

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/
Memorial City Redevelopment Authority
City of Houston, Texas
April 7, 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 April 7, 2009, in the Community Room of the HEB Store, 9710 Katy
Freeway, inside the boundaries of the Authority.

Board members in attendance:

Charles Turet, Chair
Brenda Stardig
Ken Arnold
Brad Freels

Board members not in attendance:

Glenn Airola
Dan Moody, III
Zach Hodges

City of Houston representatives in attendance:

Julia Gee
Donna Capps

Consultants in attendance:

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

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. Discuss and approve minutes of the March 3, 2009 meeting

The Board reviewed the minutes of the March 3, 2009, Board meeting. Following discussion, Director Freels moved to approve the minutes of the meeting as submitted. The motion was seconded by Director Stardig, and carried unanimously.

3. Financial and bookkeeping matters, including payment of invoices and review of investments and project cash flow report

Ms. Cox reviewed the financial report, and presented checks for payment from the general operating fund. The Board reviewed the project log, project cash flow report, and schedule of impact costs. Following review and discussion, Director Arnold made a motion to approve the bookkeeper's report and payment of the invoices presented in the financial report, and to authorize future bond proceeds or other funds to be used to reimburse the operating account for capital funds expenditures to CenterPoint Energy, Klotz Associates, Inc., Conrad Construction Co., Ltd., Alvites Plumbing, Inc., ABHR, and LAN, as necessary. Director Freels seconded the motion, and it passed unanimously.

4. Review the progress of the FY 2010 Budget and the 2010-2014 Capital Improvement Plan

Mr. Walters summarized his work with the City of Houston regarding the fiscal year 2010 budget and the capital improvement plan for 2010-2014. No action was necessary for this agenda item.

5. Discuss and take necessary action upon the Authority's Tax Increment Contract Revenue Bonds, Series 2009

Mr. Lamme discussed the terms of the sale of the Authority's \$11,000,000 Tax Increment Contract Revenue Bonds, Series 2009 (the "Series 2009 Bonds") to Bank of America, N.A., and reviewed summary documents regarding the transaction. Mr. Lary reviewed the Resolution Authorizing the Issuance of the Series 2009 Bonds and Approving Contract Documents Related Thereto, as well as the Paying Agent/Registrar Agreement and the Purchaser's Investment and Bid Letter. Mr. Lary and Mr. Lamme discussed the steps necessary to deliver the bonds to Bank of America, N.A.

Following review and discussion, Director Arnold made a motion to: (1) award the sale of the Series 2009 Bonds to Bank of America, N.A.; (2) adopt the Resolution Authorizing the Issuance of the Series 2009 Bonds and Approving Contract Documents Related Thereto; (3) authorize the Board to sign all documents relating to the bond sale and authorize the attorney, executive director and financial advisor

to take all action necessary to deliver the Series 2009 Bonds to the purchaser; and (4) approve payment of the costs of issuance and authorize execution of checks or wire transfer instructions relating to the Series 2009 Bonds. The motion was seconded by Director Stardig and carried unanimously.

- 6. Authorize appropriate action to establish banking account at Bank of America**
- 7. Approve Collateral Security Agreement and Pledgee Agreement with Bank of America**
- 8. Adopt Resolution Designating the Authorized Depository Institutions of the Authority**

Mr. Lary stated that pursuant to the terms of the bond sale, the Authority must establish a depository account at Bank of America. He reviewed a Collateral Security Agreement and a Pledgee Agreement relating to the collateralization of the Authority's funds at Bank of America. Mr. Lary stated that the Resolution Designating the Authorized Depository Institutions of the Authority has been updated to add Bank of America as a depository institution. Following review and discussion, Director Arnold made a motion to: (1) authorize establishment of a banking account at Bank America; (2) authorize execution of the Collateral Security Agreement and the Pledgee Agreement for the account; and (3) adopt the Resolution Designating the Authorized Depository Institutions. Director Freels seconded the motion, and it passed by unanimous vote.

9. Gessner Road Widening Project

Mr. St. John reported on the status of the Gessner widening project. He reported that J.D. Abrams has started work on phase 3 of the project. Mr. St. John discussed resolution of utility conflicts with AT&T and CenterPoint Energy.

The Board discussed the proposal of CenterPoint Energy to install 250-watt metal halide theater-style street light poles and pullboxes for \$84,122. Following review and discussion and based on the engineer's recommendation, Director Arnold made a motion to approve the CenterPoint Energy proposal to install the street light poles and pullboxes for \$84,122. Director Stardig seconded the motion, and it passed unanimously.

