

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

**JULY 12, 2012**

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 22<sup>nd</sup> day of June, 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
- John H. Nash
- Lisa Simon
- Kerr Taylor
- Ed Wulfe

and all of said directors were present except Director Casper, Debrovner, Mooz and Taylor, 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, Ms. Katie Butler and Ms. Betsy Kirkgard of Harris County Improvement District #1.

APPROVE MINUTES OF MARCH 23, 2011 BOARD OF DIRECTORS MEETINGS

Kendall Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the March 23, 2011 meeting. Director Lerner moved that the Board approve the Minutes as written. Director Wulfe seconded the motion,

which was approved by unanimous consent.

#### CONSIDER APPOINTMENT OF OFFICERS

Mr. Breeding presented the slate of Officers for 2011. There are no changes from 2010. 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 Wilson seconded the motion, which was approved by unanimous consent.

#### CONSIDER APPOINTMENT OF DIRECTORS

Mr. Breeding discussed the Directors whose terms were expiring, including Patty Bender, Steve Lerner, Kendall Miller and Kerr Taylor. Director Wilson moved that the Board request the reappointment of Director Bender, Director Lerner, Director Miller and Director Taylor. Director Wulfe 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 Wilson moved that the Resolution be approved. Director Wulfe seconded the motion, which was approved by unanimous consent.

#### AUTHORIZE THE FY-11 AUDIT

Mr. Breeding advised the Board that Null-Lairson, the District's auditors, are operating under a two-year Engagement Letter for 2010 and 2011. The fee for 2011 will be \$17,500. This year's audit will be scheduled to take place in September. Director Bender moved that the Board authorize the audit for FY-11. Director Wilson 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 December, 2010, and March, 2011. Director Simon moved that the Board approve the Report. Director Lerner seconded, which was unanimously approved.

CONSIDER APPROVAL OF A RESOLUTION AUTHORIZING A COMMITMENT FOR FISCAL YEAR 2012 UNDER THE PROJECT FINANCE AGREEMENT BETWEEN THE DISTRICT AND THE UPTOWN DEVELOPMENT AUTHORITY

Mr. Breeding reviewed with the Board the history of the agreement. He said that the Uptown Development Authority is requesting a continuation of the agreement to keep cash flow going. Director Bender moved that the Board consider approval of the resolution authorizing a commitment for Fiscal Year 2012. Director Simon seconded the motion, with Director Lerner abstaining.

CONSIDER APPROVAL OF A RESOLUTION ADOPTING A DISADVANTAGED BUSINESS ENTERPRISE PROGRAM AND DISADVANTAGED BUSINESS ENTERPRISE GOALS, AND A TITLE VI PROGRAM

Mr. Breeding informed the Board that the Federal Transit Administration has requested that the District adopt a Disadvantaged Business Enterprise Program and Goals and a Title VI compliance program. He then presented proposed programs and goals.

Director Wulfe moved that the Board approve a resolution adopting a Disadvantaged Business Enterprise Program and Disadvantaged Business Enterprise Goals, and a Title VI Program. Director Wilson seconded the motion, which was approved by unanimous consent.

ADOPT A RESOLUTION ADOPTING AN OPERATING AND DEBT SERVICE BUDGET FOR THE 2012 FISCAL YEAR, AUTHORIZING BUDGETED EXPENDITURES AND AUTHORIZING THE PRESIDENT TO DISBURSE DISTRICT FUNDS

The Board next considered adopting a budget for the 2012 fiscal year. After a review of FY-2011 projects, Mr. Breeding presented the proposed FY-2012 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, including a request for a study of the District's police coverage, Director Bender moved that the Board approve the Resolution Adopting an Operating and Debt Service Budget for the 2012 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 Lerner seconded the motion, which was approved by unanimous consent.

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

(SEAL)

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Secretary, Board of Directors