Number OWNER'S TITLE INSURANCE POLICY

STEWART TITLE

GUARANTY COMPANY

STEWART TITLE GUARANTY COMPANY, a Corporation of Galveston, Texas, herein called the Company, for a valuable consideration hereby insures THE UNITED STATES OF AMERICA, hereinafter called the Insured, against loss or damage not exceeding TWO MILLION SIX HUNDRED THOUSAND 00/100 - $2,600,000.00 Dollars, together with costs and expenses which the company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the Insured shall sustain by reason of:

any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A hereof, not shown or referred to in Schedule B or excluded from coverage by the General Exceptions;

all subject, however, to the provisions of Schedule B, the General Exceptions and to the Conditions and Stipulations hereof, this policy is dated May , 1998 , the effective date of this policy.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, but this policy shall not be valid or binding until it is countersigned by an authorized signatory.

Countersigned:

John Robert Bruns

Authorized Countersignature

STEWART TITLE
GUARANTY COMPANY

Carlos Morris
Chairman of the Board

Stewart Morris
President

Amount $ 2,600,000.00

1. The estate or interest in the land described in Schedule A covered by this policy is:
   TRACTS I and II: FEE S
   TRACT III: EASEMENT ES
2. Title to the estate or interest covered by this policy is vested in:
   THE UNITED STATES OF A 1 Judgment of Condemnation
   recorded May 22, 1998 682 of the (*see below...
3. The land referred to in this Policy is situated in the Counties of Nueces & San Patricio Counties, State of Texas and is described as follows:

SEE ATTACHED "

Sanctity of Contract

SCHEDULE B

This policy does not insure against loss or damage by reason of the following:

SPECIAL EXCEPTIONS:

1. Restrictive covenants affecting the property above described.
2. Current and delinquent taxes and assessments as follows: Subject to Current Taxes for the year 1998 and subsequent years.

SEE ATTACHED "EXHIBIT "B" FOR CONTINUATION OF SPECIAL EXCEPTIONS.

*continued from above. Official Public Records of Nueces County, Texas, and under # 462380 of the Real Property Records of San Patricio County, Texas.

CONTINUED ON REVERSE SIDE HEREOF

POLICY SERIAL NUMBER USO 15596 -T

In writing the Company, please refer to the printed Policy Serial Number

881a

Fuel

3. The following liens: NONE

GENERAL EXCEPTIONS:

1. GOVERNMENTAL POWERS.—Because of limitations imposed by law on ownership and use of property, or which arise from governmental powers, this policy does not insure against:

(a) consequences of the future exercise or enforcement or attempted exercise or enforcement of police power, bankruptcy power, or power of eminent domain under any existing or future law or governmental regulation; (b) consequences of any law, ordinance or governmental regulation, now or hereafter in force, (including building and zoning ordinances) limiting or regulating the use or enjoyment of the property, estate or interest described in Schedule A, or the character, size, use or location of any improvement now or hereafter erected on said property.

2. MATTERS NOT OF RECORD.—The following matters which are not of record at the date of this policy are not insured against:

(a) rights or claims of parties in possession not shown of record; (b) questions of survey; (c) easements, claims of easement or mechanics' liens where no notice thereof appears of record; and (d) conveyances, agreements, defects, liens or encumbrances, if any, where no notice thereof appears of record; provided, however, the provisions of this subparagraph 2(d) shall not apply if title to said estate or interest is vested in the United States of America on the date hereof.

3. MATTERS SUBSEQUENT TO DATE OF POLICY.—This policy does not insure against loss or damage by reason of defects, liens or encumbrances created subsequent to the date hereof.

4. REFUSAL TO PURCHASE.—This policy does not insure against loss or damage by reason of the refusal of any person to purchase, lease or lend money on the property, estate or interest described in Schedule A.

