JACKSON COUNTY NAVIGATION DISTRICT

Gary W. Olson, Chairman Clarence Schomburg, Commissioner Robert Shoemate, Commissioner Raymond Butler, General Manager

POLICY ON PIPELINE EASEMENTS AND RENEWAL DRAFT OF 07/15/16 W.R. Butler, General Manager

The Jackson County Navigation District (JCND) is authorized to administer and collect fees for all pipeline easements that cross its property within the boundaries of the bottom lands of Navidad/Lavaca Rivers in Jackson County, Texas, as described in a Deed of Sale from the State of Texas to the Jackson County Navigation District dated October 31, 1966, and recorded in Volume 35-B, page 171, of the Deed Records of the State of Texas.

ORIGINAL EASEMENTS

The JCND requires that all prospective Grantees contact the General Manager of the District prior to any construction taking place on its property. The General Manager may be reached at cell phone 713-882-9750, or via email at wrbutler@comcast.net.

All easements for right-of-way on the above property administered by anyone other than the JCND after the date of the October 1966 State of Texas sale of property to JCND are null and void. The State of Texas has acknowledged this fact and declared previous such easements formerly issued by it to be invalid.

Standard Term for all easements is an initial ten (10) years, followed by a ten (10)-year renewal. Other terms are negotiable.

Commissioners of the JCND set all fees and conditions for easements and approving others to cross its property with pipelines and other structures requiring right-of-access. In setting fees for pipeline right-of-way easements, Commissioners will consider:

- 1. Current Market Value of similar easements in the area,
- 2. Any delinquency in establishing the initial easement,
- 3. Length and diameter of the pipeline,
- 4. Material transported.
- 5. Cooperation of the pipeline owner in establishing the easement.

Each pipeline will be considered independently regardless of whether it is "bundled" with multiple lines or located geographically within an adjacent easement.

Unless special conditions arise, the Chairman is authorized to negotiate the terms of all easements. The General Manager is not authorized to conduct negotiations on terms of easements, and will only recommend to the Commissioners.

EASEMENT RENEWAL

Documentation of pipeline easement renewal will be drafted referring to the terms of the original easement and stating the period for which the renewed easement is valid. Unless otherwise specified the renewed easement will be for a term of ten (10) years.

JACKSON COUNTY NAVIGATION DISTRICT

Fee for the renewed easement will be set by the Commissioners at time of renewal for each individual easement considering the current market value of similar easements, any issues which may have come up during the easement period, cooperation and adherence to the existing easement terms by the Grantee, and any other pertinent facts which the Commissioners consider to impact the renewal fee.

Current renewal fee for all compliant pipeline easements is one dollar per inch of diameter, per foot of length.

Renewals will only be considered by the JCND for those easements that have not been violated or broken by any period of delinquency. If a period of delinquency or violation of the easement terms exists, the Commission will set the fee for the easement as if it were an original. Unless otherwise specified, the period for a pipeline right-of-way original easement will be ten (10) years.

This policy, regarding renewal of existing pipeline right-of-way easements, is hereby approved by the Jackson County Navigation District (JCND), on July 21, 2016.

Secretary of the JCND

Date 7-21-16

Date 7/21/16

APPROVED: