

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

DECEMBER 7, 2011

THE STATE OF TEXAS §
 §
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 7th day of December, 2011 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 Wilson and Wulfe, 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, and Ms. Betsy Kirkgard of Harris County Improvement District #1.

APPROVE MINUTES OF OCTOBER 19, 2011 BOARD OF DIRECTORS MEETINGS

Kendall Miller, Chairman of the Board, called the meeting to order and asked the members to read the Minutes of the October 19, 2011 meeting. Director Debrovner moved that the Board approve the Minutes as written. Director Lerner

seconded the motion, which was approved by unanimous consent.

APPROVE THE FY-11 AUDIT

Director Debrovner, as a member of the Audit Committee, presented the FY-11 Audit. He advised the Board that the Committee had reviewed the Audit and recommended the Board's approval. Accordingly, Director Bender moved that the Board approve the FY-2011 Audit. Director Debrovner seconded the motion, which was approved by unanimous consent.

AUTHORIZE PREPARATION OF AND APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C-12.

Mr. Breeding explained that, in connection with the issuance of the District's bonds, the District agreed (the "Continuing Disclosure Undertaking") to provide updated annual financial information, operating data and audited financial statements (the "Annual Reports") and certain material event notices ("Material Event Notices") to certain nationally recognized municipal securities information repositories ("NRMSIRs") and the appropriate state information depository ("SID") in accordance with United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"). He stated that, effective July 1, 2009, the SEC has amended the Rule (the "Amendment") to provide that annual financial and operating information, audited financial statements and material event notices shall only be filed through an electronic system administered by the Municipal Securities Rulemaking Board ("MSRB"). The MSRB, in accordance with the Amendment, has established the Electronic Municipal Market Access System ("EMMA") to receive annual financial information and operating data, audited financial statements, and certain material event notices. He added that when the District issued each series of bonds, the District reserved the right to amend the Continuing Disclosure Undertaking in the event that the SEC amended the Rule. He then presented an amendment to the District's Continuing Disclosure Undertaking to provide that the District will file all Annual Reports and Material Event Notices with the MSRB through EMMA in accordance with the Rule, as amended. He explained that, as provided in the amended Rule, the District shall no longer file its Annual Reports of Material Event Notices with any other NRMSIR or the SID for the State of Texas (the Texas Municipal Advisory Council). He reviewed an Annual Report containing updated financial and operating data to be filed with the MSRB and the Texas Municipal Advisory Council.

After review and discussion, Director Simon moved to approve the preparation of the Annual Report and to authorize the District's attorney to submit the District's updated financial and operating data in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the Annual Report

be filed appropriately and retained in the District's official records. Director Debrovner seconded the motion, which passed unanimously.

REVIEW 2nd QUARTER DISTRICT BUDGET STATUS

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

CONSIDER AUTHORIZING DISTRICT STAFF TO ADVERTISE FOR BIDS FOR THE PROCUREMENT OF STAINLESS STEEL

Mr. Taube discussed with the Board the proposed procurement of traffic signal poles and arms for the continuation of the District's Traffic Management Program.

The order would include the following:

- 15 32 foot signal poles / shafts
- 8 44- foot signal arms
- 5 36-foot signal arms
- 4 32-foot street illumination poles / shafts

Based on 2010 prices, the total order cost would be approximately \$860,000.

Director Taylor moved that District Staff be authorized to advertise for bids for the procurement of stainless steel. Director Mooz seconded the motion,

RECEIVE PROJECT UPDATE

Mr. Breeding discussed with the Board the current status of the Pedestrian Improvement project.

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

(SEAL)

Secretary, Board of Directors