

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/Memorial City Redevelopment Authority
City of Houston, Texas
September 25, 2012

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 September 25, 2012, in the HEB Community Room, 9710 Katy Freeway, Houston, Texas.

Board members in attendance:

Ann T. Givens
Glenn Airola
Ken Arnold
Dr. Zachary R. Hodges
Dan Moody, III

Board members not in attendance:

Brad Freels

Staff in attendance:

Pat Walters - Executive Director

Consultants in attendance:

Michelle Lofton - ETI Bookkeeping Services ("ETI")
Rafael Ortega - Lockwood, Andrews & Newnam, Inc. ("LAN")
Trey Lary - Allen Boone Humphries Robinson LLP
Brian Toldan - McCall Gibson Swedlund Barfoot, PLLC

City of Houston Representatives in attendance:

Council Member Oliver Pennington
Tim Douglass, Ralph De Leon, Mary Clark, and Jesse Bounds - City of Houston (the "City")
Jen Powis - Houston Parks Board

1. Call Meeting to Order

Having established that a quorum of the Board was present, Director Hodges called the meeting to order. All agenda items were considered in order, except agenda item no. 5 was considered after agenda item no. 2.

2. Public Comments

Ms. Virginia Gregory commented on drainage and flood control projects and the W151 drainage channel.

Ms. Roberta Prazak commented on the agenda and the Barryknoll East Improvement Project.

Mr. Chuck Davidson commented on the North Gessner Improvement Project.

3. Minutes

The Board reviewed the minutes of the July 31, 2012, meeting. Following discussion, Director Givens moved to approve the minutes as submitted. The motion was seconded by Director Airola and carried by unanimous vote.

4. Houston Parks Board Presentation

Ms. Powis gave an overview of the Houston Bayou Greenways Program. No action was necessary for this agenda item.

5. Report from Directors

Director Arnold announced he is departing from the TIRZ and Authority Boards. Directors Hodges and Givens thanked Director Arnold for his service.

6. Financial and Bookkeeping Matters

Ms. Lofton reviewed the financial reports for July and August, and presented checks for payment by the Authority. The Board reviewed the project cash flow report. After review and discussion, Director Arnold moved to approve the financial report and payment of the bills presented. The motion was seconded by Director Airola and carried unanimously.

The Board considered execution of the Certificate of Authorized Representative of Wells Fargo Bank, which Ms. Lofton stated will allow ETI to transfer funds as needed to the operating account at Bank of America. Following review and discussion, Director Moody moved to authorize execution of the Certificate of Authorized Representative of Wells Fargo Bank, with the provision that three signatures are required for any transfer. Director Givens seconded the motion, and it passed unanimously.

7. Audit for Fiscal Year 2012 and Submittal to the City of Houston

Mr. Toldan reviewed the audit with the Board and discussed reporting changes from the previous fiscal year. Following review and discussion, Director Arnold made a motion to approve the audit for the fiscal year ending June 30, 2012, subject to final review and revision by directors and consultants, and to authorize submittal of the

audit to the City. The motion was seconded by Director Moody and carried by unanimous vote.

8. Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions

Mr. Lary stated that the list of qualified broker/dealers with whom the Authority may engage in investment transactions has been updated to include Texas Exchange Bank. The Board reviewed the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions. Following discussion and review, Director Airola made and Director Givens seconded a motion to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the Authority May Engage in Investment Transactions. The motion passed unanimously.

9. Order Adopting Procedures for Post-Issuance Compliance

Mr. Lary stated that bonds issued by the Authority are generally subject to the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. He added that those provisions require that issuers comply with certain post-issuance requirements (the "Requirements") for their bonds. Mr. Lary explained that the Board is ultimately responsible for post-issuance compliance for its bonds, with assistance by its consultants. He pointed out that while there is no express requirement that an issuer adopt written compliance procedures, the Internal Revenue Service (the "IRS") views the adoption of written procedures as demonstrating the issuer's intent to comply with the Requirements. Mr. Lary added that, in order to ensure that the Authority's procedures for post-issuance compliance are well documented, ABHR recommends that such procedures be adopted in writing by the Board. The Board reviewed the Order Adopting Procedures for Post-Issuance Compliance. Following review and discussion, Director Arnold moved to adopt the Order Adopting Procedures for Post-Issuance Compliance. Director Moody seconded the motion, which passed by unanimous vote.

10. Letter Agreements from Wells Fargo Bank, NA for Series 2011 and Series 2011A Bonds

Mr. Lary reviewed letter agreements with Wells Fargo Bank relating to the Authority's Series 2011 Bonds and Series 2011A Bonds. Following review and discussion, Director Arnold made a motion to authorize execution of the letter agreements with Wells Fargo Bank relating to the Authority's Series 2011 Bonds and Series 2011A Bonds. Director Givens seconded the motion, and it passed unanimously.

11. Renewal of Insurance

Mr. Walters reviewed the 2012-2013 insurance renewal proposal from Texas Municipal League, for general liability and errors and omissions liability coverage for the Authority and Reinvestment Zone Number Seventeen. He reported the premium is \$1,664 for both entities. After review and discussion, Director Arnold made a motion to renew insurance coverage with the Texas Municipal League intergovernmental risk pool. Director Moody seconded the motion, and it passed unanimously.

12. Barryknoll East Improvement Project

Mr. Walters updated the Board on the Barryknoll East Improvement Project. Mr. Ortega reviewed the status of design of the project. Following discussion and review, Director Moody moved to approve plans and specifications for the Barryknoll East Improvement Project and authorize advertisement for bids, pending City approval of the plans and specifications. The motion was seconded by Director Airola, and carried by unanimous vote.

13. Drainage and Detention Projects

Mr. Walters reported on work with the Harris County Flood Control District regarding their maintenance of the W140 detention pond and the W140 channel improvements. Mr. Walters reported on the design and size of the W150 detention pond and the variances requested and granted. Director Arnold and Mr. Ortega discussed the same and the anticipated schedule for construction. Mr. Walters and Mr. Ortega reported on the W151 channel improvements.

14. Committee to Examine Engineering Procurement

Mr. Walters stated that due to the Authority's proposed construction schedule, it may be necessary to engage additional engineering firms to design the projects and provide construction oversight. The Board discussed establishing a committee to identify engineering firms to work with the Authority. Following discussion and review, Director Arnold moved that Directors Givens, Airola and Moody serve on the committee. Director Givens seconded the motion, and it passed by unanimous vote.

Director Hodges again thanked Director Arnold for his years of service to the TIRZ, the Authority and the community.

15. Adjournment

There being no additional matters for the Board's consideration, Director Airola moved to adjourn the meeting. Director Givens seconded the motion, and it passed unanimously.

Approved:



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