CONDITIONS AND STIPULATIONS

NOTICE OF ACTIONS: 1. If any action or proceeding shall be begun or defense asserted which may result in an adverse judgment or decree resulting in a loss for which this Company is liable under this policy, notice in writing of such action or proceeding or defense shall be given by the Attorney General to this Company within 90 days after notice of such action or proceeding or defense has been received by the Attorney General; and upon failure to give such notice then all liability of this Company with respect to the defect, claim, lien or encumbrance asserted or enforced in such action or proceeding shall terminate. Failure to give notice, however, shall not prejudice the rights of the party insured, (1) if the party insured shall not be a party to such action or proceeding, or (2) if such party, being a party to such action or proceeding be neither served with summons therein nor have actual notice of such action or proceeding, or (3) if this Company shall not be prejudiced by failure of the Attorney General to give such notice.

NOTICE OF WRITS: 2. In case knowledge shall come to the Attorney General of the issuance or service of any writ of execution, attachment or other process to enforce any judgment, order or decree adversely affecting the title, estate or interest insured said party shall notify this Company thereof in writing within 90 days from the date of such knowledge; and upon a failure to do so, then all liability of this Company in consequence of such judgment, order or decree or matter thereby adjudicated shall terminate unless this Company shall not be prejudiced by reason of such failure to notify.

DEFENSE OF CLAIMS: 3. This Company agrees, but only at the election and request of the Attorney General of the United States, to defend at its own cost and expense the title, estate or interest hereby insured in all actions or other proceedings which are founded upon or in which it is asserted by way of defense, a defect, claim, lien or encumbrance against which this policy insured, provided, however, that the request to defend is given within sufficient time to permit the Company to answer or otherwise participate in the proceeding. If any action or proceeding shall be begun or defense be asserted in any action or proceeding affecting or relating to the title, estate or interest hereby insured and the Attorney General elects to defend at the Government's expense, the Company shall upon request, cooperate and render all reasonable assistance in the prosecution or defense of such proceeding and in prosecuting appeals.

If the Attorney General shall fail to request and permit the Company to defend, then all liability of the Company with respect to the defect, claim, lien or encumbrance asserted in such action or proceeding shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest such defenses and actions as it shall conceive should be taken and the Attorney General shall present the defenses and take the actions of which the Company shall advise him in writing, then the liability of the Company shall continue; but in any event the Company shall permit the Attorney General without cost or expense to use the information and facilities of the Company for all purposes which he thinks necessary or incidental to the defending of any such action or proceeding or any claim asserted by way of defense therein and to the prosecuting of an appeal.

COMPROMISE OF ADVERSE CLAIMS: 4. Any compromise, settlement or discharge by the United States or its duly authorized representative of an adverse claim, without the consent of this Company shall bar any claim against the Company hereunder; provided, however, that the Attorney General may at his election submit to the issuing company for approval or disapproval any proposed compromise, settlement or discharge of any adverse claim and in the event of the consent of the issuing company to the proposed compromise, settlement or discharge it shall be liable for the payment of the full amount paid.

STATEMENT OF LOSS: 5. A statement in writing of any loss or damage sustained by the party insured, and for which it is claimed this Company is liable under this policy, shall be furnished by the Attorney General to this Company within 90 days after said party has notice of such loss or damage and no right of action shall accrue under this policy until 30 days after such statement shall have been furnished. No recovery shall be had under this policy unless suit be brought thereon within one year after said period of 30 days. Failure to furnish such statement of loss or to bring such suit within the times specified shall not affect the Company's liability under this policy unless this Company has been prejudiced by reason of such failure to furnish a statement of loss or to bring such suit.

POLICY REDUCED BY PAYMENTS OF LOSS: 6. All payments of loss under this policy shall reduce the amount of this policy pro tanto.

AMENDMENT OF POLICY: 7. No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, an Assistant Secretary or other validating officer of the Company.

NOTICES, WHERE SENT: 8. All notices required to be given the Company and any statement in writing requried to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77001.

