

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

OCTOBER 27, 2010

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 27th day of October, 2010 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
- John Nash
- Lisa Simon
- Kerr Taylor
- Ed Wulfe

and all of said directors were present except Directors Debrovner, M. C. Miller, and Nash, 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, Ms. Betsy Kirkgard and Ms. Katie Butler of Harris County Improvement District #1; and Mr. Duncan Lamme of RBC Dain Rauscher.

APPROVE MINUTES OF SEPTEMBER 22, 2010 BOARD OF DIRECTORS MEETINGS

Kendall A. Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the September 22, 2010 meeting. Director Lerner moved that the Board approve the Minutes as written. Director Taylor

seconded the motion, which was approved by unanimous consent.

CONDUCT A PUBLIC HEARING ON PROPOSED 2010 DISTRICT TAX RATES

Mr. Miller convened a public hearing on the proposed 2010 District tax rates. Mr. Breeding explained the historical and projected estimate of assessed value and the resultant tax impact. Mr. Duncan Lamme, Financial Advisor to the District, presented the financial advisor's 2010 tax recommendation and Debt Service Fund Management index, which are attached hereto and shall be considered as part of these Minutes. The 2010 debt service and operations tax rates were outlined, based on the current assessed value projection. Mr. Lamme recommended that the District retain the current budget assumptions and levy a tax rate for debt service of \$0.0354 per \$100 of assessed valuation and a maintenance tax of \$0.1081 per \$100 assessed valuation for the tax year 2010.

After a discussion of tax values, Chairman Miller closed the public hearing on the proposed 2010 District tax rate.

ADOPT ORDER LEVYING TAXES FOR 2010

The Board next considered adopting an order levying taxes for the 2010 tax year. Mr. Breeding 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 \$0.1081 per \$100 of assessed valuation and establish the debt service tax rate at \$0.0354 per \$100 of assessed valuation per the recommendation of the District's financial advisor.

Director Bender moved that the Board approve the *Order Levying Taxes* for tax year 2010. Director Mooz seconded the motion, which was approved by unanimous consent.

AMEND THE DISTRICT INFORMATION FORM AND AUTHORIZE APPROPRIATE ACTION

Mr. Breeding 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 Wulfe moved that the Board approve 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, 2010. Director Taylor moved that the Board approve the Quarterly Investment Report. Director Simon seconded the motion, which was approved by unanimous consent.

REVIEW THE DISTRICT'S 1ST QUARTER BUDGET STATUS

Shannon Daniels, the District's Financial Director, reviewed the 1st Quarter Budget status with the Board.

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

(SEAL)

Secretary, Board of Directors