The Board then reviewed the proposed Street Light Agreement with the City of Houston. The Board discussed assignment of the maintenance provisions of this agreement to the Memorial City Management District. The Board reviewed cut sheets showing the design of the theater style lights. Following review and discussion, Director Arnold made a motion to authorize execution of the Street Light

Agreement with the City of Houston. The motion was seconded by Director Freels and carried unanimously.

Mr. St. John reviewed change orders to the contract for Gessner widening. He noted that the Texas Department of Transportation ("TxDOT") has approved all the change orders listed, and that pursuant to the Authority's agreement, the Authority is responsible for payment of the approved change orders. The Board discussed Change Order No. 12 in the amount of \$18,159.51. The Board agreed to table action on approval of this change order, and asked LAN to review the plans submitted to TxDOT in order to determine whether more detail was necessary to perform the work. Following review and discussion and based upon the engineer's recommendation, Director Arnold made a motion to approve Change Order No. 3 in the amount of \$62,200.17, Change Order No. 8 in the amount of \$16,628.94, Change Order No. 10 in the amount of \$16,018.08, Change Order No. 11 in the amount of \$13,377.86, Change Order No. 13 in the amount of \$1,567.27, Change Order No. 14 in the amount of \$8,001.15, and to table action regarding Change Order No. 12. The motion was seconded by Director Stardig and passed unanimously.

10. Update on Gessner at Barryknoll intersection improvements

The Board did not discuss the intersection improvements at Gessner and Barryknoll and no action was taken on this agenda item.

11. Bunker Hill Widening Project

Mr. St. John and Mr. Ortega updated the Board on the status of the Bunker Hill widening project. He reviewed a proposal for LAN to prepare a survey drawing and metes and bounds description for the temporary construction easement with the Spring Branch Independent School District, relating to construction of the retaining wall and related sidewalk transition at Woodview Elementary. Following review and discussion and based on the engineer's recommendation, Director Arnold made a motion to approve LAN's proposal to prepare a survey and metes and bounds, in the amount of \$3,240. Director Freels seconded the motion, and it carried by unanimous vote.

12. North Gessner Area Thoroughfare Improvement Plan Project Preliminary Engineering Report

Mr. Ortega reviewed a proposal for engineering services for preparation of a Preliminary Engineering Report regarding improvements to Gessner Road from IH-10 to Long Point, and improvements to Witte Road from IH-10 to Long Point and Long Point to Conrad Sauer. The Board took no action regarding this agenda item.

13. Update on Westview Esplanades

Mr. Walters updated the Board on the planned improvements to the esplanades on Westview from Shadowdale to Beltway 8, and the agreement with the Spring Branch Management District for maintenance of the esplanades. No action was necessary for this agenda item.

14. 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 8:58 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.

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

At 9:08 a.m., Director Turet announced the Board would reconvene in open session. Director Stardig made a motion to authorize the Authority's Chair and Executive Director to take reasonable action necessary to conduct and conclude the mediation regarding the Americans with Disabilities Act. Director Arnold seconded the motion, and it carried unanimously.

16. Public Comments

Ms. Gregory commented on protection of the oak tree at Woodview Elementary School, widening of Bunker Hill, traffic studies, and staff salaries and benefits.

Mr. Schimmels commented on the Shadow Oaks Recreational Association.

Mr. Shaw commented on the Westview esplanade improvement project and improvements to Gessner Road north of IH-10.

Ms. Freedman commented on the Authority minutes, administration salaries, information missing from the March meeting packet, the monument signs, Four Points at Memorial City, microphones at the meeting, the Authority's copy machine, and Board member absences.

Ms. Prazak commented on construction at the hotel, the Gessner widening project, bus service along IH-10 and to City Center, covered bus shelters at City Center, the Authority's checks, and the composition of the Board.

Ms. Strassner commented on material in the meeting packets, salaries, the Authority's financial statements, staff work summaries, collateral for the \$11 million loan, the engineer's reports, the Authority's policy regarding videotaping, change orders, the street light foundations, the Memorial City Management District identity program, and anticipated rail lines.

Ms. Dillon commented on improvements to the north side of IH-10, and improvements to Lumpkin, Long Point and Wisterwood.

17. Adjournment

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

Approved:



Chuck Turet, Chairman

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