

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

OCTOBER 22, 2014

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 22th day of October, 2014 at Two Post Oak Central, 1980 Post Oak Boulevard, Suite 1700, Houston, Texas, 77056, within the boundaries of the District, and the roll was called of the members of the Board, to wit:

- Patty Bender
- Todd H. Casper
- Martin Debrovner
- Steven D. Lerner
- Kendall A. Miller
- Mary Catherine Miller
- John Mooz
- Greg Noble
- Lisa Simon
- Kerr Taylor
- Ed Wulfe
- Jonathan Zadok

and all of said directors were present except Directors, Bender, Mary Catherine Miller, Mooz, Taylor and Zadok thus constituting a quorum. Also present at the meeting were Mr. Robert Taube, Mr. Stephen Wood, Ms. Delia Mizwa, Ms. Shannon Daniels, Mr. Rod Smith, Ms. Betsy Kirkgard, Mr. Bob Ethington, Ms. Lauren Anderson, Ms. Katie McDonough, of Harris County Improvement District #1; Mr. David Smalling of RBC Capital Markets, Mr. Thomas Hemingway of Deal Sikes and Associates, Mr. Delvin Dennis of Klotz Associates, Ms. Margaret Dunlap of METRO, Mr. Gilbert Garcia of METRO, and Ms. Rachel Nowicki of Gunda Corporation.

APPROVE MINUTES OF SEPTEMBER 24, 2014 BOARD OF DIRECTORS MEETINGS

Kendall A. Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the September 24, 2014 meeting. Director Wulfe moved that the Board approve the Minutes as written. Director Debrovner

seconded the motion, which was approved by unanimous consent.

CONDUCT A PUBLIC HEARING ON PROPOSED 2014 DISTRICT TAX RATES

Mr. Miller convened a public hearing on the proposed 2014 District tax rates. Mr. Wood explained the historical and projected estimate of assessed value and the resultant tax impact. He presented the financial advisor's 2014 tax recommendation and Debt Service Fund Management index, which are attached hereto and shall be considered as part of these Minutes. The 2014 debt service and operations tax rates were outlined, based on the current assessed value projection. The recommendation was to retain the current budget assumptions and levy a tax rate for debt service of \$0.02177 per \$100 of assessed valuation and a maintenance tax of \$0.12168 per \$100 assessed valuation for a total tax rate of \$0.14345 for the tax year 2013.

After a discussion of tax values, Chairman Miller closed the public hearing.

ADOPT ORDER LEVYING TAXES FOR 2014

The Board next considered adopting an order levying taxes for the 2014 tax year. Mr. Wood reviewed the *Order Levying Taxes*, which is attached hereto and shall be considered as part of these Minutes, which would establish the maintenance tax rate at \$0.12168 per \$100 of assessed valuation and establish the debt service tax rate at \$0.02177 per \$100 of assessed valuation per the recommendation of the District's financial advisor.

Director Lerner moved that the Board approve the *Order Levying Taxes* for tax year 2014. Director Debrovner seconded the motion, which was approved by unanimous consent.

AMEND THE DISTRICT INFORMATION FORM AND AUTHORIZE APPROPRIATE ACTION

Mr. Wood stated that an *Information Form with a Notice to Purchasers* is maintained in the Harris County deed records to inform property owners and prospective purchasers of property within the District of the District's current tax rate and bond authorization.

Director Debrovner moved that the Board approve the amendment to the District Information Form, which is attached hereto and shall be considered as part of these Minutes. Director Lerner 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 September 2014 for the Board's review. Director Lerner moved that the Board approve the District Quarterly Investment Report. Director Lerner seconded the motion, which was approved by unanimous consent.

REVIEW THE 1ST QUARTER BUDGET STATUS

Ms. Daniels presented the 1st Quarter Budget status for the Board's review.

RECEIVE AN UPDATE ON THE POST OAK BOULEVARD PROJECT AND CONSIDER TAKING ACTION

Mr. Wood reviewed with the Board the Post Oak Boulevard reconstruction and right-of-way acquisition project. Mr. Gilbert Garcia of, Chairman of the Metropolitan Transit Authority was present and expressed METRO's continued support for the Post Oak Boulevard project and reiterated METRO's commitment to work with the District to ensure the project's completion.

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

(SEAL)

Secretary, Board of Directors