.3570	\$1,517,495	\$35,000	Jacintoport
12	12/21/88	16.6910	\$835,000	\$50,027	Jacintoport
13	7/18/88	84.3600	\$3,400,000	\$40,303	Jacintoport
14	6/29/88	33.9400	\$1,200,000	\$35,357	Jacintoport
15	9/19/86	2.6200	\$165,000	\$1.45 /SF	San Jacinto River
16	9/30/88	2.8500	\$250,000	\$2.01 /SF	San Jacinto River
17	6/24/89	0.7800	\$72,000	\$2.12 /SF	Burnett Bay - Residential
18	5/11/83	11.7800	\$294,500	\$0.57 /SF	Tabbs Bay - Commercial
19	1985	4.7000	\$68,000	\$0.33 /SF	Black Duck Bay - Commercial

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## RECONCILIATION OF LAND VALUE - SPILLMAN ISLAND

The direct sales comparison approach is one by which a value indication is estimated by comparison of the subject property with other market transactions which have taken place within the area. A search of the Harris County Deed Records has indicated that there are very few, if any, sales similar to the subject property (Spillman Island). Data, however, was gathered on three sales of islands along the Houston Ship Channel which have taken place. Unfortunately, the time lapse since the date of sale is significant and requires considerable analysis with regard to adjustments. Two of the sales took place in 1980, while one took place in 1975.

A recent survey of land values within the greater Houston area has indicated that land values have tended to have somewhat of a cyclical pattern in recent years. From 1975 through 1985 they showed an increasing rate of appreciation. Since 1985, the land values have tended to stabilize and show a significant downward trend in the latter part of 1986 through 1987. By late 1988, land values had tended to stabilize at a much lower level than they were earlier in the decade. Since 1988, some slight increases have been seen in the land values in and around the greater Houston area. This basic relationship between time and value of land is utilized as the basis for making a time adjustment for the sales utilized in this analysis.

The sales price per unit of area (per square foot or per acre) is typically inversely related to the size of the whole property. This relationship indicates that the larger the tract of land, the smaller the sales price per acre tends to be. In other words, all else being equal, a ten acre tract of land will have the tendency to sell for a higher price per acre than a 100 acre tract of land. The subject property's size, being 355 acres, is significantly larger than all of the comparable sales, with the exception of Sale #1 and Sale #2.

Access and frontage are also important characteristics of a tract of land when comparing it to other transactions. For the subject property, the frontage along the Houston Ship Channel is a significant advantage to the tract; however, it has somewhat limited access in that the only known place where there is legal access is at its northwestern tip where it intersects State



RECONCILIATION OF LAND VALUE - SPILLMAN ISLAND (CONTINUED):

Highway 146. The Houston Ship Channel frontage and the ability to access the subject via land are considerations that warranted adjustment for the comparable market transactions.

The locational adjustment along with the highest and best use adjustment are two characteristics which tend to warrant the most significant adjustments to comparable sales. In many cases, the location of the property significantly affects the highest and best use and, as a consequence, the adjustments made in these categories tend to overlap. In other words, if a tract of land is located within a general area which is dominated by industrial utilization, then the tendency is for the highest and best use to be an industrial use. However, the location of the property relative to the overall land use patterns in the City of Houston would also indicate that it is an industrial type tract. The locational adjustments tend to be made relative to the highest and best use of the property. In other words, if the property is located within an area that is dominated by industrial utilization, its location within that community or that neighborhood tends to be the characteristic which is considered when making a locational adjustment.

In considering the uniqueness of the subject property, being an island along the Houston Ship Channel, and that the best comparable sales are relatively old sales, it is our opinion that the best technique to use is to establish a relationship between these island sales, Sales #1, #2 and #3, and other industrial sales which took place at the same time. By establishing a general relationship in terms of percentage of value, the relationship between other industrial sales in the area and the island sales can be established. After establishing the relationship, then more current industrial sales are analyzed and the relationship applied to derive a market value indication for the subject property.

Sale #1 was of Lost Lake Island and took place in January of 1980. The size of the whole island was 730 acres at the time of sale and a 1/2 interest was purchased in the island by the Port of Houston. Since a 1/2 interest was purchased, it is our opinion that a market value of the 100% interest in the land should be determined based upon the percentage purchased. On a strict mathematical basis, it would seem that the 1/2 interest purchased is basically 1/2 of



RECONCILIATION OF LAND VALUE - SPILLMAN ISLAND (CONTINUED):

the market value of the land. However, since the purchaser does not have complete control over the property, it is our opinion that a slight discount should be utilized to compensate for this diminished amount of control over the property. Thus, in determining the purchase price of a 1/2 interest, the typical purchaser would determine the market value of the property, divide that by two and then deduct 10% as a discount. If the sales price of the 1/2 interest is known, then the process is reversed and a market value indication can be calculated. In the case of Sale #1, it is our opinion that it was based upon a market value of the 100% interest in the Lost Lake Island of approximately \$3,000 per acre. This figure was utilized as a market value comparison to compare the Lost Lake Island sale (Sale #1) to other market transactions which took place during that general time frame. This sale is compared to Sale #4 (which is a slightly smaller tract of land that sold for \$40,476 per acre), Sale #6 (which took place in 1977, a 150 acre tract of land which sold for \$18,905 per acre), Sale #7 (which took place in 1980 and was an 88 acre tract of land that sold for \$55,000 per acre), Sale #9 (which took place in 1978 and was an 83 acre tract of land that sold for \$27,648 per acre), Sale #10 (which also took place in 1978 and was an 89 acre tract of land and sold for \$25,000 per acre), and, finally, Sale #11 (which took place in 1982 and was a 43 acre tract of land which sold for \$35,000 per acre).

After comparing Sale #1 to the above mentioned sales, it is our opinion that a market value for comparable land of a similar size that has a highest and best use of industrial land and is not an island would be \$30,000 per acre. The relationship between the \$3,000 per acre paid, as calculated as the market value of the 100% interest of the land, and the comparable industrial tracts indicates 10% relationship. In other words, the market value of the 100% of Lost Lake Island tended to be approximately 10% of the value of surrounding land, which had a highest and best use of industrial utilization. The motivation and subsequent use of the Lost Lake Island sale is an indication of its highest and best use. The island was used as a spoil storage area for the dredging and maintenance of the Houston Ship Channel. Its use as a spoil storage area is, in our opinion, considered to be the highest and best use for the tract.

Sale #2 also took place in 1980 and was for 400 acres, being the perceived size of



RECONCILIATION OF LAND VALUE - SPILLMAN ISLAND (CONTINUED):

Spillman Island by the parties in the transaction. It is known from a survey that was signed by the Port Authority that the island actually only contained approximately 355 acres at the time. The difference being possibly land which had subsided. However, the transaction was reportedly based upon the 400 acres, which was the original size of the island. A similar method was utilized to determine the 100% market value of the subject property, since this sale only represented a 1/2 interest purchase by the Port of Houston. The calculations, being similar to Sale #1, resulted in a 100% market value indication of \$3,333 per acre. In comparing this sale to other industrial sales along the Houston Ship Channel, the same sales were utilized as were utilized for Sale #1. The major difference between this sale and the Lost Lake Sale is that Spillman Island did have some access associated with State Highway 146 and was a smaller tract of land. Because of these characteristics, it is our opinion that a comparable figure, if the tract was an industrial tract, would have a value of \$35,000 per acre. A comparison of the sales price to the \$35,000 per acre results in approximately 9.52% ratio.

The third sale (Sale #3) took place in 1975 and was for 151.96 acres. This sale was for the northern end of Atkinson Island, that portion of the island that currently lies within Harris County. This sale was based upon the highest and best use of a portion of this island being industrial in that it could be used for a berthing facility for LPG Tankers. The idea behind the purchase was that a two berth terminal could be placed on the northwest corner of the island and a pipeline to Mont Belvieu constructed to unload liquid petroleum gases into the salt dome at Barbers Hill. Thus, the highest and best use consideration for this purchase was not of a spoil storage area, but for a berthing facility for Conoco. As a consequence, the sales price for this island sale was slightly higher than the previous two island sales and was for \$7,000 per acre. When comparing this to transactions, particularly the older transactions such as Sale #5, Sale #6, Sale #8, Sale #9 and Sale #10, it is our opinion a comparable sized tract which had a highest and best use of industrial utilization and had good road access would be about \$25,000 per acre. This relationship would indicate a 28% ratio exists between this island sale and good industrial land.

RECONCILIATION OF LAND VALUE - SPILLMAN ISLAND (CONTINUED):

After reviewing this information, it is our opinion emphasis should be placed upon the ratio established by Sale #1 and Sale #2 which cluster around the 10% ratio. To establish a value for an industrial tract of land that is similar in size to the subject property, an analysis was made of Sale #4, Sale #11, Sale #12, Sale #13 and Sale #14. These sales ranged in sizes price from the highest at \$50,027 per acre, to the lowest at \$35,000 per acre. Though all these sales were smaller than the subject property, a slight adjustment was made for this characteristic. After considering these sales and making adjustments for their size and their date of sale, a comparable market value figure of \$40,000 per acre is considered appropriate for a current comparison. In other words, it is our opinion a 10% ratio, based upon a \$40,000 per acre valuation resulting in \$4,000 per acre, is an appropriate market value indication for the subject property's 100% fee value. Therefore, it is our opinion the market value of the 100% fee ownership of Spillman Island is \$4,000 per acre. The 1/2 interest in the island would be \$2,000 per acre with a 10% discount, or \$1,800 per acre. This results in a value indication of:

355.4 acres @ \$1,800/Acre = \$639,720.



SUMMARY - LAGOON #1 PROPERTIES

Name: Lagoon #1 Properties

Location: The west side of Black Duck Bay south of the Exxon Refinery and north of State Highway 146 in Harris County, Texas.

Size: In Lagoon #1 - 154.0866 acres  
North of Lagoon #1 - 30.8365

Road Access: Through the Exxon Refinery property to the north

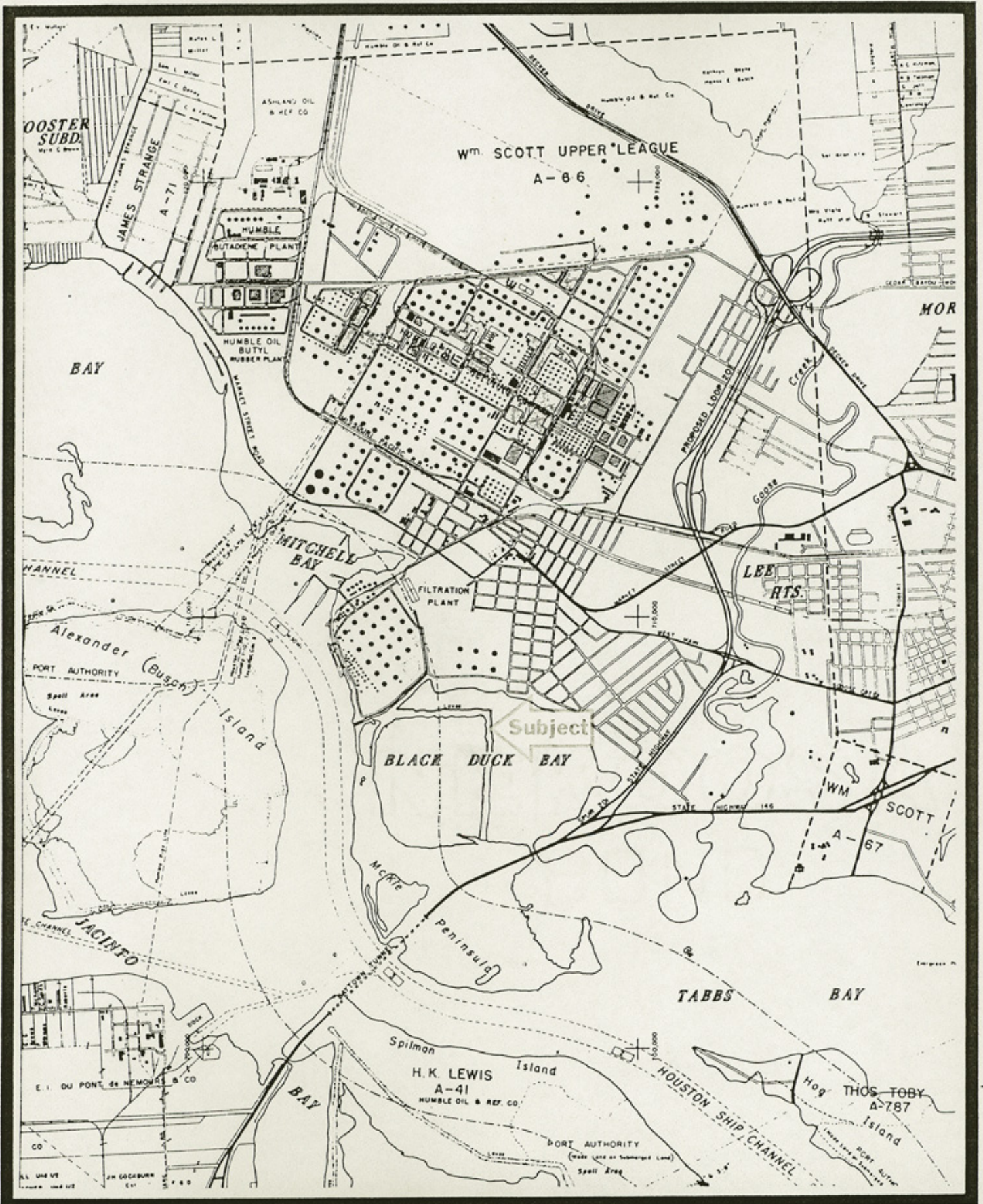
Elevation: From sea level to approximately 10 feet N.G.V.D. Datum 1979.

Highest & Best Use: Waste water treatment

Value per Acre - 100% fee ownership: In Lagoon #1 - \$1,500 per acres  
North of Lagoon #1 - \$1,000 per acre

Value Indication - 100% fee ownership: In Lagoon #1 - \$231,130  
North of Lagoon #1 - \$30,837

Valuation Date: January 1, 1990



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**Area Map**

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Alexander



Looking southerly across the 30 acres north of Lagoon #1. Lagoon #1 is visible in the background.



Looking southeasterly across the 30 acres north of Lagoon #1. Black Duck Bay is visible in the background, Lagoon #1 is visible to the right.





Looking easterly across the 30 acres north of Lagoon #1. Lagoon #1 is visible at the right, the storage tanks on the Exxon Refinery are visible at the left.



Looking southwesterly across the 30 acres north of Lagoon #1. Lagoon #1 is visible at the left background.



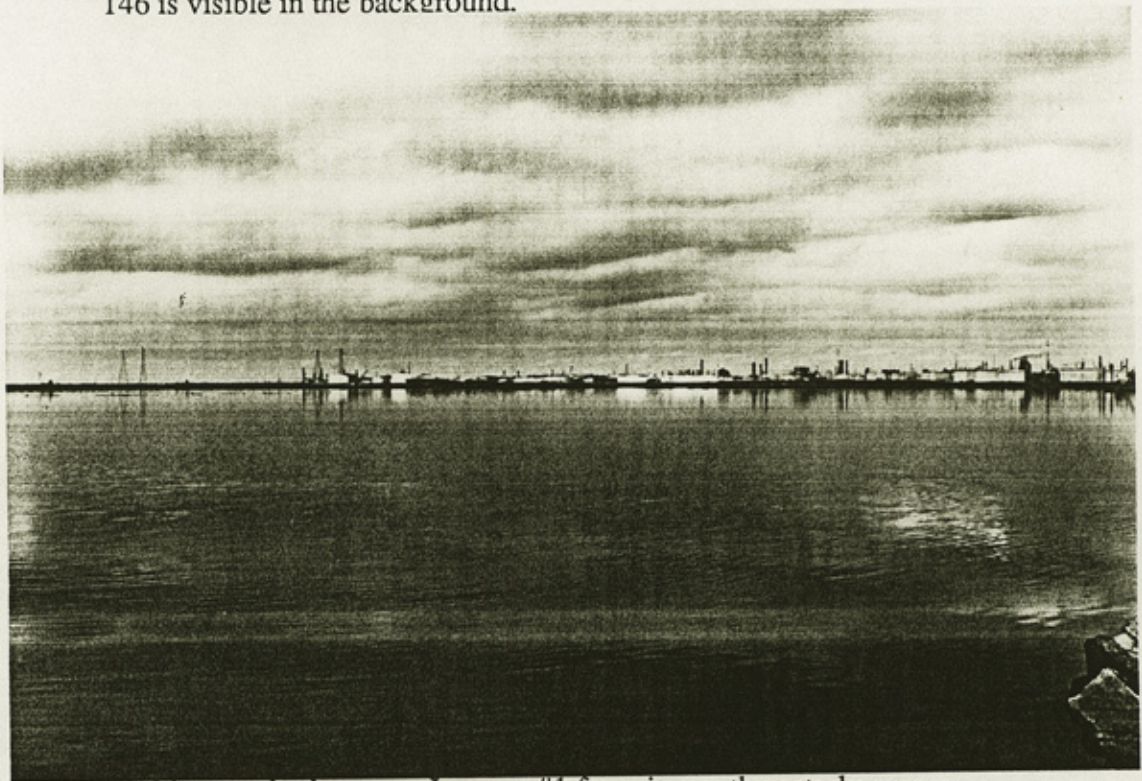
Looking northerly across Lagoon #1 at the Exxon Refinery, as seen from Blackwell Peninsula.



Looking easterly across Lagoon #1 from Blackwell Peninsula.



Looking southeasterly along the west bank of Lagoon #1, State Highway 146 is visible in the background.



Looking northerly across Lagoon #1 from its southwesterly corner.



Looking northwesterly across Lagoon #1 from its southeasterly corner.

## SITE ANALYSIS

The subject property consists of three contiguous tracts of land with different characteristics either in ownership or physical. All three properties are located just to the east of the Houston Ship Channel and north of the State Highway 146 right of way. The three tracts are located in a bay known as Black Duck Bay. Combined, all three of these contiguous tracts of land would have a legal description of 213.7264 acres, more or less, in the western portion of Black Duck Bay in the William Scott Upper League, Abstract 66, Harris County, Texas.

The three separate tracts and their defining characteristics are as follows. Tract "A" is a 28.8033 acre tract of land which is located in Lagoon I in its western extreme. It is contiguous with the land along Blackwell Peninsula and is owned in fee simple by Exxon.

Tract "B" is a 154.0866 acre tract of land which is the remainder of Lagoon I and is located east of Blackwell Peninsula at the western extreme of Black Duck Bay.

Tract "C" is a 30.8365 acre tract of land which is located between Lagoon I on its northern side and the shoreline of Black Duck Bay. This tract of land is not enclosed in the levee around Lagoon I but lies just the north of it in Black Duck Bay. All three tracts of land are covered with water. Lagoon I, which is part of the water treatment facility for the commercial operations of the Exxon refinery in Baytown, has a water depth of approximately 14 to 15 feet deep. The levee which surrounds the property, particularly on its north and east sides, is approximately 18 to 18-1/2 feet above the floor of the lagoon. This would indicate that the elevation of the levee is approximately 9 to 10-1/2 feet above mean sea level. The water level of Lagoon I is approximately 6 feet above the water level of Black Duck Bay. Lagoon I lies within the industrial zone that is under the jurisdiction of the Port Authority of Houston. All of Lagoon I is, as previously mentioned, under water and has a series of baffles running into it to allow water to flow generally in a northwest to southeast direction entering the lagoon in the northwest corner and exiting the lagoon to go on to Lagoons II and III at its southeast corner. Since the entire lagoon is below the mean high water elevation of .72 feet NGVD Datum, it is wholly within the 100 year flood plain. Consequently, Tracts "A" and "B" are wholly within the 100



SITE ANALYSIS (CONTINUED):

year flood plain. The availability of utilities to the tracts is somewhat of a mute question since their utilization is for an industrial purpose that does not require much in the way of utilities; however, electricity and natural gas facilities are available through Houston Lighting & Power Company and Entex Gas Company respectively and are found on the shoreline just to the north of the subject properties. Water and sewer utilities are available through the City of Baytown or from an adjoining property owner being the Exxon refinery. The property lies wholly within the Goose Creek School District.

Access to the property is through a dirt road that runs down Blackwell Peninsula and goes all the way around Lagoon I. This road connects to Missouri Street in the city of Baytown and is accessed through Exxon property that lies to the north of the subject.

Tract "C" is the 30.8365 acre tract of land and it is also wholly within the flood plain. It does also the same degree of utility access as properties "A" and "B". Its road access is also through Missouri Street which runs along the shoreline just to the north of the subject property. The property just to the north of Tract "C" is owned by Exxon.

The property immediately to the west of the subject properties is Blackwell Peninsula beyond which is the Houston Ship Channel. To the south of the subject properties is the extension of Highway 146 across the Houston Ship Channel which is currently in the form of the Baytown Tunnel; however, a high bridge is currently under construction across the ship channel. Once completed, the tunnel will be abandoned and ownership will revert to Exxon. Black Duck Bay and other portions of the City of Baytown lies just to the east of the subject property. Black Duck Bay is connected to the Houston Ship Channel, Tabbs Bay and eventually Galveston Bay via a small cut underneath Highway 146 just to the southeast of the subject property. The land north of the subject properties is currently owned by Exxon and is part of their refinery operation. The majority of the property is used for tank storage with two small ponds that are the input area for the water treatment facilities.

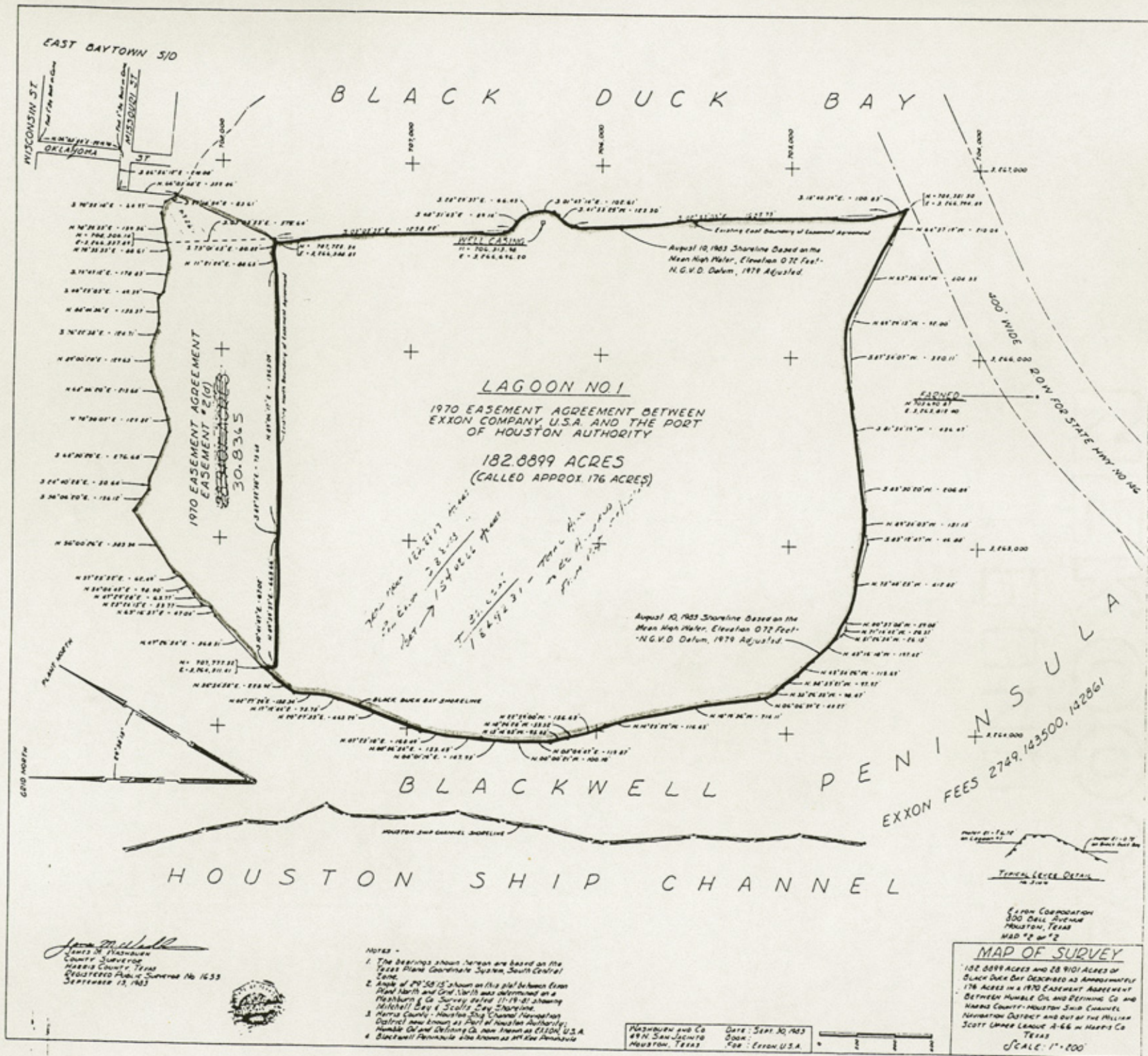
A survey of the subject properties is presented on the following pages of this report. The exact boundary line of Tract "A" is not known; however, it was described by the Exxon



SITE ANALYSIS (CONTINUED):

Company as being the westernmost extreme of Lagoon I. No information was made available concerning encroachments, easements or any toxic waste or contaminants on any of the subject property. It is our assumption that none of these, if they are present, would be a significant detrimental characteristic to the subject property.

County 25769

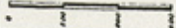


*James M. McCall*  
 JAMES M. MCCALL  
 COUNTY SURVEYOR  
 HARRIS COUNTY, TEXAS  
 REGISTERED PUBLIC SURVEYOR NO. 1633  
 SEPTEMBER 12, 1983



Marshburn and Co  
 49 N. SAN JACINTO  
 HOUSTON, TEXAS

Date: Sept. 30, 1983  
 Book:  
 For: Exxon U.S.A.



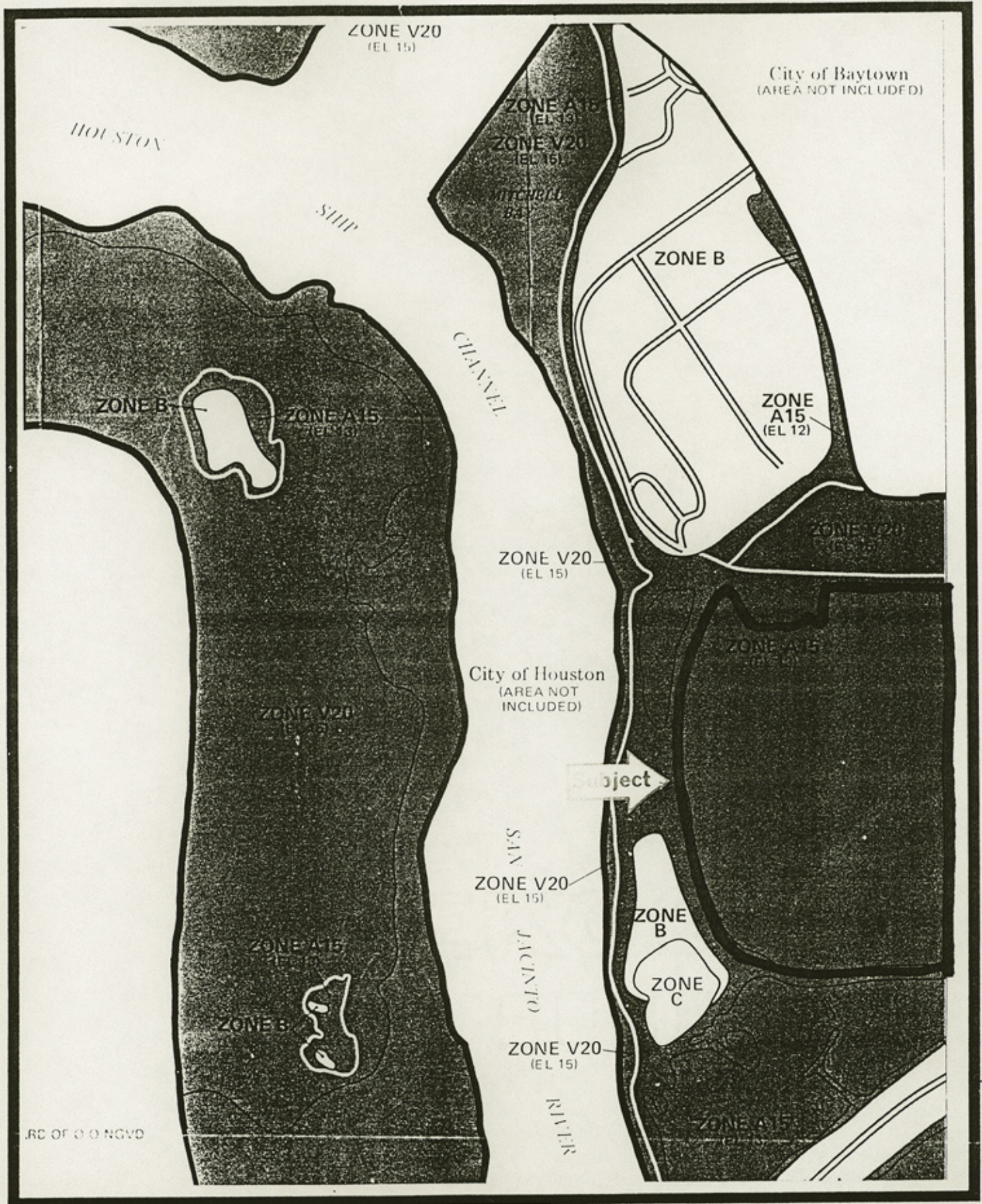
EXXON CORPORATION  
 300 DALLAS CENTER  
 HOUSTON, TEXAS  
 MAP #2 6P#2

**MAP OF SURVEY**

182,889 ACRES and 28,910 ACRES of BLACK DUCK BAY DESCRIBED AS APPROXIMATELY 176 ACRES in a 1970 EASEMENT AGREEMENT BETWEEN EXXON OIL AND REFINING CO. and HARRIS COUNTY - HOUSTON SHIP CHANNEL NAVIGATION DISTRICT and OUT OF THE MILLER SCOTT UPPER LEACH A-66 in HARRIS CO TEXAS

SCALE: 1" = 100'





**Flood Plain Map**

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HISTORY OF THE SUBJECT PROPERTIES  
THE LAGOON I PROPERTIES:

The date of acquisition of the 28.8033 acres, which is part of Lagoon I and part of Blackwell Peninsula which is owned by Exxon, is not known to the appraiser. However, the remaining 154.0833 acres were leased in a 1970 easement lease between the Port of Houston Authority and Exxon USA. The levee was constructed around this property at approximately that time. The 30.8365 acres which lie to the north of the Lagoon I has been part of Black Duck Bay since time in memorial. The jurisdiction over this property has remained with the Houston Port Authority as deeded to it from the State of Texas when the Port Authority was created.



