

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/
Memorial City Redevelopment Authority
City of Houston, Texas
January 6, 2009

The Board of Directors (the "Board") of the TIRZ 17 Redevelopment Authority/
Memorial City Redevelopment Authority (the "Authority") met in regular session, open
to the public, on January 6, 2009, in Memorial Hermann Hospital's 6th floor Conference
Room, 921 Gessner, Houston, Texas, inside the boundaries of the District.

Board members in attendance:

Charles Turet, Chair
Brenda Stardig Patrick
Glenn Airola
Ken Arnold
Zachary Hodges

Board members not in attendance:

Dan Moody, III
Brad Freels

City of Houston representatives in attendance:

Robert Fiederlein

Consultants in attendance:

Paula Cox - ETI Accounting Services
Rafael Ortega and Derek St. John - Lockwood, Andrews & Newnam, Inc. ("LAN")
Trey Lary and Susan Hostetler - Allen Boone Humphries Robinson LLP ("ABHR")

Staff in attendance:

Pat Walters - Executive Director
Perry Pace - Project Manager

1. Call meeting to order, take attendance and verify that a quorum is present

Director Turet called the meeting to order. All agenda items were considered in
order.

2. Minutes of the December 9, 2008 and November 4, 2008 Board meetings

The Board reviewed the minutes of the November 4, 2008, and December 9, 2008 Board meetings. Following discussion, Director Hodges moved to approve the minutes of the November 4, 2008, meeting as submitted. The motion was seconded by Director Stardig Patrick, and carried unanimously. Director Arnold moved to approve the minutes of the December 9, 2008, meeting as submitted. Director Stardig Patrick seconded the motion, and it carried by unanimous vote.

3. Financial report and payment of invoices

Ms. Cox reviewed the financial report, and presented checks for payment from the general operating fund. Mr. St. John reviewed an updated construction project log and project impact chart. Following review and discussion, Director Arnold made a motion to approve payment of the invoices presented in the financial report, and authorize future bond proceeds or other funds to be used to reimburse the operating account for capital funds expenditures to Conrad Construction Co., Ltd., Klotz Associates, Inc., and LAN, as necessary. Director Hodges seconded the motion, and it passed unanimously.

4. Annual review of investment policy and list of broker/dealers and adopt Resolution Regarding Annual Review of Investment Policy and Resolution Establishing Depositories and Adopting List of Qualified Broker/Dealers With Whom the Authority May Engage in Investment Transactions

Mr. Lary stated that the Public Funds Investment Act and the Authority's investment policy provides that the Board will annually review the investment policy and list of qualified broker/dealers with whom the Authority may engage in investment transactions. Following review and discussion, Director Hodges made a motion to adopt (1) the Resolution Regarding Annual Review of Investment Policy, noting no changes to the current policy, and (2) the Resolution Establishing Depositories and Adopting List of Qualified Broker/Dealers With Whom the Authority May Engage in Investment Transactions. Director Hodges seconded the motion, and it carried by unanimous vote.

5. Annual disclosure statements of Investment Officers and bookkeeper

Mr. Lary reviewed the annual disclosure statements submitted by Director Turet and Mr. Walters as the Authority's investment officers and by Paula Cox as the Authority's bookkeeper. Mr. Lary explained the bookkeeper and investment officers are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the Authority. He added that the disclosure statements will be filed with the Texas Ethics Commission.

Following discussion, Director Turet clarified that his disclosure statement should include the answer "none" to Item 2.

After review and discussion, Director Arnold moved that the Board accept the disclosure statements of Director Turet, Mr. Walters and Ms. Cox pursuant to the Public Funds Investment Act. Director Airola seconded the motion, which passed unanimously.

6. FY 2009 bond issue

Mr. Walters discussed the Authority's cash flow. Mr. Lary reviewed a preliminary schedule for issuance of bonds in spring 2009. No action was taken regarding this agenda item.

7. Gessner Road widening project

Mr. St. John and Mr. Ortega reported on the status of the Gessner widening project. Mr. St. John discussed relocation of the Sears fire vault, a sanitary sewer conflict, and a conflict with CenterPoint Energy for temporary electrical service to the Westin Hotel.

Mr. St. John reviewed Change Order No. 5 to the Gessner widening contract in the amount \$4,356, for removal of an existing CenterPoint Energy distribution pole. Mr. St. John noted that Change Order No. 5 had been presented to the Board at the November 2008 meeting, but that quantities in the change order had been reduce resulting in a decrease of approximately \$200. Mr. St. John also reviewed Change Order No. 7 to the contract in the amount of \$6,184, for relocation of an 8" waterline in connection with installation of the new box culverts.

Following review and discussion, Director Arnold made a motion to approve Change Order Nos. 5 and 7. Director Stardig Patrick seconded the motion, and it passed by unanimous vote.

