

STATE OF TEXAS }
COUNTY OF WILLACY }

THE BOARD OF NAVIGATION AND CANAL COMMISSIONERS OF THE WILLACY COUNTY NAVIGATION DISTRICT met in Regular Session Wednesday, May 11, 2016 at 9:00 A.M., at 400 W Hidalgo, Ste 200, Raymondville, TX, with the following members present:

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| COMMISSIONERS PRESENT: | THOMAS RAINS JR | CHAIRMAN |
| | KAY HICKS | SECRETARY |
| | ROBERT HULEN | MEMBER |
| | MARK BROWN | MEMBER |
| ALSO PRESENT: | RON MILLS | PORT DIRECTOR |
| | JERRY STAPLETON | ATTORNEY |
| | FRANK VASQUEZ | PORT SUPERINTENDENT |
| | LETTY MARTINEZ | SECRETARY |

Chairman Rains called the meeting to order at 9:00 a.m.. Upon conclusion of roll call, it was ascertained that a quorum was present. Chairman Rains then moved to Item No.1: REVIEW & CONSIDERATION OF PREVIOUS BOARD MEETING MINUTES: Upon review of the April 13, 2016 Meeting Minutes, Secretary Hicks made a motion to approve the previous board meeting minutes with the correction of a word on the second page (neilguy to nilgai). Commissioner Brown seconded the motion and upon a vote the motion unanimously carried.

Chairman Rains then moved to Item No. 2: PUBLIC COMMENT(S):

Edward Gonzales - addressed the board he is representing Senator Eddie Lucio and he will be available for any issues needed. Mr Gonzales is stationed in a building located across the high school.

Chairman Rains moved to Item No. 3: DISCUSSION AND ACTION ON FRANK HODGE REQUEST TO MOOR AND LIVE ABOARD A VESSEL IN PORT MANSFIELD: Frank Hodge, made a request to moor and live aboard a vessel in Port Mansfield, Mr Hodge addressed the board he purchased a 55 ft boat and wants a nice place with nice climate to live in. Commissioner Hulen made the motion to table this item for June, 2016 board meeting. The motion was seconded by Secretary Hicks and unanimously carried.

Chairman Rains then moved to Item No. 4: DISCUSSION AND ACTION ON REQUEST TO OPERATE JETSKI AND GOLF CART RENTAL COMPANY: Commissioner Hulen made the motion to table this item for June 2016 board meeting for discussion, the board would like to have Mr. Beltran present to discuss concerns. The motion was seconded by Commissioner Brown and unanimously carried.

Chairman Rains moved to Item No. 5: REVIEW OF GRANT REQUEST BY PARC CONSULTING: Peter Ravella with PARC Consulting addressed the board the RESTORE grant application was submitted on April 16, 2016. A total of 217 applications were submitted totaling 3 billion dollars in all applicants. Ravella discussed waste water treatment, Port Mansfield interagency operations center and the North Harbor rehabilitation.

Chairman Rains then moved to reopen Item No. 4: DISCUSSION AND ACTION ON REQUEST TO OPERATE JETSKI AND GOLF CART RENTAL COMPANY: Chairman Rains reintroduced discussion and action on request to operate jetski and golf cart rental company due to Mr Beltran's late appearance, after discussion, no action to this item was taken until we get a lease contract with rules and regulations and the type of liability insurance to be reviewed. No action to this item was taken.

Chairman Rains moved to Item No. 6: DISCUSSION ON ACTION TO BE UNDERTAKE ON PROPERTIES IN DESPAIR: After discussion on action to be undertake on properties in despair Commissioner Brown made the motion to advice the lessees with properties that have not been maintained to take action with a first notification and a second cancellation letter. The motion was seconded by Commissioner Hulen and unanimously carried.

ITEM NO. 7: PORT DIRECTOR'S REPORT: Port Director Ron Mills, reported on the following item:

- Internal Audit Discoveries
- Senate Testimony
- Establishment of Shallow Water Port Association
- PUD referrals for none payment of utilities
- Long & Chilton actively auditing

Chairman Rains then moved to Item No. 8: REVIEW AND DISCUSSION OF PERMITS ISSUED FOR THE MONTH OF APRIL 2016: The board reviewed and discussed the following building permits that were issued for the month of April, 2016.

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| R-1940 | Block 35, Lots 11-13/William I Reinhart Jr – permitted to redo roof |
| R-1941 | Block 9, Lots 6-9/Kenneth Griffith – permitted to build a garage |
| R-1943 | Block G, Lot 6/Margarita Quiroga Vallejo – permitted to replace roof and gong to patch the existing roof |
| R-1944 | Block 1, Lot 51 Port South/Sandra Leyendecker, Frank Vasquez/permitted to reroof and replace siding |
| R-1945 | Block 4, Lots 30 & 31/Floyd Tate – permitted to replace siding at home |
| R-1946 | Block 4, Lot 13/Robert and Delma Rhodes – permitted to build a 12x30 storage building. |

After review of the building permits no action was taken.