## HIGHEST AND BEST USE

The highest and best use may be defined as:

1. The reasonable and probable use that supports the highest present vacant land or improved property, as defined, as of the date of the appraisal.
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value.
3. The most profitable use.<sup>1</sup>

Implied in the above definition are a number of tests for the highest and best use. Amongst these are that the highest and best use must be a legal use for the subject property. In other words, the highest and best use which is proposed for the subject property cannot be a use which is prohibited by law, deed restriction or zoning ordinance. Another test is that the property's highest and best use must be one which is physically possible on the site. If the site's configuration, shape or topography would not permit the utilization of the property for that use, it cannot be a highest and best use for the site. The third test for the highest and best use is that the use must be one which is reasonably probable in that the typical purchaser would visualize the site being utilized for that purpose. The fourth and last test for the highest and best use is that it must be economically feasible. This test, though focused primarily on the income producing properties, applies to all properties to the degree that the use must be a profitable one by income or amenities.

The highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to the individual owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitat or the like.

The best technique for establishing the highest and best use is to determine which uses are physically possible and legally permissible on the site. Then, from amongst these possible

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<sup>1</sup> The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Pg. 152.



HIGHEST AND BEST USE (CONTINUED):

highest and best uses select those which are reasonably probable and financially feasible. Then choose the use from amongst those selected which is the most productive. In other words, from the financially feasible uses, select the one which generates the greatest return to the land.

The subject property is Lagoon I of the Exxon Refinery and an adjoining 28 acre tract of and just to the north of Lagoon I in Black Duck Bay. The surrounding land use patterns which have been mentioned in the Neighborhood Analysis and Site Analysis tend to establish the envelope of probability for the highest and best use for a given property. The industrial nature of the vast majority of surrounding property and the proximity to Houston Ship Channel tend to be the most important characteristics of the surrounding land use patterns. The location of the lagoon within the 2,300 foot limits of the Port Authority's Industrial Zone along the Houston Ship Channel also place some restrictions on the property in that the Port of Houston has approval authority of all improvements which are constructed on or in the water in this zone. The Corps of Engineers also has jurisdictional control, to some degree, over this area based upon the "Clean Water Act" of 1979. As a consequence, the Corps could conceivably have some legal restrictions associated within its use placed on it by the State of Texas. However, its current use does not subject the water to the ebb and flow of the tide and as a consequence, the legal restrictions on the lagoon would seem to be limited. In considering the legally possible uses for the property, it is our opinion that its current use as a waste water processing lagoon is not only a legal use but a highly probable use for the property since it is an industrial use that is consistent with the surrounding land use patterns. The use of the lagoon as a water treatment facility, either public or for industrial utilization is, obviously, a viable use for the property.

However, in considering all of the uses for the property, some consideration needs to be given to the surrounding land uses along the Houston Ship Channel, specifically those associated with Alexander Island and Spillman Island which are just across the Houston Ship Channel from the subject lagoon. These two areas are currently being utilized as spoil areas for the maintenance dredging of the Houston Ship Channel. Thus, the use of the lagoon as a spoil



HIGHEST AND BEST USE (CONTINUED):

area is a viable use for the lagoon. Therefore, some consideration needs to be given to this possible alternative use.

An additional highest and best use that warrants some consideration is one which would take into account to the community development goals and the benefits to the public in general, such as a public park or green area. Though Lagoon I is in a likely location for its utilization as a public park or green area, it is evident that there are sufficient parks in the vicinity along Goose Lake being Foot Park, W. C. Briton Park and Bayland Park along Goose Lake, just one and one-half mile to the east of the subject property. As a consequence, it is our opinion that the utilization of Lagoon I for any public park or wildlife area is not a highest and best use for the property.

In considering the most likely and financially feasible highest and best use for the subject property, it is important to consider the demand for either the use of the property as a water treatment facility or as a spoil area. In talking to the Houston Port Authority and the Corps of Engineers, it is evident that no additional spoil areas are required along the Houston Ship Channel other than those provided now which are Alexander Island and Spillman Island in the vicinity of the subject property. Even with the proposed deepening and widening of the ship channel, no additional spoil areas would be required. Thus, there is no demand for this highest and best use, consequently, it is not a highly probable use for the property. The remaining highest and best use, as a water treatment facility, or part of a water treatment facility, is the only remaining highest and best use and as a consequence, by the process of elimination, appears to be the most likely candidate for a highest and best use of the subject property.

After considering the various possible and probable uses as mentioned above, it is our opinion the subject property's continued use, as part of a water treatment system for the waste water associated with industrial utilization along the Houston Ship Channel is the most appropriate use and the highest and best use for the subject property.



### Summary of Land Sales

SALE #	Date of Sale	Size	Sales Price	SP / Acre	Remarks
1	1/15/80	730.0000	\$2,190,000	\$3,000	Lost Lake Island
2	1/15/80	400.0000	\$1,333,333	\$3,333	Spillman Island
3	5/30/75	151.9600	\$1,063,720	\$7,000	Atkinson Island
4	3/4/82	105.0000	\$4,250,000	\$40,476	Jacintoport
5	2/25/75	139.2030	\$3,150,660	\$22,634	Jacintoport
6	2/22/77	150.0970	\$2,837,522	\$18,905	Jacintoport
7	6/16/80	88.1516	\$4,848,338	\$55,000	West Of Beltway 8
8	5/15/77	42.1500	\$1,361,000	\$32,289	West Of Beltway 8
9	4/24/78	83.3747	\$2,305,112	\$27,648	West Of Beltway 8
10	5/1/78	89.0000	\$2,225,000	\$25,000	Battleground Rd.
11	2/26/82	43.3570	\$1,517,495	\$35,000	Jacintoport
12	12/21/88	16.6910	\$835,000	\$50,027	Jacintoport
13	7/18/88	84.3600	\$3,400,000	\$40,303	Jacintoport
14	6/29/88	33.9400	\$1,200,000	\$35,357	Jacintoport
15	9/19/86	2.6200	\$165,000	\$1.45 /SF	San Jacinto River
16	9/30/88	2.8500	\$250,000	\$2.01 /SF	San Jacinto River
17	6/24/89	0.7800	\$72,000	\$2.12 /SF	Burnett Bay - Residential
18	5/11/83	11.7800	\$294,500	\$0.57 /SF	Tabbs Bay - Commercial
19	1985	4.7000	\$68,000	\$0.33 /SF	Black Duck Bay - Commercial

## RECONCILIATION OF LAND VALUE - LAGOON #1 PROPERTIES

The direct sale comparison approach is one by which a value indication is estimated by comparison for the subject property with other market transactions which have taken place within the area. A search of the Harris County Deed Records has indicated that there are no sales which have taken place that are directly comparable to the subject property. There is information in and along the Ship Channel of some sales which have taken place which have a portion of the land being submerged. However, the sale of part of a bay which is partitioned off as a lagoon is unique within the area. As a consequence, a general survey of the land values within the general area is utilized. For this purposes, a number of sales which are included in this report are used. Keeping in mind that none of the sales are directly comparable to the subject property.

The relationships of various characteristics associated with land sales, being time since date of sale, size, access and frontage, locational considerations and highest and best use, are all characteristics which have been discussed in the Spillman Island Reconciliation of Land Value, which is found earlier in this report. Our conclusions, based on land sales in and along the Houston Ship Channel, have concluded that an island that is appropriately utilized for a spoil area has a valuation of \$4,000 per acre. This would seem to be the upper limit of any value considerations associated with Lagoon #1. There is, however, no apparent need or demand for additional spoil areas in and along the Houston Ship Channel, even considering the proposed widening and deepening of the channel. As a consequence, the demand for some type of spoil area and the subject property's utilization as such seems remote. Because of the limited uses for which Lagoon #1 can be placed, it is our opinion it has a value that is significantly less than that of a spoil area.

The surrounding land use and the access to Lagoon #1 are also limiting factors in that access for Lagoon #1 is through property currently owned by Exxon of America. For this reason, it is not considered that Lagoon #1 does have good access to either the Houston Ship Channel because of Blackwell Peninsula, nor good access to the public roadways in Baytown.



RECONCILIATION OF LAND VALUE - LAGOON #1 PROPERTIES (CONTINUED):

These characteristics would warrant downward adjustments and, as a consequence, it is our opinion the spoil area valuations would require additional downward adjustments for these characteristics. The possibility of removing the water from Lagoon #1 and filling it with fill is also a possibility and warrants some consideration. However, if such fill is good clean fill and not some industrial by-product or contaminated soil, the cost of filling this land to where it could be used for industrial purposes, such as a tank storage farm, would be quite prohibitive. The use of the area as a temporary storage site for industrial by-products or inert chemical by-products from industrial use is also a characteristic which, due to its limited future use after it has been filled with these by-products, also appears to be a characteristic warranting a downward adjustment. In other words, all the conceivable uses and alternative uses that Lagoon #1 could have appear to warrant downward adjustments when compared to a typical spoil area along the Houston Ship Channel.

After considering the above analysis, it is our opinion the subject property would have a value indication of \$1,500 per acre. There is no strong evidence in the market that supports this value conclusion; however, there is also no strong evidence to refute it. It is, therefore, our opinion the subject property Lagoon #1 would have a value indication of:

$$154.0866 \text{ acres @ } \$1,500/\text{Acre} = \$231,130.$$

In considering the 30.8365 acres that lies just to the north of Lagoon #1, it is noted that this area is not currently partitioned off as part of Lagoon #1, however, this could be done with relative ease. Only a short levee would be required in order to partition this off from the rest of Black Duck Bay. However, it is our belief its valuation should be lower than that of Lagoon #1 since its use would require some expense in order to have a similar use as Lagoon #1. For this reason, it is our opinion a value indication of \$1,000 per acre is appropriate for this area. Here again, there is no strong evidence to support this value conclusion; however, there is also none that directly refutes it. It is, therefore, our opinion a value indication for the 30.8365 acres north of Lagoon #1 in Black Duck Bay is:

$$30.8365 \text{ acres @ } \$1,000/\text{Acre} = \$30,837.$$





SUMMARY - SCOTT BAY

Name: Scott Bay Property

Location: The east side of Scott Bay north of Mitchell Bay, and west of the Exxon Refinery, Harris County, Texas.

Size: 3.6818 acres

Road Access: No known legal access. The closest road is Bayshore Drive several hundred feet to the East

Scott Bay Frontage:  $\pm$ 1,362 feet

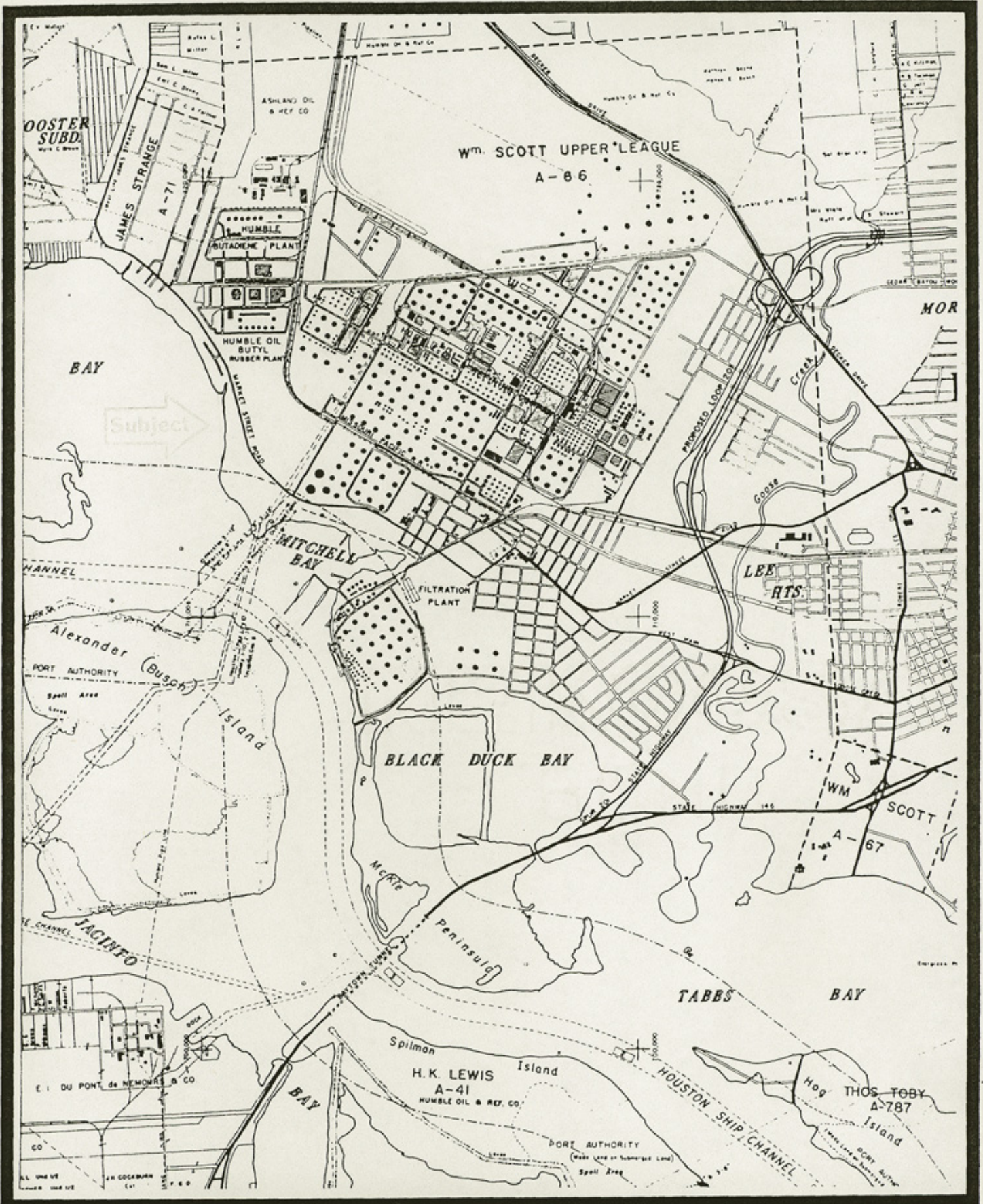
Elevation: From sea level to approximately 10 feet N.G.V.D. Datum 1979.

Highest & Best Use: Industrial

Value per Acre - 100% fee ownership: \$.65 per Sq. Ft.

Value Indication - 100% fee ownership: \$104,246

Valuation Date: January 1, 1990



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**Area Map**

counter 25779



Looking southwesterly across the Scott's Bay property. Scott's Bay is visible in the background, the subject property extends from approximately the white sign in the foreground in a southerly direction.

### SITE ANALYSIS - SCOTT BAY

The subject property consists of approximately 3.6818 acres that is located on the shoreline of Scott Bay just to the southwest of Bayway Drive just south of Bay Villa Subdivision. The site may be briefly legally described as being 3.6818 acres, more or less, out of the Arthur McCormick Survey, Abstract 46, Harris County, Texas. The subject property has approximately 1,362.31 feet of frontage along the east shoreline of Scott Bay. This would indicate an average depth of the tract of approximately 117 feet. The tract is a long, narrow pie-shaped tract of land with the point facing to the southeast. At the northwestern extreme of the tract there is a pond which connects through a small gateway into Scott Bay. This pond is the end of a drainage ditch which runs through part of the Exxon research facilities.

The topography of the site is generally level and it is currently covered with grass and a few trees. The site does not enjoy any access to a public roadway; however, it can be accessed through the adjoining property which belongs to Exxon or from the northwest through Bay Villa Subdivision. However, by accessing the property through Bay Villa Subdivision, the pond would have to be crossed over before the majority of the tract could enjoy access. For all practical purposes, the subject property does not have effective access. According to the Department of Housing and Urban Development's Federal Insurance Administration's flood hazard boundary maps, the subject does lie wholly within the one hundred year flood plain.

The subject lies at the boundary line of the City of Baytown. It is not clear whether it is in the city limits or out of the city limits. If the subject lies within the city limits of Baytown, Texas, electricity and natural gas utilities are available through Houston Lighting and Power Company and Entex Gas Company, respectively. Water and sewer utilities are available through the City of Baytown. The site lies within the Goose Creek Independent School District. From a practical point of view the existence of Bay Villa Subdivision, on the northern boundary of the subject site, indicates that some utilities are available. However, there was no indication that utilities were available on the site itself and are presumed not to exist at the site.

The tract of land to the west of the subject property is Scott Bay. To the east of the



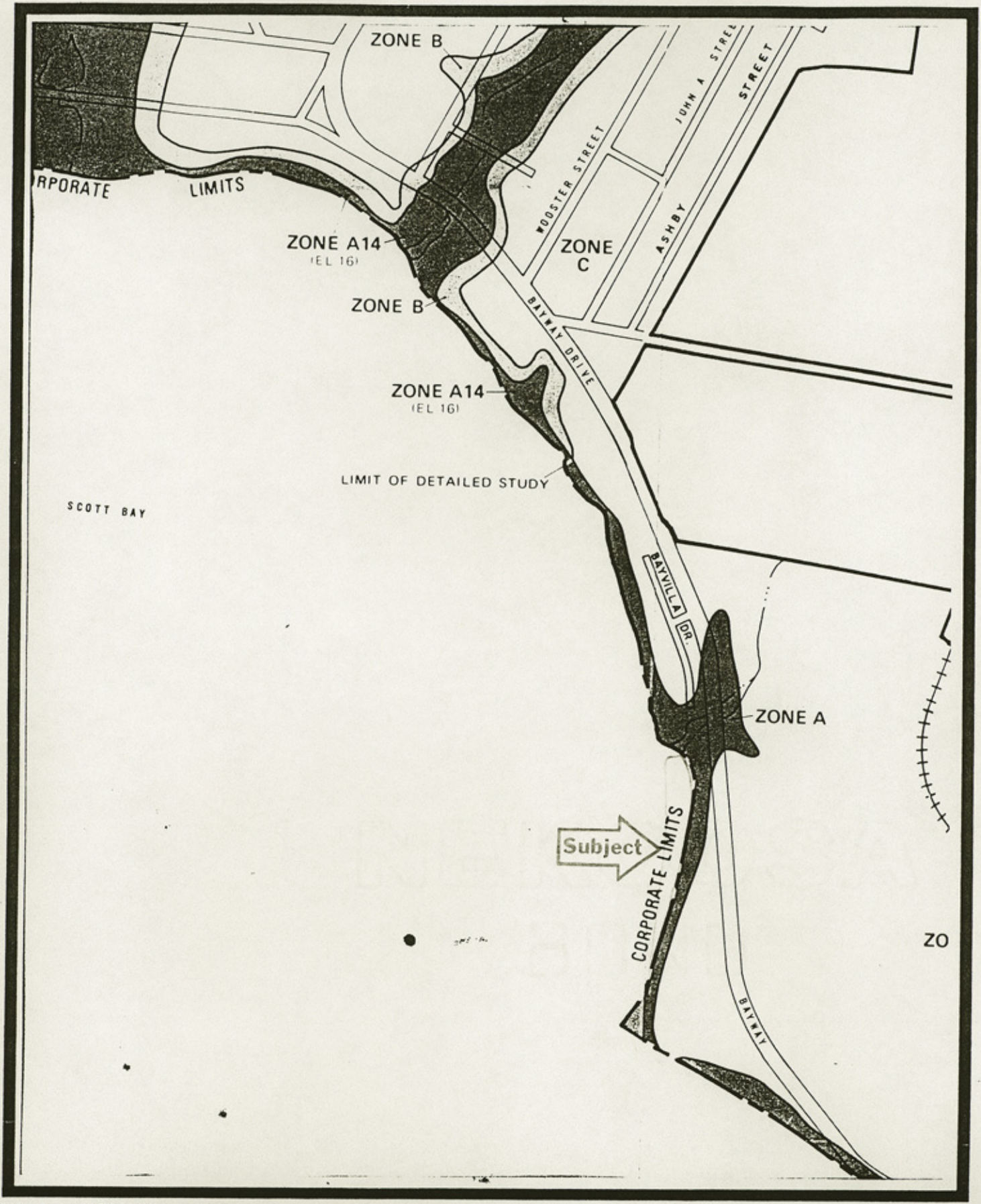
SITE ANALYSIS - SCOTT BAY'S (CONTINUED):

subject property is a vacant tract of land and Bayway Drive, beyond which is the Exxon research facility. To the north of the subject property, as previously mentioned, is Bay Villa Subdivision. To the south of the subject property is more vacant land along the shoreline of Scott Bay also owned by the Exxon Company. The surrounding land owned by Exxon is estimated to contain approximately 20 acres and it extends from just north of Mitchell Bay, where a number of pipeline easements cross Scott Bay and enter into the Exxon refinery, northerly to Bay Villa.

Just south of the subject property is Mitchell Bay and the docks that service the Exxon refinery.

An actual survey of the subject site was not made available to this office for the purpose of this appraisal. However, the drawings presented on the following pages of this appraisal are believed to be an accurate representation of the configuration, shape and frontages of the subject property. No information was made available concerning any adverse encroachments or easements.





Max Estate Graphics, Inc. © COPYRIGHT 1974

**Flood Plain Map**

Counter 25784

HISTORY OF THE SUBJECT PROPERTIES  
SCOTT BAY PROPERTY:

According to the information obtained from Exxon, the Scott Bay property has built up from sediments of Scott Bay and presumably from wakes and waves created in Scott Bay over the years. It was not originally part of the survey line for the Exxon property. Where the land came from is unknown to the appraisers, but is presumed to be from natural processes. No other history is known of this property.



## HIGHEST AND BEST USE

The highest and best use may be defined as:

1. The reasonable and probable use that supports the highest present vacant land or improved property, as defined, as of the date of the appraisal.
2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible and that results in the highest present land value.
3. The most profitable use.<sup>1</sup>

Implied in the above definition are a number of tests for the highest and best use. Amongst these are that the highest and best use must be a legal use for the subject property. In other words, the highest and best use which is proposed for the subject property cannot be a use which is prohibited by law, deed restriction or zoning ordinance. Another test is that the property's highest and best use must be one which is physically possible on the site. If the site's configuration, shape or topography would not permit the utilization of the property for that use, it cannot be a highest and best use for the site. The third test for the highest and best use is that the use must be one which is reasonably probable in that the typical purchaser would visualize the site being utilized for that purpose. The fourth and last test for the highest and best use is that it must be economically feasible. This test, though focused primarily on the income producing properties, applies to all properties to the degree that the use must be a profitable one by income or amenities.

The highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to the individual owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelts, preservation, conservation, wildlife habitat or the like.

The best technique for establishing the highest and best use is to determine which uses are physically possible and legally permissible on the site. Then, from amongst these possible

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<sup>1</sup> The Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers, Chicago, Pg. 152.

HIGHEST AND BEST USE (CONTINUED):

highest and best uses select those which are reasonably probable and financially feasible. Then choose the use from amongst those selected which is the most productive. In other words, from the financially feasible uses, select the one which generates the greatest return to the land.

The surrounding land use patterns for the subject property are somewhat nebulous in that the subject property is located along Scott Bay, just south of the Brownwood and Bay Villa Subdivisions, west of the Exxon refinery and research buildings, and south of the Burnett Elementary School. This tract of land has a number of characteristics which make its highest and best use difficult to ascertain. It is located in an area that is not totally industrial and, at the same time, is not totally residential. The subsidence, which has occurred in the Brownwood Subdivision, has rendered that particular area of Baytown not usable as a residential subdivision but at best, a park area. The location of the research facilities for Exxon, and proximity to the subject property, tend to dampen the effect of the industrial utilization which is found just to the south of the subject property. The immediate surrounding area of the subject is currently used as a private park area by Exxon. The shape of the property is such that its primary utilization would necessarily need to be associated with the tract which it adjoins, it is our opinion that it should be considered a part of an economic unit which is larger and extends from Scott Bay all the way to Bayway Drive. As such, an industrial utilization of the tract is a consideration. It could be utilized, with the appropriate permits, as a barge docking facility or a site for a water treatment facility or other such usage which would take advantage of the shoreline. However, in talking to the Port of Houston, it is evident that there is not significant demand for docking facilities in and along the Houston Ship Channel, and as a consequence, that use would seem to be eliminated by the lack of demand. The use of the property as a park area is, in our opinion, appropriate for the subject property since that is its current utilization and could well be a continued use either in the public hands or in private hands.

The use of the subject property with some improvements such as a residential home or an apartment complex is also a feasible use for the subject property as part of the whole economic unit all the way to Bayway Drive. This utilization is feasible, but not highly

HIGHEST AND BEST USE (CONTINUED):

probable, due to the proximity to the site to the industrial facilities associated with the Exxon refinery. The site, however, could be utilized with the appropriate engineering as an office building site for the expansion of the existing office research facilities at the Exxon refinery. Therefore, its specific use would be associated with its adjoining ownership by Exxon and could not be considered as a highest and best use since the demand for office facilities at this location would seem to be relatively low except for a surrounding land owner.

After considering the various possibilities of the subject property, it is our opinion that the tract's use for industrial utilization is the most appropriate consideration. Its location in proximity to the refining facilities of Baytown and its separation from any residential or other commercial utilization, would tend to isolate it and as a consequence, isolate this highest and best use for the property. It is therefore our opinion that the highest and best use for the subject property is associated with the adjoining land for some industrial associated use such as an office building site or its continue use as a parksite for the benefit of the employees of Exxon.

## RECONCILIATION OF LAND SALES - SCOTT BAY

The direct sales comparison approach is one by which a value indication is estimated by comparison of the subject property with other market transactions which have taken place within the area. A search of the Harris County Deed Records has indicated that there are very few sales that have characteristics similar to the subject property. A number of sales are sufficiently similar to warrant inclusion in this report. Of the sales investigated, five are believed to be the most comparable and are compared to the subject property. Adjustments are made to these sales for those characteristics which are believed to have an effect on value. These characteristics include, but are not limited to, size of site, time since date of sale, water frontage, elevation, amount of land that is above water and usable, and road access.

A recent survey of land values within the greater Houston area has indicated that values have tended to have somewhat of a cyclical pattern in recent years. From 1975 through 1985, they showed an increasing rate of appreciation. In 1985 the land values first stabilized and then showed a significant downward trend in the latter part of 1986 and 1987. By late 1988, land values had tended to stabilize at a much lower value than they were earlier in the decade. Since 1988, some slight increases have been seen in land values in and around the greater Houston area, primarily focused upon industrial properties and some key commercial locations. This above mentioned scenario of the relationship between time and land values is utilized as a basis for making time adjustments for sales in this analysis.

The sales price per unit of area (per square foot or per acre) is typically inversely related to the size of the whole property. This relationship indicates that the larger a tract of land is, the smaller the sales price per unit of area tends to be. In other words, all else being equal, a ten acre tract of land will have a tendency to sell for a higher price per square foot than a 100 acre tract of land. The subject property's size, being approximately 4 acres, is significantly smaller than the vast majority of the sales included in this report. However, Sales #15, #16, #17, #18 and #19 are all of a similar size and are utilized as the principle comparisons for the subject property.

RECONCILIATION OF LAND SALES - SCOTTS BAY (CONTINUED):

Access and frontage are also important characteristics for a tract of land when comparing it to other transactions. For the subject property, the frontage along Scotts Bay is a significant advantage to the tract; however, it does not have clear legal access to the Bayshore Drive which is the closest public roadway to the subject. As a consequence, it is our opinion this lack of access is a clear detrimental characteristic to the tract. The comparable sales all had some form of access and, as a consequence, downward adjustments would be made to all of the sales for this characteristic.

The locational adjustment, along with the highest and best use adjustment, are the two characteristic adjustments which tend to warrant the greatest weight. In many cases, the location of the property significantly affects the highest and best use and, as a consequence, the adjustments made, in these categories, tend to overlap. In other words, if a tract of land is located within a general area which is dominated by industrial utilization, then the tendency is for the highest and best use to be an industrial use. Consequently, the location of the property has a tendency to define highest and best use. However, the location of the property relative to the overall land use patterns within the area which is dominated by industrial use tends to be the focus of the locational adjustment. The locational adjustment also takes into consideration proximity to roads, and other major significant characteristics of the area. The subject property is located on Scott Bay; however, it is located in a marginal area in which much of the surrounding land use is for industrial purposes, while areas just slightly to the north have residential utilization. It is not out of the realm of possibility that the tract of land could be used for a single family residence.

Sales #15, #16, #17, #18 and #19 are considered to be the most comparable sales and are those sales which are used as comparables for this tract of land. The following is a summary of those sales:



RECONCILIATION OF LAND SALES - SCOTTS BAY (CONTINUED):

<u>Sale No.</u>	<u>Date of Sale</u>	<u>Size/Acres</u>	<u>Sales Price/Sq. Ft.</u>
15	SEP 19 86	2.62	\$1.45
16	SEP 30 88	2.85	\$2.01
17	MAY 24 89	0.78	\$2.12
18	MAY 11 83	11.78	\$0.57
19	1985	3.7	\$0.33

Sale #15 took place in 1986 and is along the east bank of the San Jacinto River, just north of Interstate Highway 10. The site was improved with an old runned down building, being the Riverview Inn, which was considered to have little or no value associated with the sale. The tract did not have any public utilities directly available; however, it did have access and frontage on F.M. 2100. The size of this site did not warrant significant adjustment. The date of sale warranted some downward adjustment. The location, however, is considered to be significantly superior to the subject property, since this does have some commercial potential and is in an area which is not totally dominated by industrial use. Consequently, a downward adjustment is also appropriate for location.

Sale #16 took place in 1988 and required very little in the way of a time adjustment. The size, being 2.85 acres, also required little in the way of adjustment. The location, however, is superior to that of the subject property in that it had better access to Market Street and Interstate Highway 10 than does the subject property. The site sits on a barge canal that connects to the San Jacinto River and the Houston Ship Channel. The area around this particular sale was dominated by industrial use associated with barge transportation. A downward adjustment is appropriate for the location of this tract.

Sale #17 took place in 1989. This particular sale is of a residential lot just north of the subject property on Scott Bay. The sales price of \$2.12 per square foot reflects the location of the tract overlooking Scott Bay. An older building, which was on the property, was removed at a cost of approximately \$5,000 and a new home was built on the site. The location, as well as the highest and best use, of this tract both warrant downward adjustments. A downward



RECONCILIATION OF LAND SALES - SCOTTS BAY (CONTINUED):

adjustment is also appropriate for the size, since this tract is significantly smaller than the subject. No adjustment is deemed appropriate for the time since date of sale.

