

**LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY
MINUTES OF BOARD MEETING
HOUSTON, TEXAS**

January 5, 2007

A meeting of the Board Of Directors ("the Board") of the Land Assemblage Redevelopment Authority ("LARA"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, et seq., and the Texas Local Government Code Annotated, Section 394.001 et seq., was held in the Houston City Hall Annex Council Chambers, Public Level, 900 Bagby Street, Houston, Harris County, Texas, on Friday, January 5, 2007. Written notice of the meeting, which included the date, hour, place and agenda for the meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Reginald Adams, President
Tyrone Dorian
Craig Presley
Jeremy Ratcliff
James Harrison, III
Reverend James Nash
Antoinette Jackson

Board Members absent were:

David Collins, Chairman of the Board
Ray Fisher
Yolanda Black-Navarro
Teresa Morales
Jolanda Jones

Others in attendance included: Steve Tinnermon, Pat McFarland, and Agatha Collins of the Neighborhoods and Housing Division of the Mayor's Office (the "NHD"); Jim Lemond and Monique Saulter of Winstead Sechrest & Minick, P.C., LARA's General Counsel; Leah Stolar of Linebarger, Goggan, Blair and Sampson, L.L.P.; Chris Butler, special assistant to the Mayor of Houston in the area of property construction; and Allen Parker and Lynn Henson of the City of Houston's Planning and Development Department.

I. Call to Order

Mr. Adams, President, called the Board Meeting to order at 3:47 p.m.

II. Review and Approval of Minutes from the December 1, 2006 Board Meeting

The Board did not formally approve the Minutes of December 1, 2006, because of time constraints.

III. Old Business

The Board did not discuss Old Business items because of time constraints.

IV. Committee Reports

No Committee Reports were presented.

V. New Business – Approval of Lot Purchase and Development Contracts

Given that a quorum could only be present for a limited time, Mr. Adams opened the Board Meeting with a discussion regarding authorization for LARA to enter into lot purchase and development contracts (as referred to herein, each individually, a "Contract" and collectively, the "Contracts") with the five building companies that responded to the Request for Proposals issued by LARA in June, 2006 (the "RFP"). The builders are: 1. Senee Homes, 2. Pedraza Construction, 3. Mayberry Homes, 4. Burghli Homes, and 5. Greater Houston Development Corporation ("GHDC").

Mr. Tinnermon stated that the NHD had previously mailed copies of the proposed Contracts to all Board Members and explained that the main body of the contract will be standard for all Contracts but the Schedules attached to the Contract are unique for each builder. Mr. Tinnermon then turned the floor over to Mr. Butler.

Mr. Butler directed the Board's attention to the various proposed Contracts. He explained that Exhibit A in each Contract lists development costs for each lot.

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a. Senee Homes

Mr. Butler reported that Senee Homes has agreed to concurrently develop ten lots.

b. Pedraza Construction

Mr. Butler then stated that the second builder, Pedraza Construction, has also agreed to concurrently develop ten lots. He stated that there would be a correction to Item R-1260-A set forth in the attachments to the Contract because the builder

incorrectly listed the purchase price. He pointed out that the maximum build price under LARA's Affordable Housing Program is currently set at \$99,000.00, and assured the Board that he would investigate to determine why the builder set Item R-1260-A's purchase price at \$101,000.00.

c. Mayberry Homes

Mr. Butler then noted that Mayberry Homes has agreed to develop five lots as soon as the Board approves the Contract, and then would complete development of the remaining five lots within 120 days of execution of the Contract. Mr. Butler noted that Mayberry Homes is currently building in the Sunnyside Subdivision; therefore, the builder is at its peak capacity and could only complete the lots in the aforementioned time frame.

d. Burghli Homes

Mr. Butler then noted that Burghli Homes has agreed to develop nine lots, with development on three to commence after Board approval of the Contract, and with three additional lots to be completed every 120 days thereafter, until all nine are completed. He stated that Burghli Homes currently has three buyers interested in purchasing the initial three homes, and if the Board approves the Contract soon and the sales close, Burghli will be able to develop the other six lots in a quicker time frame than expected.

Mr. Butler stated that Burghli has closed thirteen homes in the Acres Homes area without any subsidy from the City of Houston or HUD and believes that it can close these nine homes quickly with the down payment assistance offered to the buyers through the Affordable Housing Program.

e. GHDC

Mr. Butler reported that GHDC has agreed to develop six properties and will initially develop two lots – one to be developed as a model home and the other to be used for parking. He explained that GHDC plans to complete the remaining four properties within 60 days of execution of the Contract. He then explained that GHDC has previously developed properties in the Trinity Gardens subdivision.

Mr. Lemond pointed out that GHDC is the only builder that responded to the RFP that is also a Community Development Corporation.

Mr. Adams asked the Board members if they had any questions. No one had any questions. Mr. Adams motioned that the Board approve execution by LARA of the Pedraza Construction Contract, the Burghli Homes Contract, and the GHDC Contract, as presented, subject to resolution of the price discrepancy in the Pedraza Construction Contract. Ms. Jackson then pointed out that there were actually two properties listed in the Pedraza Contract, Items R-1260-A and R-1240-A, that

exceeded the \$99,000.00 limit. She suggested that the properties be removed from the Contract or that the price be adjusted.

Mr. Butler stated that one of Pedraza Construction's representatives was present at the meeting, and that he would discuss the price issue with him immediately after the meeting adjourned. He stated that he did not believe it would be a problem getting the price adjusted to comply with the price limitations.

Mr. Adams requested that a motion be made to approve the form and substance, and LARA's execution, of the Pedraza Construction Contract, the Burghli Homes Contract, and the GHDC Contract, subject to resolution of the price adjustment of the two properties exceeding the price limitation in the Pedraza Construction Contract. Upon a motion by Mr. Harris, seconded by Ms. Jackson, the Board approved the above referenced Contracts, subject to the price adjustments to be made in the Pedraza Construction Contract.

VI. Chairman's Report

The Chairman's Report was not presented.

VII. Public Comments

There were no comments from the public.

VIII. Executive Session

Mr. Adams called an Executive Session to order pursuant to Section 551 of the Texas Open Meetings Act. The Board Members gathered in outside chambers but did not commence the Executive Session because of a loss of the quorum. No session, therefore, was held.

IX. Adjournment

On a motion by Mr. Adams, seconded by Mr. Harrison, the meeting was adjourned at 3:14 p.m.

Minutes prepared by:

**Jim Lemond and Monique Saulter
Winstead Sechrest & Minick, P.C.**

Signed on the _____ day of _____, 20__.

Reginald Adams, President

Jolanda Jones, Secretary