

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

October 26, 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, October 26, 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
Teresa Morales
Jeremy Ratcliff
Antoinette Jackson, Vice-Chair
Jolanda Jones, and
Reverend John W. Bowie

Board Members absent were:

Ray Fisher, Craig Presley, James Harrison , Michael Harris, and Tyrone Dorian.

Others in attendance included: Pat McFarland, and Agatha Collins 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 2:02 p.m.

II. Review and Approval of Minutes from the August and September, 2007 Board Meetings

Mr. Collins asked for a Motion for approval of the August 24, 2007 and the September 28, 2007 Board meetings. Mr. Lemond pointed out a correction to the Minutes to reflect that Ms. Jackson should be shown to have been in attendance at the August board meeting but absent from the September meeting. Upon a motion by Mr. Adams, seconded by Ms. Jones, the Board unanimously approved the Minutes, as corrected.

III. Treasurer's Report

Ms. Morales distributed copies of the Financial Statements for the months of July and August, 2007 and discussed the reports in detail with the Board. She also pointed out that the LARA Audit was close to completion and should be ready for presenting to the Board at its next scheduled meeting. Ms. Jones moved to accept the report. Mr. Adams seconded the motion, and the motion carried.

IV. 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 28 new properties were acquired by LARA at the October auction, 10 by strike-off and 18 by purchase. She added that 19 properties are available for the November auction and are identified on the last page of the Property Lot Foreclosure Activity Report.

V. Committee Reports

1. Executive Committee Report

Mr. Adams reported that the Executive Committee had met prior to the scheduled Board meeting. The Committee, he reported, had voted to recommend that the full Board approve the award of construction contracts to Greater Houston Development, Inc., to Pedraza Construction and to Mayberry Homes. Further, the Committee voted to recommend that the full Board approve a Board Resolution as drafted by Mr. Lemond to authorize the sale of LARA lots to various builders and community development corporations and to grant LARA's General Counsel to make minor changes and modifications to the Resolution, as needed.

2. Builder Selection Committee Report

Mr. Ratcliff advised that no actions had been taken by the Builder Selection Committee and consequently, there was no report from the committee.

3. LARA/Houston Hope construction update

Mr. Butler distributed a Houston Hope Study matrix with up-to-date statistics on the status of vacant parcels in certain Houston Hope neighborhoods. He also presented a Production Status Report on Houston Hope lots contracted to builders and of homes currently under construction. Mr. Butler pointed out that the matrix included the builders historically constructing new homes in LARA neighborhoods but also reflected the lot approved by the Board in September for donation to the Rice Design Alliance and the Houston chapter of the AIA (American Institute of Architects) by the LARA board to be used in an international affordable housing competition. The lot is located in the 5th Ward neighborhood. He also explained that the matrix included the 20 lots in Settegast sold to Houston Habitat For Humanity and reported that construction was already underway on those lots and that all 20 such homes were scheduled to close to buyers, beginning in January 2008. The matrix further included the 3 lots located in Independence Heights purchased by Catholic Charities on which three models homes would be built by the end of 2007.

Mr. Collins inquired as to whether the Rice Design Alliance competition would require that the designs for affordable housing be compatible with the character of the neighborhood. Mr. Adams responded that the Alliance had agreed to require that element as part of the design criteria. He also said that the design criteria and guidelines for the competition were to be posted on the Rice Design Alliances website. Ms. Jones reiterated that to be the case and indicated that LARA needed to closely monitor the competition to assure that the winning design met all such criteria.

Mr. Collins announced that Houston Habitat For Humanity will hold a celebratory construction start for its first LARA/Habitat home in Settegast on November 10th. All board members were urged to attend and participate in the opening day construction activities at the homesite located at 5310 Haight Street in northeast Houston. Ms. Jackson, also the Vice-Chair of Houston Habitat For Humanity, further extended the offer to LARA board members.

Mr. Adams inquired of Mr. Butler as to the results of the affordable housing marketing initiative instituted in conjunction with the City of Houston to advertise the availability of affordable LARA homes to eligible Houstonians. Mr. Butler indicated that over 3,000 families responded by telephone to the campaign and approximately 800 indicated an interest in acquiring a home in the LARA/Houston Hope target neighborhoods. These 800 families are now being evaluated, he said, for mortgage loans by lenders participating in the program and these lenders will work to pre-qualify families for mortgage loans on homes currently being constructed in the target neighborhoods.

VI. Consideration and approval to enter into construction contracts with Pedraza Construction, Greater Houston Development, Inc. and Mayberry Homes for construction of affordable housing in LARA/Houston Hope communities

Mr. Ratcliff urged the Board to withhold approval for the award of lots to Greater Houston Development, Inc. ("GHDI") because it had only constructed one model home on lots previously-awarded and GHDI was now asking for 8 additional lots. Mr. Ratcliff asked that Ms. Robin Curtis of GHDI appear before the Board to address the request and explain the delays in constructing homes on the lots previously purchased. On motion by Ms. Jones, seconded by Mr. Adams, the Board voted unanimously to authorize LARA to enter into contracts with Pedraza Construction and Mayberry Homes for additional lots, as requested.

VII. Consideration and approval of Board Resolution authorizing the sale of various LARA-owned lots to Builders and Community Development Corporations

Mr. Collins called for a motion supporting the authorization requested. Mr. Adams pointed out that the motion should include the requirement that LARA's General Counsel be given the discretion to make minor modifications to the Resolution. Mr. Lemond explained that Stewart Title Company, which insures LARA lots sold to builders, wanted documentation in its files that the Board had specifically authorized these type transactions and the Resolution as presented would serve as a Blanket Resolution covering all past and prior board actions taken in respect to the sale of lots to builders. The resolution, he added, would be presented to Stewart Title and he anticipated no difficulty with the acceptance of the document as drafted. If, however, there were minor modifications requested by Stewart he wanted to be given the

discretion to make such minor changes. If the changes were significant, the matter would come back before the Board for consideration.

Upon motion by Mr. Adams, seconded by Mr. Ratcliff, the Board voted to adopt the Resolution as presented.

VIII. Executive Session

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

IX. Reconvene in Open Session

N/A.

X. Board Member Comments

No board members had additional comments.

XI. Public Comments

Mr. Collins noted that no one had signed up for public comment or discussion.

XII. Adjournment

Mr. Collins invited a motion for adjournment. On a motion by Ms. Jones, seconded by Mr. Adams, the meeting was adjourned at 2:55 p.m.

Minutes prepared by:

**Jim Lemond and Tonja King
Winstead PC**

Signed on the _____ day of _____, 20__.

Reginald Adams, President

Jolanda Jones, Secretary