Chairman Rains then moved to Item No. 9: REVIEW & CONSIDERATION OF RESIDENTIAL & COMMERCIAL LEASES, CANCELLATIONS, TRANSFERS AND BOAT STALLS: Upon review and discussion of each described and itemized leases, Commissioner Brown made the motion to accept the following lease(s) items as presented including a renewal lease on Block B, Lot 12 that had been submitted on March 09, 2016 board meeting. The motion was seconded by Commissioner Hulen and unanimously carried.

Assignment of Lease(s):

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| Block H, Lot 13 | Richard G Ulasz and Carol J Ulasz, assign, transfer and convey to Robert Allen Rhodes and Delma Ann Rhodes, PO Box 359, Raymondville, TX 78580 |
| *Collateral Transfer of Lease | Robert Allen Rhodes and Delma Ann Rhodes, transfers, assigns and conveys unto Richard G Ulasz and Carol J Ulasz, 515 Castle Rd., McHenry, Illinois, 60050 |
| Block H, Lots 35 & 36 | Marion B Jones III, assigns, transfers and conveys to Granchelli Development Group, LTD by 9G's MGMT, LLC, its General Partner, Owner James J Granchelli, 2001 Industrial Dr., McAllen, TX 78504 |
| Block Leopoldo & Josefa Torres Subdv., Lots 13 & 14 (replan of Blk J) | Leonor L Torres, assigns, transfers and conveys to Timoteo Garcia and Jesús Alejandro Garcia, 608 Enna Ave., Mission, TX 78572 |
| *Collateral Transfer of Lease | Timoteo Garcia and Jesús Alejandro Garcia, assign, transfer and convey unto Leonor L Torres, 434 Spaceway |
| Block 9, Lots 95-97 | Jose A Henderson and Yesenia Henderson, assign, transfer and convey to Tom C Chapman, 3215 Deep River CT, Kingwood, TX 77339 |
| Block 23, Lots 4-8 | Adam Lowry, assigns, transfers and conveys to Malcolm Scaggs, 218 West Beck, Harlingen, TX 78550 |
| Block 35, Lot 26 | Tilman David O'Brien III, assigns, transfers and conveys to Frederick |
| Harbour Estates III | Wolfean III, 11999 Katy Freeway, Ste 200, Houston, TX 77079 |
| Block 1, Lots 57-60 | Stanley L Floyd, assigns, transfers and conveys to Kenneth Simmons, 9300 Travertine Cove, Austin, TX 78735 |

Residential Lease(s):

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| Block H, Lots 33 & 34 | Granchelli Development Group, LTD, 2001 Industrial Dr., McAllen, TX 78504 |
| Block Leopoldo & Josefa Torres Subdv., Lots 13 & 14 (replat of Blk J) | Loenor Torres, 434 Spaceway Drive, Windcrest, San Antonio, TX 78239 |

Commercial Assignment of Lease(s):

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| C-264A | Ada Berniece Jones, assign, transfer and convey to Granchelli |
| Block 8, Lots 7-12 | Development Group, LTD by 9G's MGMT, LLC, its General Partner, Owner James J Granchelli, 2001 Industrial, Dr., McAllen, TX 78504 |
| C-264B | Marion B Jones, III, assign, transfer and convey to Granchelli |
| Block 8, Lots 1-6, 13-16 & 73-76 | Development Group, LTD by 9G's MGMT, LLC, its General Partner, Owner James J Granchelli, 2001 Industrial, Dr., McAllen, TX 78504 |
| C-381 | Marion B Jones, III, assign, transfer and convey to Granchelli |
| Block 4, Lots 59-62 | Development Group, LTD by 9G's MGMT, LLC, its General Partner, Owner James J Granchelli, 2001 Industrial, Dr., McAllen, TX 78504 |

Boat Stall Lease(s):

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| Boat Stall E-11 | John H Cornelius, PO Box 78375, Premont, TX 78375 |
| Boat Stall E-19 | Connor Reynolds, 534 South County Road 1140, Rivera, TX 78379 |

Chairman Rains then moved to Item No. 10: REVIEW & CONSIDERATION OF CHECKS AND VOUCHERS: After discussion of the checks and vouchers, it was moved by Commissioner Brown to accept the checks issued Check No. 1085 through Check No. 1127 from the Port Facility (Operations) Account. The motion was seconded by Secretary Hicks and unanimously carried.

Chairman Rains then moved to Item No. 11: EXECUTIVE SESSION-CH. 551, SUBCHAPTER D, GOVERNMENT CODE: At approximately 11:18 am the Commissioners closed the regular meeting and entered Executive Session pursuant to Session-Ch. 551, Subchapter D, Government Code. Discussion on Attorney Consultation, Real Estate.

At 12:18 pm the Executive Session ended and the Commissioners returned to the open regular meeting.

Chairman Rains moved to Item No. 12: There being no further business to come before the Board the meeting was adjourned at 12:24 pm.