EXHIBIT A
LEGAL DESCRIPTION OF LAND

GF No. 96010003

TRACT I (Nueces County, Texas) (Fee Simple)

Being a 105.477 acre tract of land out of a 171.74 acre tract of submerged lands situated in Nueces County, Texas and recorded in Volume 179, Page 201, Deed Records of San Patricio County, Texas and also being recorded in Volume 1516, Page 115, Deed Records of Nueces County, Texas; said 171.74 acre tract embracing a portion of the State of Texas submerged tracts Nos. four (4) and Five (5) in Corpus Christi Bay, lying Southwest of the Northeast shoreline of Corpus Christi Bay, between the Southerly shoreline of Donnel Point and a Southwesterly extension of a line from the head of Kinney Bayou, and Northeast of a line crossing Corpus Christi Bay in a general Northwesterly-Southeasterly direction and referred to as the Nueces County Navigation District North Bulkhead line, said 105.477 acre tract being described more particularly by metes and bounds to wit:

BEGINNING at a point (1983 North American Datum-State Plane Coordinates North= 17,196,796.70 East= 1,393835.03) for the intersection point of the Northwest boundary line of the Jewel Fulton Channel and the Northeasterly boundary line of the La Quinta Channel, the most Southerly corner of the said 171.74 acre tract of submerged lands and the POINT OF BEGINNING;

THENCE North 23° 45' 14" West, with said Northeasterly boundary line of the La Quinta Channel, same being the most Southwesterly boundary line of the said 171.74 acre tract of submerged lands, a distance of 3,043.35 feet to a point for a corner of this tract;

THENCE North 66° 14' 46" East, leaving said Northeasterly boundary line of the La Quinta Channel, a distance of 873.41 feet to a point on the shoreline as surveyed by this office on September 19, 1995 for the North corner of this tract;

THENCE with the above stated shoreline as follows:

South 40° 45' 57" East	26.01 feet;
South 45° 55' 27" East	109.54 feet;
South 48° 23' 59" East	153.93 feet;
South 48° 18' 27" East	114.14 feet;
South 42° 24' 18" East	130.74 feet;
South 02° 38' 35" East	75.15 feet;
South 27° 15' 19" East	53.87 feet;
South 52° 30' 43" East	135.25 feet;
South 64° 17' 47" East	55.94 feet;
South 56° 13' 00" East	89.85 feet;
South 51° 59' 43" East	116.47 feet;
South 43° 01' 54" East	63.68 feet;
South 35° 13' 18" East	83.12 feet;

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South 49° 52' 21" East 118.62 feet;
South 56° 10' 30" East 76.60 feet;
South 68° 10' 31" East 73.10 feet;
South 83° 30' 03" East 60.05 feet;
South 87° 38' 50" East 77.19 feet;
North 76° 32' 51" East 152.96 feet;
North 71° 01' 23" East 72.00 feet;

THENCE South 77° 44' 17" East, a distance of 74.62 feet to a point on the water side face of an existing Bulkhead for a point on the above stated shoreline;

THENCE with said bulkhead face as follows:

South 16° 38' 48" West 4.26 feet;
South 73° 21' 12" East 26.53 feet;
South 31° 00' 04" East 8.46 feet;
South 38° 18' 14" East 39.29 feet;
South 38° 08' 47" East 49.61 feet;
South 75° 34' 13" East 177.89 feet;
South 22° 28' 41" East 12.82 feet;
South 69° 04' 24" East 165.55 feet;
South 81° 59' 49" East 52.82 feet;
South 85° 12' 23" East 50.10 feet;
North 84° 08' 13" East 38.27 feet;
North 51° 49' 43" East 12.33 feet;

Thence leaving said bulkhead face as follows:

South 56° 59' 13" East 117.56 feet;
South 61° 49' 04" East 102.82 feet;
South 60° 47' 13" East 73.69 feet;
South 76° 33' 10" East 73.23 feet;
North 81° 18' 50" East 61.57 feet;
North 58° 54' 48" East 97.57 feet;
North 55° 59' 27" East 60.34 feet;

THENCE South 39° 18' 50" East, leaving said shoreline, a distance of 126.63 feet for a point on the Northwest boundary line of Jewel Fulton Channel, the Southeast line of the said 171.74 acre tract and the most Easterly corner of this tract;

THENCE South 50° 41' 10" West, with said Northwest boundary line of the Jewel Fulton Channel, a distance of 2862.85 feet to the POINT OF BEGINNING and containing 105.477 acres (4,594,575 square feet) of land more or less;

Bearings were based on the 1983 North American Datum, Coordinates were based on State Plane Coordinate System.

TRACT II (San Patricio County, Texas) (Fee Simple)

Being a 46.349 acre tract of land out of the T.T. Williamson Survey A-295, the T.T. Williamson Survey A-292 and a 171.74 acre tract of submerged lands recorded in Volume 179, Page 201 Deed Records of San Patricio County, Texas and being described more particularly

Continued on next page

by metes and bounds to wit:

COMMENCING at a point (1983 North American Datum- State Plane Coordinates North= 17,196,796.70 East= 1,393835.03 for the intersectio point of the Northwest boundary line of the Jewel Fulton Channel and the Northeasterly boundary line of the La Quinta Channel, the most Southerly corner of the said 171.74 acre tract of submerged lands and the POINT OF COMMENCEMENT;

THENCE North 23° 45' 14" West, with said Northeasterly boundary line of the La Quinta Channel, same being the most Southwesterly boundary line of the said 171.74 acre tract of submerged lands, a distance of 3,043.35 feet to a point;

THENCE North 66° 14' 46" East, leaving said Northeasterly boundary line of the La Quinta Channel, a distance of 873.41 feet to a point (1983 North American Datum- State Plane Coordinates North= 17,199,934.02 East= 1,393408.57) on the shoreline as surveyed by this office on September 19, 1995 for the Southwest corner of this tract and the POINT OF BEGINNING;

THENCE North 66° 14' 46" East, at 100.00 feet a 5/8 inch iron rod set for reference, in all a distance of 1,250.93 feet to a 5/8 inch iron rod set for the North corner of this tract;

THENCE South 39° 18' 50" East, at a distance of 2,135.33 feet pass a 5/8 inch iron rod set for reference, in all a distance of 2,235.33 feet to a point on the shoreline as surveyed by this office on September 19, 1995 and the most Easterly corner of this tract;

THENCE with the above stated shoreline as follows:

South 55° 59' 27" West 60.34 feet;
South 58° 54' 48" West 97.57 feet;
South 81° 18' 50" West 61.57 feet;
North 76° 33' 10" West 73.23 feet;
North 60° 47' 13" West 73.69 feet;
North 61° 49' 04" West 102.82 feet;

THENCE North 56° 59' 13" West, a distance of 117.56 feet to a point on the water side face of an existing Bulkhead for a point on the above stated shoreline:

South 51° 49' 43" West 12.33 feet;
South 84° 08' 13" West 38.27 feet;
North 85° 12' 23" West 50.10 feet;
North 81° 59' 49" West 52.82 feet;
North 69° 04' 24" West 165.55 feet;
North 22° 28' 41" West 12.82 feet;
North 75° 34' 13" West 177.89 feet;
North 38° 08' 47" West 49.61 feet;
North 38° 18' 14" West 39.29 feet;
North 31° 00' 04" West 8.46 feet;

THENCE leaving said bulkhead face as follows:

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North 73°	21'	12"	West	26.53 feet;
North 16°	38'	48"	East	4.26 feet;
North 77°	44'	17"	West	74.62 feet;
South 71°	01'	23"	West	72.00 feet;
South 76°	32'	51"	West	152.96 feet;
North 87°	38'	50"	West	77.19 feet;
North 83°	30'	03"	West	60.05 feet;
North 68°	10'	31"	West	73.10 feet;
North 56°	10'	30"	West	76.60 feet;
North 49°	52'	21"	West	118.62 feet;
North 35°	13'	18"	West	83.12 feet;
North 43°	01'	54"	West	63.68 feet;
North 51°	59'	43"	West	116.47 feet;
North 56°	13'	00"	West	89.85 feet;
North 64°	17'	47"	West	55.94 feet;
North 52°	30'	43"	West	135.25 feet;
North 27°	15'	19"	West	53.87 feet;
North 02°	38'	35"	West	75.15 feet;
North 42°	24'	18"	West	130.74 feet;
North 48°	18'	27"	West	114.14 feet;
North 48°	23'	59"	West	153.93 feet;
North 45°	55'	27"	West	109.54 feet;