Sale #18 is an older sale which took place in May of 1983. This tract is larger than the subject tract and warrants an upward adjustment for that characteristic. Also, some upward adjustment is appropriate for time since date of sale. The tract of land is located south of the subject property on the upper reaches of Trinity Bay, just south of State Highway 146. The tract has been improved with the Galley Restaurant and is a relatively low-lying tract of land. The elevation of this tract requires an upward adjustment since the subject property appears to be higher in elevation than this tract. The surrounding land use patterns associated with Sale #18 are significantly similar to the subject property to warrant no adjustment for this characteristic. This tract did, however, have access to State Highway 146 and, as a consequence, a downward adjustment was made for this characteristic.

Sale #19 is a sale which took place sometime in 1985. The data on this sale is not complete and no information was found concerning it in the deed records. However, in talking to the grantor, David Kodjar, he did indicate that he purchased the tract in 1985 for approximately \$0.78 per square foot for the two acres of land that was above water. The total sale was for 4.7 acres, of which 2.7 acres was under water in Black Duck Bay. The remaining two acres, for which a consideration of \$0.78 per square foot was paid, was high land. The purchaser said that he gave no consideration for the land under water since he could not utilize it. He indicated that the state had a claim against the land since it was under the waters of Black Duck Bay, a bay subject to the tidal influences of the Gulf of Mexico.

Two listings were also considered up along the Old San Jacinto River/Market Street area. These listings are Listings "A" and "B", which are 12.93 and 11.2 acres in size, respectively. The asking prices are \$0.89 and \$1.10, respectively. Listing "A" is improved with a barge slip and has frontage on the Old San Jacinto River and the associated barge canal. Listing "B" was improved with a couple of older buildings and a storage building. It had frontage on Market Street, as well as on Old San Jacinto River. In considering these two



RECONCILIATION OF LAND SALES - SCOTTS BAY (CONTINUED):

offerings, it is our opinion downward adjustments need to be made to both of them for their location and improvements, as well as the access for both tracts to Market Street.

After considering the various sales listed and taking into consideration the various strengths and weaknesses of the sales relative to its comparability to the subject property, it is our opinion a value indication of \$0.65 per square foot is appropriate.

160,379 square feet (3.6818 acres) @ \$0.65/SF = \$104,246.





APPRAISERS' CERTIFICATE

APPRAISAL OF:

SPILLMAN ISLAND:

355.4 acres, known as Spillman Island, out of the H. K. Lewis Survey, Abstract 41, Harris County, Texas.

LAGOON I PROPERTIES:

184.8365 acres, being Lagoon I and part of Black Duck Bay out of the William Scott Upper League, Abstract 66, Harris County, Texas.

SCOTT BAY PROPERTY:

3.6818 acres, more or less, out of the Arthur McCormick Survey, Abstract 46, Harris County, Texas.

We certify that, to the best of our knowledge and belief:

- (1.) The statements of fact contained in this report are true and correct.
- (2.) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
- (3.) We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- (4.) Our compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report.
- (5.) Our analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- (6.) Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics, the Standards of Professional Practice of the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers and the Texas Real Estate Commission.
- (7.) The use of this report is subject to the requirements of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers relating to review by its duly authorized representatives.
- (8.) Jerry S. Dominy is currently certified under the voluntary continuing education program of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers.
- (9.) We have made a personal inspection of the property that is the subject of this report.



*Dominy, Ford & McPherson*

APPRAISERS' CERTIFICATE (CONTINUED):

(10.) No one provided significant professional assistance to the person(s) signing this report.

DOMINY, FORD & MC PHERSON, INC.  
BY:

\_\_\_\_\_  
Jerry S. Dominy, SREA, MAI

\_\_\_\_\_  
H. Randall Jackson, Senior Analyst



## GENERAL ASSUMPTIONS

The legal description used in this report is assumed to be correct.

No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.

No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.

Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

All mortgages, liens, encumbrances, leases and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or existence of toxic waste, which may or may not be present on the property, was not observed by me; nor do I have any knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. We urge the client to retain an expert in this field if desired.

It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines described and that there is no encroachment or trespass unless noted within the report.

### GENERAL LIMITING CONDITIONS

The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore. If any courtroom or administrative testimony is required in connection with this report, an additional fee shall be charged for those services.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser and, in any event, only with properly written qualifications and only in its entirety.

The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

The report and data investigated, except that furnished by the client, remains the sole property of our firm.

The terms of the agreement between the client and the authors are such that the authors have no obligation to update the report or revise it in any manner because of events or transactions occurring subsequent to the date of such report.

We have no objection to your use of our firm name as the author of the report which is to be prepared, and hereby consent to your making reference to such report in your reports or financial statements and in any document filed with any governmental agency, provided that : 1) prior to making any such reference in any report or statement or any document filed with The Securities and Exchange Commission or other governmental agency, we are allowed to review and approve the text of such reference to determine the accuracy and adequacy of such reference to the report prepared by our firm; 2) in our opinion, the proposed reference is not untrue or misleading and is adequate for the purposes intended in light of the circumstances under which it is made; and, 3) such reference to the report includes language to be approved by our firm.

Loss or removal of any portion of this report invalidates the entire report.

No consideration has been given to any furniture, trade fixtures, or special equipment. Any discussion of those items is for reference purposes only, and we accept no responsibility for the valuation of those items.

## QUALIFICATIONS OF JERRY S. DOMINY, SREA, MAI

### Professional Affiliations and Activities

MAI - American Institute of Real Estate Appraisers  
SREA - Society of Real Estate Appraisers  
Past President Houston Chapter #83 of Society of Real Estate Appraisers  
Real Estate Broker - State of Texas License #85591  
Past President - Pasadena Board of Realtors  
Member - Board of Directors at Channelview Bank  
Past Member - Board of Directors - Harris County Tax Appraisal District  
Past President - Houston Chapter of American Institute of Real Estate Appraisers  
Past International Vice President/Treasurer - Society of Real Estate Appraisers

### Educational Background:

B.B.A. Degree - University of Houston  
Past Instructor - The Appraisal of Real Estate at San Jacinto Junior College  
Past Instructor - The Appraisal of Real Estate at University of Houston  
Graduate Courses and/or examinations of Real Estate Appraising  
at the following universities and colleges:

University of Houston  
Southern Methodist University  
Louisiana State University  
University of Missouri  
Tulane University

### Experience:

Currently serving as Chairman of Board of Dominy, Ford & McPherson, Inc., where I am employed as a full time fee appraiser. A sampling of clients include:

Texas Highway Department	Trinity River Authority
Federal Housing Administration	Harris County
Veterans Administration	City of Houston
Texas Bank of Commerce	Continental Can Company
International Business Machines	Diamond Alkali Company
Gibraltar Savings & Loan Assoc.	Probate Courts
Various Law Firms	Woodforest National Bank
Various Individuals	Ada Oil Company
Chemical National Bank	Condominium, Inc.
Shell Oil Company	Texaco, Inc.

Formerly employed by the T. J. Bettes Company of Houston for a two year period. Then with the Houston office of the Federal Housing Administration from 1953 until 1962. During this 10 year period, I served in the appraisal department, and also as chief property manager.

QUALIFICATIONS OF JERRY S. DOMINY, SREA, MAI (CONTINUED).

In addition to operation of appraisal and consulting company, have had experience in home building, land development and construction and management of apartments and commercial properties.

Have qualified and testified as expert witness in both county, district and federal courts.

Member of Valuation Network, Inc., a Nationwide Consortium of Independent Real Estate Appraisal and Consulting Firms.

"The American Institute of Real Estate Appraisers and Society of Real Estate Appraisers conduct a voluntary program of continuing education for its designated members. MAIs and SREAs who meet the minimum standards of this program are awarded periodic educational certifications. I am currently certified under this program. (AIREA through September 15, 1990 and SREA through November 16, 1990.)



The international Society of Real Estate Appraisers  
has authorized

JERRY S. DOMINY

to include the Senior Real Estate Analyst (SREA)  
designation in his/her professional credentials through

November 16, 1990

Senior Real Estate Analysts (SREA) are professional members of the Society of Real Estate Appraisers who have extensive technical training, long and varied experience, who have earned the respect of the community and their peers for their expert knowledge, outstanding ability, professional leadership and integrity.

SREA members have demonstrated in practice that they are competent to appraise all types of real estate interests and ownerships in accordance with accepted definitions of market value, and to extend appraisal analysis beyond current market value to provide a basis for decision-making to clients responsible for committing funds or assets in the sale, financing, purchase, lease, trade, renovation, development, demolition or division of real property. The analyst's experience encompasses the most difficult appraisal problems.

Certification procedures require a comprehensive oral examination by an examination board of the Admissions Committee, inspection of office operations, review of appraisal and analysis reports and a thorough investigation of the applicant's competence and integrity. This investigation includes contact with other SREA members, professional appraisers, clients, attorneys, judges, and persons in the community. The SREA designation is awarded for five years only.

A member wishing to renew the SREA designation must apply for recertification at the end of the five (5) year period. Upon application for recertification, applicant is expected to show evidence of integrity, continued technical training, experience, and professional leadership commensurate with current SREA Admissions standards.

CERTIFIED SREA 11/16/70  
 CERTIFIED 11/16/75  
 CERTIFIED 11/16/80  
 CERTIFIED 11/16/85  
 CERTIFIED \_\_\_\_\_

This authorization has been prepared for inclusion in the certification section of the appraisal/analysis report. Any questions regarding this member's status should be directed to Headquarters office of the Society of Real Estate Appraisers, 645 North Michigan, Chicago, Illinois 60611; (312) 346-7422.

## QUALIFICATIONS OF H. RANDALL JACKSON

### Professional Affiliations:

Real Estate Broker - State of Texas, License #220481

### Present Employment:

Associate appraiser with the firm of Dominy, Ford & McPherson, Inc.; Real Estate Appraisers and Consultants, since August, 1978 with offices at 855 Uvalde, Houston, Texas.

### Clients and Types of Property Appraised:

In connection with above employment, clients include condemnation authorities, financial institutions, attorneys, individuals, and courts. In this capacity, appraisal have been made of: Commercial properties, subdivisions, farms, ranches, residences, office buildings, apartments, industrial properties, all types of easements, and a wide variety of special purpose properties.

### Education:

BA Degree 1968 - University of Texas at Austin

Graduate School of Business 1973-1976 - University of Texas at Austin

### Real Estate Courses:

Analysis of Real Estate Decisions - University of Texas  
Real Estate Market Area Analysis - University of Texas  
Real Estate Law - University of Texas  
Investment Theory - University of Texas  
Data Analysis & Interpretation - University of Texas  
American Institute of Real Estate Appraisers Course 1A  
The Society of Real Estate Appraisers R-2 Examination  
The Society of Real Estate Appraisers Course 201

### Instructor:

1979 - Instructor of Real Estate Appraisal - San Jacinto College

1980 - Instructor of Real Estate Appraisal - University of Houston

### Biographical Background:

Born in San Antonio, Texas in 1944; U.S. Army, August, 1968 - August, 1973; Viet Nam, January, 1970 - August, 1971, highest rank obtained - Captain; Honors - 2 bronze stars, 18 air medals, 2 army commission medals; Commercial multi-engine instrument pilot, Certificate #1985407; W. L. Behrs Appraisal Co., June, 1977 - August, 1978; involved in real estate activity since 1976, i.e., sales, consulting and appraisal.



File No. Sketch File 100  
Harris County  
Agreement between Exxon & Port of Houston  
Filed April 12 19 91

EXCHANGE DEED

STATE OF TEXAS

COUNTY OF HARRIS

GARRY MAURO, Com'r  
By Douglas Howard

This Exchange Deed (this "Deed"), dated as of March 1, 1991, is executed by and between PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS, a Navigation District duly organized and existing under the laws of the State of Texas ("Port Authority"), whose mailing address is P.O. Box 2562, Houston, Texas 77252-2562, and EXXON CORPORATION, a New Jersey corporation ("Exxon"), whose mailing address is P.O. Box 3950, Baytown, Texas 77522-3950.

Recitals:

The Port Authority and Exxon are adjacent littoral owners, each owning property on or adjacent to the Houston Ship Channel, Harris County, Texas. The Port Authority and Exxon execute this deed for the purpose of adjusting or straightening the boundary between their respective lands, pursuant to authority granted by Section 61.117(f) of the Texas Water Code (1990) and all other applicable law.

W I T N E S S E T H:

Article I

Definitions

The Port Authority and Exxon agree that the respective terms shall have the meanings as set out below, unless the context otherwise requires:

(a) "Port Properties" shall mean the tracts described in Exhibits "A-1", "A-2" and "A-3", respectively, attached hereto and made a part hereof for all purposes, together with all improvements thereon and all riparian rights of accretion attached thereto or appurtenant thereto, subject to the terms of Article V below.

(b) "Exxon Property" shall mean an undivided one-half (1/2) interest in and to that certain piece or parcel of land containing 355.4 acres, more or less, known as Spillman Island, being all of the Henry K. Lewis Survey, A-41, Harris County, Texas, located in San Jacinto Bay, and being the same tract of land containing 400 acres, more or less, as more particularly described in deeds from E. F. Simms and H. T. Sinclair covering 1/2 (one-half) of 1/2 (one-half) interest each, to Humble Oil & Refining Company (now known as Exxon Corporation) recorded in Volume 479, Page 196, and Volume 482, Page 88, of the Deed Records of Harris County, Texas, respectively, together with all improvements located thereon and all riparian rights of accretion attached thereto or appurtenant thereto, and all strips, gores and lands now owned by Exxon adjacent or contiguous to the land described above, subject to the terms of Article V below. Such piece or parcel of land shall include the land bounded by the 1917 meander lines of Spillman Island as set forth in Exhibits "B-1" and "B-2" attached hereto and made a part hereof for all purposes.

(c) "Exchange Properties" shall mean the Port Properties and the Exxon Property. "Exchange Property" shall mean either the Port Properties or the Exxon Property.

## Article II

### Conveyance of Port Properties

Section 2.1 In order to effect an exchange of properties of like kind and in consideration of the conveyance set forth in Article III below, the Port Authority has GRANTED, ASSIGNED and CONVEYED, and does hereby GRANT, ASSIGN and CONVEY, the Port Properties unto Exxon, its successors and assigns forever, subject to the matters set out herein; and the Port Authority does hereby bind itself and its successors against any persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under the Port Authority but not otherwise.

Section 2.2 The Port Authority hereby excepts from the above conveyance all mines and mineral rights, including oil and gas, in and under the Port Properties, together with the right to enter thereon for the purpose of development, the same having been previously reserved by the State of Texas by Tex. Laws 1927, ch. 292, at 437.

Section 2.3 The Port Properties are conveyed subject to (a) taxes and assessments for subsequent years, covenants, restrictions, reservations, rights-of-way, easements and outstanding oil, gas and mineral interests, if any, of record in Harris County, Texas, zoning ordinances or statutes, and building, use and occupancy restrictions, if any, of public record, all to the extent the same are valid, enforceable and affect such properties; and (b) all matters a current inspection or survey of such properties would reveal.

Section 2.4 In consideration of the conveyances, covenants and other provisions hereof, the Port Authority, to the extent of its authority to act for the State of Texas, hereby releases Exxon and the Port Properties from any and all restrictions in favor of the State of Texas in respect of the Port Properties.

## Article III

### Conveyance of Exxon Property

Section 3.1 In order to effect an exchange of properties of like kind and in consideration of the conveyance set forth in Article II above, Exxon has GRANTED, ASSIGNED and CONVEYED, and does hereby GRANT, ASSIGN and CONVEY, the Exxon Property unto the Port Authority, its successors and assigns forever, subject to the matters set out herein; and Exxon does hereby bind itself and its successors against any persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Exxon or its predecessors in title, Humble Oil & Refining Company, a Texas corporation, and Humble Oil & Refining Company, a Delaware corporation, but not otherwise.

Section 3.2 Exxon hereby reserves unto itself, its successors and assigns, forever, all of its interest (being an undivided one-half interest) in all of the oil, gas and other minerals, of every kind and nature whatsoever, whether similar or dissimilar, in, on, and under, and which may be produced and saved from the lands covered by the Exxon Property, but only to the extent the Exxon Property is located within the area bounded by the boundary line established by Section 5.3 and adjusted as provided in Section 5.4, together with the nonexclusive right of ingress and egress over, upon and across the surface of the Exxon Property to explore, drill for, develop, produce, market and transport any reserved minerals

from the Exxon Property, subject, however, to the provisions of Section 3.4 below.

Section 3.3 The Exxon Property is conveyed subject to (a) taxes and assessments for subsequent years, covenants, restrictions, reservations, rights-of-way, easements and outstanding oil, gas and mineral interests, if any, of record in Harris County, Texas, zoning ordinances or statutes, and building, use and occupancy restrictions, if any, of public record, all to the extent the same are valid, enforceable and affect such properties; and (b) all matters a current inspection or survey of such properties would reveal.

Section 3.4 With respect to the mineral interest reserved by Exxon pursuant to this Article III, Exxon agrees to give the Port Authority reasonable advance notice of Exxon's intent to enter the surface of the Exxon Property for purposes relating to the exploration, development or operation of such reserved mineral interest. Exxon agrees to cooperate with the Port Authority to the end that Exxon's activities with respect to such reserved mineral interest will not unreasonably disrupt the Port Authority's use and enjoyment of the Exxon Property from and after the date of this Deed. Such covenants shall run with the land and shall bind and inure to the benefit of Exxon and the Port Authority and their respective successors and assigns.

#### Article IV

##### Miscellaneous

Section 4.1 As recited hereinabove, this instrument is an Exchange Deed, and the consideration for the conveyance set forth in Article II is the conveyance set forth in Article III, and vice versa. The Port Authority and Exxon each hereby waives (i) any and all express and implied liens to secure against, and any and all rights of rescission arising as a result of, defects in title of the properties herein conveyed by such respective parties, and (ii) except as provided in that certain Spoil Agreement between the Port Authority and Exxon of even date herewith, any and all owelty which either party may have or to which either party may be entitled as a result of the exchange transaction effected by this instrument. Each party expressly reserves, however, any other rights or remedies to which such party may otherwise be entitled by reason of title defects in the properties exchanged hereby, including without limitation the right to sue for damages for breach of warranty of title.

Section 4.2 The grantor of each Exchange Property agrees to pay in full and in a timely manner any and all ad valorem taxes applicable to such Exchange Property for the entire year 1991.

Section 4.3 The grantee of each Exchange Property hereby assumes all obligations of the grantor of such Exchange Property associated with the ownership or condition of the same, except as otherwise provided in Section 4.2; provided, however, that the provisions of this Section shall not be deemed to limit or affect the remedies under the grantor's warranty of title.

#### Article V

##### Boundary Line Agreement

Section 5.1 The Port Authority and Exxon agree that the boundary line between their respective lands in or adjacent to the shores of the Houston Ship Channel and Black Duck Bay and on McKee

or Blackwell Peninsula in the Wm. Scott Upper League, Harris County, Texas, after giving effect to the conveyances contained in this Deed, shall be as set forth in Exhibits "C-1" and "C-2", attached hereto and made a part hereof for all purposes, subject to adjustment pursuant to the provisions of Section 5.4 below.

Section 5.2 The Port Authority and Exxon agree that the boundary line between their respective lands in or adjacent to the shores of the Houston Ship Channel and Scotts Bay in the Wm. Scott Upper League, Harris County, Texas, after giving effect to the conveyances contained in this Deed, shall be as set forth in Exhibits "C-3" and "C-4" attached hereto and made a part hereof for all purposes, subject to adjustment pursuant to the provisions of Section 5.4 below.

Section 5.3 The Port Authority and Exxon agree that the boundary line defining the area in which Exxon reserves its mineral interests pursuant to Article III above in respect of the Exxon Property shall be the 1917 meander lines of Spillman Island as set forth in Exhibits "B-1" and "B-2" attached hereto and made a part hereof for all purposes, subject, however, to adjustment pursuant to the provisions of Section 5.4 below.

Section 5.4 The Port Authority and Exxon agree that the boundary lines established by Sections 5.1, 5.2 and 5.3 above shall be adjusted from time to time as necessary as follows:

- (1) With the exception of the easterly boundary of the Port Property described in Exhibit A-2, to the extent of any conflict with (i) the boundary of McKee or Blackwell Peninsula as shown on Exhibits "C-1" and "C-2", (ii) the boundary of Scotts Bay as shown on Exhibits "C-3" and "C-4", or (iii) the north boundary of Spillman Island shown on Exhibits B-1 and B-2, the line of actual mean high water shall control and constitute the boundary line.
- (2) The Port Authority and Exxon recognize that they or their respective predecessors in title may have executed instruments recorded in the real property records of Harris County, Texas, granting to the United States of America, the State of Texas or other persons or entities easements or rights of way in certain lands entitling the grantee to dredge substances from such lands or to conduct other activities causing or contributing to submergence of such lands, with the grantor retaining its fee title to such lands. The boundary lines established by Sections 5.1, 5.2, 5.3 and 5.4(1) shall be adjusted as necessary to the end that (i) the Port Authority shall have and retain title to the lands so submerged and described in any such instrument in its chain of title (including this Deed) with respect to its properties within the 1917 meander lines of Spillman Island, (ii) Exxon shall have and retain title to the lands so submerged and described in any such instrument in its chain of title with respect to its properties in or adjacent to McKee or Blackwell Peninsula or Scotts Bay, and (iii) Exxon shall have and retain title to the minerals (as reserved in Article III above) underlying the lands so submerged and described in any such instrument in its chain of title with respect to its properties within the 1917 meander lines of Spillman Island.

Section 5.5 As used in this Deed, (i) the term "Agreed Peninsula Line" shall mean the boundary line determined in Section 5.1 with any necessary adjustments provided in Section 5.4, (ii) the term "Agreed Scotts Bay Line" shall mean the boundary line determined in Section 5.2 with any necessary adjustments provided in Section 5.4, and (iii) the term "Agreed Island Line" shall mean the boundary line determined in Section 5.3 with any necessary adjustments provided in Section 5.4.

Section 5.6 The Port Authority hereby grants, sells and conveys to Exxon, without warranty, express or implied, all right, title and interest of the Port Authority in lands on or adjacent to the shores of the Houston Ship Channel and Black Duck Bay on McKee or Blackwell Peninsula, lying within the tract bounded by the Agreed Peninsula Line. The Port Authority further hereby grants, sells and conveys to Exxon, without warranty, express or implied, all right, title and interest of the Port Authority in lands on or adjacent to the shores of the Houston Ship Channel and Scotts Bay, lying easterly of the Agreed Scotts Bay Line.

Section 5.7 Exxon hereby grants, sells and conveys to the Port Authority, without warranty, express or implied, all right, title and interest of Exxon in lands on or adjacent to the shores of the Houston Ship Channel and Black Duck Bay on McKee or Blackwell Peninsula, lying outside the tract bounded by the Agreed Peninsula Line. Exxon further hereby grants, sells and conveys to the Port Authority, without warranty, express or implied, all right, title and interest of Exxon in lands on or adjacent to the shores of the Houston Ship Channel and Scotts Bay, lying westerly of the Agreed Scotts Bay Line.

Section 5.8 The provisions of this Article V shall bind and inure to the benefit of the State of Texas for the purposes of determining the boundaries of lands contiguous to the Exchange Properties in which the State of Texas owns or has reserved any interest.

## Article VI

### Provisions Relating to Restrictions in favor of State of Texas

Section 6.1 In consideration of the stipulation and approval given by the State of Texas acting herein by and through the School Land Board pursuant to Section 6.2 below, the Port Authority hereby covenants to the School Land Board that the entire right, title and interest of the Port Authority in and to the tract described in Exhibit "D" attached hereto and made a part hereof for all purposes (including the interest therein acquired by the Port Authority by this Deed), exclusive, however, all oil, gas and other minerals in, on and under, and which may be produced and saved from such tract (such tract, less such excluded oil, gas and other minerals, being herein called the "Subject Tract") shall be restricted in favor of the State of Texas pursuant to the provisions of Section 61.117(f) of the Texas Water Code (1990) to the same extent as if the Port Authority had acquired all of its right, title and interest in and to the Subject Tract from the State of Texas by special act of the legislature and without payment of monetary consideration to the State of Texas.

Section 6.2 The State of Texas, acting herein by and through the School Land Board, (i) stipulates and agrees with the Port Authority that the right, title and interest of the Port Authority in and to the area bounded by the Agreed Island Line (as defined in Section 5.5), less and except the Subject Tract (as defined in

Section 6.1 above), is not subject to any restrictions in favor of the State of Texas contained in the provisions of Section 61.117(f) of the Texas Water Code, (ii) elects not to reacquire title to the Port Properties pursuant to Section 61.117(f) of the Texas Water Code), and (iii) approves of the exchange, conveyances and boundary line agreement by and between the Port Authority and Exxon made by this Deed.

EXECUTED in multiple counterparts as of the date and year first above written.

PORT OF HOUSTON AUTHORITY OF  
HARRIS COUNTY, TEXAS

By: James D. Pugh  
James D. Pugh  
Executive Director

EXXON CORPORATION

By: Sherman J. Glass, Jr.  
Sherman J. Glass, Jr.  
Agent and Attorney in Fact

With respect to the Port Properties, this Deed is executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Section 61.117(f) of the Texas Water Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code, having been duly considered, made and obtained.

SCHOOL LAND BOARD

By: Garry Mauro TW  
Garry Mauro  
Commissioner of the Texas  
General Land Office and  
Chairman of the School Land  
Board

CERTIFICATE

I, Linda K. Fisher Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of March, 1991, the foregoing instrument was presented to and approved by said Board under the provisions of Section 61.117(f) of the Texas Water Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 5th day of March, 1991.

Linda K. Fisher  
Secretary of the School Land  
Board

State of Texas  
County of Harris

This instrument was acknowledged before me on MARCH 1, 1991, by James D. Pugh as Executive Director of the Port of Houston Authority of Harris County, Texas.



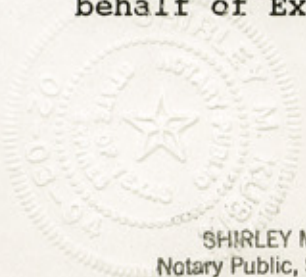
Glindeer Prince  
Notary Public, State of Texas

My commission expires:

10/24/93

State of Texas  
County of Harris

This instrument was acknowledged before me on March 1, 1991, by Sherman J. Glass, Jr. as agent and attorney-in-fact on behalf of Exxon Corporation.



Shirley M. Kubin  
Notary Public, State of Texas

My commission expires:

2-3-94

SHIRLEY M. KUBIN  
Notary Public, State of Texas  
My Commission Expires February 3, 1994

State of Texas  
County of Travis

This instrument was acknowledged before me on March 5, 1991, by Garry Mauro as General Land Commissioner of the State of Texas.



Adela Bosquez  
Notary Public, State of Texas

My commission expires:

7-22-94

Exhibits

- Exhibits "A-1", "A-2" and "A-3" -- Port Properties
- Exhibits "B-1" and "B-2" -- 1917 Meander Lines of Spillman Island
- Exhibits "C-1" and "C-2" -- Boundary Line, McKee or Blackwell Peninsula
- Exhibits "C-3" and "C-4" -- Boundary Line, Scotts Bay
- Exhibit "D" -- Subject Tract

## WASHBURN &amp; COMPANY

P. O. BOX 489  
NEW CANEY TEXAS 77357  
October 4, 1990BLACK DUCK BAY  
162.2226 ACRES  
Tract A-1

162.2226 acres of land, being a part of Black Duck Bay as shown on a plat prepared by J. S. Boyles dated July-September, 1949 re-establishing the 1916-1924 meanders and boundary between McKee Peninsula in the Wm. Scott Upper League and Black Duck Bay, as shown on a plat prepared by Washburn & Company dated September 30, 1983, in Harris County, Texas, said 162.2226 acre tract being more particularly described by metes and bounds as follows (all bearings are based on said J. S. Boyles plat and can be converted to Texas Plane Coordinate System-South Central Zone by rotating bearings  $01^{\circ}41'59''$  counter-clockwise):

COMMENCING at a 1" square iron bolt in concrete found marking the intersection of the North right-of-way line of Missouri Street with the East right-of-way line of Oklahoma Street, same being the Southwest corner of Block 24 of the East Baytown Addition, the plat of which is recorded in Volume 7 Page 54 of the Harris County Map Records;

THENCE North  $85^{\circ}38'11''$  West, with a Westerly projection of said North right-of-way line of Missouri Street, a distance of 75.60 varas to a point;

THENCE South  $04^{\circ}21'49''$  West, a distance of 122.35 varas to a point on the Shoreline of Black Duck Bay based on Mean High Water, as shown on said Washburn & Company plat, marking the Most Easterly corner of a 30.8365 acre tract (known as Tract A-2) as shown on said Washburn & Company plat and having a Texas Plane Coordinate System-South Central Zone coordinate of North: 708,242.07 feet, East: 3,266,813.97 feet;

THENCE South  $21^{\circ}57'55''$  West, with the East line of said 30.8365 acre tract (known as Tract A-2), a distance of 201.92 varas to a point marking the Southeast corner of said 30.8365 acre tract (known as Tract A-2) and the Northeast corner and PLACE OF BEGINNING of the 162.2226 acre tract [(known as Tract A-1) as shown on said Washburn & Company plat] herein described;

THENCE in a Southerly direction and with the East line of said 162.2226 acre tract (known as Tract A-1) herein described as follows:

South  $04^{\circ}45'52''$  East, a distance of 452.96 varas to a point,  
 South  $50^{\circ}33'42''$  East, a distance of 32.09 varas to a point,  
 South  $30^{\circ}11'36''$  East, a distance of 23.92 varas to a point,  
 South  $03^{\circ}29'13''$  East, a distance of 36.94 varas to a point,  
 South  $40^{\circ}11'26''$  West, a distance of 44.39 varas to a point,  
 South  $04^{\circ}39'04''$  East, a distance of 585.03 varas to a point on  
 said 1916-1924 meanders and boundary between McKee Peninsula and Black Duck Bay marking the Southeast corner of said 162.2226 acre tract (known as Tract A-1) herein described;



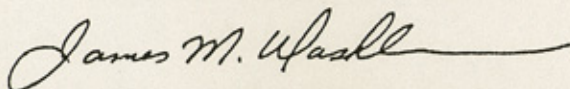
THENCE in a Northerly direction and with the 1916-1924 meanders and boundary between McKee Peninsula in the Wm. Scott Upper League and Black Duck Bay, as shown on said J. S. Boyles plat, as follows:

North 69°28'00" West, a distance of 0.32 varas to point "B-33",  
North 71°51'00" West, a distance of 124.50 varas to point "B-32",  
North 57°15'00" West, a distance of 133.60 varas to point "B-31",  
North 79°46'00" West, a distance of 113.20 varas to point "B-30",  
South 65°33'00" West, a distance of 97.30 varas to point "B-29",  
South 65°15'00" West, a distance of 149.30 varas to point "B-28",  
North 52°37'00" West, a distance of 426.60 varas to point "B-27",  
North 07°10'00" West, a distance of 77.20 varas to point "B-26",  
North 22°41'00" West, a distance of 157.00 varas to point "B-25",  
North 06°21'00" West, a distance of 313.10 varas to point "B-24",  
North 29°51'00" East, a distance of 343.72 varas to a point in the  
South line of said 30.8365 acre tract (known as Tract A-2) marking the  
Northwest corner of said 162.2226 acre tract (known as Tract A-1)  
herein described:

THENCE in an Easterly direction and with the South line of said  
30.8365 acre tract (known as Tract A-2) as shown on said Washburn &  
Company plat, same being the North line of said 162.2226 acre tract  
(known as Tract A-1) herein described:

North 88°17'58" East, a distance of 168.49 varas to a point,  
South 84°34'49" East, a distance of 27.24 varas to a point,  
North 87°24'18" East, a distance of 490.71 varas to a point,  
North 69°39'25" East, a distance of 31.91 varas to a point,  
South 74°43'44" East, a distance of 29.10 varas to the PLACE  
OF BEGINNING and containing 162.2226 acres of land, more or less.

NOTE: This description is based on and prepared solely from information shown on a plat prepared by J. S. Boyles dated July-September, 1949 showing the 1914-1924 meander and boundary between McKee Peninsula and Black Duck Bay, on a plat prepared by PACE ENGINEERS INC. dated April 20, 1964 showing the above mentioned 1914-1924 meander and boundary on Humble Oil & Refining Company Plant Coordinate System, and on a plat prepared by WASHBURN & COMPANY dated September 30, 1983 showing Tracts A-1 and A-2.



JAMES M. WASHBURN  
Registered Professional Land Surveyor  
Number 1653

## WASHBURN &amp; COMPANY

P. O. BOX 489  
NEW CANEY TEXAS 77357  
October 4, 1990BLACK DUCK BAY  
30.8365 ACRES  
Tract A-2

30.8365 acres of land, a portion of which is a part of Black Duck Bay as shown on a plat prepared by J. S. Boyles dated July-September, 1949 re-establishing the 1916-1924 meanders and boundary between McKee Peninsula in the Wm. Scott Upper League and Black Duck Bay, and a portion of which lies between said 1916-1924 meander and boundary line between McKee Peninsula and Black Duck Bay and the Shoreline of Black Duck Bay based on Mean High Water as shown on a plat prepared by Washburn & Company dated September 30, 1983, in Harris County, Texas, said 30.8365 acre tract being more particularly described by metes and bounds as follows (all bearings are based on said J. S. Boyles plat and can be converted to Texas Plane Coordinate System-South Central Zone by rotating bearings  $01^{\circ}41'59''$  counter-clockwise):

COMMENCING at a 1" square iron bolt in concrete found marking the intersection of the North right-of-way line of Missouri Street with the East right-of-way line of Oklahoma Street, same being the Southwest corner of Block 24 of the East Baytown Addition, the plat of which is recorded in Volume 7 Page 54 of the Harris County Map Records;

THENCE North  $85^{\circ}38'11''$  West, with a Westerly projection of said North right-of-way line of Missouri Street, a distance of 75.60 varas to a point;

THENCE South  $04^{\circ}21'49''$  West, a distance of 122.35 varas to a point on the Shoreline of Black Duck Bay based on Mean High Water, as shown on said Washburn & Company plat, marking the Most Easterly corner and PLACE OF BEGINNING of the 30.8365 acre tract [(known as Tract A-2) as shown on said Washburn & Company plat] herein described and having a Texas Plane Coordinate System-South Central Zone coordinate of North: 708,242.07 feet, East: 3,266,813.97 feet;

THENCE South  $21^{\circ}57'55''$  West, with the East line of said 30.8365 acre tract (known as Tract A-2), a distance of 201.92 varas to a point marking the Northeast corner of a 162.2226 acre tract (known as Tract A-1) as shown on said Washburn & Company plat, same being the Southeast corner of said 30.8365 acre tract (known as Tract A-2) herein described;

THENCE in a Westerly direction and with the North line of said 162.2226 acre tract (known as Tract A-1), same being the South line of said 30.8365 acre tract (known as Tract A-2) herein described, as follows:

North  $74^{\circ}43'44''$  West, a distance of 29.10 varas to a point,  
South  $69^{\circ}39'25''$  West, a distance of 31.91 varas to a point,  
South  $87^{\circ}24'18''$  West, a distance of 490.71 varas to a point,  
(continued)

BLACK DUCK BAY  
30.8365 ACRES  
Tract A-2

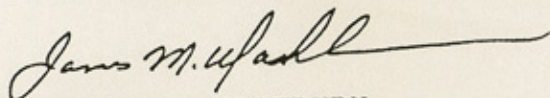
North 84°34'49" West, a distance of 27.24 varas to a point,  
South 88°17'58" West, passing at a distance of 168.49 varas a  
point on said 1916-1924 meanders and boundary between McKee Penin-  
sula and Black Duck Bay marking the Northwest corner of said 162.2226  
acre tract (known as Tract A-1), in all a total distance of 239.64  
varas to a point marking the Southwest corner of the 30.8365 acre  
tract (known as Tract A-2) herein described;

THENCE North 12°23'46" West, a distance of 24.13 varas to a point  
on the Shoreline of Black Duck Bay based on Mean High Water, as shown  
on said Washburn & Company plat marking the Most Westerly corner  
of the 30.8365 acre tract (known as Tract A-2) herein described;

THENCE in an Easterly direction and with the Shoreline of Black Duck  
Bay based on Mean High Water, as shown on said Washburn & Company  
plat, same being the North line of said 30.8365 acre tract (known  
as Tract A-2) herein described, as follows:

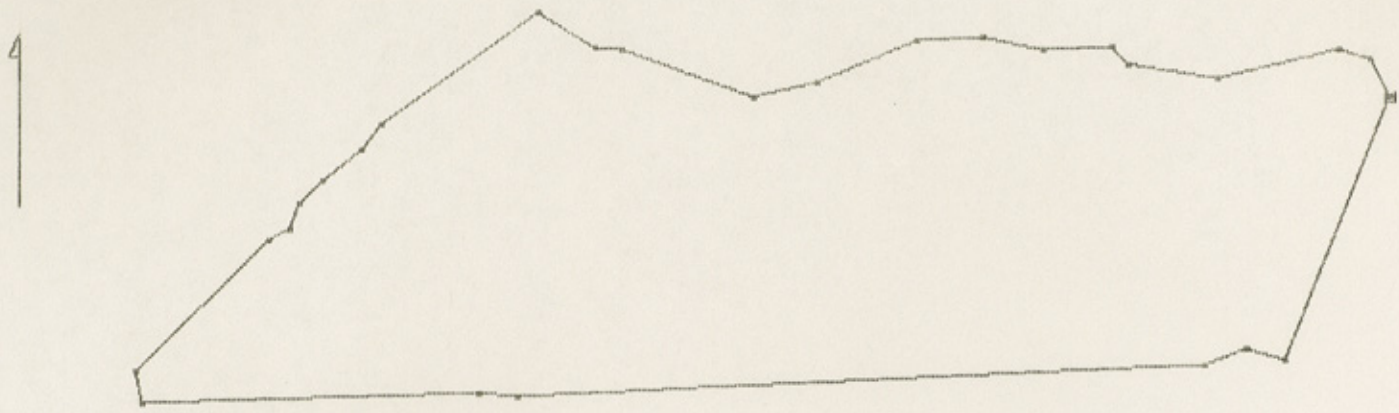
North 45°44'55" East, a distance of 132.59 varas to a point,  
North 61°34'58" East, a distance of 16.93 varas to a point,  
North 21°42'16" East, a distance of 19.36 varas to a point,  
North 45°47'29" East, a distance of 22.96 varas to a point,  
North 52°22'46" East, a distance of 35.60 varas to a point,  
North 35°43'33" East, a distance of 22.50 varas to a point,  
North 54°18'27" East, a distance of 138.00 varas to a point,  
South 57°48'19" East, a distance of 49.00 varas to a point,  
South 86°22'27" East, a distance of 18.23 varas to a point,  
South 70°12'19" East, a distance of 99.60 varas to a point,  
North 77°08'03" East, a distance of 46.74 varas to a point,  
North 67°14'21" East, a distance of 76.92 varas to a point,  
North 87°18'21" East, a distance of 46.67 varas to a point,  
South 78°04'57" East, a distance of 44.90 varas to a point,  
North 87°02'57" East, a distance of 48.81 varas to a point,  
South 42°07'02" East, a distance of 17.78 varas to a point,  
South 81°29'11" East, a distance of 64.38 varas to a point,  
North 76°53'54" East, a distance of 89.34 varas to a point,  
South 72°34'13" East, a distance of 23.39 varas to a point,  
South 28°56'53" East, a distance of 30.10 varas to the PLACE  
OF BEGINNING and containing 30.8365 acres of land, more or less.

NOTE: This description is based on and prepared solely from infor-  
mation shown on a plat prepared by J. S. Boyles dated July-September,  
1949 showing the 1916-1924 meander and boundary between McKee Penin-  
sula and Black Duck Bay, on a plat prepared by PACE ENGINEERS INC.  
dated April 20, 1964 showing the above mentioned 1916-1924 meander  
and boundary on Humble Oil & Refining Company Plant Coordinate System,  
and on a plat prepared by WASHBURN & COMPANY dated September 30,  
1983 showing Tracts A-1 and A-2.



JAMES M. WASHBURN  
Registered Professional Land Surveyor  
Number 1653

Plat of Deed Calls for: EXXON30AC  
 EXXON 30.8365 AC, PART OF BLACK DUCK BAY, EXHIBIT A-2



50  
 29  
 21"

EXXON30AC	AREA	CLOSING ERROR
Scale : 381 ft/in	Acres : 30.836	Bearing: S40.3134E
North Shift: +0	Sq. Feet : 1343216	Feet : 0.02
East Shift : +0	Sq. Meters: 124788.8	Meters : 0.006
DMS Rotated: +000.0000	Perimeter : 5801.25	Precision: 1/311700

1. S21.5755W 201.92V	560.89'	16. S86.2227E 18.23V	50.64
2. N74.4344W 29.10V	80.83'	17. S70.1219E 99.6V	276.67'
3. S69.3925W 31.91V	88.64'	18. N77.0803E 46.74V	129.83'
4. S87.2418W 490.71V	1363.08'	19. N67.1421E 76.92V	213.67
5. N84.3449W 27.24V	75.67'	20. N87.1821E 46.67V	129.64
6. S88.1758W 239.64V	665.67	21. S78.0457E 44.9V	124.72
7. N12.2346W 24.13V	67.03	22. N87.0257E 48.81V	135.58
8. N45.4455E 132.59V	<del>277.74</del> 387.75'	23. S42.0702E 17.78V	49.39
9. N61.3458E 16.93V	47.03	24. S81.2911E 64.38V	178.83
10. N21.4216E 19.36V	53.78	25. N76.5354E 89.34V	248.17
11. N45.4729E 22.96V	<del>162.41</del> 63.78	26. S72.3413E 23.39V	64.97
12. N52.2246E 35.60V	98.89	27. S28.5653E 30.10V	<del>36.10</del> 83.61
13. N35.4333E 22.50V	62.50		
14. N54.1827E 138V	383.33'		
15. S57.4819E 49V	<del>45.18</del> 136.11'		

**WASHBURN & COMPANY**P.O. BOX 52550  
HOUSTON, TEXAS 77052

December 15, 1989

3.6818 acres of land out of the William Scott Upper League, A-66, in Harris County, Texas, and being an area between the 1923 shoreline of Scott's Bay and the 1981 shoreline of Scott's Bay, said 3.6818 acre tract of land being more particularly described by metes and bounds as follows:

Commencing at a point on the existing shoreline at the South end of Scott's Bay having Texas Plane Coordinates of North 711,882.903, East 3,261,216.33, South Central Zone;

Thence in a Northerly direction with the existing shoreline (1981) of Scott's Bay as follows:

N.48°58'14"W., 96.14 feet to a point;  
 N.03°52'19"W., 259.02 feet to a point;  
 N.35°13'34"W., 415.52 feet to a point;  
 N.59°53'13"W., 249.97 feet to a point;  
 N.45°10'55"W., 134.32 feet to a point;  
 N.34°46'18"W., 266.75 feet to a point;  
 N.14°54'54"W., 269.89 feet to a point;  
 N.14°14'54"E., 464.54 feet to a point;  
 N.07°32'28"W., 9.83 feet to a point marking the South corner and PLACE OF BEGINNING of the tract of land herein described;

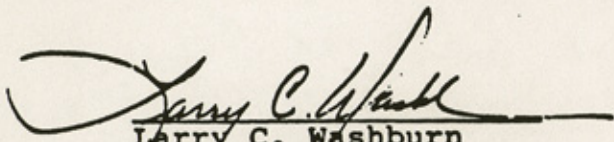
Thence continuing with said shoreline (1981) as follows;

N.07°32'28"W., 184.74 feet to a point for corner;  
 N.00°38'14"W., 349.69 feet to a point for corner;  
 N.12°44'42"W., 310.31 feet to a point for corner;  
 N.09°50'53"E., 52.61 feet to a point for corner;  
 N.33°53'19"W., 161.15 feet to a point for corner;  
 N.14°44'26"W., 178.33 feet to a point for corner;  
 N.61°17'40"E., 42.86 feet to a point for corner;  
 N.06°32'38"W., 28.70 feet to a point for corner;  
 S.83°53'51"W., 24.74 feet to a point for corner;  
 N.37°59'03"W., 19.35 to a point marking the Northwest corner of the tract of land herein described;

Thence N.29°41'43"E., 173.60 feet to a point on the 1923 shoreline of Scott's Bay and the Northeast corner of the tract of land herein described;

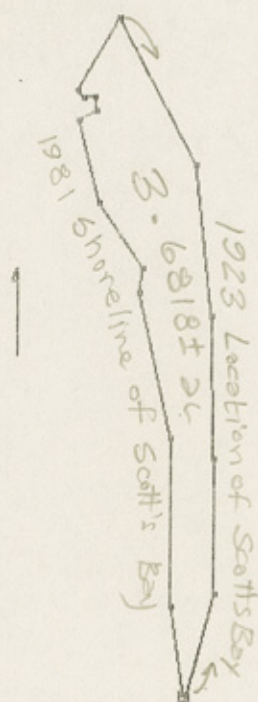
Thence with the 1923 location of the shoreline of Scott's Bay as follows:

S.28°06'07"E., 342.34 feet to a point for corner;  
S.05°48'07"E., 318.50 feet to a point for corner;  
S.01°03'07"E., 299.60 feet to a point for corner;  
S.00°39'53"E., 277.30 feet to a point for corner;  
S.14°37'53"W., 222.59 feet to the PLACE OF BEGINNING and containing 3.6818 acres of land, more or less.



Larry C. Washburn  
County Surveyor  
Harris County, Texas  
Registered Public Surveyor No. 3628

Plat of Deed Calls for: EXXON3AC  
EXXON 3.6818 AC, WILLIAM SCOTT UPPER LEAGUE, A-66, HARRIS COUNTY



EXXON3AC	AREA	CLOSING ERROR
Scale : 400 ft/in	Acres : 3.638	Bearing: N54.1700W
North Shift: +0	Sq. Feet : 158470	Feet : 8.54
East Shift : +0	Sq. Meters: 14722.3	Meters : 2.603
DMS Rotated: +000.0000	Perimeter : 2986.41	Precision: 1/350

- 1. N7.3228W 184.74
- 2. N0.3814W 349.69
- 3. N12.4442W 310.31
- 4. N9.5053E 52.61
- 5. N33.5319W 161.15
- 6. N14.4426W 178.33
- 7. N61.1740E 42.86
- 8. N6.3238W 28.70
- 9. S83.5351W 24.74
- 10. N37.5903W 19.35
- 11. N29.4143E 173.6
- 12. S28.0607E 342.34
- 13. S5.4807E 318.5
- 14. S1.0307E 299.6
- 15. S0.3953E 277.30
- 16. S14.3753W 222.59

8-1-91  
counter 25816

## WASHBURN &amp; COMPANY

P. O. BOX 489  
NEW CANEY TEXAS 77357

August 29, 1990

SPILLMAN ISLAND  
355.4 ACRES

355.4 acres of land, being all of that certain tract called 400 acres, more or less, known as Spillman Island and being situated between the Houston Ship Channel (San Jacinto River) and San Jacinto Bay in the H. K. Lewis Survey A-41 in Harris County, Texas, an undivided one-half interest in said 400 acre tract having been conveyed from E. F. Simms and H. T. Sinclair to Humble Oil & Refining Company (now known as Exxon Corporation) by deeds recorded in Volume 479 Page 196 and Volume 482 Page 88, both in the Harris County Deed Records and, also an undivided one-half interest in said 400 acre tract having been conveyed from Eugenia K. Bray and Alyce Kilpatrick Van Wagner to the Port of Houston Authority by deed dated March 7, 1980 and recorded in Film Code Number 153-90-2430 of the Harris County Real Property Records, said 355.4 acre tract being bounded by the 1917 meander line of the shoreline of Spillman Island as shown on a map prepared by J. S. Boyles in July and August, 1939, and being more particularly described by metes and bounds as follows:

BEGINNING at the most Northerly point of said Spillman Island at a point on said 1917 meander line marking the intersection of the Southerly line of the Houston Ship Channel with the Southeasterly line of the inlet to San Jacinto Bay between said Spillman Island and Jennings Island, same being the most Northerly corner and PLACE OF BEGINNING of the 355.4 acre tract herein described;

THENCE in a Southeasterly direction and with the Southerly line of said Houston Ship Channel, same being along and with said 1917 meander line as follows;

South 49°25' East, a distance of 229.1 varas to a point,  
 South 49°30' East, a distance of 386.2 varas to a point,  
 South 80°15' East, a distance of 258.4 varas to a point,  
 South 78°30' East, a distance of 733.0 varas to a point,  
 North 89°00' East, a distance of 159.7 varas to a point,  
 South 83°30' East, a distance of 179.2 varas to a point,  
 South 78°00' East, a distance of 540.7 varas to a point,  
 South 58°15' East, a distance of 238.0 varas to a point,  
 South 41°00' East, a distance of 309.9 varas to a point

at the intersection of said Southerly line of said Houston Ship Channel, same being the 1917 meander line, with a Northerly line of said San Jacinto Bay, same being the 1917 meander line, said intersection marks the most Easterly point of said Spillman Island and the most Easterly corner of the tract herein described;



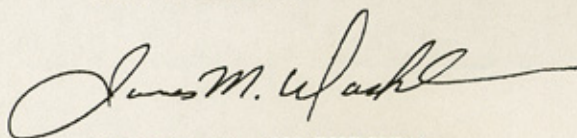
SPILLMAN ISLAND  
355.4 ACRES

August 29, 1990  
Page Two

THENCE with a Northerly line of said San Jacinto Bay, same being along and with said 1917 meander line as follows;

South 37°45' West, a distance of 42.1 varas to a point,  
 South 88°15' West, a distance of 125.2 varas to a point,  
 South 63°00' West, a distance of 141.0 varas to a point,  
 North 44°00' West, a distance of 125.0 varas to a point,  
 South 89°30' West, a distance of 137.0 varas to a point,  
 South 67°00' West, a distance of 101.1 varas to a point,  
 North 87°30' West, a distance of 176.9 varas to a point,  
 North 64°30' West, a distance of 302.5 varas to a point,  
 North 73°00' West, a distance of 133.2 varas to a point,  
 North 63°45' West, a distance of 132.3 varas to a point,  
 South 88°45' West, a distance of 243.4 varas to a point,  
 North 64°45' West, a distance of 298.7 varas to a point,  
 South 39°15' West, a distance of 166.2 varas to a point,  
 South 04°30' East, a distance of 116.0 varas to a point,  
 South 19°00' East, a distance of 171.6 varas to a point,  
 South 75°00' East, a dsitance of 178.8 varas to a point,  
 South 44°45' East, a distance of 160.0 varas to a point,  
 South 83°45' East, a distance of 287.8 varas to a point,  
 South 51°00' East, a distance of 180.5 varas to a point,  
 South 12°38' East, a distance of 89.5 varas to a point,  
 South 64°00' East, a distance of 184.2 varas to a point,  
 South 00°33' East, a distance of 33.0 varas to a point,  
 South 70°15' West, a distance of 191.7 varas to a point,  
 South 75°00' West, a distance of 178.6 varas to a point,  
 North 83°35' West, a distance of 347.4 varas to a point,  
 North 73°55' West, a distance of 67.6 varas to a point,  
 North 70°15' West, a distance of 105.7 varas to a point,  
 North 71°45' West, a distance of 119.9 varas to a point,  
 North 47°30' West, a distance of 139.0 varas to a point,  
 North 85°30' West, a distance of 145.3 varas to a point,  
 North 42°30' West, a distance of 295.1 varas to a point,  
 North 77°00' West, a distance of 40.0 varas to a point,  
 North 24°40' West, a distance of 106.3 varas to a point,  
 North 33°00' West, a distance of 300.0 varas to a point,  
 North 27°57' West, a distance of 109.2 varas to a point,  
 North 20°00' West, a distance of 147.8 varas to a point,  
 North 37°36' West, a distance of 307.5 varas to a point,  
 North 08°30' West, a distance of 216.0 varas to a point,  
 North 24°40' East, a distance of 163.0 varas to a point,  
 North 39°00' East, a distance of 100.0 varas to a point,  
 North 54°10' East, a distance of 114.4 varas to the PLACE  
 OF BEGINNING and containing 355.4 acres of land, more or less.

NOTE: This description is based on and prepared solely from information shown on a map prepared by J. S. Boyles dated July and August, 1939 showing the 1917 meanders of the shoreline of Spillman Island.



JAMES M. WASHBURN  
Registered Professional Land Surveyor  
Number 1653

## WASHBURN &amp; COMPANY

P. O. BOX 489  
NEW CANEY TEXAS 77357  
October 4, 1990

## AGREED BOUNDARY LINE

An Agreed Boundary Line crossing Black Duck Bay, as shown on a plat prepared by Washburn & Company dated September 30, 1983; and following the 1916-1924 meanders and boundary between McKee Peninsula in the Wm. Scott Upper League and Black Duck Bay, and with the boundary line between McKee Peninsula and the Houston Ship Channel, as shown on a plat prepared by J. S. Boyles dated July-September, 1949, in Harris County, Texas, said Agreed Boundary Line being more particularly described by metes and bounds as follows (all bearings are based on said J. S. Boyles plat and can be converted to Texas Plane Coordinate System-South Central Zone by rotating bearings  $01^{\circ}41'59''$  counter-clockwise):

COMMENCING at a 1" square iron bolt in concrete found marking the intersection of the North right-of-way line of Missouri Street with the East right-of-way line of Oklahoma Street, same being the Southwest corner of Block 24 of the East Baytown Addition, the plat of which is recorded in Volume 7 Page 54 of the Harris County Map Records;

THENCE North  $85^{\circ}38'11''$  West, with a Westerly projection of said North right-of-way line of Missouri Street, a distance of 75.60 varas to a point;

THENCE South  $04^{\circ}21'49''$  West, a distance of 122.35 varas to a point on the Shoreline of Black Duck Bay based on Mean High Water, as shown on said Washburn & Company plat, marking the Most Easterly corner of a 30.8365 acre tract (known as Tract A-2) as shown on said Washburn & Company plat and having a Texas Plane Coordinate System-South Central Zone coordinate of North: 708,242.07 feet, East: 3,266,813.97 feet, said point marks the East end of and PLACE OF BEGINNING of the Agreed Boundary Line herein described;

THENCE South  $21^{\circ}57'55''$  West, with the East line of said 30.8365 acre tract (known as Tract A-2), a distance of 201.92 varas to a point marking the Southeast corner of said 30.8365 acre tract (known as Tract A-2) and the Northeast corner of a 162.2226 acre tract (known as Tract A-1) as shown on said Washburn & Company plat, same being an angle point in said Agreed Boundary Line herein described;

THENCE in a Southerly direction and with the East line of said 162.2226 acre tract (known as Tract A-1) as follows:

South  $04^{\circ}45'52''$  East, a distance of 452.96 varas to a point,  
 South  $50^{\circ}33'42''$  East, a distance of 32.09 varas to a point,  
 South  $30^{\circ}11'36''$  East, a distance of 23.92 varas to a point,  
 South  $03^{\circ}29'13''$  East, a distance of 36.94 varas to a point,  
 South  $40^{\circ}11'26''$  West, a distance of 44.39 varas to a point,  
 South  $04^{\circ}39'04''$  East, a distance of 585.03 varas to a point on  
 said 1916-1924 meanders and boundary between McKee Peninsula and Black Duck Bay marking the Southeast corner of said 162.2226 acre tract (known as Tract A-1), same being an angle point in said Agreed Boundary Line herein described;

THENCE in a Southerly direction and with the 1916-1924 meanders and boundary between McKee Peninsula in the Wm. Scott Upper League and Black Duck Bay, as shown on a plat prepared by J. S. Boyles dated July-September, 1949 as follows:

- South 69°28'00" East, a distance of 186.18 varas to point "B-34",
- South 28°28'00" West, a distance of 182.70 varas to point "B-35",
- South 25°36'00" East, a distance of 578.70 varas to point "B-36",
- South 53°00'00" East, a distance of 210.20 varas to point "B-37",
- South 51°43'00" East, a distance of 124.00 varas to point "B-38",
- South 57°08'00" West, a distance of 146.00 varas to point "B-39",
- South 57°32'00" East, a distance of 114.00 varas to point "B-40"

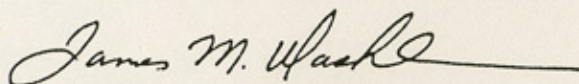
marking the intersection of the 1916-1924 meander and boundary between McKee Peninsula and Black Duck Bay with the boundary line between McKee Peninsula and the Houston Ship Channel, as shown on said J. S. Boyles plat, same being the Most Southerly East corner of said McKee Peninsula and an angle point in said Agreed Boundary Line herein described;

THENCE in a Northerly direction and with the boundary line between McKee Peninsula and the Houston Ship Channel, as shown on said J. S. Boyles plat, as follows:

- South 77°18'00" West, a distance of 256.30 varas to point "A- 1",
- South 84°45'00" West, a distance of 280.00 varas to point "A- 2",
- North 82°38'00" West, a distance of 470.00 varas to point "A- 3",
- North 55°34'00" West, a distance of 160.00 varas to point "A- 4",
- North 89°57'00" West, a distance of 203.90 varas to point "A- 5",
- North 35°04'00" West, a distance of 520.00 varas to point "A- 8",
- North 14°29'00" West, a distance of 240.00 varas to point "A- 9",
- North 01°09'00" East, a distance of 205.00 varas to point "A-10",
- North 39°09'00" West, a distance of 118.00 varas to point "A-11",
- North 00°16'00" West, a distance of 150.00 varas to point "A-12",
- North 10°01'00" East, a distance of 75.00 varas to point "A-13",
- North 08°57'00" West, a distance of 170.00 varas to point "A-14",
- North 05°34'00" West, a distance of 160.00 varas to point "A-15",
- North 10°25'00" East, a distance of 160.00 varas to point "A-16",
- North 24°16'00" East, a distance of 80.00 varas to point "A-17",
- North 12°04'00" West, a distance of 165.00 varas to point "A-18",
- North 02°23'00" West, a distance of 145.00 varas to point "A-19"

marking the POINT OF TERMINUS of said Agreed Boundary Line herein described (said point bears South 74°55'22" West a distance of 1211.84 varas from the POINT OF BEGINNING of said Agreed Boundary Line).

NOTE: This description is based on and prepared solely from information shown on a plat prepared by J. S. Boyles dated July-September, 1949 showing the 1914-1924 meander and boundary between McKee Peninsula and Black Duck Bay, on a plat prepared by PACE ENGINEERS INC. dated April 20, 1964 showing the above mentioned 1914-1924 meander and boundary on Humble Oil & Refining Company Plant Coordinate System, and on a plat prepared by WASHBURN & COMPANY dated September 30, 1983 showing Tracts A-1 and A-2.



JAMES M. WASHBURN  
Registered Public Land Surveyor  
Number 1689

## WASHBURN &amp; COMPANY

P. O. BOX 489  
NEW CANEY TEXAS 77357  
October 4, 1990AGREED BOUNDARY LINE  
SCOTTS BAY

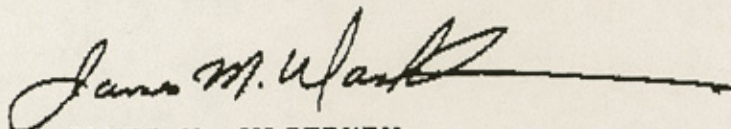
An Agreed Boundary Line, as shown on a plat prepared by Washburn & Company dated December 13, 1989, following the meanders and boundary between the Wm. Scott Upper League and Scotts Bay, in Harris County, Texas, said Agreed Boundary Line being more particularly described by metes and bounds as follows (all bearings are based on the Texas Plane Coordinate System-South Central Zone):

BEGINNING at a point on said Shoreline marking the dividing line between Mitchell Bay and Scotts Bay having a Texas Plane Coordinate System-South Central Zone coordinate of North: 711,882.905 feet, East: 3,261,216.323 feet, said point marks the South end of and PLACE OF BEGINNING of the Agreed Boundary Line herein described;

THENCE in a Northerly direction and with the meanders of said Shoreline of Scotts Bay as follows:

North 48°58'14"	West,	a distance of	96.14	feet to a point,
North 03°52'19"	West,	a distance of	259.02	feet to a point,
North 35°13'34"	West,	a distance of	415.52	feet to a point,
North 59°53'13"	West,	a distance of	249.97	feet to a point,
North 45°10'55"	West,	a distance of	134.32	feet to a point,
North 34°46'18"	West,	a distance of	266.75	feet to a point,
North 14°54'54"	West,	a distance of	269.89	feet to a point,
North 14°14'54"	East,	a distance of	464.54	feet to a point,
North 07°32'28"	West,	a distance of	194.57	feet to a point,
North 00°38'14"	West,	a distance of	349.69	feet to a point,
North 12°44'42"	West,	a distance of	310.31	feet to a point,
North 09°50'53"	East,	a distance of	52.61	feet to a point,
North 33°53'19"	West,	a distance of	161.15	feet to a point,
North 14°44'26"	West,	a distance of	178.33	feet to a point,
North 61°17'40"	East,	a distance of	42.86	feet to a point,
North 06°32'38"	West,	a distance of	28.70	feet to a point,
South 83°53'51"	West,	a distance of	24.74	feet to a point,
North 37°59'03"	West,	a distance of	19.35	feet to a point marking

the intersection of said Shoreline with the Southwesterly projection of a chain link fence having a bearing of North 29°41'43 East, and being the North end and POINT OF TERMINUS of said Agreed Boundary Line herein described.



