

**MINUTES OF REGULAR MEETING OF
HARRIS COUNTY IMPROVEMENT DISTRICT #1**

FEBRUARY 22, 2012

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors of Harris County Improvement District #1 (the "District") held a meeting of the Board of Directors at 2:30 p.m. on the 22nd day of February, 2012 at Two Post Oak Central, 1980 Post Oak Boulevard, Suite 1580, Houston, Texas, 77056, within the boundaries of the District, and the roll was called of the members of the Board, to wit:

David Anderson
Patty Bender
Todd H. Casper
Martin Debrovner
Steven D. Lerner
Kendall A. Miller
Mary Catherine Miller
John Mooz
Lisa Simon
Kerr Taylor
Jim Wilson
Ed Wulfe

and all of said directors were present except Directors Casper and Wilson, thus constituting a quorum. Also present at the meeting were Mr. John Breeding, President of Harris County Improvement District #1, Mr. Robert Taube, Mr. Stephen Wood, Ms. Delia Mizwa, Ms. Shannon Daniels, and Ms. Betsy Kirkgard of Harris County Improvement District #1.

APPROVE MINUTES OF DECEMBER 7, 2011 BOARD OF DIRECTORS MEETINGS

Kendall A. Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the December 7, 2011 meeting. Director Debrovner moved that the Board approve the Minutes as amended. Director Bender seconded the motion, which was approved by unanimous consent.

ADOPT A RESOLUTION CONCERNING EXEMPTION OF RESIDENCE HOMESTEADS FROM TAXATION; ADOPT A RESOLUTION PROVIDING FOR ADDITIONAL PENALTY FOR TAX COLLECTION COSTS

Mr. Breeding asked the Board to consider the following annual resolutions required by the County Tax Assessor-Collection's office: Resolution Concerning Exemption of Residence Homesteads from Taxation, and a Resolution Providing for Additional Penalty for Tax Collection Costs. After a discussion of the two resolutions, Director Bender moved that the Board adopt the resolutions. Director Simon seconded the motion, which was approved by unanimous consent.

ACCEPT DISCLOSURE MEMORANDUM OF INVESTMENT OFFICER

Mr. Breeding presented his annual Disclosure Memorandum as Investment Officer to the Board.

REVIEW THE DISTRICT'S INVESTMENT POLICY

Mr. Breeding then discussed the District's Investment Policy. Ms. Daniels presented the policy requirements and she pointed out the addition of several banks. The Board's discussion included spreading District money into a total of three (3) banks for liquidity purposes. The Board then declared the review complete.

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)