

MINUTES

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

**Houston, Texas
June 25, 2010**

The special meeting of the Board of Directors of the Houston Ship Channel Security District was convened on June 25, 2010 at 2:15 p.m. The meeting was held at West Gulf Maritime Association, Board Room, Third Floor, 1717 Turning Basin Drive, Portway Plaza Building, Houston, Texas 77029. The following Directors were present:

Clayton Curtis
Greg DeLong
Robin Riley
Tom Schroeter
Mark Skobel *
Lawrence Waldron
Ray Yellig

*Mark Skobel arrived at 2:55 p.m.

Beth Bowles, Harry Engelhardt, Jr, Richard Henderson and Steve Stewart were absent.

Also present was Mr. Michael Page and Mr. Daniel Ringold of the law firm Schwartz, Page and Harding.

Chairman Riley called the meeting to order at 2:15 p.m.

Chairman Riley asked if anybody wished to address the Board. Director Waldron asked Gail Miller to elaborate on her comments that she had made earlier prior to the Meeting being convened. Ms. Miller stated that she felt the Board was doing an excellent job and that they needed to "vamp-up" the web site so that the public would be able to see what was being accomplished.

Chairman Riley asked the Directors if they had any specific questions regarding the Grants training session scheduled for the July 13, 2010 meeting. The Directors had none.

Chairman Riley introduced attorney Michael Page from Schwartz, Page and Harding. Director Waldron asked that Mr. Page give a brief statement about himself and his firm. Mr. Page gave a brief statement and also introduced Mr. Daniel Ringold of the firm. Director Yellig moved and Director DeLong seconded that the law firm of Schwartz, Page and Harding, with Mr. Page and Mr. Ringold being lead attorneys, represent the District in legal matters. Motion passed unanimously. Chairman Riley and Mr. Page signed the engagement letter, a copy of which had been sent to the Directors.

Chairman Riley asked for any discussion on the Agreement between the Port of Houston Authority (PHA) and the Houston Ship Channel Security District (District) regarding the early payment of PHA's agreed assessment fees for 2010. A brief discussion was held and Attorney

Page indicated that the Agreement was reviewed and approved by him and could be executed by both parties. He pointed out that the District has certain duties under the Agreement, including making audited financial reports available to PHA. Director Schroeter recused himself and abstained from the vote. Motion passed unanimously.

At 2:26 p.m. Secretary Schroeter read the following statement:

“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. The Board will also deliberate regarding public officials and security-related matters. The Houston Ship Channel Security District Board of Directors will reconvene in public session after the closed meeting is adjourned.” Immediately thereafter the Board retired into closed session. At 3:39 p.m. the closed session was adjourned.

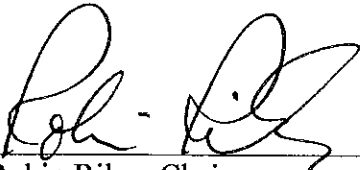
The open session of the Board of Directors of the Houston Ship Channel Security District was reconvened at 3:40 p.m.

Director Curtis moved to table item 7 on the Agenda (Discussion and actions regarding budget and assessments) until July 8, 2010 at 1:30 p.m. at Brady’s Landing, and thereby suspending prior Motions concerning a method of assessment and setting a statutory assessment hearing for July 13, 2010. Director Skobel seconded the motion. Motion passed unanimously.

Director Yellig moved to adjourn the meeting; Director Curtis seconded the Motion. Motion passed unanimously. Meeting adjourned at 3:34 p.m.


Next special scheduled meeting of the Houston Ship Channel Security District Board of Directors, Thursday, July 8, 2010 at 1:30 p.m. at Brady’s Landing.

The above is a correct copy of the Minutes of the June 25, 2010 Special Meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary