

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

June 22, 2007

A meeting of the Board Of Directors (the "Board") of the Land Assemblage Redevelopment Authority ("LARA" or the "Authority"), 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, June 22, 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:

David Collins, Chairman of the Board
Reginald Adams, President
Jolanda Jones
Yolanda Black-Navarro
Antoinette Jackson
Teresa Morales
Jeremy Ratcliff
Reverend John W. Bowie
James Harrison III

Board Members absent were:

Tyrone Dorian; Ray Fisher; and Craig Presley

Others in attendance included: Steve Tinnermon, Pat McFarland, Agatha Collins, and Koshy Rahel (intern) of the Neighborhoods and Housing Division of the Mayor's Office (the "NHD"); Jim Lemond and Tonja King of Winstead PC, the Authority's General Counsel; Leah Stolar of Linebarger, Goggan, Blair and Sampson, L.L.P.; Chris Butler, special assistant to the Mayor of Houston for property construction; and Lynn Henson of the City of Houston's Planning and Development Department.

I. Call to Order

Mr. Collins, Chairman, called the Board Meeting to order at 2:13 p.m.

II. Review and Approval of Minutes from the May 18, 2007 Board Meeting

Ms. Jackson requested that the May 18, 2007 minutes be amended to note her attendance.

Upon a motion by Ms. Jones, seconded by Mr. Adams, the Board unanimously approved the Minutes of the May 18, 2007 Board meeting.

III. Old Business

A. Treasurer's Report.

Ms. Morales distributed the April 30, 2007 financial statements, and recommended that the board request additional funding from the city counsel for expenses.

Ms. Jones moved to accept the Treasurer's report. Mr. Adams seconded the motion and the motion carried.

B. Auction Update by Linebarger, Goggan, Blair and Sampson, L.L.P.

Ms. Stolar distributed the monthly Auction Report as prepared by her firm and pointed out that 27 properties were acquired by LARA at the June auction. She added that 30 properties are available for the next auction and are identified on the last page of the report.

IV. Committee Reports

A. Executive Committee Report.

Mr. Adams reported that the Executive Committee met prior to the scheduled board meeting and was recommending the following to the full board: 1) authorization to enter into contracts with Burghli Homes, Oliver Builders, SEKA Investments, and Catholic Charities; 2) approval of a resolution authorizing Board members Reginald Adams, Jeremy Ratcliff and Teresa Morales as signatories on LARA closing documents; 3) approval of a resolution to increase eligibility limits for purchasers of homes developed by LARA; 4) approval of an agreed settlement between LARA and Horizon Southwest Properties relating to payment for real estate consulting services; 5) approval of a lot exchange with Mrs. Gertie Townsend; and 6) modification of the terms of the previously-approved contract with Habitat for Humanity.

B. Builder Selection Committee Report.

Mr. Ratcliff reported that the Builder Selection Committee had met and discussed the selection of Burghli Builders, Oliver Homes, and SEKA investments as LARA-approved builders. The Committee is in agreement with the proposed layouts and pricing schedules presented by each builder, and Mr. Ratcliff noted that some lots have been strategically divided to allow the builders to construct multiple dwellings on those properties based on size and configuration.

C. LARA / Houston Hope Construction Update

Mr. Butler presented an update on all of the outstanding LARA construction contracts. He advised the board that Burghli Homes has 9 homes under construction in the Acres Homes community and that 7 of the nine are already sold. Two of the homes will be ready to close by the end of June and two more will be ready by the end of July. He reported that Burghli Homes,

in affiliation with Guiding Light CDC, has one prospective buyer who is in the process of selecting a lot and floor plan. Mr. Butler also reported that GHDI Builders in Trinity Gardens has cleared its lots for construction of the model homes and will commence pouring foundations as soon as the weather permits. GHDI is scheduled to purchase 4 additional lots in July, with construction to begin by the end of July. GHDI has pre-sold one home and has 4 prospective buyers.

Mr. Butler summarized the remaining outstanding contracts as follows: Lazer Homes is set to purchase one lot in July to begin construction by the end of July; Pedraza/Tejano Center CDC has purchased 13 lots and is scheduled to pour 5 slabs by the end of June, and has one interested buyer; Pedraza/Holmes CDC will close on 5 lots in July to begin construction by the end of July; Senee Homes/Acres Home CDC is scheduled to close on 4 lots this month to begin construction in July.

Mr. Butler identified future potential Houston Hope Partners as: Oliver Builders & Holmes CDC; SEKA Investments & Holmes CDC; Burghli Homes & Solid Rock CDC; Hearthstone Homes & Re-ward Third Ward CDC; Catholic Charities; Covenant Community Capital; and Rice Design Alliance & the American Institute of Architects.

Mr. Adams requested that a summary of the construction status be compiled in spreadsheet form for the builders' reference, which would identify the number of homes each builder has acquired, the construction schedule, and the number of homes that have been bought and sold.

Ms. Morales requested that the spreadsheet include a projection of the number of homes that will be sold by the year end.

Mr. Butler responded that the spreadsheet summary would be generated and produced for review at the July Board Meeting.

VI. New Business

A. Discussion And Approval Of Authorization To Enter Into Contract With Burghli Builders, Oliver Homes, SEKA Investments, and Catholic Charities

Mr. Collins called for discussion. Ms. Jones moved to approve the authorization to enter into contracts with Burghli Builders, Oliver Homes, SEKA Investments, and Catholic Charities. Mr. Ratcliff seconded the motion. The motion carried..

B. Discussion And Approval of Payment of Invoices for Real Estate Consulting Services Rendered by Horizon Southwest Properties

Mr. Collins called for discussion. Mr. Lemond reported that LARA and Horizon Southwest Properties had agreed on the terms of a settlement relating to payment for real estate consulting services rendered by Horizon. The actual settlement amount will be confirmed with Ms. Morales, LARA's treasurer, he said, and Winstead PC will prepare a Release of Claims and Settlement Agreement. The Agreement would require execution by both Horizon and by LARA before a check is issued.

Ms. Jones moved to approve payment to Horizon Southwest Properties consistent with the terms and conditions of settlement as set out by Mr. Lemond and Ms. Jackson seconded the motion. The motion carried.

C. Discussion and approval of resolution to increase eligibility limits for purchasers of homes built on lots developed by LARA.

Mr. Collins called for discussion. Mr. Lemond distributed a copy of the proposed Resolution authorizing an increase in the eligibility limits for prospective LARA purchasers to a maximum of 120% of the Area Median Income. He stated that the City Attorney's office had reviewed and signed off also on the final language of the Resolution.

Ms. Jones moved to approve the Resolution as presented and Ms. Jackson seconded the motion. The motion carried.

D. Discussion and approval of lot exchange with Mrs. Gertie Townsend.

Mr. Collins called for discussion. Mr. Lemond reported that LARA and Mrs. Townsend had reached an agreement, subject to approval of the board, to exchange title to two contiguous lots in Acres Homes. The lots are the exact same size and have the exact same HCAD appraised value. The agreement would facilitate Mrs. Townsend acquiring the LARA-owned lot located immediately adjacent to her homestead, while LARA would acquire title to Mrs. Townsend's lot and would still be able to offer its lot to builders for the LARA construction program in Acres Homes.

Ms. Jones moved to approve the lot exchange with Mrs. Townsend, and Mr. Adams seconded the motion. The motion carried.

E. Discussion and approval of authorization to enter into contract with Urban Harvest to build a community garden on certain lots.

Mr. Collins reported that this item would be tabled for consideration at a subsequent LARA board meeting.

F. Discussion and approval of modifications to contract with Habitat for Humanity.

Mr. Collins called for discussion. Ms. Jackson recused herself from participation in the discussion or action on this matter due to her status as a board member also of Habitat.

Based on the recommendation made by the Executive Committee, Ms. Jones moved to approve the modifications to the contract with Habitat for Humanity, and Mr. Harrison seconded the motion. The motion carried.

G. Discussion and approval of authorization of corporate resolution adding Board members Reginald Adams, Jeremy Ratcliff and Teresa Morales as authorized signatories on all LARA closing documents.

Mr. Collins called for discussion.

Ms. Jones moved to approve the corporate resolutions as presented and Ms. Jackson seconded the motion. The motion carried.

V. Executive Session

Mr. Collins noted that there were no matters requiring an Executive Session.

VI. Chairman's Report

Mr. Collins stated that there would be no Chairman's Report.

VII. Board Member Comments

Mr. Collins invited comments from Board Members.

Mr. Tinnermon introduced Andrea Jones, who is working with the CDC's to help develop and implement marketing plans, and Koshy Rahel, who is a summer intern with the City's Neighborhoods and Housing Division of the Mayor's Office, and is currently attending Trinity University.

Mr. Harrison reported that he had had the opportunity to speak with the executive director of Habitat for Humanity and had been successful in resolving some specifications issues he raised at the May board meeting. The contract and relationship with Habitat for Humanity looks positive, he stated.

Mr. Tinnermon reported that construction on Apollo Street was progressing well. There are currently nine houses under construction by Burghli Homes and the work is very impressive.

Mr. Lemond reminded the Board Members that state law requires each member to attend training sessions on Texas Open Government and that all Board Members should provide their Certificates of Completion to either him, or to Mr. Tinnermon, once they have completed the required sessions.

Ms. Jones inquired as to the status of communications between LARA and the many Houston-based Community Development Corporations ("CDCs") in reference to the previous meeting where the board committed to facilitating meaningful communication between LARA and the CDC community. Mr. Butler responded that all LARA-registered CDCs are given notice of every LARA meeting, and that he meets with each participating CDC on a bi-weekly basis at the Houston Hope Meetings to address prospective marketing and construction concerns.

VIII. Public Comments

Mr. Collins invited public comments. No members of the public addressed the board.

IX. Adjournment

On a motion by Ms. Black-Navarro, seconded by Ms. Jones, the meeting was adjourned at 2:44 p.m.

Minutes prepared by:

**Jim Lemond and Tonja King
Winstead PC**

Signed on the _____ day of _____, 20__.

Reginald Adams, President

Jolanda Jones, Secretary