THENCE North 40° 45' 57" West, continuing with said shoreline, a distance of 26.01 feet to the POINT OF BEGINNING and containing 46.349 acres (2,018,956 square feet) of land more or less;

Bearings were based on the 1983 North American Datum, Coordinates were based on State Plane Coordinate System.

TRACT III (San Patricio County, Texas) (Easement Estate)

Being a 3.639 acre tract of land out of the T. T. Williamson Survey A-295 and being described more particularly by metes and bounds to wit:

COMMENCING at a point (1983 North American Datum-State Plane Coordinates North= 17,196,796.70 East= 1,393,835.03) for the intersection point of the Northwest boundary line of the Jewel Fulton Channel and the Northeasterly boundary line of the La Quinta Channel, the most Southerly corner of a 171.74 acre tract of submerged lands recorded in Volume 179, Page 201 of Deed Records of San Patricio County, Texas and the POINT OF COMMENCEMENT;

THENCE North 50° 41' 10" East, with said Northwesterly boundary line of the Jewel Fulton Channel, same being the most Southeasterly boundary line of the said 171.74 acre tract of submerged lands, a distance of 4,544.66 feet to a point;

THENCE North 52° 18' 14" West, leaving said Northwesterly boundary line of the Jewel Fulton Channel, a distance of 216.07 feet to a point;

THENCE North 35° 43' 51" East, a distance of 294.00 feet to a point;

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THENCE North 05° 09' 09" West, a distance of 150.00 feet to a 5/8 inch iron rod found;

THENCE South 76° 41' 09" East, a distance of 480.00 feet to a concrete monument found for a point in the Northwesterly right-of-way line of F.M. Highway No. 1069;

THENCE North 15° 48' 51" East, with said Northwesterly right-of-way line of F.M. Highway No. 1069, a distance of 14.63 feet to 5/8 inch iron rod set (1983 North American Datum-State Plane Coordinates North= 17,200,100.05 East= 1,397809.91) for a corner of this tract and the POINT OF BEGINNING;

THENCE North 78° 21' 08" West, leaving said Northwesterly right-of-way line of F.M. Highway No. 1069, a distance of 716.96 feet to a 5/8 inch iron rod set for the point of curvature of a circular curve to the left whose radius point bears South 11° 38' 52" West at a distance of 343.95 feet and for a corner of this tract;

THENCE in an Westerly direction with said circular curve to the left, having a central angle of 53° 36' 54", a radius length of 343.95 feet, a chord bearing of South 74° 50' 24" West, a chord length of 310.24 feet, a tangent length of 173.80 feet, an arc distance of 321.85 feet to a 5/8 inch iron rod set for a corner of this tract;

THENCE South 48° 01' 57" West, a distance of 162.72 feet to a 5/8 inch iron rod set for the point of curvature of a circular curve to the right whose radius point bears North 41° 58' 03" West at a distance of 6,086.26 feet and for a corner of this tract;

THENCE in an Southwesterly direction with said circular curve to the right, having a central angle of 02° 49' 10", a radius of 6,086.26 feet, a chord bearing of South 49° 26' 32" West, a chord length of 299.47 feet, a tangent length of 149.78 feet an arc distance of 299.50 feet to a 5/8 inch iron rod set for the point of reverse curvature of a circular curve to the left whose radius point bears South 39° 08' 53" East at a distance of 2,958.28 feet and for a corner of this tract;