JAMES M. WASHBURN  
Registered Professional Land Surveyor  
Number 1653

# WASHBURN & COMPANY

P. O. BOX 489  
NEW CANEY TEXAS 77357  
August 29, 1990

## NORTHERLY END OF SPILLMAN ISLAND 70.7 ACRES

70.7 acres of land, being a part of that certain tract called 400 acres, more or less, known as Spillman Island and being situated between the Houston Ship Channel (San Jacinto River) and San Jacinto Bay in the H. K. Lewis Survey A-41 in Harris County, Texas, an undivided one-half interest in said 400 acre tract having been conveyed from E. F. Simms and H. T. Sinclair to Humble Oil & Refining Company (now known as Exxon Corporation) by deeds recorded in Volume 479 Page 196 and Volume 482 Page 88, both in the Harris County Deed Records and, also an undivided one-half interest in said 400 acre tract having been conveyed from Eugenia K. Bray and Alyce Kilpatrick Van Wagner to the Port of Houston Authority by deed dated March 7, 1980 and recorded in Film Code Number 153-90-2430 of the Harris County Real Property Records, said 70.7 acre tract being bounded on the North and West sides by the 1917 meander line of the shoreline of Spillman Island as shown on a map prepared by J. S. Boyles in July and August, 1939, and being more particularly described by metes and bounds as follows:

BEGINNING at the most Northerly point of said Spillman Island at a point on said 1917 meander line marking the intersection of the Southerly line of the Houston Ship Channel with the Southeasterly line of the inlet to San Jacinto Bay between said Spillman Island and Jennings Island, same being the most Northerly corner and PLACE OF BEGINNING of the 70.7 acre tract herein described;

THENCE in a Southeasterly direction and with the Southerly line of said Houston Ship Channel, same being along and with said 1917 meander line as follows;

South 49°25' East, a distance of 229.1 varas to a point,  
South 49°30' East, a distance of 217.8 varas to a point  
marking the Northeast corner of the tract herein described;

THENCE South 03°19'42" West crossing said Spillman Island, a distance of 993.812 varas to a point on a Northerly line of said San Jacinto Bay, same being the 1917 meander line, marking the Southeast corner of the tract herein described;

THENCE with a Northerly line of said San Jacinto Bay, same being along and with said 1917 meander line as follows;

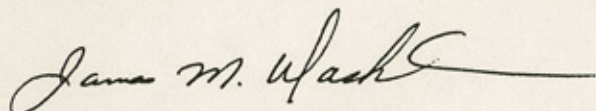
North 24°40' West, a distance of 50.184 varas to a point,  
North 33°00' West, a distance of 300.0 varas to a point,  
North 27°57' West, a distance of 109.2 varas to a point,  
North 20°00' West, a distance of 147.8 varas to a point,  
North 37°36' West, a distance of 307.5 varas to a point,

SPILLMAN ISLAND  
70.7 ACRES

August 29, 1990  
Page Two

North 08°30' West, a distance of 216.0 varas to a point,  
North 24°40' East, a distance of 163.0 varas to a point,  
North 39°00' East, a distance of 100.0 varas to a point,  
North 54°10' East, a distance of 114.4 varas to the PLACE  
OF BEGINNING and containing 70.7 acres of land, more or less.

NOTE: This description is based on and prepared from information shown on a map prepared by J. S. Boyles dated July and August, 1939 showing the 1917 meanders of the shoreline of Spillman Island.



JAMES M. WASHBURN  
Registered Professional Land Surveyor  
Number 1653

Harris Co.  
Sketch File 100

**EXXON** COMPANY, U.S.A.

POST OFFICE BOX 2180 • HOUSTON, TEXAS 77252-2180

RIGHT OF WAY & CLAIMS

P. G. McDIVITT  
CHIEF AGENT



March 25, 1991

File 68388  
Spillman Island  
Land Exchange  
Harris County, Texas

Mr. Tom Nuckols, Attorney  
Director, Land Section  
Legal Services Division  
Texas General Land Office  
1700 North Congress  
Austin, Texas 78701

Dear Mr. Nuckols:

The Exchange Deed between Exxon and the Port of Houston, which was approved by the School Land Board, has been recorded in the Real Property Records of Harris County, under County Clerk's file No. N041043, Film Sequence Code 028-10-0360 through 028-10-0414. Enclosed is a copy of the recorded instrument, less the exhibits.

On behalf of Exxon, I wish to extend appreciation to you and Spencer Reid for your coordination of this matter with the School Land Board. I believe that this concludes the transaction; however, should you need anything else, please let me know.

Yours truly,

A handwritten signature in black ink, appearing to read "P. G. McDivitt".

PGM:mp  
Enclosure

c: Mr. Spencer Reid  
Mr. E. L. Williams

*Deed*

EXCHANGE DEED

STATE OF TEXAS

COUNTY OF HARRIS

03/06/91 00274782 NO41043 \$ 701.00

This Exchange Deed (this "Deed"), dated as of March 1, 1991, is executed by and between PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS, a Navigation District duly organized and existing under the laws of the State of Texas ("Port Authority"), whose mailing address is P.O. Box 2562, Houston, Texas 77252-2562, and EXXON CORPORATION, a New Jersey corporation ("Exxon"), whose mailing address is P.O. Box 3950, Baytown, Texas 77522-3950.

Recitals:

The Port Authority and Exxon are adjacent littoral owners, each owning property on or adjacent to the Houston Ship Channel, Harris County, Texas. The Port Authority and Exxon execute this deed for the purpose of adjusting or straightening the boundary between their respective lands, pursuant to authority granted by Section 61.117(f) of the Texas Water Code (1990) and all other applicable law.

W I T N E S S E T H:

Article I

Definitions

The Port Authority and Exxon agree that the respective terms shall have the meanings as set out below, unless the context otherwise requires:

(a) "Port Properties" shall mean the tracts described in Exhibits "A-1", "A-2" and "A-3", respectively, attached hereto and made a part hereof for all purposes, together with all improvements thereon and all riparian rights of accretion attached thereto or appurtenant thereto, subject to the terms of Article V below.

(b) "Exxon Property" shall mean an undivided one-half (1/2) interest in and to that certain piece or parcel of land containing 355.4 acres, more or less, known as Spillman Island, being all of the Henry K. Lewis Survey, A-41, Harris County, Texas, located in San Jacinto Bay, and being the same tract of land containing 400 acres, more or less, as more particularly described in deeds from E. F. Simms and H. T. Sinclair covering 1/2 (one-half) of 1/2 (one-half) interest each, to Humble Oil & Refining Company (now known as Exxon Corporation) recorded in Volume 479, Page 196, and Volume 482, Page 88, of the Deed Records of Harris County, Texas, respectively, together with all improvements located thereon and all riparian rights of accretion attached thereto or appurtenant thereto, and all strips, gores and lands now owned by Exxon adjacent or contiguous to the land described above, subject to the terms of Article V below. Such piece or parcel of land shall include the land bounded by the 1917 meander lines of Spillman Island as set forth in Exhibits "B-1" and "B-2" attached hereto and made a part hereof for all purposes.

(c) "Exchange Properties" shall mean the Port Properties and the Exxon Property. "Exchange Property" shall mean either the Port Properties or the Exxon Property.

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## Article II

Conveyance of Port Properties

Section 2.1 In order to effect an exchange of properties of like kind and in consideration of the conveyance set forth in Article III below, the Port Authority has GRANTED, ASSIGNED and CONVEYED, and does hereby GRANT, ASSIGN and CONVEY, the Port Properties unto Exxon, its successors and assigns forever, subject to the matters set out herein; and the Port Authority does hereby bind itself and its successors against any persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under the Port Authority but not otherwise.

Section 2.2 The Port Authority hereby excepts from the above conveyance all mines and mineral rights, including oil and gas, in and under the Port Properties, together with the right to enter thereon for the purpose of development, the same having been previously reserved by the State of Texas by Tex. Laws 1927, ch. 292, at 437.

Section 2.3 The Port Properties are conveyed subject to (a) taxes and assessments for subsequent years, covenants, restrictions, reservations, rights-of-way, easements and outstanding oil, gas and mineral interests, if any, of record in Harris County, Texas, zoning ordinances or statutes, and building, use and occupancy restrictions, if any, of public record, all to the extent the same are valid, enforceable and affect such properties; and (b) all matters a current inspection or survey of such properties would reveal.

Section 2.4 In consideration of the conveyances, covenants and other provisions hereof, the Port Authority, to the extent of its authority to act for the State of Texas, hereby releases Exxon and the Port Properties from any and all restrictions in favor of the State of Texas in respect of the Port Properties.

## Article III

Conveyance of Exxon Property

Section 3.1 In order to effect an exchange of properties of like kind and in consideration of the conveyance set forth in Article II above, Exxon has GRANTED, ASSIGNED and CONVEYED, and does hereby GRANT, ASSIGN and CONVEY, the Exxon Property unto the Port Authority, its successors and assigns forever, subject to the matters set out herein; and Exxon does hereby bind itself and its successors against any persons whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Exxon or its predecessors in title, Humble Oil & Refining Company, a Texas corporation, and Humble Oil & Refining Company, a Delaware corporation, but not otherwise.

Section 3.2 Exxon hereby reserves unto itself, its successors and assigns, forever, all of its interest (being an undivided one-half interest) in all of the oil, gas and other minerals, of every kind and nature whatsoever, whether similar or dissimilar, in, on, and under, and which may be produced and saved from the lands covered by the Exxon Property, but only to the extent the Exxon Property is located within the area bounded by the boundary line established by Section 5.3 and adjusted as provided in Section 5.4, together with the nonexclusive right of ingress and egress over, upon and across the surface of the Exxon Property to explore, drill for, develop, produce, market and transport any reserved minerals

from the Exxon Property, subject, however, to the provisions of Section 3.4 below.

Section 3.3 The Exxon Property is conveyed subject to (a) taxes and assessments for subsequent years, covenants, restrictions, reservations, rights-of-way, easements and outstanding oil, gas and mineral interests, if any, of record in Harris County, Texas, zoning ordinances or statutes, and building, use and occupancy restrictions, if any, of public record, all to the extent the same are valid, enforceable and affect such properties; and (b) all matters a current inspection or survey of such properties would reveal.

Section 3.4 With respect to the mineral interest reserved by Exxon pursuant to this Article III, Exxon agrees to give the Port Authority reasonable advance notice of Exxon's intent to enter the surface of the Exxon Property for purposes relating to the exploration, development or operation of such reserved mineral interest. Exxon agrees to cooperate with the Port Authority to the end that Exxon's activities with respect to such reserved mineral interest will not unreasonably disrupt the Port Authority's use and enjoyment of the Exxon Property from and after the date of this Deed. Such covenants shall run with the land and shall bind and inure to the benefit of Exxon and the Port Authority and their respective successors and assigns.

#### Article IV

##### Miscellaneous

Section 4.1 As recited hereinabove, this instrument is an Exchange Deed, and the consideration for the conveyance set forth in Article II is the conveyance set forth in Article III, and vice versa. The Port Authority and Exxon each hereby waives (i) any and all express and implied liens to secure against, and any and all rights of rescission arising as a result of, defects in title of the properties herein conveyed by such respective parties, and (ii) except as provided in that certain Spoil Agreement between the Port Authority and Exxon of even date herewith, any and all owelty which either party may have or to which either party may be entitled as a result of the exchange transaction effected by this instrument. Each party expressly reserves, however, any other rights or remedies to which such party may otherwise be entitled by reason of title defects in the properties exchanged hereby, including without limitation the right to sue for damages for breach of warranty of title.

Section 4.2 The grantor of each Exchange Property agrees to pay in full and in a timely manner any and all ad valorem taxes applicable to such Exchange Property for the entire year 1991.

Section 4.3 The grantee of each Exchange Property hereby assumes all obligations of the grantor of such Exchange Property associated with the ownership or condition of the same, except as otherwise provided in Section 4.2; provided, however, that the provisions of this Section shall not be deemed to limit or affect the remedies under the grantor's warranty of title.

#### Article V

##### Boundary Line Agreement

Section 5.1 The Port Authority and Exxon agree that the boundary line between their respective lands in or adjacent to the shores of the Houston Ship Channel and Black Duck Bay and on McKee

or Blackwell Peninsula in the Wm. Scott Upper League, Harris County, Texas, after giving effect to the conveyances contained in this Deed, shall be as set forth in Exhibits "C-1" and "C-2", attached hereto and made a part hereof for all purposes, subject to adjustment pursuant to the provisions of Section 5.4 below.

Section 5.2 The Port Authority and Exxon agree that the boundary line between their respective lands in or adjacent to the shores of the Houston Ship Channel and Scotts Bay in the Wm. Scott Upper League, Harris County, Texas, after giving effect to the conveyances contained in this Deed, shall be as set forth in Exhibits "C-3" and "C-4" attached hereto and made a part hereof for all purposes, subject to adjustment pursuant to the provisions of Section 5.4 below.

Section 5.3 The Port Authority and Exxon agree that the boundary line defining the area in which Exxon reserves its mineral interests pursuant to Article III above in respect of the Exxon Property shall be the 1917 meander lines of Spillman Island as set forth in Exhibits "B-1" and "B-2" attached hereto and made a part hereof for all purposes, subject, however, to adjustment pursuant to the provisions of Section 5.4 below.

Section 5.4 The Port Authority and Exxon agree that the boundary lines established by Sections 5.1, 5.2 and 5.3 above shall be adjusted from time to time as necessary as follows:

- (1) With the exception of the easterly boundary of the Port Property described in Exhibit A-2, to the extent of any conflict with (i) the boundary of McKee or Blackwell Peninsula as shown on Exhibits "C-1" and "C-2", (ii) the boundary of Scotts Bay as shown on Exhibits "C-3" and "C-4", or (iii) the north boundary of Spillman Island shown on Exhibits B-1 and B-2, the line of actual mean high water shall control and constitute the boundary line.
- (2) The Port Authority and Exxon recognize that they or their respective predecessors in title may have executed instruments recorded in the real property records of Harris County, Texas, granting to the United States of America, the State of Texas or other persons or entities easements or rights of way in certain lands entitling the grantee to dredge substances from such lands or to conduct other activities causing or contributing to submergence of such lands, with the grantor retaining its fee title to such lands. The boundary lines established by Sections 5.1, 5.2, 5.3 and 5.4(1) shall be adjusted as necessary to the end that (i) the Port Authority shall have and retain title to the lands so submerged and described in any such instrument in its chain of title (including this Deed) with respect to its properties within the 1917 meander lines of Spillman Island, (ii) Exxon shall have and retain title to the lands so submerged and described in any such instrument in its chain of title with respect to its properties in or adjacent to McKee or Blackwell Peninsula or Scotts Bay, and (iii) Exxon shall have and retain title to the minerals (as reserved in Article III above) underlying the lands so submerged and described in any such instrument in its chain of title with respect to its properties within the 1917 meander lines of Spillman Island.

Section 5.5 As used in this Deed, (i) the term "Agreed Peninsula Line" shall mean the boundary line determined in Section 5.1 with any necessary adjustments provided in Section 5.4, (ii) the term "Agreed Scotts Bay Line" shall mean the boundary line determined in Section 5.2 with any necessary adjustments provided in Section 5.4, and (iii) the term "Agreed Island Line" shall mean the boundary line determined in Section 5.3 with any necessary adjustments provided in Section 5.4.

Section 5.6 The Port Authority hereby grants, sells and conveys to Exxon, without warranty, express or implied, all right, title and interest of the Port Authority in lands on or adjacent to the shores of the Houston Ship Channel and Black Duck Bay on McKee or Blackwell Peninsula, lying within the tract bounded by the Agreed Peninsula Line. The Port Authority further hereby grants, sells and conveys to Exxon, without warranty, express or implied, all right, title and interest of the Port Authority in lands on or adjacent to the shores of the Houston Ship Channel and Scotts Bay, lying easterly of the Agreed Scotts Bay Line.

Section 5.7 Exxon hereby grants, sells and conveys to the Port Authority, without warranty, express or implied, all right, title and interest of Exxon in lands on or adjacent to the shores of the Houston Ship Channel and Black Duck Bay on McKee or Blackwell Peninsula, lying outside the tract bounded by the Agreed Peninsula Line. Exxon further hereby grants, sells and conveys to the Port Authority, without warranty, express or implied, all right, title and interest of Exxon in lands on or adjacent to the shores of the Houston Ship Channel and Scotts Bay, lying westerly of the Agreed Scotts Bay Line.

Section 5.8 The provisions of this Article V shall bind and inure to the benefit of the State of Texas for the purposes of determining the boundaries of lands contiguous to the Exchange Properties in which the State of Texas owns or has reserved any interest.

#### Article VI

##### Provisions Relating to Restrictions in favor of State of Texas

Section 6.1 In consideration of the stipulation and approval given by the State of Texas acting herein by and through the School Land Board pursuant to Section 6.2 below, the Port Authority hereby covenants to the School Land Board that the entire right, title and interest of the Port Authority in and to the tract described in Exhibit "D" attached hereto and made a part hereof for all purposes (including the interest therein acquired by the Port Authority by this Deed), exclusive, however, all oil, gas and other minerals in, on and under, and which may be produced and saved from such tract (such tract, less such excluded oil, gas and other minerals, being herein called the "Subject Tract") shall be restricted in favor of the State of Texas pursuant to the provisions of Section 61.117(f) of the Texas Water Code (1990) to the same extent as if the Port Authority had acquired all of its right, title and interest in and to the Subject Tract from the State of Texas by special act of the legislature and without payment of monetary consideration to the State of Texas.

Section 6.2 The State of Texas, acting herein by and through the School Land Board, (i) stipulates and agrees with the Port Authority that the right, title and interest of the Port Authority in and to the area bounded by the Agreed Island Line (as defined in Section 5.5), less and except the Subject Tract (as defined in

Section 6.1 above), is not subject to any restrictions in favor of the State of Texas contained in the provisions of Section 61.117(f) of the Texas Water Code, (ii) elects not to reacquire title to the Port Properties pursuant to Section 61.117(f) of the Texas Water Code), and (iii) approves of the exchange, conveyances and boundary line agreement by and between the Port Authority and Exxon made by this Deed.

EXECUTED in multiple counterparts as of the date and year first above written.

PORT OF HOUSTON AUTHORITY OF  
HARRIS COUNTY, TEXAS

By: James D. Pugh <sup>2/11/91</sup>

James D. Pugh  
Executive Director

EXXON CORPORATION

By: Sherman J. Glass, Jr. <sup>10/11/91</sup> (ELW)

Sherman J. Glass, Jr.  
Agent and Attorney in Fact

With respect to the Port Properties, this Deed is executed by the undersigned Commissioner of the General Land Office by virtue of the authority and pursuant to the provisions of Section 61.117(f) of the Texas Water Code, authorizing the same, after the prerequisites, findings and approval hereof, as provided in said Code, having been duly considered, made and obtained.

SCHOOL LAND BOARD

By: Garry Mauro

Garry Mauro  
Commissioner of the Texas  
General Land Office and  
Chairman of the School Land  
Board

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board of the State of Texas, do hereby certify that at a meeting of the School Land Board duly held on the 5th day of March, 1991, the foregoing instrument was presented to and approved by said Board under the provisions of Section 61.117(f) of the Texas Water Code, all of which is set forth in the Minutes of the Board of which I am custodian.

IN TESTIMONY WHEREOF, witness my hand this the 5th day of March, 1991.

Linda K. Fisher  
Secretary of the School Land  
Board

028-10-0366

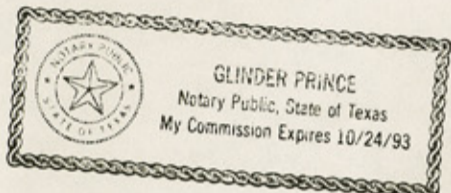
State of Texas  
County of Harris

This instrument was acknowledged before me on March 1, 1991, by James D. Pugh as Executive Director of the Port of Houston Authority of Harris County, Texas.

Glinder Prince  
Notary Public, State of Texas

My commission expires:

10/24/93



State of Texas  
County of Harris

This instrument was acknowledged before me on March 1, 1991, by Sherman J. Glass, Jr. as agent and attorney-in-fact on behalf of Exxon Corporation.

Shirley M. Kubin  
Notary Public, State of Texas

My commission expires:

2-3-94



SHIRLEY M. KUBIN  
Notary Public, State of Texas  
My Commission Expires February 3, 1994

State of Texas  
County of Travis

This instrument was acknowledged before me on March 5, 1991, by Garry Mauro as General Land Commissioner of the State of Texas:

Adela Bosquez  
Notary Public, State of Texas

My commission expires:

7-22-94

Exhibits

- Exhibits "A-1", "A-2" and "A-3" -- Port Properties
- Exhibits "B-1" and "B-2" -- 1917 Meander Lines of Spillman Island
- Exhibits "C-1" and "C-2" -- Boundary Line, McKee or Blackwell Peninsula
- Exhibits "C-3" and "C-4" -- Boundary Line, Scotts Bay
- Exhibit "D" -- Subject Tract

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~~Return to:~~

~~Exxon Corporation~~  
Attn: P.G. McDivitt  
~~P.O. Box 2180~~  
~~Houston, Texas 77252-2180~~

HOLD For  
PICKUP

§ 61.117

NAVIGATION—ART. III, § 52  
Ch. 61

Texas, or involving the state's claim to title to land conveyed or sought to be conveyed under this Act, shall lie in the District Court of Travis County, Texas.

"Sec. 5. Any and all laws or parts of laws in conflict with the provisions of this Act are repealed to the extent of such conflict."

The 1975 amendment, in the first clause of subsec. (a), inserted "or any special law"; and in subsec. (c), subd. (3) substituted "however, a draft environmental impact statement \* \* \* between the district and the School Land Board" for "however, the School Land Board may waive the requirement of an environmental impact statement if the proposed use requires no dredging, filling, or bulkheading, and if such use will not have a significant impact on the environment. If the School Land Board does waive the submission of an environmental impact statement, it shall include a provision in the lease agreement requiring the district to file an environmental impact statement with the School Land Board before the district makes any use of such lands or flats which requires dredging, filling, or bulkheading, or which would have a significant impact on the environment."

The 1975 amendment also, in the first sentence of subsec. (d), deleted "the Texas Submerged Lands Advisory Committee," after "submit copies thereof to", inserted "Council on" and substituted "and the Environment" for "Council"; and, in subsec. (h), deleted, from

the end of the first sentence, ", and if the district submitted an environmental impact statement with its application to lease state owned lands or flats" and inserted, in the second sentence, ", or which requires only insubstantial dredging, filling, or bulkheading, as determined by the board".

Sections 1 and 3 of the 1975 Act amended Sections 60.038 and 61.117, respectively; §§ 4 and 5 thereof provide:

"Sec. 4. Venue for any action arising under this Act brought by or against the State of Texas, or involving the State's claim to title to land conveyed or sought to be conveyed under this Act, shall lie in a district court of Travis County, Texas.

"Sec. 5. Any and all laws or parts of laws in conflict with the provisions of this Act are repealed to the extent of such conflict."

Prior Law:

- Acts 1909, p. 32, § 30.
- Rev.Civ.St.1911, art. 5990.
- Acts 1930, 41st Leg., 4th C.S., p. 47, ch. 27, § 1.
- Acts 1931, 42nd Leg., 2nd C.S., p. 38, ch. 21, § 1.
- Acts 1932, 42nd Leg., 3rd C.S., p. 61, ch. 26, § 1.
- Acts 1951, 52nd Leg., p. 175, ch. 111, § 1.
- Vernon's Ann.Civ.St. art. 8225.

Cross References

Interagency planning councils, see Vernon's Ann.Civ.St. art. 4413(32a).  
School Land Board generally, see V.T.C.A. Natural Resources Code, § 32.001 et seq.

Administrative Code References

School Land Board, land resources, practice and procedure for state-owned lands and flats, see 31 TAC § 155.21 et seq.

Law Review Commentaries

Navigation districts and regional planning in Texas Gulf Coast Area. G. Sidney Buchanan, 10 Houston L.Rev. 533 (1973).  
Seashore boundary law: Natural and artificial modifications. Carol Eggert Dinkins, 10 Houston L.Rev. 43 (1972).

§ 61.117. Limitations on Sales and Use of State Lands and Flats

(a) The State of Texas shall retain its rights in all mines and minerals, including oil, gas, and geothermal resources, in and under the land, together with the right to enter the land for the purpose of development when it leases land under Section 61.116 of this code.

(b) All leases of land under Section 61.116 are subject to oil, gas, or mineral leases in existence at the time of the lease to the district.

(c) Any land which has been franchised or leased or is being used by any navigation district or by the United States for the purpose of navigation,

ACTS  
Title 4

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industry, or other purpose incident to the operation of a port shall not be entered or possessed by the State of Texas or by anyone claiming under the State of Texas for the purpose of exploring for oil, gas, or other minerals except by directional drilling. No easement, lease, or permit may be granted on land which has been leased to a navigation district which will interfere with the proposed use of the land by the navigation district, and the prior approval of the navigation district shall be obtained for such purpose.

(d) No surface drilling location may be nearer than 660 feet and special permission from the Commissioner of the General Land Office is necessary to make any surface location nearer than 2,160 feet, measured at right angles from the nearest bulkhead line designated by a navigation district or the United States as the bulkhead line or from the nearest dredged bottom edge of any channel, slip, or turning basin which has been dredged, or which has been authorized by the United States as a federal project for future construction, whichever is nearer.

(e) In the event land is leased to a navigation district for construction of a navigation project, the School Land Board may in the lease designate the district to be the agent of the State of Texas with authority to grant to the United States of America such easements for dredging and disposal of dredged material as may be required for federal participation in the project. In designating the district to be the agent of the State of Texas for the purpose of granting spoil easements, the board may include a requirement that the district obtain the approval of the board before granting any such easement. Such approval may be given in the form of accepting a master plan for spoil disposal.

(f) Districts which, prior to the enactment of this provision, have obtained patents to state owned lands or flats under Article 8225, Revised Civil Statutes of Texas, 1925,<sup>1</sup> or under any general or special act, and which still claim title to any such lands or flats, may not hereafter dispose of any such lands or flats which were conveyed to them by the State of Texas and may not lease such lands or flats for a use for which districts are not authorized to lease their other lands; however, in the event a district possesses lands it finds to be in excess of its needs, it may sell such surplus lands or flats back to the State of Texas for the same consideration as originally paid to the state or exchange them for other lands with the State of Texas. It is further provided that the limitation on resale of lands or flats acquired from the State of Texas shall not prevent a district from exchanging such lands or flats for land, or rights in land, of an adjacent littoral owner for the purpose of adjusting or straightening the boundary between such lands. All such exchanges made after December 31, 1973, shall be subject to the approval of the School Land Board.

(g) Any district which, prior to the effective date of this Act has maintained, and which at the effective date of this Act is maintaining, any channel, dredged material disposal site, or other navigational aid or improvement on state owned lands to which the district holds no patent or lease from the state shall notify the General Land Office of the boundaries of such submerged



**NAVIGATION—ART. III, § 52**  
**Ch. 61**

**§ 61.118**

land used by furnishing a map or other drawing acceptable to the General Land Office.

Acts 1971, 62nd Leg., p. 110, ch. 58, § 1, eff. Aug. 30, 1971. Amended by Acts 1973, 63rd Leg., p. 555, ch. 237, § 2, eff. June 11, 1973; Acts 1975, 64th Leg., p. 803, ch. 310, § 3, eff. May 27, 1975.

<sup>1</sup> Repealed.

**Historical Note**

The 1973 amendment inserted "and Use" in section head; substituted "leases" for "sells" and "sales", respectively, in subsecs. (a) and (b) and "lease to the district" for "sale" in subsec. (b); added the second sentence in subsec. (c) and added subsecs. (e), (f).

Sections 1 and 3 of the 1973 Act amended Sections 61.116 and 61.038(a), respectively; §§ 4, 5 thereof are set out as notes under Section 61.116.

The 1975 amendment in subsec. (a), inserted "and geothermal resources"; in first sentence of subsec. (f), substituted "which were conveyed to them by the State of Texas and may not lease such lands or flats for a use for which districts are not authorized to lease their other lands" for "except by lease as provided in Section 61.116 of this code" and added at the end thereof, "or exchange them for other lands

with the State of Texas"; and added subsec. (g).

Sections 1 and 2 of the 1975 Act amended Sections 61.038 and 61.116, respectively; §§ 4, 5 thereof are set out as notes under Section 61.116.

**Prior Law:**

Acts 1909, p. 32, § 30.  
Rev.Civ.St.1911, art. 5990.  
Acts 1930, 41st Leg., 4th C.S., p. 47, ch. 27, § 1.  
Acts 1931, 42nd Leg., 2nd C.S., p. 38, ch. 21, § 1.  
Acts 1932, 42nd Leg., 3rd C.S., p. 61, ch. 26, § 1.  
Acts 1951, 52nd Leg., p. 175, ch. 111, § 1.  
Vernon's Ann.Civ.St. art. 8225.

**Cross References**

Sale or lease of land as authorized by this section, see § 60.038(a).

**Administrative Code References**

School Land Board, land resources, practice and procedure for state-owned lands and flats, see 31 TAC § 155.21 et seq.

**Law Review Commentaries**

Seashore boundary law: Natural and artificial modifications. Carol Eggert Dinkins, 10 Houston L.Rev. 43 (1972).

**§ 61.118. Construction Contracts**

(a) Except as provided in this section, the provisions of Chapter 3, Title 128, Revised Civil Statutes of Texas, 1925,<sup>1</sup> governing water control and preservation districts which relate to advertising for, awarding, and performing contracts for the construction of improvements and work authorized by law shall apply to construction contracts made under this subchapter.

