

MINUTES OF SPECIAL MEETING

**Board of Directors of the
Houston Ship Channel Security District**

**Houston, Texas
December 6, 2011**

The special meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on December 6, 2011 at 2:00 p.m. The meeting was held, open to the public, at West Gulf Maritime Association (WGMA), Board Room, Third Floor, 1717 Turning Basin Drive, Portway Plaza Building, Houston, Texas 77029, in accordance with the duly posted Notice of Public Meeting. The roll was called of the officers and members of the Board, as follows:

Beth Bowles, Assistant Secretary
Clayton Curtis, Treasurer
Richard Henderson
Charles (Chuck) King
Robin Riley, Chair
Gary Scheibe
Tom Schroeter, Secretary
Steve Stewart
Lawrence Waldron
Ray Yellig, Vice Chairman

and all of said persons were present, except Director Stewart and Director Waldron, thus constituting a quorum.

Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, Al Cusick representing CAPT. Bill Diehl of the Greater Houston Port Bureau (“GHPB”), Administrator for the District.

Chairman Riley called the meeting to order at 2:00 p.m.

Chairman Riley asked if anybody wished to address the Board. Nobody wished to do so.

At 2.04 p.m. the following statement was read by Director Schroeter:

“The Houston Ship Channel Security District Board of Directors will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, to deliberate with legal counsel including presentation from Harris County regarding security system enhancements to be funded from the county’s FY 2007 Port Security Grant Program award and request to the Houston Ship Channel Security District for cash match funding in the amount of \$1,695,204. Pursuant to the Government Code, Section 551, subchapter E, the closed meeting shall be recorded. The Houston Ship Channel Security District Board of Directors will reconvene in public session after the closed meeting is adjourned.”

At 4.45 p.m. the Board reconvened in open session. Chairman Riley asked the Board if there were any matters that would be coming out of closed session. The following motions were presented:

Director Scheibe moved and Director Curtis seconded that Mr. Daniel Ringold commence contract proposals with Harris County Sheriff's Office regarding land and water based patrols. Motion passed unanimously.

Major Wong of the Harris County Sheriff's Office stated that the security cameras would continue to be monitored 24/7 at least through February 29, 2011 without the need for further funding.

Chairman Riley asked for volunteers for an ad hoc committee to assist in suggestions for the contract with Harris County Sheriff's Department. The following individuals volunteered:

Charles (Chuck) King
Robin Riley
Richard Henderson
Thomas G. Schroeter
Gary Scheibe

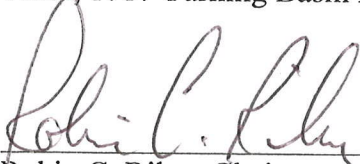
Director Curtis moved and Director Yellig seconded that the Board approve the amount of \$1,695,204.75 be paid to Harris County for cash match funding for the FY 2007 Port Security Grant Program, with the proviso that the County provide the Board monthly updates on the project and that the Houston Ship Channel Security District Advisory Council monitor the IT portion of the project. Motion passed unanimously.

Director Yellig informed the Board that, due to a promotion and reassignment, Director Bowles would no longer be representing Zone 4. Chairman Riley thanked Director Bowles for her service on the Board and wished her well in her new position.

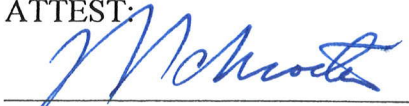
There being no further business coming out of Executive Session, Director Scheibe moved and Director King seconded that the special meeting of the Houston Ship Channel Security District be adjourned. Motion passed unanimously. Meeting adjourned at 4.45 p.m.

The above is a correct copy of the Minutes of the December 6, 2011 special meeting of the Board of Directors of the Houston Ship Channel Security District.

The next meeting of the Houston Ship Channel Security District will be held on Tuesday, January 10, 2012 at 2:00 p.m. at West Gulf Maritime Association (WGMA), Board Room, Third Floor, 1717 Turning Basin Drive, Portway Plaza Building, Houston, Texas 77029.



Robin C. Riley, Chairman

ATTEST:


Thomas G. Schroeter, Secretary