

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 10, 2012

Mr. Sanjay Rao, General Partner
MSJ Holdings LP, Southwest Shipyards LP by Seattle Shipyards LLC
18310 Market Street
Channelview, Texas 77530

RE: Municipal Setting Designation (MSD) Certificate for Southwest Shipyards LP, 18310 Market Street; MSD No. 196

Dear Mr. Rao:

Enclosed is the Municipal Setting Designation Certification for your site. You can use this certification as the basis to avail of the groundwater assessment and remediation flexibility offered in accordance with Texas Health and Safety Code §361.808, consistent with the site-specific circumstances.

If I can be of any further assistance, please do not hesitate to contact me at (512) 239-2960 or via e-mail (Richard.Goldsmith@TCEQ.Texas.gov).

Sincerely,

A handwritten signature in cursive script that reads "Scott Settemeyer".

R. Stuart Goldsmith, Project Manager
VCP-CA Section
Remediation Division

for

RSG/jdm

Enclosure: MSD Certificate No. 196

cc: Ms. Maureen Hatfield, IHWCA 312xx Project Manager, Remediation Division, MC-127

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



MUNICIPAL SETTING DESIGNATION CERTIFICATE

As provided for in §361.807, Subchapter W, Texas Health and Safety Code (Solid Waste Disposal Act):

I, Zak Covar, Executive Director of the Texas Commission on Environmental Quality certify the Municipal Setting Designation (MSD) for MSD No. 196, in Channelview, for the tract of land described in Exhibit "A". The eligibility requirements of Texas Health and Safety Code §361.803 are satisfied as attested to by the affidavit in Exhibit "B", provided pursuant to Texas Health and Safety Code §361.804(b)(2)(D). This certificate shall continue in effect so long as the institutional control required by Texas Health and Safety Code §361.8065 is maintained in effect.

Any person addressing environmental impacts for a property located in the certified municipal setting designation shall complete any necessary investigation and response action requirements in accordance with Texas Health and Safety Code §361.808, in conjunction with the applicable Texas Commission on Environmental Quality environmental remediation regulation, as modified by Texas Health and Safety Code §361.808.

EXECUTED this the 25th day of June, 2012

A handwritten signature in black ink, appearing to read "Zak Covar", written over a horizontal line.

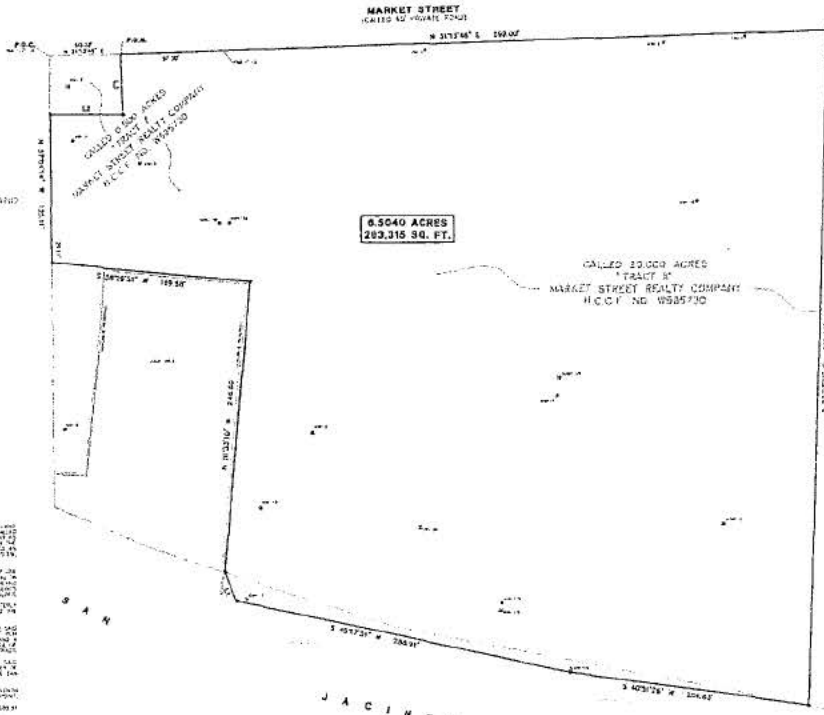
Zak Covar
Executive Director
Texas Commission on Environmental Quality

Exhibit 'A'



VICINITY MAP NOT TO SCALE

CALL TO 204 ACRES ABOUT 2040 MARINE, LT AND SIXX CARRIERS, INC. H.C.C.F. NO. A003310



6.5040 ACRES 289,316 SQ. FT.

CALL TO 10,000 ACRES TRACT 'B' MARKET STREET REALTY COMPANY H.C.C.F. NO. W985710

DESCRIPTION

A PART OF A CERTAIN TRACT OF LAND... DESCRIBED AS FOLLOWS... BEING THE SOUTHWEST CORNER OF THE TRACT...

LEGEND

- 1. 1/4 SECTION... 2. 1/2 SECTION... 3. 3/4 SECTION... 4. 1/8 SECTION... 5. 1/16 SECTION...

Table with 3 columns: DATE, REVISIONS, BY. Contains one row for 'AS SHOWN'.



MARKET STREET ROAD

LINE TABLE with columns: LINE, BEARING, DISTANCE. Lists boundary lines.

GENERAL NOTES

- 1. THIS IS A SURVEY OF THE TRACT OF LAND... 2. ALL MEASUREMENTS... 3. ALL CORNERS...

SURVEYOR'S CERTIFICATION

Text block for surveyor's certification, including a signature line and a circular seal.

Westshore Land Services, Inc. 10020 West Loop South, Suite 200 Houston, Texas 77025

EXHIBIT OF 6.5040 ACRES / 289,316 SQ. FT. DESIGNATED BOUNDARY FOR A MUNICIPAL SETTING DESIGNATION (MSD) SITUATED IN THE J.T. HARRELL SURVEY, A-320 HARRIS COUNTY, TEXAS

Table with 3 columns: DRAWN BY, CHECKED BY, DATE OF SURVEY. Lists 'LW' and 'LW'.

Exhibit B

Municipal Setting Designation

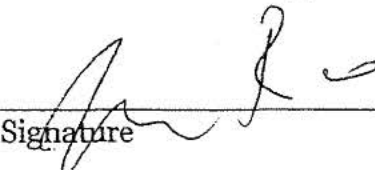
Affidavit of Eligibility

BEFORE ME, the undersigned authority, on this day personally appeared Sanjay Rao, as an authorized representative of Southwest Shipyard, LP, through Seattle Shipyard, LLC, its general partner, known to me to be the person whose name is subscribed below who being by me first duly sworn, upon their oath, stated as follows:

I am over the age of 18 and legally competent to make this affidavit. I have personal knowledge of the facts stated herein.

I affirmatively state that (place an X in all applicable blanks)

- The MSD eligibility criteria of THSC Section 361.803 are satisfied.
- True and accurate copies of all documents demonstrating that the MSD eligibility criteria provided by THSC 361.803 have been satisfied and are included with the application.
- A true and accurate copy of a legal description of the proposed MSD property is included with the application.
- Notice has been provided in accordance with THSC 361.805.
- A copy of an ordinance or restrictive covenant and any required resolutions are provided in this application or will be provided before the executive director certifies this application.


Signature

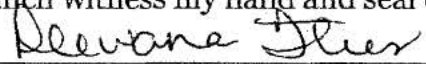
Date: 02/14/2012

Sanjay Rao
Printed Name
General Partner
Title

STATE OF Texas

COUNTY OF Harris

SUBSCRIBED AND SWORN before me on this the 14th day of February 2012, to which witness my hand and seal of office.


Notary Public in and for the State of Texas

