

MINUTES OF REGULAR MEETING OF HARRIS COUNTY IMPROVEMENT DISTRICT #1

JUNE 25, 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 25th day of June, 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 Director Bender, Debrovner, and Noble, 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, Ms. Sarah Newbery, Ms. Betsy Kirkgard, Ms. Lyndsey Peterson of Harris County Improvement District #1; Mr. Jim Scarborough and Ms. Mandy Williams, residents of the area; Mr. Trey McCord of Frost Bank; Ms. Kim Pettit, the Cosmopolitan Management Agent; Ms. Roxann Chargois of Texas Civil Rights Project; Mr. Paul Magaziner of Corridors United; Ms. Daphne Scarbrough of The Braes Maiden; and Ms. Margarita Dunlap, Community Outreach Representative for METRO.

APPROVE MINUTES OF MAY 28, 2014 BOARD OF DIRECTORS MEETINGS

Kendall Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the May 28, 2014 meeting. Director Simon moved that the Board approve the Minutes as written. Director Taylor seconded the motion,

which was approved by unanimous consent.

CONSIDER APPOINTMENT OF OFFICERS

Mr. Breeding presented the slate of Officers for 2014. There are no changes from 2013. Director Wulfe moved that the Board reappoint Director Kendall Miller as Chairman, Director Kerr Taylor as Vice-Chairman, and Director Lisa Simon as secretary. Director Mary Catherine Miller seconded the motion, which was approved by unanimous consent.

CONSIDER APPOINTMENT OF DIRECTORS

Mr. Breeding discussed the Directors whose terms were expiring, including Todd Casper, Mary Catherine Miller, Martin Debrovner, Lisa Simon, Ed Wulfe and Jonathan Zadok. Director Mooz moved that the Board request the reappointment of Director Miller, Director Debrovner, Director Simon and Director Wolfe as well as the appointment of Mr. Wilson. Director Lerner seconded the motion, which was approved by unanimous consent.

CONSIDER APPROVAL OF A RESOLUTION REQUESTING THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY TO APPOINT DIRECTORS

Mr. Breeding advised the Board that a Resolution needed to be sent requesting the appointment and reappointment of the above mentioned Directors to the Texas Commission on Environmental Quality. Director Mooz moved that the Resolution be approved. 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 March, 2014. The report was reviewed by the Board.

CONSIDER AUTHORIZING THE FY-2014 AUDIT

Mr. Breeding advised the Board that Whitley Penn, the District's auditors, will be conducting the FY-14 Audit beginning in September. The fee for 2014 will be \$18,700, per the Agreement Letter. The Audit will be comprised of two components, the regular Audit and the Federal Audit. Director Simon moved that the Board authorize the audit for FY-11. Director Lerner seconded the motion, which was approved by unanimous consent.

CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH MIZINGTON, INC.

Mr. Breeding advised the Board that Harris County Improvement District #1 is not paying into Social Security, and that a new corporation (Mizington, Inc.) has been formed to employ staff members wishing to contribute to Social Security. After discussion, Director Simon moved that the board approve a Professional Services Agreement with Mizington, Inc. Director Mooz seconded the motion, with was approved by unanimous consent.

ADOPT A RESOLUTION ADOPTING AN OPERATING AND DEBT SERVICE BUDGET FOR THE 2015 FISCAL YEAR, AUTHORIZING BUDGETED EXPENDITURES AND AUTHORIZING THE PRESIDENT TO DISBURSE DISTRICT FUNDS

The Board next considered adopting a budget for the 2015 fiscal year. After a review of FY-2014 projects, Mr. Breeding presented the proposed FY-2015 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 Mooz moved that the Board approve the Resolution Adopting an Operating and Debt Service Budget for the 2015 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 Casper 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