THENCE in a Southwesterly direction with said circular curve to the left, having a central angle of 05° 44' 50", a radius of 2,958.28 feet, a chord bearing of South 47° 58' 42" West, a chord length of 296.61 feet, a tangent length of 148.49 feet, an arc distance of 296.74 feet to a 5/8 inch iron rod set for the point of reverse curvature of a circular curve to the right whose radius point bears North 44° 53' 43" West at a distance of 33,873.57 feet and for a corner of this tract;

THENCE in an Southwesterly direction with said circular curve to the right, having a central angle of 01° 04' 41", a radius of 33,873.57 feet, a chord bearing of South 45° 38' 38" West, a chord length of 637.30 feet, a tangent length of 318.66 feet an arc distance of 637.31 feet to a 5/8 inch iron rod set

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for a corner of this tract;

THENCE South 46° 10' 58" West, a distance of 178.25 feet to a 5/8 inch iron rod set for a corner of this tract;

THENCE North 39° 18' 50" West, a distance of 60.19 feet to a 5/8 inch iron rod set for a corner of this tract;

THENCE North 46° 10' 58" East, a distance of 173.53 feet to a point on a circular curve to the left whose radius point bears North 43° 49' 02" West at a distance of 33,813.57 feet and for a corner of this tract;

THENCE in an Northeasterly direction with said circular curve to the left, having a central angle of 01° 04' 41", a radius of 33,813.57 feet, a chord bearing of North 45° 38' 38" East, a chord length of 636.17 feet, a tangent length of 318.10 feet an arc distance of 636.18 feet to a 5/8 inch iron rod set for the point of reverse curvature of a circular curve to the right whose radius point bears South 44° 53' 43" East at a distance of 3,018.28 feet and for a corner of this tract;

THENCE in an Northeasterly direction with said circular curve to the right, having a central angle of 05° 44' 50", a radius of 3,018.28 feet a chord bearing of North 47° 58' 42" East, a chord length of 302.63 feet, a tangent length of 151.51 feet, an arc distance of 302.76 feet to the point of reverse curvature of a circular curve to the left whose radius point bears North 39° 08' 53" West at a distance of 6,026.26 feet and for a corner of this tract;

THENCE in an Northeasterly direction with said circular curve to the left, having a central angle of 02° 49' 10", a radius of 6,026.26, a chord bearing of North 49° 26' 32" East, a chord length of 296.51 feet, a tangent length of 148.30 feet, an arc distance of 296.54 feet to a 5/8 inch iron rod set for a corner of this tract;

THENCE North 48° 01' 57" East, a distance of 162.72 feet to a 5/8 inch iron rod set for the point of curvature of a circular curve to the right whose radius point bears South 41° 58' 03" East at a distance of 403.95 feet and for a corner of this tract;

THENCE in an Northeasterly direction with said circular curve to the right, having a central angle of 53° 36' 54", a radius of 403.95 feet, a chord bearing of North 74° 50' 24" East, a chord length of 364.36 feet, a tangent length of 204.12 feet an arc distance of 378.00 feet to a 5/8 inch iron rod set for a corner of this tract;

THENCE South 78° 21' 08" East, a distance of 721.34 feet to a 5/8 inch iron rod set on the said Northwesterly right-of-way line of F.M. Highway No. 1069 for a corner of this tract;

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THENCE South 15° 48' 51" West, with said Northwesterly right-of-way line of F.M. Highway No. 1069, a distance of 60.16 feet to the POINT OF BEGINNING and containing 3.639 acres (158,532 square feet) of land more or less;

Bearings were based on the 1983 North American Datum, Coordinates were based on State Plane Coordinate System.

EXHIBIT B
SCHEDULE B - SPECIAL EXCEPTIONS

File Number 96010003

CONTINUATION OF SPECIAL EXCEPTIONS

Continuation of Exception No. 1:
The following restrictive covenants of record itemized below: Volume 1516, Page 115 of the Deed Records of Nueces County, Texas, and Volume 179, Page 201 of the Deed Records of San Patricio County, Texas; Document No. 1998021631 Official Records of Nueces County, Texas; File No. 462174 of the Real Property Records of San Patricio County, Texas.

