

MINUTES OF THE BOARD OF DIRECTORS MEETING
TIRZ 17 Redevelopment Authority/
Memorial City Redevelopment Authority
City of Houston, Texas
July 1, 2008

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 July 1, 2008, in the Memorial Hermann Hospital's Memorial City Conference Room, 920 Frostwood, Houston, Texas, inside the boundaries of the District.

Board members in attendance:

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

Board members not in attendance:

Dan Moody, III

City of Houston representatives in attendance:

Robert Fiederlein

Consultants in attendance:

Pat Hall - ETI Accounting Services
Rafael Ortega, Jesse Chavez, 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

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

Charles Turet called the meeting to order.

2. Approve minutes of the June 10, 2008 and December 12, 2006 Board meetings

The Board discussed the minutes of the June 10, 2008, and December 12, 2006, Board meetings. Ken Arnold requested information regarding the \$4,500

construction fee refund to the operating account as discussed at the June 10, 2008, meeting. Pat Walters stated that the refund was due to a double-billing from Wells Fargo relating to the bank's fees as trustee of the Authority's Series 2008 bonds. Following review and discussion, Brad Freels moved to approve the minutes of the meetings as submitted. The motion was seconded by Ken Arnold and carried unanimously.

3. Receive financial report and approve payment of invoices

Pat Hall reviewed the financial report as of May 31, 2008. She noted that due to the early meeting date this month the report has not been updated. She then presented checks for payment from the general operating fund and the capital projects fund. Following review and discussion, Ken Arnold made a motion to approve payment of the invoices presented. Zachary Hodges seconded the motion, and it passed unanimously. The Board asked Rafael Ortega to research issues related to some of the invoices and report back to the Board.

4. Report on status of City of Houston approval of FY 2009 budget and 2009-2013 Capital Improvement Plan

Pat Walters stated that the City approved the budget as presented.

5. Report on FY 2009 bond issue

Pat Walters stated that the budget approved by the City includes a bond issue of approximately \$11 million. He and Trey Lary discussed a bond issue later this calendar year.

6. Discuss selection of real estate consultants for future projects

The Board discussed selection of real estate consultants for acquisition of right-of-way for projects in the 2009 Capital Improvement Plan. The Board discussed consulting with Lewis Realty Advisors and Andrews & Kurth regarding such matters. Ken Arnold disclosed that his son is a partner in Andrews & Kurth and therefore he will abstain from participation in the selection of that firm as a consultant. Brad Freels stated he may recommend additional consultants for the Board's consideration. No action was taken.

7. Discuss selection of engineers for future projects

The Board discussed selection of engineering firms for future projects. Ken Arnold asked that LAN evaluate the performance of TCB and Klotz on projects, as well as the engineering costs for projects. The Board concurred to appoint Ken

Arnold, Glenn Airola and Brad Freels to a committee to work with the City to evaluate these matters.

8. Report on the status of the Gessner Road widening project

Rafael reported on the status of the Gessner widening project. He stated there are no pay estimates or change orders for the Board's consideration. No action was necessary for this agenda item.

9. Report on status of the Bunker Hill widening project

Rafael Ortega and Jesse Chavez reported on the status of the Bunker Hill widening project. He stated there are no pay estimates for the Board's consideration.

Mr. Ortega reviewed and recommended approval of the supplemental proposal from TCB for additional surveying, in the amount of \$1,890. Following review and discussion and based on the engineer's recommendation, Ken Arnold moved to approve TCB's supplemental proposal for phase III construction services in the amount of \$1,890, subject to receipt of a variance by the City's Public Works Department. Brad Freels seconded the motion, and it carried unanimously.

Mr. Ortega reported on finalization of the Long Point right-of-way acquisition by the City of Houston.

10. Report on the status of the Kingsride intersection improvements

Rafael Ortega reported on the irrigation system at Sterling Bank, within the Kingsride right-of-way. Mr. Ortega stated that the irrigation system was incorrectly thought to be abandoned, and therefore replacement costs were not included in the original bid documents. Mr. Ortega reviewed a proposal by Embark to replace the irrigation system for \$7,569.66. Pat Walters stated that the Authority is also reviewing alternative proposals. Following review and discussion and based upon the engineer's recommendation, Ken Arnold made a motion to authorize replacement of the irrigation system for an amount not to exceed \$7,600, subject to Mr. Walters' receipt of proposals. The motion was seconded by Zachary Hodges and passed by unanimous vote.

Rafael Ortega then reviewed and recommended approval of Change Order No. 1 in the amount of \$3,582.19, for a 6' mono curb and gutter along the Memorial City Service Center parking lot. Following review and discussion and based upon the engineer's recommendation, Ken Arnold made a motion to approve Change Order

No. 1 to the contract with Cravens Partners, Ltd., in the amount of \$3,582.19. Brenda Stardig Patrick seconded the motion and it passed unanimously.

Mr. Ortega then reviewed and recommended approval of a Change Order No. 2 in the amount of \$3,302.88, for a 24"x14" storm sewer extension at the corner of Gessner and Kingsride. Following review and discussion and based upon the engineer's recommendation, Ken Arnold made a motion to approve Change Order No. 2 to the contract with Cravens Partners, Ltd., in the amount of \$3,302.88. Brenda Stardig Patrick seconded the motion and it passed unanimously.

Mr. Ortega reported that the contractor cannot complete paving of the right turn lane from Gessner to Kingsride until the City tests and approves the new underground water line at the intersection. He recommend that the Authority suspend the project completion time due to this delay. Following discussion and based upon the engineer's recommendation, Ken Arnold moved to approve the time suspension request. Brenda Stardig Patrick seconded the motion, which carried by unanimous vote.

11. Report on the status of the Queensbury storm sewer improvements

Rafael Ortega updated the Board regarding the Queensbury storm sewer improvements. He stated there are no pay estimates or change orders for the Board's consideration. No action was necessary regarding this agenda item.

12. Report from the parks, trails, and greenspace committee meeting

The Board discussed the parks committee meetings and identification of areas for greenspace in the area. Pat Walters discussed partnership with other entities regarding parks, trails and greenspace. Committee member Donna Cullum reviewed a newspaper article regarding removal of oak trees by the Upper Kirby Tax Increment Reinvestment Zone, and asked the Board to consider relocation of these trees to the Authority. No action was necessary regarding this agenda item.

13. Responses to public comments received at the June 10, 2008 meeting

Ken Arnold asked that the Authority track its budgeted versus actual project expenses.

Due to time constraints, the Board agreed to defer responses to public comments from the June 10, 2008 meeting.

14. Public comments

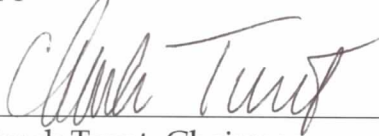
Donna Freedman commented on the proposal by Embark, competitive bidding, and her complaint to the justice department.

Roberta Prazak commented on the park committee and southside representation on the Board.

15. Adjournment

There being no additional matters for the Board's consideration, the Board concurred to adjourn the meeting.

Approved:

A handwritten signature in cursive script, appearing to read "Chuck Turet", is written over a horizontal line.

Chuck Turet, Chairman

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