(b) The bidder's deposit for a construction contract shall be five percent of the amount bid, and the contractor's bond shall be for not less than 25 percent of the contract price.

(c) The contract shall be signed by at least two of the commissioners, and the partial payments made under the contract shall not be more than 90 percent of the contract price.

§ 60.411

GENERAL LAW DISTRICTS  
Title 4

- (1) authorized to do business in this state; and
- (2) listed on the United States Department of Treasury List of Approved Sureties.

[See main volume for (b) and (c)]

(d) Bidders or proposal offerers for contracts subject to Chapter 2253, Government Code, are required to furnish a bond as provided by that article, except that a district or port authority may require that the bond be executed with a surety company listed on the United States Department of Treasury List of Approved Sureties.

Amended by Acts 1993, 73rd Leg., ch. 170, § 1, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 76, § 5.95(17), eff. Sept. 1, 1995.

Historical and Statutory Notes

1993 Legislation

The 1993 amendment, in subsec. (a), designated subd. (1); in subsec. (a)(1), added "; and"; added subsec. (a)(2); and, in subsec. (d), added ", except that a district or port authority may require that the bond be executed with a surety company listed on the United States Department of Treasury List of Approved Sureties".

Section 2 of Acts 1993, 73rd Leg., ch. 170 provides:

"The changes in law made by this Act apply only to contracts made on or after the effective date of this Act."

1995 Legislation

The 1995 amendment, in subsec. (d), substituted "Chapter 2253, Government Code" for "Article 5160, Revised Statutes".

CHAPTER 61. ARTICLE III, SECTION 52, NAVIGATION DISTRICTS

SUBCHAPTER F. GENERAL FISCAL PROVISIONS

Section 61.213. Repealed.

Section

61.212. District Depository.

Library References

Tex. Prac., County and Special District Law, ch. 46.

General law districts, navigation districts, in general, see Brooks, 36 Texas Practice § 46.115 et seq.

SUBCHAPTER C. ADMINISTRATIVE PROVISIONS

§ 61.078. District Treasurer

Library References

Treasurer for other political subdivisions, see Brooks, 35 Texas Practice § 16.17.

SUBCHAPTER D. POWERS AND DUTIES

§ 61.115. Acquisition of property

Notes of Decisions

1. Submerged lands

Statute allowing state to sell submerged land to navigation districts for "purposes" authorized by law did not limit uses of submerged land to purposes related to navigation or business of naviga-

tion district; clause was merely descriptive and did not act as limitation or encumbrance upon estate conveyed or restrict use of land to these purposes alone. Natland Corp. v. Baker's Port, Inc. (App. 13 Dist. 1993) 865 S.W.2d 52, rehearing overruled, writ denied, rehearing of writ of error overruled.

GENERAL LAW DISTRICT  
Title 4

SUBC

§ 61.174. Employees; Co

Supervision of improvement  
Brooks, 35 Texas Practice § 1

SUBCHAPT

§ 61.212. District Deposit

The commission shall select :  
Amended by Acts 1997, 75th Leg.,

1997 Legislation

Acts 1997, 75th Leg., ch. 1400 de designator "(a)", substituted "The days after the commissioners are substituted "as" for "in the manner ed "Section 60.271" for "law for t county depository"; and deleted s Section 6 of Acts 1997, 75th provides:

§ 61.213. Repealed by Ac

The repealed section, which re treasurer's duties, was derived fro Acts 1909, p. 32, § 27.  
Rev.Civ.St.1911, art. 5987.

CHAPTER 62. ARTI

SUBCHAPTER E. GE  
FISCAL PROVISIO

Section

62.156. Selection of Depository.

Tex. Prac., County and Special  
46.

SUBCHL

§ 62.021. Creation of Dis

1989 Legislation

Acts 1989, 71st Leg., ch. 566, §  
"Nothing in this Act shall affe  
impact fees heretofore levied 1

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GENERAL LAW DISTRICTS  
Title 4

GENERAL LAW DISTRICTS  
Title 4

§ 62.021

SUBCHAPTER E. PORT FACILITIES

§ 61.174. Employees; County Auditor, Duties and Compensation

Library References

Supervision of improvement districts, see  
Brooks, 35 Texas Practice § 19.16.

SUBCHAPTER F. GENERAL FISCAL PROVISIONS

§ 61.212. District Depository

The commission shall select a depository for the district as provided by Section 60.271.

Amended by Acts 1997, 75th Leg., ch. 1400, § 2, eff. Sept. 1, 1997.

Historical and Statutory Notes

1997 Legislation

Acts 1997, 75th Leg., ch. 1400 deleted subsection designator "(a)", substituted "The" for "Within 30 days after the commissioners are appointed, the", substituted "as" for "in the manner", and substituted "Section 60.271" for "law for the selection of a county depository"; and deleted subsec. (b).

Section 6 of Acts 1997, 75th Leg., ch. 1400 provides:

"This Act takes effect September 1, 1997, and applies only to a depository contract that is solicited on or after September 1, 1997. A depository contract in effect on September 1, 1997, continues in effect until the end of its term and is governed by the law in effect immediately before this Act took effect, and that law is continued in effect for that purpose."

§ 61.213. Repealed by Acts 1997, 75th Leg., ch. 1400, § 5(1), eff. Sept. 1, 1997

Historical and Statutory Notes

The repealed section, which related to district treasurer's duties, was derived from:

Acts 1909, p. 32, § 27.

Rev.Civ.St.1911, art. 5987.

Acts 1921, 37th Leg., 1st C.S., p. 119, ch. 39, § 12.

Vernon's Ann.Civ.St. art. 8220.

Acts 1971, 62nd Leg., p. 110, ch. 58, § 1.

CHAPTER 62. ARTICLE XVI, SECTION 59, NAVIGATION DISTRICTS

SUBCHAPTER E. GENERAL  
FISCAL PROVISIONS

Section  
62.157, 62.158. Repealed.

Section  
62.156. Selection of Depository.

Library References

Tex. Prac., County and Special District Law, ch. 46.

General law districts, navigation districts, in general, see Brooks, 36 Texas Practice § 46.115 et seq.

SUBCHAPTER B. CREATION OF DISTRICT

§ 62.021. Creation of District

Historical and Statutory Notes

1989 Legislation

Acts 1989, 71st Leg., ch. 566, § 3 provides:

"Nothing in this Act shall affect the validity of impact fees heretofore levied for storm water,

drainage, or flood control facilities by a countywide district created and operating under the provisions of Article XVI, Section 59, of the Texas Constitution in a county of 2,100,000 or more according to the last preceding federal census, and all impact

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*Vernon's*  
**TEXAS CODES**  
**ANNOTATED**

**Volume 3**

**WATER CODE**

**Sections 57.001 to End**

**1999**

**Cumulative Annual Pocket Part**

Replacing 1998 pocket part supplementing 1988 main volume

*For Use In 1998-1999*

**Includes**  
**Laws through the 1997 Regular Session**  
**of the 75th Legislature**  
**Court Constructions through 969 S.W.2d 145**



**WEST GROUP**

61

*County 25837*

Harris Co. Sk. File 100

THE STATE OF TEXAS

COUNTY OF HARRIS

WHEREAS, in the maintenance and improvement of the Houston Ship Channel, a navigable waterway of the State of Texas, and of wharves, docks and mooring areas adjacent thereto and in the development of commerce thereon, it is necessary to dredge out, widen, deepen, maintain and otherwise improve said waterway and mooring areas; and

WHEREAS, HARRIS COUNTY HOUSTON SHIP CHANNEL NAVIGATION DISTRICT, a governmental agency and body politic of the State of Texas, domiciled in Houston, Harris County, Texas, hereinafter called "Navigation District," has been ceded and has had donated to it by the State of Texas, pursuant to Acts of the Fortieth Legislature, Regular Session, Senate Bill 222, Chapter 292, page 437, certain tidal flats, overflow lands appurtenant to certain streams and submerged areas under certain bays, streams and creeks, including Black Duck Bay and San Jacinto Bay; and

WHEREAS, for purposes of disposal of spoil material dredged and to be dredged from said waterway, bays, rivers and streams, it is necessary to deposit the same in said bays and tidal flats and submerged areas; and

WHEREAS, HUMBLE OIL & REFINING COMPANY, a Delaware corporation, with a valid and subsisting permit to do business in Texas, to be addressed at Houston, Texas, hereinafter called "Humble," owns, maintains and operates at Baytown, Texas, large refineries, and appurtenant thereto substantial marine terminals in Mitchell Bay, a body of water adjacent to said Houston Ship Channel, for the loading and unloading of deep-draft ocean-going tankers transporting crude and refined petroleum and petroleum products, and in the maintenance and development of said marine facilities and water-borne commerce it is necessary to dredge out and maintain portions of said Mitchell Bay and approaches thereto and disposal of said dredged material; and

WHEREAS, Humble owns certain lands fronting on Black Duck Bay as shown on the attached plat marked Exhibit "A", together with the riparian rights incident to the ownership of said lands, and Humble desires to deposit dredged spoil from Mitchell Bay within and behind the levees shown on Exhibit "A"; and

WHEREAS, Humble is the owner of an undivided one-half interest of Spillman Island, also known as the Henry K. Lewis Survey, Abstract 41, in the waters of San Jacinto Bay, in Harris County, Texas, on and adjacent to which in said bay Navigation District desires to deposit or permit to be deposited by the United States Corps of Engineers spoil materials dredged from said Houston Ship Channel and waters tributary thereto; and

WHEREAS, an exchange of certain easements by the Navigation District and Humble would help satisfy the needs of both parties and would contribute to the Navigation District's purpose of improving navigation on and along the Houston Ship Channel;

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and grants hereinafter appearing,

KNOW ALL MEN BY THESE PRESENTS:

Easement No. 1:

For and in consideration of granting to Humble of Easement No. 2 hereinafter appearing, Humble does hereby grant to Navigation District, subject to the terms and provisions set out below, the right, power, privilege and easement to deposit or permit to be deposited dredge spoil, consisting of mud, sand, silt, sediment and similar material obtained in connection with the widening, deepening, realigning, maintaining or other improvement in or of the Houston Ship Channel, on the following described lands:

Spillman Island, in San Jacinto Bay, being all of the Henry K. Lewis Survey, Abstract 41, in Harris County, Texas.

The term of this easement shall extend until the first day of October, 1980, at which time it will automatically terminate.

The rights granted hereby shall include the right of ingress and egress; the right to construct and maintain levees at no cost to Humble; and the right to lay, maintain and remove discharge pipe lines.

Upon termination of this easement, the Navigation District shall level in a reasonable manner all material deposited by it on Spillman Island with no mounds or holes more than two feet above or below the general level of the fill.

It is understood that Humble is the owner of an undivided one-half interest in Spillman Island, exclusive of the rights, title, interest and estate ceded to Navigation District as hereinabove set out; and that the Navigation District has secured or

will secure from the owner of the other one-half interest such authority and permission as to Navigation District may appear proper and desirable.

Humble reserves to itself, its successors and assigns, all rights and title in and to its interest in said island, exclusive of the rights, title, interest and estate ceded to Navigation District as herein set out and not specifically granted hereunder, including but not limited to the oil, gas and other minerals in, under and which may be produced from the said island and area aforesaid, together with the right to conduct operations thereon for the purpose of exploring for, producing, storing, treating and transporting the same.

It is understood that the Navigation District proposes to deposit spoil in San Jacinto Bay adjacent to Spillman Island and Humble hereby agrees that it will not claim any of the built up areas as accretion to Spillman Island nor will Humble claim that its riparian rights have been impaired by such action by the Navigation District.

The Navigation District hereby agrees to maintain or cause to be maintained monuments designated "a", "b", and "c" as shown on agreement map prepared by J. S. Boyles dated July-August, 1939 and numbered 4924-Roll, Navigation District's Drawing No. P12-8, said monuments to be preserved so that the property lines as shown on said map can be re-established at anytime.

Easement No. 2:

In consideration of the granting by Humble of the Easement No. 1 above appearing, the Navigation District does hereby grant to Humble, subject to the terms and provisions hereof, and to the extent that pursuant to the act of cession of aforesaid, it may do so, the rights, powers, privileges and easements listed below with respect to Black Duck Bay in Harris County, Texas:

(a) The right to construct and maintain, without cost or expense to Navigation District, a levee in Black Duck Bay, the location of said levee being substantially as shown on Drawing No. 682-139-2 attached hereto and marked Exhibit "A", said levee to be so constructed as to include approximately 176 acres south and west of said levee. In constructing such levee, Humble shall be entitled to use materials from the bottom of any part of Black Duck Bay and shall be entitled to increase the elevation of such levee from time to time;

(b) The right to deposit in that portion of Black Duck Bay south and west of and enclosed within said levee, as shown on drawing attached hereto, dredge spoil consisting of mud, sand, silt, sediment and similar materials obtained in connection with maintenance or improvement of navigation adjacent to Humble's Baytown Refinery docks aforesaid; provided, however, Humble will not claim any built up area resulting from such spoil deposits as accretion to its adjoining lands nor shall Humble make any claim that its riparian rights have been impaired as a result of such action;

(c) The right to dredge channels or otherwise deepen any part of Black Duck Bay north and east of the above-described line and to deposit all dredge spoil obtained in such operations on that part of Black Duck Bay south and west of and within said levee;

(d) The right of ingress and egress to and from Black Duck Bay; the right to lay, maintain and remove discharge pipe lines; the right to pump out or otherwise eliminate any water in that portion of Black Duck Bay south and west of the above-described levee;

(e) The right to take any other action necessary to carry out the purposes described above.

The term of this easement shall extend until October 1, 1980, at which time it will automatically terminate.

Upon termination of this easement, Humble shall level in a reasonable manner all materials deposited by it in that portion of Black Duck Bay situated south and west of said levee with no mounds or holes more than two feet above or below the general level of the fill.

Humble agrees to maintain or cause to be maintained sufficient monuments along the shore line of Black Duck Bay within the fill area, as shown on agreement map prepared by J. S. Boyles dated July-September, 1949 and numbered 7074-R, Humble's Drawing 24,365, Navigation District's Drawing No. P5-34, said monuments to be preserved so that the property line as shown on said map may be re-established at anytime.

The Navigation District reserves to itself, its successors and assigns, all rights and titles in and to Black Duck Bay not specifically granted hereunder, including the right, title and interest in and ownership of the bottom of said Black Duck Bay.

Should either party be deprived of any of its rights under the easements granted to it above, by law or by



governmental regulation, or should it be determined that either party did not have the right or power to make the grants described above, then both of said easements shall terminate and this document shall be of no further force and effect.

EXECUTED in duplicate originals this 9th day of December, 1960.

HARRIS COUNTY HOUSTON SHIP  
CHANNEL NAVIGATION DISTRICT

By J. Turner  
Its General Manager

HUMBLE OIL & REFINING COMPANY

By J. [Signature] R.W.M.  
Member-Board of Management (Title)  
Humble Division

APPROVED AS TO FORM:

[Signature]  
Counsel for Navigation District

Allan S. Hey  
Counsel for Humble



Harris Co.  
Sketch File 100

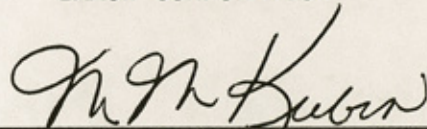
CERTIFICATE

This is to certify that the attached copy of Incumbent Power of Attorney (IPA-7A-90) is a true and reproduced copy of a certified copy of the original executed, attested, sealed, and acknowledged Incumbent Power of Attorney instrument which is on file in the Office of Corporate Affairs, Exxon Company, U.S.A. (a division of Exxon Corporation) in Houston, Texas; that on March 1, 1991, Sherman J. Glass, Jr. was the Baytown Refinery Manager, Refining Department, Exxon Company, U.S.A.; that said Incumbent Power of Attorney was in effect on said date; and that the execution and delivery of an Exchange Agreement was authorized by said Incumbent Power of Attorney.

Executed this 4th day of March, 1991.

EXXON CORPORATION

By



M. M. Kubin  
Assistant Secretary

(Corporate Seal)

counter 25844

IPA-7A-90 (Revision of IPA-7A-89)  
Incumbent Power of Attorney

KNOW ALL MEN BY THESE PRESENTS:

THAT EXXON CORPORATION, a New Jersey corporation, having an office in Houston, Texas, acting by and through D. S. Sanders, as Senior Vice President of Exxon Company, U.S.A., a division of Exxon Corporation (hereinafter called "Company"), and as Vice-President of Exxon Corporation, does hereby nominate, constitute and appoint each incumbent of each of the following positions in said Company:

Refining Department

Refinery Managers; and  
New Jersey Area Manager

as Agent and Attorney-in-Fact of Exxon Corporation for purposes of executing and delivering instruments and documents as more particularly described below, and does hereby grant, delegate and invest each of said incumbents with power and authority to execute and deliver for, in the name and on behalf of Exxon Corporation, and in connection with the business and affairs of said Company, instruments and documents of any and every nature, including, but not by way of limitation, instruments pledging the credit of Exxon Corporation, bonds of indemnity, other indemnities, guaranties, affidavits, licenses, permits, applications for licenses or permits, other governmental documents, bids, collective bargaining agreements, other contracts, deeds of conveyance, encumbrances, leases, releases, discharges of mortgages or deeds of trust, assignments, transfers of leasehold estates and/or other interests in real and/or personal property, and any other instrument or document as may be required or desired in the conduct of the business of said Company, whether similar or dissimilar to the foregoing, EXCEPT the following:

1. Any mortgage, assignment, conveyance or release to any third party of any oil, gas, and/or mineral lease or any other interest in oil, gas and/or other minerals which is severed from the surface and which is owned by or leased to Exxon Corporation;
2. Any mortgage, assignment, conveyance, or release of other real property or equipment valued at more than one hundred thousand dollars by any taxing authority;
3. Any instrument authorizing, permitting or evidencing the borrowing of money from any person or entity; or
4. Any instrument delegating the power and authority conferred herein to execute and deliver instruments.

Each incumbent of each said position in said Company may exercise the power and authority herein granted, delegated and invested, in any particular and appropriate transaction or matter, either as an Attorney-in-Fact of Exxon Corporation or as an official of said Company. Any action taken as authorized under this Incumbent Power of Attorney shall be an act of Exxon Corporation and binding upon it.

Certificates of incumbency and evidencing authority relating to particular transactions or matters may be issued by the Secretary or any Assistant Secretary of Exxon Corporation and may be relied upon by third parties dealing with Exxon Corporation or with said Company. Such Certificates shall certify that, on the dates set out therein, the individual named therein was an incumbent of one of said positions in said Company; that the execution and delivery by such person of particular instruments or documents was authorized by this Incumbent Power of Attorney; and that this Incumbent Power of Attorney was in effect at the time of such execution and delivery.

This Incumbent Power of Attorney cancels and revokes the Incumbent Power of Attorney (IPA-7A-89) effective February 16, 1989, and every power and authority therein contained. This Incumbent Power of Attorney and the cancellation and revocation referred to in the preceding sentence, are effective immediately.

APPROVED AND EXECUTED this 4 day of SEPTEMBER, 1990.

EXXON CORPORATION

(Corporate Seal)

By D. S. Sanders  
Senior Vice President of Exxon Company, U.S.A.  
and Vice-President of Exxon Corporation

Approved as to:
FORM:
<u>MDH</u>
CONTROLS:
<u>Om</u>

ATTEST:

P. And  
Assistant Secretary

STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on September 4 1990, by D. S. Sanders, Senior Vice President of Exxon Company, U.S.A. (a division of Exxon Corporation) and Vice-President of Exxon Corporation, a New Jersey corporation on behalf of said corporation.

(Notary Seal)

Helen R. Barnett  
Notary Public in and for  
the State of Texas

*Harris Co. Sketch File 100***GENERAL LAND OFFICE****GARRY MAURO  
COMMISSIONER****MEMORANDUM**

91-025

Date: 2/1/91

TO: Spencer Reid

FROM: Ron Brinkley *ER*

SUBJECT: Exxon/Port of Houston land exchange and boundary settlement

In response to your request to evaluate the small area of submerged land immediately adjacent to a levied collection pond in Black Duck Bay next to Exxon's Baytown refinery, please be advised that the subject site was examined on 1/8/91 and was the topic of discussion on 1/14/91 when I met with Ben Daniel of Exxon.

The area in question, known as Lagoon #1 extension, is contiguous with the remaining undisturbed, natural body of the bay. The area is relatively shallow, measuring an average of 4' in depth and approximately 12 acres in size. Public access in this area is not restricted or discouraged by signs, fences, etc. The shoreline of the area has been well stabilized with extensive rip-rap. The existing collection pond, known as Lagoon #1, contains 168 acres and has similar characteristics with the exception of restricted access and limited aquatic life. Currently, several fringe areas within the two entities support moderate stands of Spartina alterniflora.

During my meeting with Ben, I was told that Exxon has no immediate plans to levee off the 12 acre tract. In the event of this occurrence, however, I was told that the lagoon extension area would be opened to the existing collection pond by removing a section of the dividing containment levee. This eased any concern of inadequate water circulation within an isolated smaller area. At the points of segmentation and levee removal, there are no existing fringe marshes, which further eases any concerns of possible impacts.

The existing collection pond is the final receiving reservoir for runoff from the plant. Runoff is initially collected in a detention pond situated within the refinery complex proper, then transferred, via a canal and pump assisted pipeline when necessary, to the Lagoon #1 collection pond for further holding. Although marsh grasses are found within the collection pond system, there is little benefit of such by aquatic fauna according to Ben. Poor

*counter 25848*

water quality has diminished aquatic life in the containment area, and would have an effect on any fauna affected by future segmentation and incorporation of the extension area. It is doubtful, however, that such impacts would be greater than potential pollution and environmental impacts to the surrounding public waterbodies and waterways from an inadequate water runoff detention system at this major refinery complex.

In conclusion, I would recommend to the School Land Board that they give approval to the proposed land trade, with no concern of any adverse environmental impacts resulting from such action.

cc: Tom Nuckols  
Sally Davenport  
Walter Manchac



Copy of Final  
Executed Copy

THE STATE OF TEXAS  
COUNTY OF HARRIS

¶  
¶

WHEREAS, in the maintenance and improvement of the Houston Ship Channel, a navigable waterway of the State of Texas, and of wharves, docks and mooring areas adjacent thereto and in the development of commerce thereon, it is necessary to dredge out, widen, deepen, maintain and otherwise improve said waterway and mooring areas; and

WHEREAS, HARRIS COUNTY HOUSTON SHIP CHANNEL NAVIGATION DISTRICT, a governmental agency and body politic of the State of Texas, domiciled in Houston, Harris County, Texas, hereinafter called "Navigation District," has been ceded and has had donated to it by the State of Texas, pursuant to Acts of the Fortieth Legislature, Regular Session, Senate Bill 222, Chapter 292, page 437, certain tidal flats, overflow lands appurtenant to certain streams and submerged areas under certain bays, streams and creeks, including Black Duck Bay and San Jacinto Bay; and

WHEREAS, for purposes of disposal of spoil material dredged and to be dredged from said waterway, bays, rivers and streams, it is necessary to deposit the same in said bays and tidal flats and submerged areas; and

WHEREAS, HUMBLE OIL & REFINING COMPANY, a Delaware corporation, with a valid and subsisting permit to do business in Texas, to be addressed at Baytown, Texas, hereinafter called "Humble," owns, maintains and operates an oil refinery at Baytown, Texas, and in connection with said refinery Humble operates a system for the biological treatment of its waste water effluent in order to upgrade the quality of said effluent; and

WHEREAS, Humble owns certain lands fronting on Black Duck Bay as shown on the attached plat marked Exhibit "A", together with the riparian rights incident to the ownership of said lands, and Humble is desirous of using a portion of Black Duck Bay as an integral part of its effluent treatment system; and

WHEREAS, Humble is the owner of an undivided one-half interest in Spillman Island, also known as the Henry K. Lewis Survey, Abstract 41, in the waters of San Jacinto Bay, in Harris County, Texas, on and adjacent to which in said bay Navigation District desires to deposit or permit to be deposited by the United States Corps of Engineers spoil materials dredged from said Houston Ship Channel and waters tributary thereto; and

WHEREAS, an exchange of certain easements by the Navigation District and Humble would help satisfy the needs of both parties and would contribute to the Navigation District's purpose of improving navigation on and along the Houston Ship Channel;

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and grants hereinafter appearing,

KNOW ALL MEN BY THESE PRESENTS:

Easement No. 1:

For and in consideration of granting to Humble of Easement No. 2 hereinafter appearing, Humble does hereby grant to Navigation District, subject to the terms and provisions set out below, the exclusive right, power, privilege and easement to deposit or permit to be deposited dredge spoil, consisting of mud, sand, silt, sediment and similar material obtained in connection with the widening, deepening, realigning, maintaining or other improvement in or of the Houston Ship Channel or its tributaries on the following described lands:

Spillman Island, in San Jacinto Bay, being  
all of the Henry K. Lewis Survey, Abstract 41,  
in Harris County, Texas.

The term of this easement, as well as the term of Easement No. 2 hereinafter appearing shall extend until the first day of August, 1990, at which time the duration of each will automatically and concurrently terminate.

The rights granted hereby shall include the right of ingress and egress; the right to construct and maintain levees

at no cost to Humble; and the right to lay, maintain and remove discharge pipe lines.

Upon termination of this easement, the Navigation District shall level in a reasonable manner all material deposited by it on Spillman Island with no mounds or holes more than two feet above or below the general level of the fill.

It is understood that Humble is the owner of an undivided one-half interest in Spillman Island, exclusive of the rights, title, interest and estate ceded to Navigation District as hereinabove set out; and that the Navigation District has secured or will secure from the owner of the other one-half interest such authority and permission as to Navigation District may appear proper and desirable.

Humble reserves to itself, its successors and assigns, all rights and title in and to its interest in said island, exclusive of the rights, title, interest and estate ceded to Navigation District as herein set out and not specifically granted hereunder, including but not limited to the oil, gas and other minerals in, under and which may be produced from the said island and area aforesaid, together with the right to conduct operations thereon for the purpose of exploring for, producing, storing, treating, and transporting the same.

It is understood that the Navigation District proposes to deposit spoil in San Jacinto Bay adjacent to Spillman Island and Humble hereby agrees that it will not claim any of the built up areas as accretion to Spillman Island nor will Humble claim that its riparian rights have been impaired by such action by the Navigation District.

The Navigation District hereby agrees to maintain or cause to be maintained monuments designated "a", "b", and "c" as shown on agreement map prepared by J. S. Boyles dated July-August, 1939, and numbered 4924-Roll, Navigation District's Drawing No. P12-8, said monuments to be preserved so that the property lines as shown on said map can be reestablished at anytime.

Easement No. 2:

In consideration of the granting by Humble of the Easement No. 1 above appearing, the Navigation District does hereby grant to Humble, subject to the terms and provisions hereof, and to the extent that pursuant to the act of cession of aforesaid and any other applicable legislation, it may do so, the rights, powers, privileges and easements listed below with respect to Black Duck Bay in Harris County, Texas:

(a) The right to make use of that portion of Black Duck Bay south and west of and enclosed within the levee shown on the drawing attached hereto and marked Exhibit "A", as an integral part of Humble's waste water effluent treatment system operated in connection with its Baytown Refinery for the purpose of upgrading the quality of any effluent which enters the Houston Ship Channel from said refinery;

(b) The right to dredge channels or otherwise deepen any part of Black Duck Bay north and east of the above-described line and to deposit all dredge spoil obtained in such operations on that part of Black Duck Bay south and west of and within said levee;

(c) The right of ingress and egress to and from Black Duck Bay; the right to lay, maintain and remove discharge pipe lines; the right to pump out or otherwise eliminate any water in that portion of Black Duck Bay south and west of the above-described levee;

(d) The right to take any other lawful action necessary to carry out the purposes provided in sub-paragraphs (a), (b) and (c) hereinabove appearing. In this connection, Humble is hereby authorized to extend that portion of the present levee which runs in a north-south direction in a northerly direction to make an enclosure with abutting lands owned by Humble and to remove all or part of the east-west portion of said levee, without cost or expense to the Navigation District.

Upon termination of this easement, Humble shall level in reasonable manner all materials deposited by it within the leveed portions of Black Duck Bay with no mounds or holes more than two feet above or below the general level of the fill.

Humble agrees to maintain or cause to be maintained sufficient monuments along the shore line of Black Duck Bay within the fill area, as shown on agreement map prepared by J. S. Boyles dated July-September, 1949, and numbered 7074-R, Humble's Drawing 24,355, Navigation District's Drawing No. P5-34, said monuments to be preserved so that the property line as shown on said map may be reestablished at anytime.

The Navigation District reserves to itself, its successors and assigns, all rights and titles in and to Black Duck Bay not specifically granted hereunder, including the right, title and interest in and ownership of the bottom of said Black Duck Bay as it existed on December 9, 1960, and all additions or improvements, including land above water level, made thereon or thereto.

Concurrent with the effective date hereof, that certain easement executed by the Navigation District and Humble on December 9, 1960, shall cease and terminate and be of no further force and effect except for settlement and adjustment of the respective rights and obligations then existing; and the purposes and uses for Easement Nos. 1 and 2 shall be solely as herein provided.

Should either party be deprived of any of its rights under the easements granted to it above, by law or by governmental regulation, or should it be determined that either party did not have the right or power to make the grants described above, then both of said easements shall terminate and this document shall be of no further force and effect.

EXECUTED in duplicate originals this 13<sup>th</sup> day of

July, 1970.

HARRIS COUNTY HOUSTON SHIP  
CHANNEL NAVIGATION DISTRICT

By \_\_\_\_\_  
Executive Director

HUMBLE OIL & REFINING COMPANY

By \_\_\_\_\_  
Vice President

APPROVED AS TO FORM:

[Signature]  
Counsel for Navigation District

Andrew L. Jefferson, Jr.  
Counsel for Humble Oil &  
Refining Company

STATE OF TEXAS  
COUNTY OF HARRIS

I  
I

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. P. Turner, Executive Director of Harris County Houston Ship Channel Navigation District, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said Harris County Houston Ship Channel Navigation District and that he executed the same as the act of such organization for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13<sup>th</sup> day of July, A.D., 1970.

Nancy Maywald  
Notary Public in and for  
Harris County, Texas

NANCY MAYWALD  
Notary Public in and for Harris County, Texas

STATE OF TEXAS  
COUNTY OF HARRIS

I  
I

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared F. D. Dennstedt, Vice President of Humble Oil & Refining Company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Humble Oil & Refining Company, a Delaware corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of June, A.D., 1970.