Other Exceptions:

3. Pipelines, Rights-of-Way & Public Utility Easements:
AS TO TRACT I (Nueces County, Texas)
(A) Right-of-Way Easement dated August 15, 1953 from R.H. Welder to Tennessee Gas Transmission Co., as reflected in Amendment dated September 18, 1953, recorded under Document No. 386856, Volume 615, Page 395 of the Deed Records of Nueces County, Texas. (Trs. 4 & 5, etc.)
AS TO TRACT II (San Patricio County, Texas)
(B) Right-of-Way granted by R.H. Welder to Tennessee Gas Transmission Company by instrument dated August 15, 1953, recorded in Volume 184, Page 236 and as amended in Volume 185, Page 535, of the Deed Records of San Patricio County, Texas. Now held by Good Hope Chemical Corp., per conveyance from Tennessee Gas Transmission Company, by instrument dated April 28, 1975, recorded in Volume 504, Page 442 of the Deed Records of San Patricio County, Texas.
(C) Dredging Easement granted by Bessie K. Welder, et al to Nueces County Navigation District No. 1 by instrument dated March 6, 1962, recorded in Volume 278, Page 451 of the Deed Records of San Patricio County, Texas.
AS TO TRACTS II & III (San Patricio County, Texas)
(D) Perpetual Right-of-Way easement granted by Nueces County Navigation District No. 1 to the United States of America by instrument dated March 15, 1962, recorded in Volume 277, Page 577 of the Deed Records of San Patricio County, Texas.
(E) Temporary Spoil Disposal Easement granted by Nueces County Navigation District No. 1 to the United States of America by instrument dated March 14, 1962, recorded in Volume 277, Page 582 of the Deed Records of San Patricio County, Texas.
(F) Temporary Spoil Disposal Easement granted by Bessie K. Welder, et al to Nueces County Navigation District No. 1 by instrument dated March 6, 1962, recorded in Volume 278, Page 447 of the Deed Records of San Patricio County, Texas.
(G) Perpetual and assignable easement and right-of-way as set out in Final Judgment of Condemnation dated May 19, 1998, recorded under Clerk's File No. 462380 of the Real Property Records of San Patricio County, Texas, together with all subsequent instruments thereunder.

(H) Grant of Easement by and between the United States of America and Central Power & Light Company by instrument dated March 31, 1998, recorded under Clerk's File No. 462823 of the Real Property Records of San Patricio County, Texas.

4. Mineral and/or Royalty interest, the royalties, bonuses, rentals and all other rights in connection with said mineral and/or royalty rights, bonuses and rentals described in the following instruments:

AS TO TRACT I (Nueces County, Texas)

(A) Mineral Interest reserved in deed dated July 31, 1951 from the State of Texas to Nueces County Navigation District No. 1, recorded in Volume 522, Page 201 of the Deed Records of Nueces County, Texas.

(B) All Mineral Interest reserved in deed dated May 6, 1952 from Nueces County Navigation District No. 1 to R. H. Welder, recorded in Volume 179, Page 201 of the Real Property Records of San Patricio County, Texas, a certified copy recorded in Volume 1516, Page 115 of the Deed Records of Nueces County, Texas.

(C) Undivided 1/4 Royalty Interest conveyed by Royalty Deed dated February 10, 1953, from R. H. Welder to Patti Welder Edwards, Diana Welder Hamilton and Bessie E. Welder, recorded in Volume 85, Page 213 of the Real Property Records of San Patricio County, Texas, as reflected in Document recorded in Volume 615, Page 395 of the Deed Records of Nueces County, Texas.

(D) All mineral and/or royalty interest described in instrument from Diana Welder Hamilton to Hamilton-Ingleside Limited, dated December 28, 1989, recorded under Document No. 695814 of the Deed Records of Nueces County, Texas.

(E) All mineral and/or royalty interest described in instrument from Patti Welder Edwards et al, to Patti Welder Edwards and O.D. Edwards, Trustees, dated December 23, 1976, recorded in Volume 1590, Page 829 of the Deed Records of Nueces County, Texas.

