**MINUTES OF REGULAR MEETING
OF
REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS**

November 13, 2012

The Board of Directors (the “Board”) of Reinvestment Zone Number Three, City of Houston (the “Zone”) convened in regular session, open to the public, at the offices of Houston Downtown Management District, on the 13th day of November 2012, and the roll was called of the duly constituted officers and members of the Board, to-wit:

 F. Xavier Peña Chair

 Curtis B. Lampley Vice-Chair

 Deborah Keyser Secretary

 Curtis Flowers Treasurer/Investment Officer

 Michele Sabino Director

 Kathryn Chase McNiel Director

 Keith Edward Hamm Director

 Harold A. “Al” Odom III Director

 Barry Mandel Director

and all of said persons were present except Directors Lampley and Odom, thus constituting a quorum.

Also present were: Bob Eury, Executive Director and TataLease Derby, Director of the Authority; Clark Lord and Debbie Russell of Bracewell & Giuliani LLP; Heather Hinzie and Lonnie Hoogeboom of the Houston Downtown Management District (“HDMD”); Ralph De Leon of the City of Houston; George Baugh of George Baugh III & Company; Jim Borders and Pete Dienna of Novare Group; Kimberly Wolfe of the Heritage Society; and Jackie Traywick of Central Houston, Inc.; Lieutenant Christine Anthony of the Houston Police Department and representatives from the Shandong Province of China.

**DETERMINE QUORUM; CALL TO ORDER**

Chair Peña noted that a quorum was present and called the meeting to order.

# INTRODUCTION OF GUESTS AND PUBLIC COMMENTS

Chair Peña welcomed the attendees to the meeting. The meeting attendees next introduced themselves to the Board.

# APPROVE MINUTES OF PREVIOUS MEETINGS

The Board considered approving the minutes of October 9, 2012. Following discussion, upon a motion made by Director Mandel and seconded by Director Sabino, the Board voted unanimously to approve the minutes of October 9, 2012.

**FINANCIAL REPORT**

Fiscal Year 2012 Audit

Ms. Derby informed the Board that the Budget and Finance Committee (the “Finance Committee”) and met with the Authority’s auditors and made no significant changes. She stated that the auditor issued an unqualified opinion in connection with the audit. Ms. Derby stated that the Finance Committee had authorized the Authority staff to release the audit to the City of Houston (the “City”). Following discussion, upon a motion made by Director Keyser and seconded by Director Mandel, the Board voted unanimously to ratify the Finance Committee’s approval and release of the audit to the City.

**ECONOMIC DEVELOPMENT PROJECTS**

Downtown Living Program

 Ms. Derby then informed the Board of a grant request from the Novare Group for a residential development on block 350. Mr. Borders reviewed the preliminary plans with the Board, including proposed amenities such as an onsite pool, dog park and parking. Ms. Derby stated that the ED Committee had reviewed the application and recommended funding not to exceed $5,400,000 which is the equivalent of $15,000 per unit up to a maximum of 15 years. She noted that the proposal has been reviewed by the Houston Downtown Management District (“HDMD”) and was found to meet all terms and conditions of the grant program. After discussion, Director Keyser moved that the Board approve the grant request from Novare Group in an amount not to exceed $5,400,000. Director Hamm seconded the motion and it carried by unanimous vote.

**EXECUTIVE SESSION**

There was no executive session.

**RECONVENE IN OPEN SESSION AND TAKE ACTION ON MATTERS DISCUSSED IN EXECUTIVE SESSION**

There was no need to reconvene in open session..

**NEXT MEETING**

Chair Peña reported that the Board will meet again on December 11, 2012.

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

[*Signature page follows*]

Secretary, Board of Directors