

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

JANUARY 23, 2013

THE STATE OF TEXAS §
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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 23rd day of January, 2013 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 Anderson, Bender, 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. Shannon Daniels, Ms. Betsy Kirkgard, and Mr. Bob Ethington with Harris County Improvement District #1; Mr. Eugene Shepherd and Mr. David Smalling of RBC Capital Markets; and Ms. Jessica Holoubek of Allen, Boone, Humphries, Robinson.

APPROVE MINUTES OF DECEMBER 5, 2012 BOARD OF DIRECTORS MEETINGS

Kendall A. Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the December 5, 2012 meeting. Director Debrovner moved that the Board approve the Minutes as written. Director Simon

seconded the motion, which was approved by unanimous consent.

CONSIDER APPROVAL OF THE QUARTERLY INVESTMENT REPORT

Ms. Daniels presented the Quarterly Investment Report showing the amount and location of the District's monies at the end of December, 2012 for the Board's review.

REVIEW THE 2ND QUARTER BUDGET STATUS

Shannon Daniels then presented to the Board the 2nd Quarter Budget Status for review.

CONSIDER APPOINTMENT TO THE BOARD OF DIRECTORS

Mr. Breeding advised the Board that Director Jim Wilson was resigning. Jonathan Zadok, a principal in a company owning land in Uptown, was nominated to be appointed to the Board in Director Wilson's place. Director Wulfe moved that the Board appoint Jonathan Zadok to the Board of Directors. Director Lerner seconded the motion, which was approved by unanimous consent.

CONSIDER UPDATING THE DISTRICT'S LIST OF AUTHORIZE BROKER / DEALERS

Mr. Breeding next recommended to the Board the addition of CapNet Securities Corporation to the list of authorized broker / dealers. Director Debrovner moved that the District update the list with the addition of CapNet Securities Corporation. Director Taylor seconded the motion, which was approved by unanimous consent.

CONSIDER EXPANDING THE DISTRICT'S "WEST LOOP GREENING" PROGRAM

Mr. Breeding showed the Board drawings of the West Loop at Woodway and explained that Staff wished to expand the West Loop Greening program into this area. Director Taylor moved that the Board approve the expansion of the West Loop Greening program. Director Lerner seconded the motion, which was approved by unanimous consent.

APPROVE PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2013; DESIGNATE UNDERWRITER; APPOINT PAYING AGENT, REGISTRAR AND ESCROW AGENT

Eugene Shepherd and David Smalling, the District's Financial Advisors, then discussed the refunding bond sale, Series 2013. Mr. Shepherd presented the schedule for the sale, and then summarized the Preliminary Official Statement. He discussed the current bond market and the current debt to be refunded. Director Debrovner moved that the Board approve the Preliminary Official Statement. Director Simon seconded the motion, which was approved by unanimous consent.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2013, AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS; AUTHORIZE THE DISTRICT'S ATTORNEY AND THE FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S REFUNDING BONDS, SERIES 2013

Mr. Shepherd discussed the Resolution and other actions to be taken. Director Lerner moved that the Board's delegation of authority under the Resolution be limited to 90 days. Director Wulfe moved that the Board authorize the issuance of the District's Unlimited Tax Refunding Bonds, Series 2013. Director Debrovner seconded the motion, which was approved by unanimous consent, as amended.

ADOPT ORDER ESTABLISHING POST-ISSUANCE COMPLIANCE POLICY

Ms. Holoubek discussed the Post-Issuance Compliance policy. Director Taylor moved that the Board adopt the Order. Director Simon seconded the motion, which was approved by unanimous consent.

(SEAL)

Secretary, Board of Directors