Joy M. Blake  
Notary Public in and for  
Harris County, Texas

JOY M. BLAKE  
Notary Public in and for Harris County, Texas  
My Commission Expires June 1, 1971

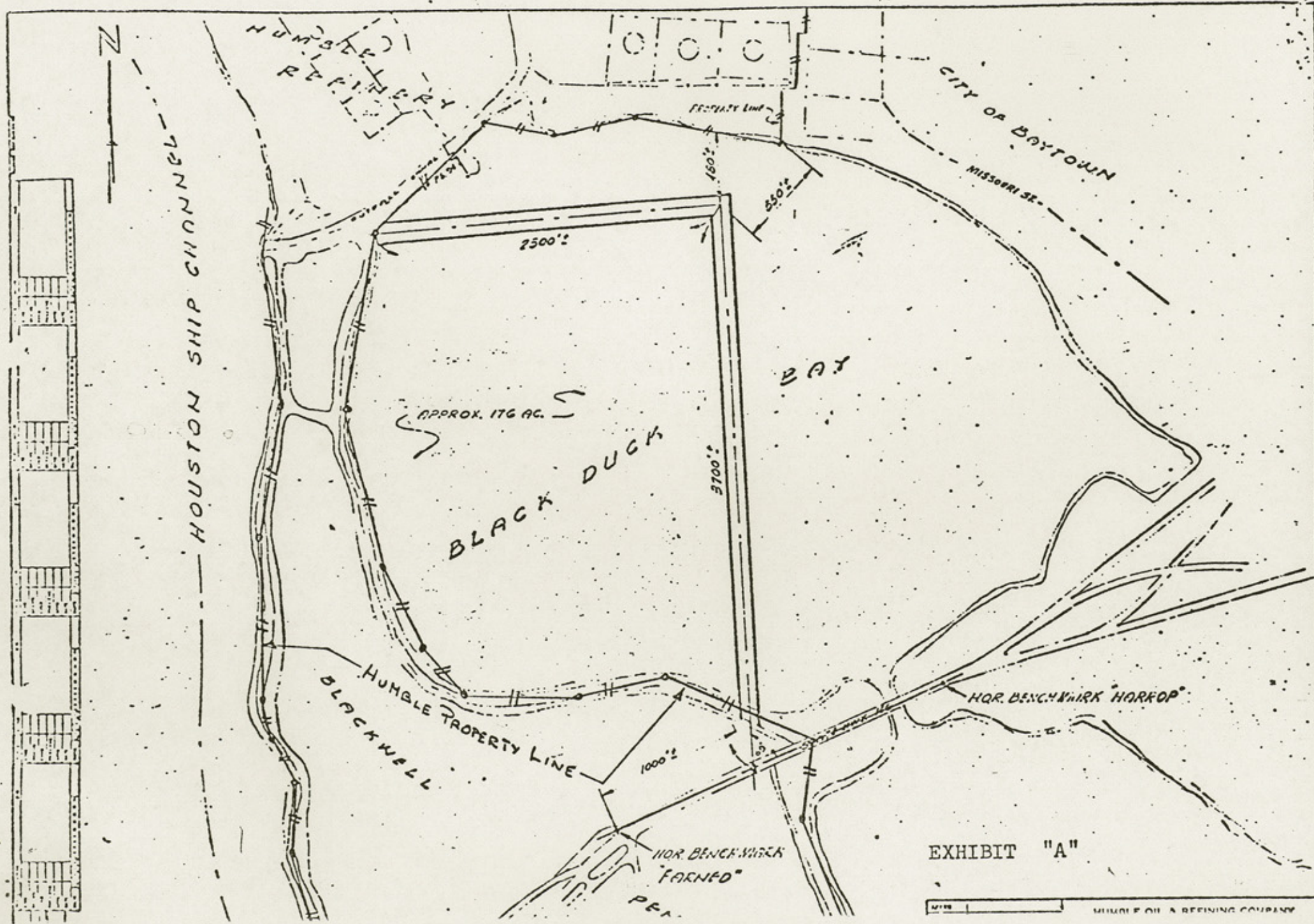


EXHIBIT "A"

MIDDLE OIL & REFINING COMPANY



Harris Co. sketch File 100



Texas General Land Office

Spencer L. Reid  
Deputy Land Commissioner  
Asset Management Division

Garry Mauro  
Commissioner

November 25, 1987

Mr. Gene McDivitt  
Exxon Company  
P. O. Box 2180, Room 1793  
Houston, Texas 77252-2180

re: Potential Exchange between Exxon and Port of Houston

Dear Mr. McDivitt:

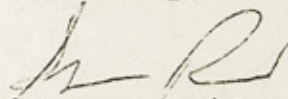
In order to confirm our earlier conservation regarding the possible exchange of lands between Exxon and Port of Houston please consider the following:

We are satisfied that the provisions of the Texas Water Code Section 61.117 apply to the proposed exchange. Based upon the material submitted to us, it appears to be a reasonable effort to straighten a boundary between private and navigation district lands. We will present the matter to the School Land Board if requested by the port.

The entire matter is subject to the approval of the School Land Board. We think you should anticipate the concerns of the board regarding the impacts on the wetland areas affected. Also the board will be concerned about the development of the minerals on the tract and any restrictions that might arise as a result of the exchange.

Please call me if you have any questions regarding this matter.

Sincerely,

  
Spencer Reid

SR/tbj

cc: Jack Giberson  
Matt Edling ✓

Stephen F. Austin Building  
1700 N. Congress Avenue  
Austin, Texas 78701  
(512) 463-5236

Counter 25858

MINUTES  
SCHOOL LAND BOARD  
REGULAR MEETING  
FEBRUARY 20, 1990

The School Land Board of the State of Texas met in a regular meeting on Tuesday, February 20, 1990 with the following members present: Garry Mauro, Commissioner of the General Land Office and Chairman of the Board; Bill Warnick and Gaylord T. Hughey, Jr. Those present from the General Land Office were Jack Giberson, Chief Clerk; Linda K. Fisher, Secretary to the Board; Don Petty and Chris Macomb, Energy Resources; Jim Phillips, Stroud Kelley, Matt Edling and Tom Nuckols, Legal Division; Spencer Reid, Stan McElroy, Mary Ann Mayfield and Blake Pittman, Asset Management; Andy Mangan, Sally Davenport, Claudette Carr, Robby Colwell and Terry Blankenship, Resource Management. Also present were Flip Whitworth, Scott, Douglass & Luton, Austin, Texas, representing Mosbacher Energy Company; Sherri Cole, RPC Publications, Austin, Texas; Priscilla Hubenak, Attorney General's Office, Austin, Texas; Russell Kiesling, Research, Houston, Texas, representing Galveston Bay National Estuary Program; and Bob Spain, Branch Chief, Environmental Assessment, and Rollin MacRae, Wetland Resources Coordinator, Texas Parks & Wildlife Department, Austin, Texas.

Motion was made by Mr. Hughey and seconded by Mr. Warnick that Item No. 61, approval of the minutes of the February 6, 1990 meeting, be approved. Motion carried unanimously.

Motion was made by Mr. Warnick and seconded by Mr. Hughey that Item No. 62, pooling application, Phillips Petroleum Company, State Leases M-92879 and M-93372, Chambers County, be approved as a temporary unit for one year and according to the Pooling Committee Report, attached hereto as Exhibit "A". Motion carried unanimously.

Motion was made by Commissioner Mauro and seconded by Mr. Hughey that Item No. 63, pooling application, Mosbacher Energy Company, State Leases M-91988 and M-93192, Chambers County, be approved, the effective date of the unit to be February 20, 1990, and that the term of the unit not commence until the suspension has been lifted from the leases included within the unit, and according to the Pooling Committee Report, attached hereto as Exhibit "B". Motion carried unanimously.

Motion was made by Mr. Warnick and seconded by Commissioner Mauro that Item No. 64, application by BASF Corporation to lease highway right of way for oil and gas, 3.41 acres, Highway 6, Galveston County, be approved according to the conditions shown in the attached Exhibit "C". Motion carried unanimously.

Motion was made by Commissioner Mauro and seconded by Mr. Warnick that Item No. 65, coastal public lands, 2 structure permit requests; Item No. 66, coastal public lands, 1 structure permit

(OVER)

renewal; and Item No. 67, coastal public lands, 2 structure permit terminations; and Item No. 68, coastal public lands, 3 easement applications, be approved as shown in the attached Exhibits "D", "E", "F" and "G". Motion carried unanimously.

Sally Davenport presented the Board with information on Item No. 69, coastal public lands, 2 coastal preserve lease applications.

Motion was made by Commissioner Mauro and seconded by Mr. Warnick that the two coastal preserve lease applications, be approved as shown in the attached Exhibit "H". Motion carried with Mr. Hughey abstaining.

Motion was made by Mr. Warnick and seconded by Mr. Hughey that Item No. 70, 1 commercial lease application, be approved for a fifty-year term with the terms and conditions shown in the attached Exhibit "I" and subject to a provision being added in the lease allowing it to be terminated if the property is not developed as anticipated. Motion carried unanimously.

Commissioner Mauro announced at 10:42 a.m. that the School Land Board would enter into an Executive Session under Article 6252-17, V.T.C.S. to discuss Items No. 71 and 72, consideration of land trade per water code, Section 61.117, Port of Houston, and pending and proposed litigation.

Spencer Reid presented the Board with information on Item No. 71, land trade per water code, Section 61.117, Port of Houston. The Board authorized the staff to proceed with negotiations concerning the trade and Commissioner Mauro requested that the Port of Houston be notified that the Board would not waive any rights that it currently has.

Stroud Kelley presented the Board with information regarding Item No. 72, pending and proposed litigation. No action was taken.

The Board reconvened in regular session at 11:20 a.m. and no action was taken on Items No. 71 and 72.

There being no further business to come before the Board, the meeting was adjourned.

ATTEST:

APPROVED:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Garry Mauro, Commissioner of the  
General Land Office and Chairman  
of the School Land Board

2-20-1990

Harris Co. Sketch File 100

General Land Office  
Stephen F. Austin Bldg.  
1700 N. Congress Ave.  
Austin, Texas 78701  
10:00 a.m., Rm. 831

DOCKET  
SCHOOL LAND BOARD  
REGULAR MEETING  
FEBRUARY 20, 1990

- 
61. Approval of the minutes of the February 6, 1990 meeting.
- 
62. Pooling application: Phillips Petroleum Company, State Leases M-92879 and M-93372, Chambers County.
- 
63. Pooling application: Mosbacher Energy Company, State Leases M-91988 and M-93192, Chambers County.
- 
64. Application by BASF Corporation to lease highway right of way for oil and gas, 3.41 acres, Highway 6, Galveston County.
- 
65. Coastal public lands - 2 structure permit requests.
- 
66. Coastal public lands - 1 structure permit renewal.
- 
67. Coastal public lands - 2 structure permit terminations.
- 
68. Coastal public lands - 3 easement applications.
- 
69. Coastal public lands - 2 coastal preserves lease applications.
- 

(OVER)

Counter 25861

---

70. Coastal public lands - 1 commercial lease application.

---

71. Executive Session - Consideration of land trade per water code,  
Section 61.117, Port of Houston.

---

72. Executive Session - Pending and proposed litigation.

---

XXXX

3-5-1991

Harris Co. Sketch File 100

RESOLUTION

WHEREAS, the Port of Houston Authority of Harris County, Texas, hereinafter referred to as "the Port", a navigation district organized under the laws of the State of Texas, and Exxon Corporation, hereinafter referred to as "Exxon", propose to exchange certain land and interests in land and enter into agreements for the purpose of straightening and determining the boundaries between their respective land; and

WHEREAS, the Port's lands involved in the proposed transaction were granted to the Port by the State of Texas by Chapter 292, Page 437, Acts 1927, 40th Legislature, Regular Session; and

WHEREAS, such exchanges and agreements are authorized by Section 61.117(f), Water Code, and are required to be approved by the School Land Board because the State of Texas reserved certain interests in the Port's lands, including the minerals and the right to reacquire the surface estate in such lands should the Port elect to dispose of the surface estate; and

WHEREAS, the Port and Exxon propose to agree upon the boundaries of certain water bodies in which the Port owns the surface estate and the Permanent School Fund owns the underlying mineral estate, being Scott's Bay, the Houston Ship Channel or San Jacinto River, and San Jacinto Bay, which boundaries are subject to question; and

WHEREAS, it is proposed that, to straighten their mutual boundary in Black Duck Bay, the Port convey to Exxon its surface estate in Black Duck Bay (which the Port currently leases to Exxon for use as an industrial waste lagoon) in exchange for Exxon's conveyance to the Port of its surface estate in Spillman Island; and

WHEREAS, in exchange for the School Land Board electing not to exercise the right to reacquire the Port's surface estate in Black Duck Bay, the Port has agreed to grant the Permanent School Fund the right to acquire the surface estate in certain of the Port's littoral land on Spillman Island at no cost should the Port elect to dispose of it; and

WHEREAS, the Permanent School Fund will retain its mineral estate in Black Duck Bay and the other submerged lands involved in the transaction, will benefit from the School Land Board agreeing to and determining the boundaries of its mineral estate in Scott's Bay, the Houston Ship Channel or San Jacinto River, and San Jacinto Bay (particularly with respect to its boundary with the southern part of Spillman Island), and will be made whole for the School Land Board not exercising the right to reacquire the surface estate in Black Duck Bay; and

WHEREAS, there are no adverse environmental impacts associated with the proposed transaction,

Counter 25863

BE IT RESOLVED, that pursuant to Section 61.117(f), Water Code, the School Land Board elects not to reacquire the Port's surface estate in the land known as Black Duck Bay and approves the transaction entered into by the Port and Exxon and the rights granted the School Land Board pursuant thereto, as provided in the attached Exchange Deed.

I, Linda Fisher, Secretary of the School Land Board of the State of Texas, certify that the foregoing resolution was duly adopted by the School Land Board at its meeting held March 5, 1991.

In testimony whereof, witness my hand this 5th day of March, 1991.

Linda Fisher

Linda Fisher  
Secretary  
School Land Board

Harris Co. Sketch File 100

GENERAL LAND OFFICE

GARRY MAURO  
COMMISSIONER

MEMORANDUM

DATE: March 6, 1991

TO: Spencer Reid

FROM: Tom Nuckols *TW*

SUBJECT: Exxon/Port of Houston Trade (91-0088)

Attached are the GLO's original of the exchange deed for the above transaction and copies of a title certificate, power of attorney, and other material. Please set up an appropriate school file and have surveying mark this on the Harris County map.

After you, Jim Phillips, Ed Williams of Exxon, and I met in February, Ed and I revised the deed so that the SLB did not convey any interest to the Port. This took the deal out from under the land trade statute and placed the risk on Exxon that they were getting less than full fee simple title. Ed discussed this issue with his client prior to agreeing to the deed language.

Exxon is having their deed recorded in the county real property records and will send us the recording data. I will also forward that to you.

cc: Jim Phillips  
Ben Thomson

Counter 25865

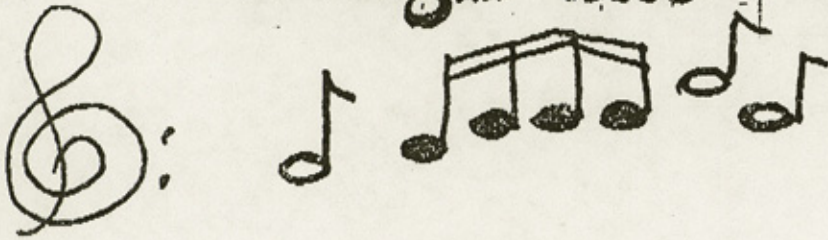


Harris Co. Sketch File 100

I heard it  
through the

FAX LINE

512-463-5233



Texas General Land Office

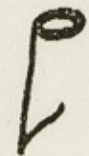
TO: BOB DEDMAN

FROM: MARION ADAMS

# OF PAGES (INCLUDING COVER) 7



FIRST NATIONAL  
TITLE COMPANY  
TITLE OPERATIONS



15124635233054 P.01

99852 return

MAR-05-1991 10:56 FROM FIRST-NATIONAL-TITLE.CO. TO

1952-1291851 RETURN FAX

ABTRACTOR'S CERTIFICATE  
(OWNERSHIP AND LIENS)  
CERTIFICATE NO. C-2108

THE STATE OF TEXAS        }  
                                      }  
COUNTY OF HARRIS        }

WE HEREBY CERTIFY that we have examined the records of the Clerks of the County and District Courts of this County (excluding U.C.C. Records), since 05/03/21, as to the following described property:

355.4 acres of land, being all of that certain tract called 400 acres, more or less, known as Spillman Island and being situated between the Houston Ship Channel (San Jacinto River) and San Jacinto Bay in the H.K. Lewis Survey A-41 in Harris County, Texas, said tract of land being more fully described by metes and bounds on Exhibit "A" attached hereto and made a part hereof:

and we find the following:

RECORD TITLE APPEARS TO BE GOOD IN:

Houston Oil and Refining by General Warranty Deed dated May 03, 1921 and June 16, 1921, recorded in Volume 479 Page 196 of the Deed Records and Volume 482, Page 88 of the Deed Records of Harris County, Texas, as to a 1/2 interest

Port of Houston by Warranty Deed dated March 20, 1980, filed for record under Harris County Clerk's File No. G-469638, as to a 1/2 interest

(Subject to any change in marital or corporate status of owner(s) since date of purchase)

SUBJECT TO THE FOLLOWING OUTSTANDING LIENS:

NOTE: We find no outstanding liens of record affecting the subject property. Inquiry should be made concerning the existence of any unrecorded lien of other indebtedness which could give rise to any security interest claim in the subject property.

Examination of the records has been made for Abstracts of Judgments, Federal and State Tax Liens, Probates, Divorces and District Court Lawsuits. Examination has been made of the records of the Clerk of the Bankruptcy Court for the Southern District of Texas. These examinations were made for the period ten years prior to the date of this certificate and we find nothing of record as to the following names affecting the title to the above described property except:

Port of Houston : NONE OF RECORD.

Humble Oil and Refining : NONE OF RECORD.

No examination has been made as to taxes, tax suits, paving assessments or conflicts.

This examination is limited to ownership and outstanding liens, and excludes any examination for restrictions, easements, building lines, minerals, other covenants or conditions and real estate taxes. This certificate is issued for the use of and shall inure to the benefit of and is issued in consideration of \$175.00, paid to FIRST NATIONAL TITLE COMPANY by and to whom said sum shall be returned as agreed liquidated damages in the event of any errors or omissions herein and by accepting this certificate agrees that said sum and no more shall constitute the full measure of damages against FIRST NATIONAL TITLE COMPANY.

WITNESS OUR HANDS AND SEAL, effective this the 26th day of February, 1991, at 8:00 A.M.

FIRST NATIONAL TITLE COMPANY  
2425 WEST LOOP SOUTH  
SUITE 800  
HOUSTON, TEXAS 77027  
(713) 621-2500

BY: Betty Giddings  
BETTY GIDDINGS

C2108  
ds -

EXHIBIT "A"

355.4 acres of land, being all of that certain tract called 400 acres, more or less, known as Spillman Island and being situated between the Houston Ship Channel (San Jacinto River) and San Jacinto Bay in the H.K. Lewis Survey A-41 in Harris County, Texas, an undivided one-half interest in said 400 acre tract having been conveyed from E.F. Simms and H.T. Sinclair to Humble Oil and Refining Company (now known as Exxon Corporation) by deeds recorded in Volume 479 Page 196 and Volume 482 Page 88, both in the Harris County Deed Records and, also an undivided one-half interest in said 400 acre tract having been conveyed from Eugenia K. Bray and Alyce Kilpatrick Van Wagner to the Port of Houston Authority by deed dated March 7, 1980 and recorded in Film Code Number 153-90-2430 of the Harris County Real Property Records, said 355.4 acre tract being bounded by the 1917 meander line of the shoreline of Spillman Island as shown on a map prepared by J.S. Boyles in July and August, 1939, and being more particularly described by metes and bounds as follows:

BEGINNING at the most Northerly point of said Spillman Island at a point on said 1917 meander line marking the intersection of the Southerly line of the Houston Ship Channel with the Southeasterly line of the inlet to San Jacinto Bay between said Spillman Island and Jennings Island, same being the most Northerly corner and PLACE OF BEGINNING of the 355.4 acre tract herein described;

THENCE in a Southerly direction and with the Southerly line of said Houston Ship Channel, same being along and with said 1917 meander line as follows;

South 49 deg 25 min East, a distance of 229.1 varas to a point,  
South 49 deg 30 min East, a distance of 386.2 varas to a point,  
South 80 deg 15 min East, a distance of 258.4 varas to a point,  
South 78 deg 30 min East, a distance of 733.0 varas to a point,  
North 89 deg 00 min East, a distance of 159.7 varas to a point,  
South 83 deg 30 min East, a distance of 179.2 varas to a point,  
South 78 deg 00 min East, a distance of 540.7 varas to a point,  
South 58 deg 15 min East, a distance of 238.0 varas to a point,  
South 41 deg 00 min East, a distance of 309.0 varas to a point

at the intersection of said Southerly line of said Houston Ship Channel, same being the 1917 meander line, with a Northerly line of said San Jacinto Bay, same being the 1917 meander line, said intersection marks the most Easterly point of said Spillman Island and the most Easterly corner of the tract herein described;

EXHIBIT "A"

THENCE with a Northerly line of said San Jacinto Bay, same being along and with said 1917 meander line as follows;

South 37 deg 45 min West, a distance of 42.1 varas to a point,  
South 88 deg 15 min West, a distance of 125.2 varas to a point,  
South 63 deg 00 min West, a distance of 141.0 varas to a point,  
North 44 deg 00 min West, a distance of 125.0 varas to a point,  
South 89 deg 30 min West, a distance of 137.0 varas to a point,  
South 67 deg 00 min West, a distance of 101.1 varas to a point,  
North 87 deg 30 min West, a distance of 176.9 varas to a point,  
North 64 deg 30 min West, a distance of 302.5 varas to a point,  
North 73 deg 00 min West, a distance of 133.2 varas to a point,  
North 53 deg 45 min West, a distance of 132.3 varas to a point,  
South 88 deg 45 min West, a distance of 243.4 varas to a point,  
North 64 deg 45 min West, a distance of 298.7 varas to a point,  
South 39 deg 15 min West, a distance of 166.2 varas to a point,  
South 04 deg 30 min East, a distance of 116.0 varas to a point,  
South 19 deg 00 min East, a distance of 171.6 varas to a point,  
South 75 deg 00 min East, a distance of 178.8 varas to a point,  
South 44 deg 45 min East, a distance of 160.0 varas to a point,  
South 83 deg 45 min East, a distance of 287.8 varas to a point,  
South 51 deg 00 min East, a distance of 180.5 varas to a point,  
South 12 deg 38 min East, a distance of 89.5 varas to a point,  
South 64 deg 00 min East, a distance of 184.2 varas to a point,  
South 00 deg 33 min East, a distance of 33.0 varas to a point,  
South 70 deg 15 min West, a distance of 191.7 varas to a point,  
South 75 deg 00 min West, a distance of 178.6 varas to a point,  
North 83 deg 35 min West, a distance of 347.4 varas to a point,  
North 73 deg 55 min West, a distance of 67.6 varas to a point,  
North 70 deg 15 min West, a distance of 105.7 varas to a point,  
North 71 deg 45 min West, a distance of 119.9 varas to a point,  
North 47 deg 30 min West, a distance of 139.0 varas to a point,  
North 85 deg 30 min West, a distance of 145.3 varas to a point,  
North 42 deg 30 min West, a distance of 295.1 varas to a point,  
North 77 deg 00 min West, a distance of 40.0 varas to a point,  
North 24 deg 40 min West, a distance of 106.3 varas to a point,  
North 33 deg 00 min West, a distance of 300.0 varas to a point,  
North 27 deg 57 min West, a distance of 109.2 varas to a point,  
North 20 deg 00 min West, a distance of 147.8 varas to a point,

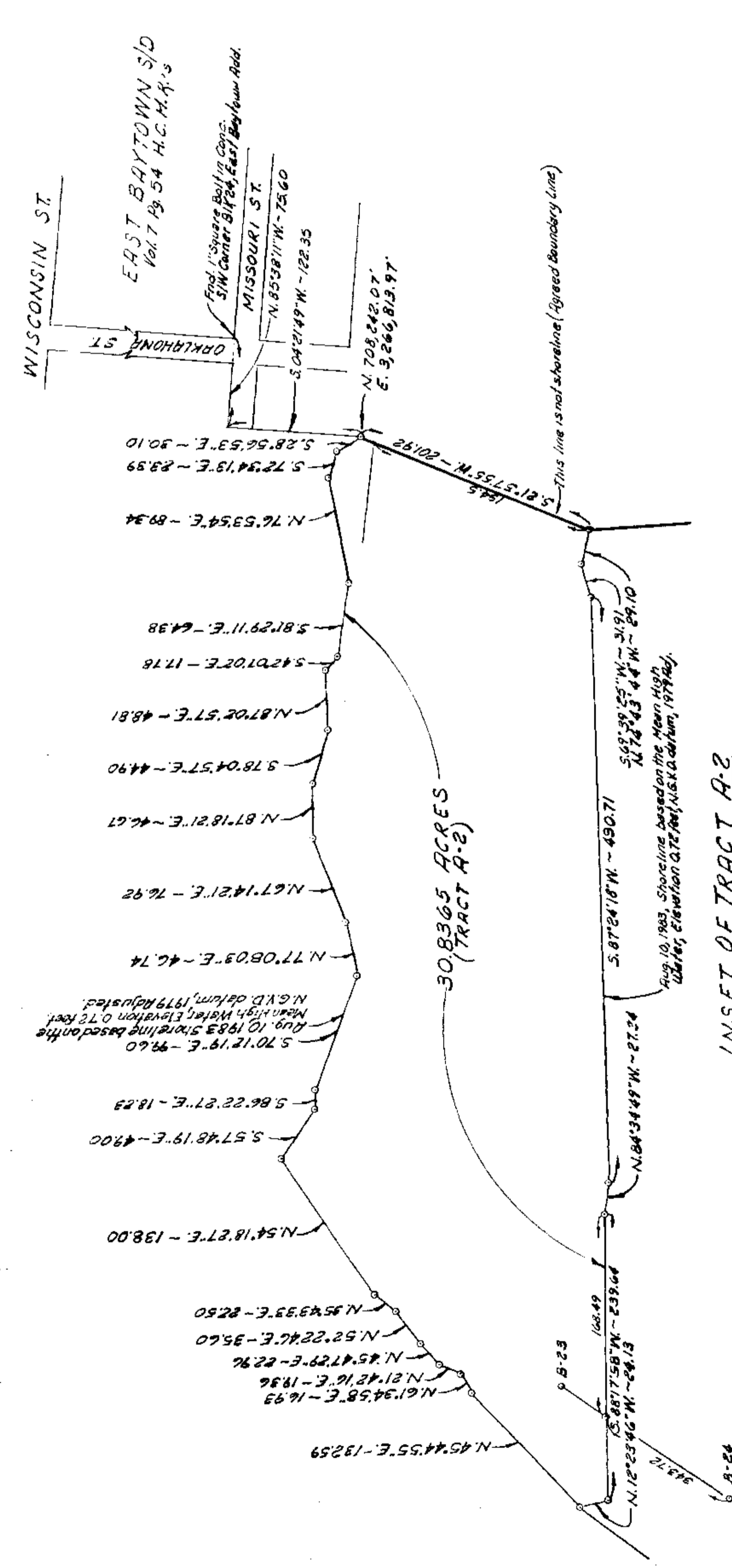
EXHIBIT "A"

North 37 deg 36 min West, a distance of 307.5 varas to a point,  
North 08 deg 30 min West, a distance of 216.0 varas to a point,  
North 24 deg 40 min East, a distance of 163.0 varas to a point,  
North 39 deg 00 min East, a distance of 100.0 varas to a point,  
North 54 deg 10 min East, a distance of 114.4 varas to the PLACE OF  
BEGINNING and containing 355.4 acres of land, more or less.

