

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 12th day of July, 2012 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
Ed Wulfe

and all of said directors were present except Director Anderson, Mooz, Taylor, and Wilson, thus constituting a quorum. Also present at the meeting were Mr. Greg Noble, Board appointee, Mr. John Breeding, President of Harris County Improvement District #1, Mr. Stephen Wood, Mr. Robert Taube, Ms. Delia Mizwa, Ms. Shannon Daniels, and Ms. Betsy Kirkgard of Harris County Improvement District #1.

APPROVE MINUTES OF FEBRUARY 22, 2012 BOARD OF DIRECTORS MEETINGS

Kendall Miller, Chairman, called the meeting to order and asked the members to read the Minutes of the February 22, 2012 meeting. Director Bender moved that the Board approve the Minutes as written. Director Wulfe 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, 2012. Director Debrovner moved that the Board approve the Report. Director Simon seconded, which was unanimously approved.

REVIEW THE PROPOSALS AND CONSIDER AWARDING A CONTRACT FOR BANKING SERVICES

Mr. Breeding told the Board that the Finance Committee had met and reviewed the proposals for new banking services. Director Debrovner recapped for the Board the proposals and presented the Committee's recommendation that the contract be awarded to Capital One Bank as the District's main depository, and with BBVA Compass as the secondary depository. Director Wulfe moved that the Board award the contract to Capital One Bank and BBVA Compass as recommended by the Committee and Staff. Director Casper seconded the motion, which was approved with Directors Lerner and K. Miller abstaining.

REVIEW THE PROPOSALS AND CONSIDER AWARDING A CONTRACT FOR AUDIT SERVICES

Mr. Breeding asked Director Lerner to present the Board with the Finance Committee's review of the proposals for audit services. Director Lerner discussed the proposals and said that the Committee recommended the continuation of the Audit services with the current firm, whitleypenn (formerly Null-Lairson). Director Lerner moved that the Board award the contract to whitleypenn for Audit Services. Director Debrovner seconded the motion, which was unanimously approved.

ADOPT A RESOLUTION ADOPTING AN OPERATING AND DEBT SERVICE BUDGET FOR THE 2013 FISCAL YEAR, AUTHORIZING BUDGETED EXPENDITURES AND AUTHORIZING THE PRESIDENT TO DISBURSE DISTRICT FUNDS

The Board next considered adopting a budget for the 2013 fiscal year. After a review of FY-2012 projects, Mr. Breeding presented the proposed FY-2013 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 Debrovner moved that the Board approve the Resolution Adopting an Operating and Debt Service Budget for the 2013

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 Bender seconded the motion, which was approved by unanimous consent.

CONSIDER APPROVAL OF A RESOLUTION AUTHORIZING A COMMITMENT FOR FISCAL YEAR 2013 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 2013. Director Simon seconded the motion, with Director Lerner abstaining.

AUTHORIZE THE FY-12 AUDIT

Mr. Breeding advised the Board that whitleypenn, the District's auditors, will start the FY-12 Audit in August. The fee for 2012 will be \$15,500. Director Lerner moved that the Board authorize the audit for FY-12. Director Casper seconded the motion, which was approved by unanimous consent.

CONSIDER APPROVAL OF A RESOLUTION AUTHORIZING FILING OF APPLICATIONS WITH THE HOUSTON – GALVESTON AREA COUNCIL FOR FEDERAL TRANSPORTATION ASSISTANCE.

Mr. Breeding discussed with the Board the mobility projects proposed for Uptown. The Houston-Galveston Area Council has been given the authority to award federal financial assistance for transportation projects. Director Lerner moved that the Board approve the Resolution authorizing filing of applications with the Houston-Galveston Area Council for Federal Transportation Assistance. Director Wulfe seconded the motion, with was approved by unanimous consent.

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

(SEAL)

Secretary, Board of Directors