8. Bunker Hill widening project

Mr. St. John updated the Board on the status of the Bunker Hill widening project. The Board discussed the retaining wall at Woodview Elementary School. Mr. St. John reported that the City of Houston and Transtar have requested a crosswalk be installed at the intersection of Bunker Hill and Village Plaza. Mr. St. John reviewed plans for TCB to modify the engineering drawings to include the crosswalk. Following discussion, Director Arnold made a motion to approve TCB's proposal to modify plans to include an east/west crosswalk at the Village Plaza/Bunker Hill intersection, in the amount of \$2,349. Director Stardig Patrick seconded the motion, and it carried unanimously.

9. Planning and design for Gessner at Barryknoll northbound right turn lane

Mr. St. John reported that LAN is proceeding with planning and design work for the northbound right turn lane at Gessner and Barryknoll.

10. Planning and design for Memorial near Beltway 8 drainage and mobility improvements

Mr. St. John reported that LAN is proceeding with planning and design work for drainage and mobility improvements to Memorial Drive near Beltway 8.

11. Town & Country Boulevard at Queensbury signalization

Mr. St. John reported that data collection and a traffic count have been completed for the signalization project at the intersection of Town & Country Boulevard and Queensbury. He stated that a traffic signal warrant study is underway.

12. Preliminary engineering on Kimberly at Beltway 8 drainage improvements

Mr. St. John reported on the status of data collection for drainage improvements to the intersection of Kimberly and Beltway 8. He reviewed options for improving sheet flow and ponding in the area. Mr. St. John stated that LAN will present options and associated cost estimates at the February Board meeting.

13. Parks, trails and green space

Mr. Walters reviewed options for median improvements at Westview between Beltway 8 and Shadowdale, Town & Country Boulevard between I-10 and Town & Country Way, and the Gessner esplanades north of I-10. Mr. Walters stated that it is necessary to obtain City approval of these median enhancements. He noted that, after installation, the Authority must identify a partner to maintain the improvements. The Board discussed annexing property in order to provide landscaping enhancements beyond the Authority's boundaries, and agreed that the strategic planning committee will investigate this matter.

14. Resolution Authorizing Executive Director to Take Certain Action Regarding Management or Development of Authority Projects

Mr. Walters and Mr. Lary reviewed the Resolution Authorizing Executive Director to Take Certain Action Regarding Management or Development of Authority Projects. The Board concurred that Mr. Walters be authorized to expend up to \$10,000 pursuant to the provisions of the resolution. Following review and discussion, Director Stardig Patrick made and Director Arnold seconded a motion to

adopt the Resolution Authorizing Executive Director to Take Certain Action Regarding Management or Development of Authority Projects, as revised to allow for expenditure of up to \$10,000 by the Executive Director. The motion carried unanimously.

15. Public comments

Ms. Gregory commented on guardrails at the bridge at Bunker Hill and Briar Branch Creek, the retaining wall at Woodview Elementary, and annexation of property in the Spring Branch Management District.

Ms. Freedman commented on annexation leading to street widening, and boring under Gessner for electrical wiring.

Mr. Rawls commented on flooding in the Frostwood subdivision.

Ms. Prazak commented on Councilmember Lawrence's comments to the Authority Board, the 1999 Project Plan and Reinvestment Zone Financing Plan, and conflicts of interest.

Director Arnold discussed his disclosure to a conflict of interest relating to selection of underwriter's counsel for the Series 2009 bonds. The Board discussed establishing a written protocol regarding public involvement at Board meetings.

16. Convene Executive Session pursuant to Chapter 551.071, Texas Government Code, to conduct a private consultation with attorney to discuss pending or contemplated litigation

At 9:15 a.m., Director Turet announced the Board would convene in executive session to conduct a private consultation with its attorney regarding pending or contemplated litigation.

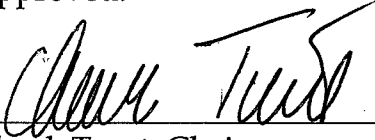
17. Reconvene in Open Session and authorize appropriate action regarding contemplated litigation

At 9:29 a.m., Director Turet announced the Board would reconvene in open session. Director Arnold made a motion to authorize the Executive Director to respond to the letter from Darden Restaurants and forward the letter from Darden Restaurants to the Texas Department of Transportation. Director Hodges seconded the motion, and it carried unanimously.

18. Adjournment

There being no additional matters for the Board's consideration, Director Stardig Patrick moved to adjourn the meeting. The motion was seconded by Director Airola, and passed unanimously.

Approved:

A handwritten signature in black ink, appearing to read "Chuck Turet", written over a horizontal line.

Chuck Turet, Chairman

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