Harris Co.  
Sketch File 100

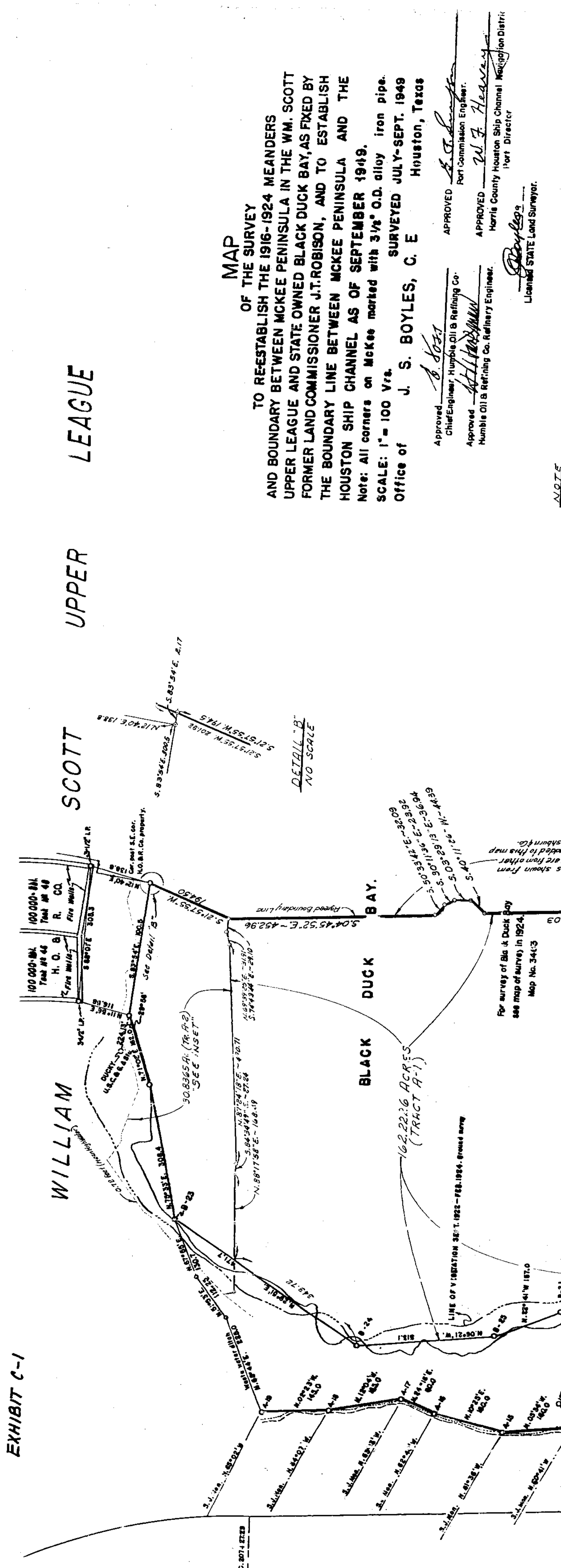
Partial list of Easements  
Affecting Spilman Island

1. R-O-W; vol. 998, page 105 Deed Records of Harris Co.  
1.66 ac to U.S.A. for channel improvements 6/8/36
2. R-O-W; vol. 1961, page 107 " " " "  
0.344 ac to U.S.A. for channel improvements 6/3/49
3. R-O-W; vol. 1964, page 198 HCDR  
12.437 ac. to State for Hwy 146 7/20/49
4. R-O-W; vol 7430, page 397  
r-o-w to H&P 12/4/66
5. R-O-W, vol. 205, page 53~
6. R-O-W, vol. 7284, page 588
7. R-O-W; vol. 7430 page 397
8. R-O-W; vol. 8342 page 455
9. vol 8397 page 216
10. vol 8443 page 175
11. vol 8367 page 134
12. vol 8401 page 96
13. vol 8326 page 290



**EXHIBIT C-1**

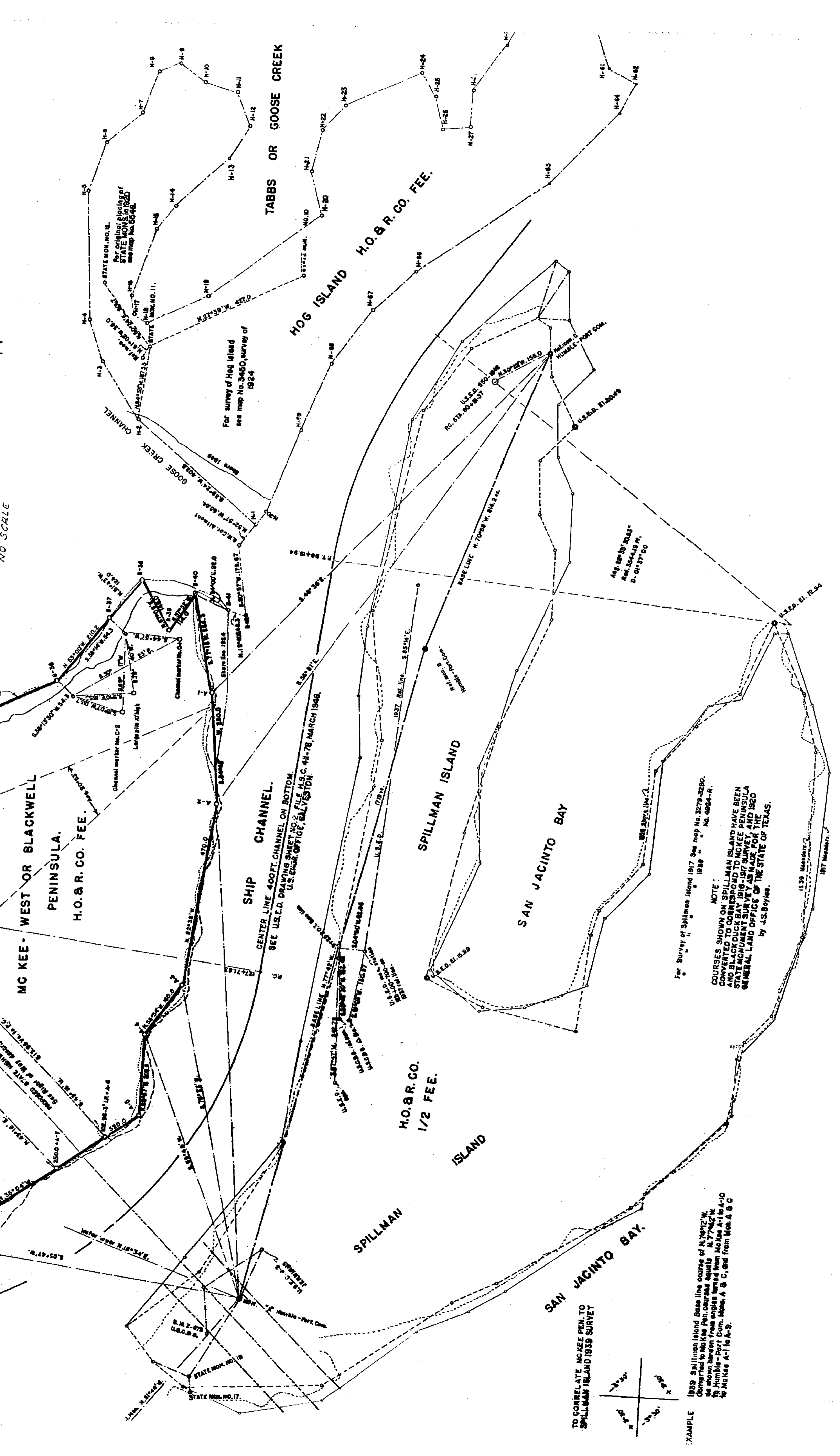
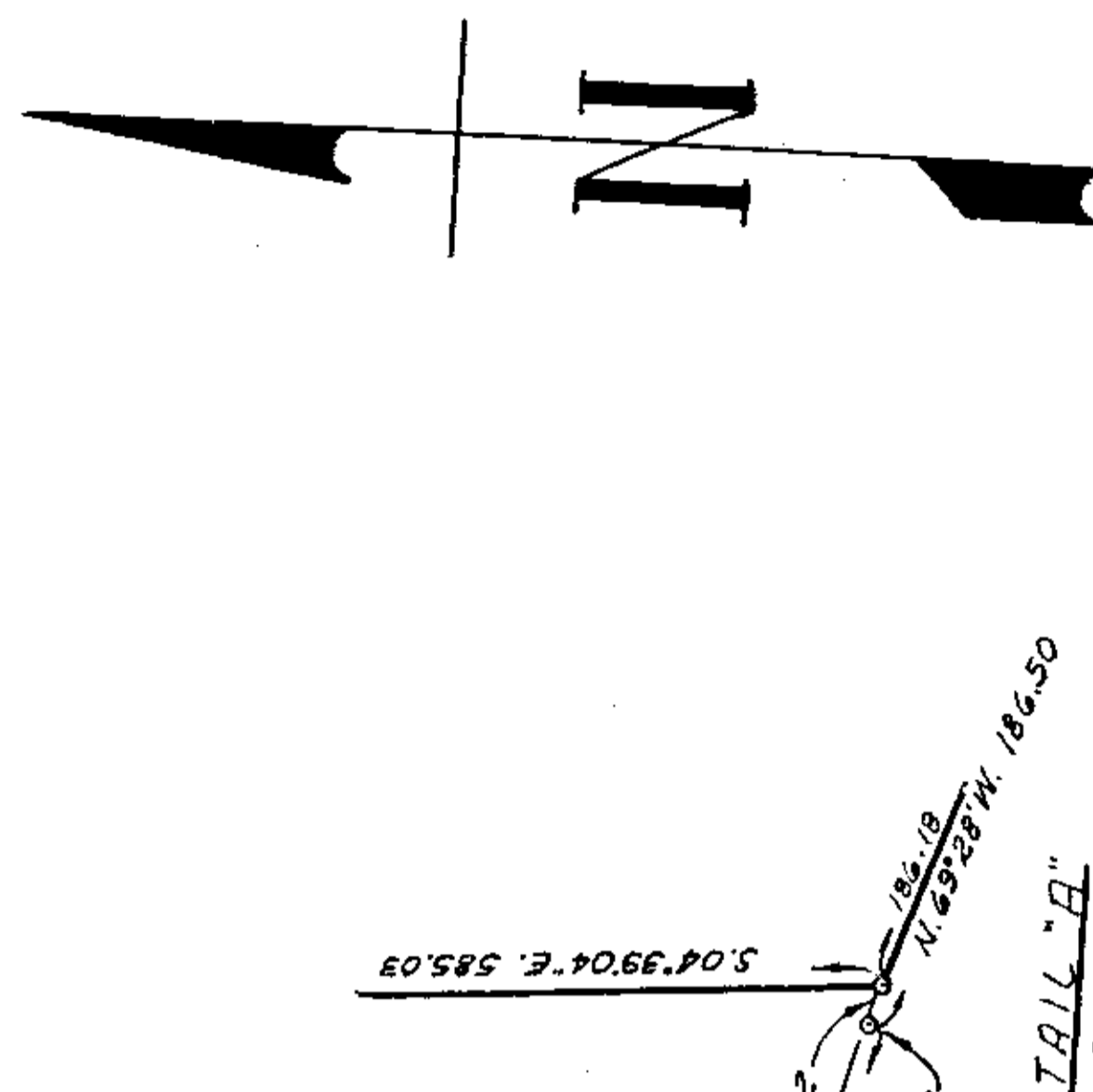
WILLIAM SCOTT UPPER LEAGUE



**MAP**  
 TO RE-ESTABLISH THE 1916-1924 MEANDERS  
 AND BOUNDARY BETWEEN MCKEE PENINSULA IN THE WM. SCOTT  
 UPPER LEAGUE AND STATE OWNED BLACK DUCK BAY AS PAVED BY  
 FORMER LAND COMMISSIONER J.T. ROBISON, AND TO ESTABLISH  
 THE BOUNDARY LINE BETWEEN MCKEE PENINSULA AND THE  
 HOUSTON SHIP CHANNEL AS OF SEPTEMBER 1949.  
 Note: All corners on McKee marked with 3/4" O.D. alloy iron pipe.  
 SCALE: 1" = 100 Yrs.  
 SURVEYED JULY-SEPT. 1949  
 Office of J. S. BOYLES, C. E. Houston, Texas

Approved: *[Signature]*  
 Chief Engineer, Humble Oil & Refining Co.  
 Approved: *[Signature]*  
 Humble Oil & Refining Co., Refinery Engineer.  
 Approved: *[Signature]*  
 Harris County Houston Ship Channel Navigation District  
 Port Director  
 Approved: *[Signature]*  
 Port Commission Engineer  
 Approved: *[Signature]*  
 Harris County Houston Ship Channel Navigation District  
 Port Director  
 Licensed State Land Surveyor.

**NOTE:**  
 This map was prepared on Sept. 21, 1949 by *[Signature]*  
 to show that the 1916-1924 meander boundary line  
 is correct.  
*[Signature]*  
 Registered Professional Land Surveyor - No. 1623



**NOTE:**  
 COURSES SHOWN ON SPILLMAN ISLAND HAVE BEEN  
 CONVERTED TO CORRELATE WITH MCKEE PENINSULA  
 STATE LAND SURVEY BY JAMES M. WOODRUFF AND WED  
 GENERAL LAND OFFICE OF THE STATE OF TEXAS  
 BY J.S. BOYLES.

TO CORRELATE MCKEE PENINSULA TO  
 SPILLMAN ISLAND 1939 SURVEY



Harris Co. Sketch File 100

SHOWING SURVEY OF SPILLMAN ISLAND TO REPLACE THE 1917 SHORE LINE IN CASE OF FUTURE FILLING. LOCATED IN HARRIS COUNTY, TEXAS. SCALE 1"=100 VARAS. DATE JULY & AUGUST 1939. FIELD BOOK VOL. Z-5, PG. 131. OFFICE OF J.S. BOYLES C.E. HOUSTON, TEXAS. HUMBLE OIL & REFINING COMPANY

*J.S. Boyles*  
Chief Engineer

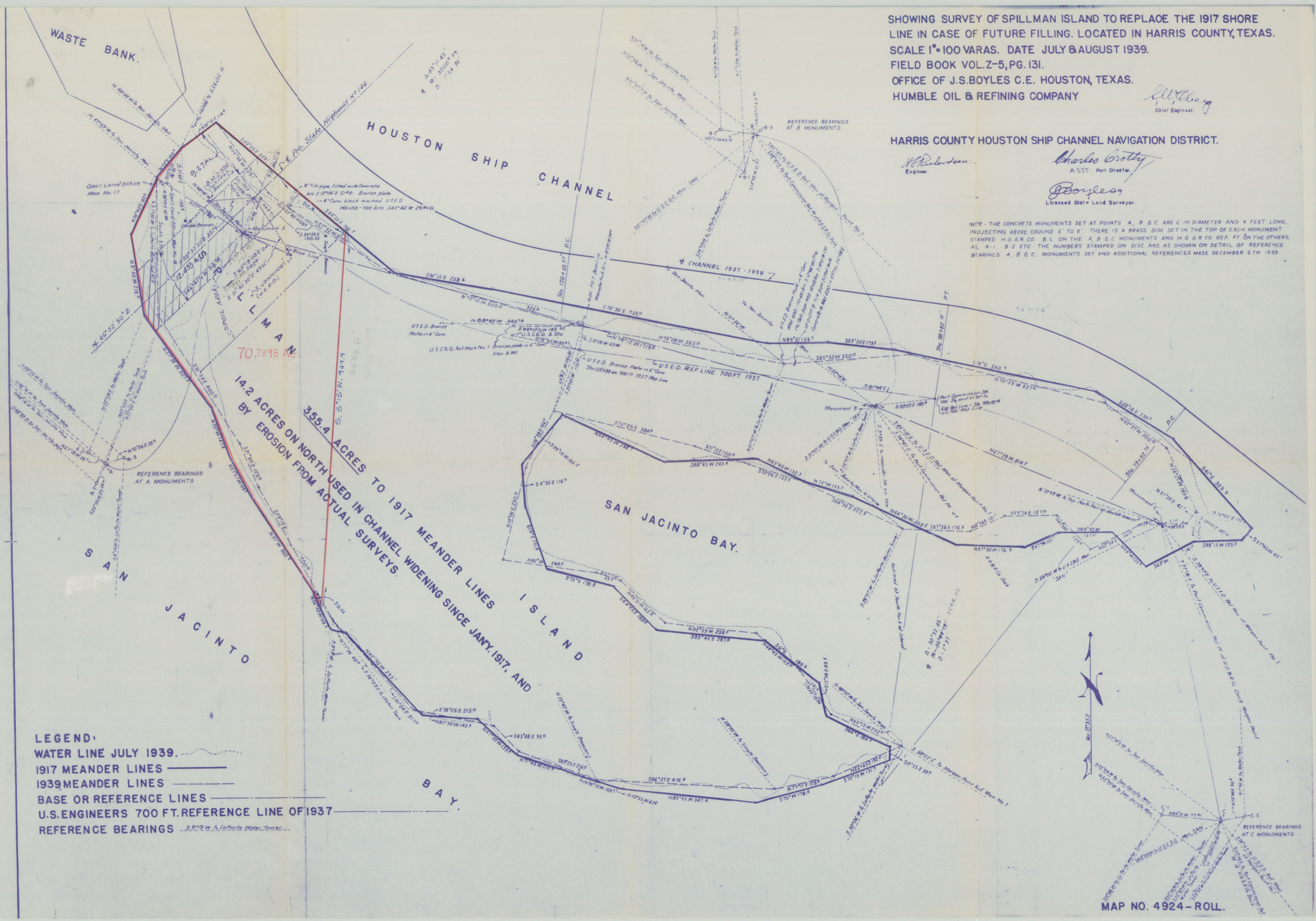
HARRIS COUNTY HOUSTON SHIP CHANNEL NAVIGATION DISTRICT.

*H. Robertson*  
Engineer

*Charles Croft*  
ASST. Port Director

*J.S. Boyles*  
Licensed State Land Surveyor

NOTE - THE CONCRETE MONUMENTS SET AT POINTS A, B & C ARE 6" IN DIAMETER AND 4 FEET LONG, PROJECTING ABOVE GROUND 6" TO 8". THERE IS A BRASS DISC SET IN THE TOP OF EACH MONUMENT STAMPED H.O. & R. CO. B.L. ON THE A, B & C MONUMENTS AND H.O. & R. CO. REF. PT. ON THE OTHERS, AS A-1, B-2 ETC. THE NUMBERS STAMPED ON DISC ARE AS SHOWN ON DETAIL OF REFERENCE BEARINGS A, B & C. MONUMENTS SET AND ADDITIONAL REFERENCES MADE DECEMBER 6TH 1939.

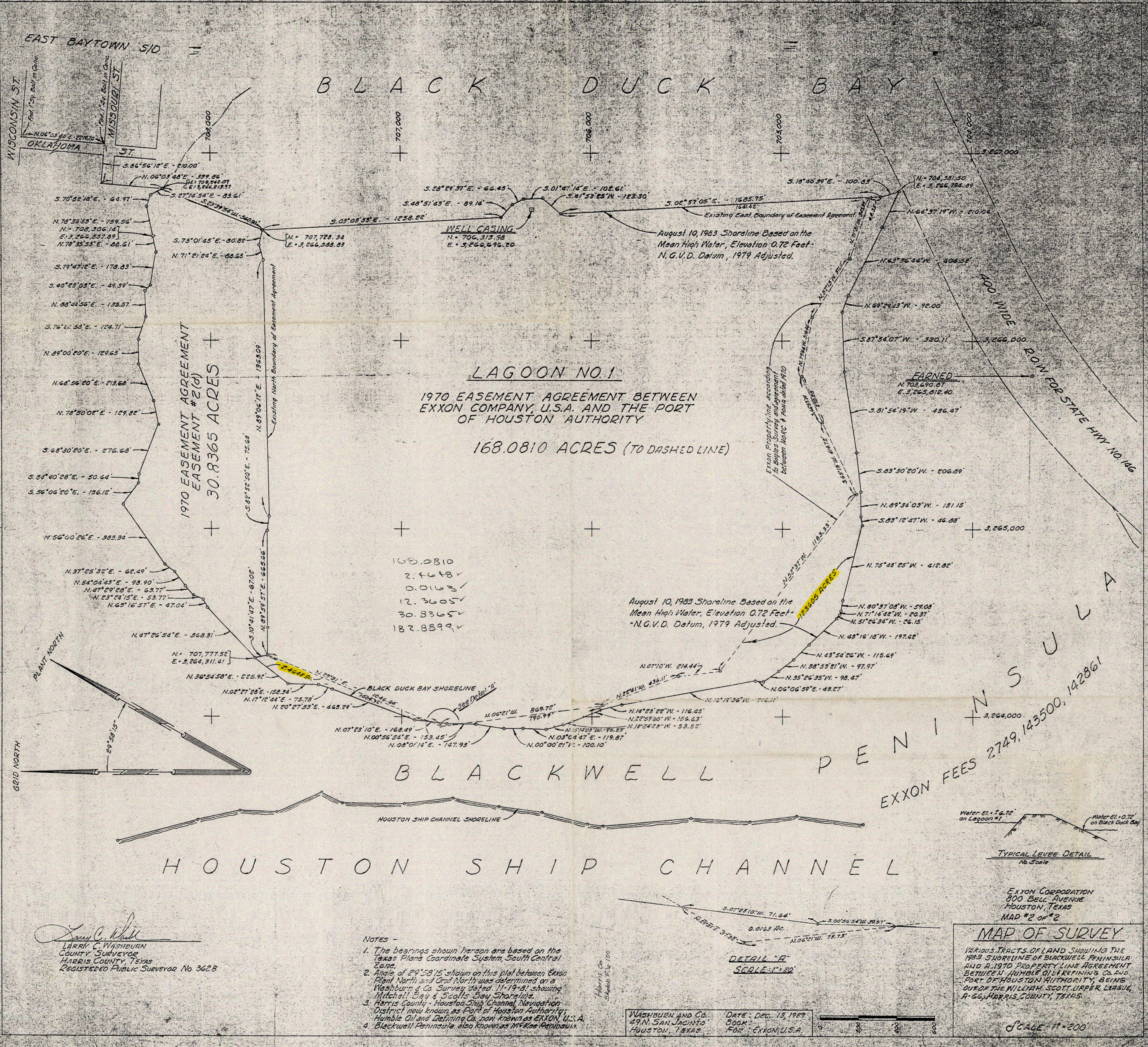


**LEGEND:**  
WATER LINE JULY 1939.   
1917 MEANDER LINES   
1939 MEANDER LINES   
BASE OR REFERENCE LINES   
U.S. ENGINEERS 700 FT. REFERENCE LINE OF 1937   
REFERENCE BEARINGS S. B. 79 W 1/4 LaPorte Water Tower



MAP NO. 4924-ROLL.

SKETCH FILE No. 100  
COUNTY HARRIS  
OVERSIZE (20x3)



1970 EASEMENT AGREEMENT  
EASEMENT #2(d)  
30.8365 ACRES

LAGOON NO. 1  
1970 EASEMENT AGREEMENT BETWEEN  
EXXON COMPANY, U.S.A. AND THE PORT  
OF HOUSTON AUTHORITY  
168.0810 ACRES (TO DASHED LINE)

168.0810
2.4648 ✓
0.0163 ✓
12.3605 ✓
30.8365 ✓
182.8899 ✓

LARRY C. WASHBURN  
COUNTY SURVEYOR  
HARRIS COUNTY, TEXAS  
REGISTERED PUBLIC SURVEYOR No. 3628

- NOTES -
- The bearings shown hereon are based on the Texas Plane Coordinate System, South Central Zone.
  - Angle of 29°58'15" shown on this plat between Exxon Plant North and Grid North was determined on a Washburn & Co. Survey dated 11-19-81 showing Mitchell Bay & Scott's Bay Shoreline.
  - Harris County - Houston Ship Channel Navigation District now known as Port of Houston Authority; Humble Oil and Refining Co. now known as EXXON, U.S.A.
  - Blackwell Peninsula also known as McKee Peninsula.

WASHBURN AND CO.  
49 N. SAN JACINTO  
HOUSTON, TEXAS

DATE: DEC. 13, 1989  
BOOK:  
FOR: EXXON, U.S.A.



EXXON CORPORATION  
800 BELL AVENUE  
HOUSTON, TEXAS  
MAP #2 OF #2

MAP OF SURVEY

VARIOUS TRACTS OF LAND SHOWING THE 1983 SHORELINE OF BLACKWELL PENINSULA AND A 1970 PROPERTY LINE AGREEMENT BETWEEN HUMBLE OIL REFINING CO. AND PORT OF HOUSTON AUTHORITY, BEING OUT OF THE WILLIAM SCOTT LIPPER LEASE, A-66, HARRIS COUNTY, TEXAS.

SCALE: 1" = 200'

M A P  
 SHOWING SURVEY OF SPILLMAN ISLAND TO REPLACE THE 1917 SHORE  
 LINE IN CASE OF FUTURE FILLING. LOCATED IN HARRIS COUNTY, TEXAS.  
 SCALE 1"=100 VARAS. DATE JULY & AUGUST 1939.  
 FIELD BOOK VOL. Z-5, PG. 131.  
 OFFICE OF J.S. BOYLES C.E. HOUSTON, TEXAS.  
 HUMBLE OIL & REFINING COMPANY

*W. C. Boyles*  
 Chief Engineer.

HARRIS COUNTY HOUSTON SHIP CHANNEL NAVIGATION DISTRICT.

*H. H. Richardson*  
 Engineer

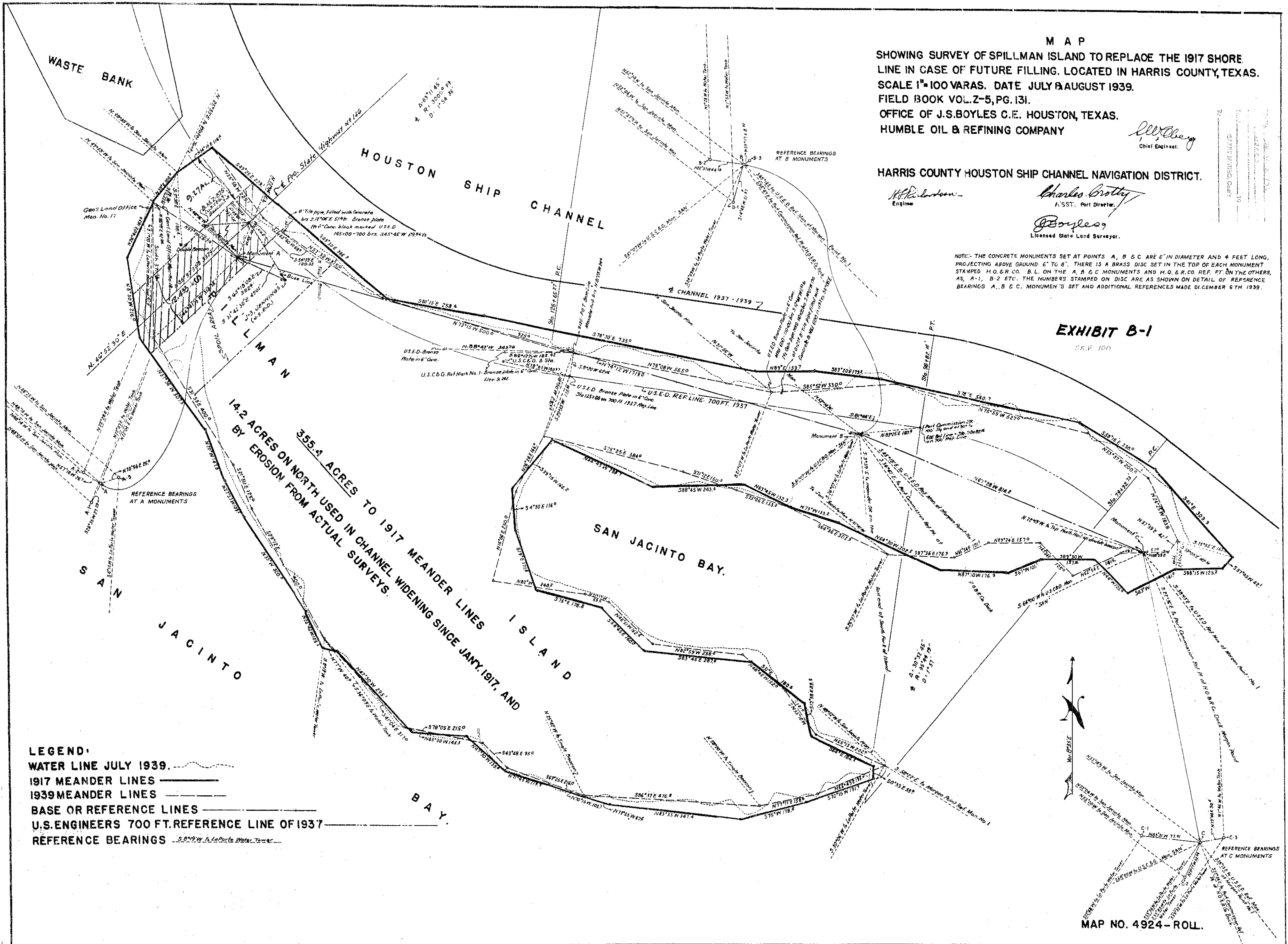
*Charles Brody*  
 A.S.S.T. Port Director.

*Boyles*  
 Licensed State Land Surveyor.

NOTE: THE CONCRETE MONUMENTS SET AT POINTS A, B & C ARE 6" IN DIAMETER AND 4 FEET LONG,  
 PROJECTING ABOVE GROUND 6" TO 8". THERE IS A BRASS DISC SET IN THE TOP OF EACH MONUMENT  
 STAMPED H.O. & R. CO. B.L. ON THE A, B & C MONUMENTS AND H.O. & R. CO. REF. PT. ON THE OTHERS,  
 AS A-1, B-2 ETC. THE NUMBERS STAMPED ON DISC ARE AS SHOWN ON DETAIL OF REFERENCE  
 BEARINGS A, B & C. MONUMENTS SET AND ADDITIONAL REFERENCES MADE DECEMBER 6TH 1939.

EXHIBIT B-1

CK.F. 100



LEGEND:  
 WATER LINE JULY 1939. ———  
 1917 MEANDER LINES ———  
 1939 MEANDER LINES ———  
 BASE OR REFERENCE LINES ———  
 U.S. ENGINEERS 700 FT. REFERENCE LINE OF 1937 ———  
 REFERENCE BEARINGS ———

MAP NO. 4924-ROLL.

STF-1197

EXHIBIT C-3

SCOTT'S

Ex. C-3

BAY

MITCHELL

NOTES:

1. The bearings shown hereon are based on the Texas Plane Coordinate System, South Central Zone.
2. Convert bearings from Texas Plane to Plant Coordinate System by adding Texas Plane Bearing  $29^{\circ}56'15''$  Counter-Clockwise.

GRID NORTH

PLANT NORTH

$29^{\circ}56'15''$

2,563,000

715,000

N.  $02^{\circ}36'35''$  W. - 36.70

N.  $41^{\circ}17'40''$  E. - 22.85

N.  $14^{\circ}44'26''$  W. - 175.33

N.  $35^{\circ}59'14''$  W. - 121.15

N.  $09^{\circ}56'59''$  E. - 50.11

N.  $12^{\circ}44'45''$  W. - 310.51

PRESENT SHORELINE

714,000

N.  $07^{\circ}55'25''$  W. - 194.57

713,000

N.  $32^{\circ}45'18''$  W. - 226.75

712,000

N.  $08^{\circ}52'15''$  W. - 252.05

N.  $48^{\circ}32'14''$  W. - 92.16

End Chain Link Fence Cor with  
2" I.P. (3.0" North, 4.0" West) and  
1/4" I.P. (0.85" North & 1.15" East)

N.  $10^{\circ}14'52''$  E. - 220.52

DAVID R.M. -  
N.  $7^{\circ}13'55''$  W. - 100  
E.  $3^{\circ}20'04''$  E. - 342  
N.  $25^{\circ}11'12''$  W. - 259.12  
N.  $20^{\circ}57'21''$  W. - 264.55

N.  $14^{\circ}56'34''$  W. - 264.55

N.  $45^{\circ}10'21''$  W. - 124.32

N.  $29^{\circ}15'18''$  W. - 309.91

N.  $35^{\circ}18'24''$  W. - 212.51

N.  $08^{\circ}52'15''$  W. - 252.05

N.  $48^{\circ}32'14''$  W. - 92.16

7111.88905  
E. 8,801,016.355

This is a Sketch File 100  
Exhibit Harris  
Filed April 12  
1987  
By *Barbara Howard*

MAP OF SURVEY OF  
THE BOUNDARY OF SCOTT'S BAY AS  
BASED ON MEAN HIGH WATER  
HAVING AN ELEVATION OF 0.72 FT.  
(M.G.V.D., 1979 ADJ.) IN HARRIS  
COUNTY, TEXAS.

SCALE: 1"=200'

LARRY C. MITCHELL  
LARRY C. MITCHELL  
COUNTY SURVEYOR  
HARRIS COUNTY, TEXAS  
REG. PUBLIC SURVEYOR No. 3428  
DEC. 13, 1989