AS TO TRACT II (San Patricio County, Texas)

(F) Mineral and/or Royalty Interest described in instrument from Diana Welder Hamilton to Hamilton-Ingleside Limited, dated December 28, 1989, recorded under Clerk's File No. 384610 of the Real Property Records of San Patricio County, Texas.

(G) Mineral and/or Royalty Interest described in instrument from Patti Welder Edwards et al, to Patti Welder Edwards and O.D. Edwards, Trustees, dated December 23, 1976, recorded in Volume 544, Page 27 of the Deed Records of San Patricio County, Texas.

(H) Non-participating Royalty Interest as set forth in instrument from Patti Welder Edwards, et al to Marie Welder Ford, dated March 8, 1954, recorded in Volume 92, Page 362 of the Oil, Gas and Lease Records of San Patricio County, Texas.

(I) Non-participating Royalty Interest as set forth in instrument from Bessie K. Welder to Frances U. Weil, dated August 30, 1957, recorded in Volume 124, Page 425 of the Oil, Gas and Lease Records of San Patricio County, Texas.

(J) Non-participating Royalty Interest as set forth in instrument from Marie Welder Ford and Edmond J. Ford, Jr. to The Victoria

Texas to Arkansas Fuel Oil Corporation, et al, recorded in Volume 163, Page 396 of the Oil and Gas Records of Nueces County, Texas. (Tr. 4)

(E) Oil and Gas Lease dated October 6, 1981 from the State of Texas to Conquest Petroleum, Inc., recorded in Volume 351, Page 303, Oil and Gas Records of Nueces County, Texas. (Tr. 4) - (3 yrs.).

(F) Oil and Gas Lease dated June 6, 1978 from the State of Texas to ENTEX Petroleum, Inc., recorded in Volume 323, Page 250, Oil and Gas Records of Nueces County, Texas. (Tr. 4) - (3 yrs.).

(G) Oil and Gas Lease dated October 3, 1972 from the State of Texas to Jake L. Hamon, recorded in Volume 298, Page 299 of the Oil and Gas Records of Nueces County, Texas. (Tr. 5) - (5 yrs.).

(H) Oil and Gas Lease dated October 6, 1981 from the State of Texas to Conquest Petroleum, Inc., recorded in Volume 351, Page 268, Oil and Gas Records of Nueces County, Texas. (Tr. 5) - (3 yrs.).

(I) Oil and Gas Lease dated February 7, 1978 from the State of Texas to MWJ Corporation, recorded in Volume 321, Page 96 of the Oil and Gas Records of Nueces County, Texas. (Tr. 5) - (3 yrs.).

AS TO TRACT II (San Patricio County, Texas)

(J) Oil and Gas Lease dated October 6, 1966 from Bessie K. Welder to A.O. Morgan, recorded in Volume 189, Page 468 and as ratified in Volume 189, Page 486 of the Oil, Gas & Lease Records of San Patricio County, Texas. (90 days).

(K) Oil and Gas Lease dated September 13, 1957 from Bessie K. Welder and John J. Welder, Independent Executor of the Estate of R.H. Welder, Deceased, to A.O. Morgan, recorded in Volume 124, Page 502 of the Oil, Gas & Lease Records of San Patricio County, Texas. (as long as there is production);

together with all subsequent instruments thereunder.

7. Right of Reverter as contained in instrument recorded in Volume 1516, Page 115 of the Deed Records of Nueces County, Texas, and Volume 179, Page 201 of the Deed Records of San Patricio County, Texas.

8. Terms, conditions and restrictions as reflected in Agreed Order Condemnation Cause No. C-97-83, a certified copy filed under Document No. 1998021631, Official Records of Nueces County, Texas.

9. Terms, conditions and stipulations of Agreed Order Partially Revesting Interests of the Port of Corpus Christi Authority dated May 5, 1998, recorded under Clerk's File No. 462174 of the Real Property Records of San Patricio County, Texas.