

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

JUNE 26, 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 26th day of June, 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
- Ed Wulfe

and all of said directors were present except Director Bender, Debrovner, Mooz, Noble, and Zadok, thus constituting a quorum. Also present at the meeting were Mr. John Breeding, President of Harris County Improvement District #1, Mr. Stephen Wood, Mr. Robert Taube, Ms. Delia Mizwa, Ms. Shannon Daniels, Mr. Rod Smith, Mr. Bob Ethington, Ms. Lauren Anderson and Ms. Betsy Kirkgard of Harris County Improvement District #1; and Ms. Margarita Dunlap, Community Outreach Representative for METRO.

APPROVE MINUTES OF MAY 22, 2013 BOARD OF DIRECTORS MEETINGS

Kendall Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the May 22, 2013 meeting. Director Lerner moved that the Board approve the Minutes as written. Director Taylor seconded the motion,

which was approved by unanimous consent.

APPROVE 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 March, 2013. The report was reviewed by the Board.

CONSIDER AUTHORIZING THE FY-2013 AUDIT

Mr. Breeding advised the Board that whitleypenn, the District's auditors, will be conducting the FY-13 Audit beginning in September. The fee for 2013 will be \$15,500, per the Agreement Letter signed last year. The Audit will be comprised of two components, the regular Audit and the Grant Audit. Director Wulfe moved that the Board authorize the audit for FY-11. Director Lerner seconded the motion, which was approved by unanimous consent.

ADOPT A RESOLUTION ADOPTING AN OPERATING AND DEBT SERVICE BUDGET FOR THE 2014 FISCAL YEAR, AUTHORIZING BUDGETED EXPENDITURES AND AUTHORIZING THE PRESIDENT TO DISBURSE DISTRICT FUNDS

The Board next considered adopting a budget for the 2014 fiscal year. After a review of FY-2013 projects, Mr. Breeding presented the proposed FY-2014 Operating and Debt Service Budget which had been developed by the President and staff under the direction of the Finance Committee.

After discussion and review, Director Lerner moved that the Board approve the Resolution Adopting an Operating and Debt Service Budget for the 2014 Fiscal Year, Authorizing Budgeted Expenditures and Authorizing the President to Disburse District Funds, a copy of which is attached hereto and shall be considered as part of these Minutes. Director Zadok seconded the motion, which was approved by unanimous consent.

CONSIDER AUTHORIZING STAFF TO SELECT CONSULTANTS (TO INCLUDE PLANNING, ENGINEERING, ENVIRONMENT, URBAN DESIGN AND REAL ESTATE SERVICES) FOR THE POST OAK BOULEVARD PROJECT

Mr. Breeding discussed the process whereby the consultants will be chosen to begin the planning process for the Post Oak Boulevard project. The estimated budget for each element was discussed. Director Simon moved that the Board authorize the Staff to select the consultants and negotiate contracts for the Chairman to execute. Director Wulfe seconded the motion, which was approved by unanimous consent.

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

(SEAL)

Secretary, Board of Directors