

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

May 30, 2008

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, May 30, 2008. 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
Reginald Adams, President
Jeremy Ratcliff
Rev. Steve Hall
Rev. John W. Bowie
Richard Leal
Antoinette Jackson
James Harrison III
Yolanda Black Navarro
Teresa Morales

Board Members absent were, Michael Harris, Curtis Lampley, and Raymond Fisher.

Others in attendance included: Steve Tinnermon, Agatha Collins, and Norma Garcia of the Neighborhoods and Housing Division of the Mayor's Office; Jim Lemond and Danna White of Winstead PC, the Authority's General Counsel; Cheryl Felps of Linebarger, Goggan, Blair & Sampson, L.L.P.; Chris Butler, special assistant to the Mayor of Houston for property construction; Lynn Henson of the City of Houston's Planning and Development Department; Andrea Jones of the Mayor's Office; City Councilmember Jolanda Jones; Montana Mitchell of VNV Homes, Inc.; and Messrs. Michael Ashmore, Keith Wade and Mark Marquise and Ms. Jackie Roberts (collectively, the "Representatives") of Trans TEQ Environmental Solutions, Inc., ("Trans TEQ").

I. Call to Order

Mr. Collins, Chairman, called the meeting to order at 2:10 o'clock p.m. and requested a roll call. Mr. Collins noted for the record that a quorum of the board was present.

II. Review and Approval of Minutes from the April 25, 2008 Board Meeting

Mr. Adams moved to approve the minutes from the April 25, 2008. Upon motion made by Mr. Adams and seconded by Mr. Hall the Board unanimously voted to approve the Minutes.

III. Treasurer's Report

1. LARA Financial Report

Ms. Morales presented the LARA financial report, the accountants' compliance report, and the administrative report for the period ending March 31, 2008.

Ms. Morales reported that the response date for the RFP for Bookkeeping Services had been extended for two more weeks in the hope that additional responses might be submitted by interested accounting firms.

Mr. Adams moved to accept the Treasurer's Report and Mr. Hall seconded the motion. The Board unanimously approved acceptance of the Treasurer's Report.

2. LARA Administrative Report

Mr. Tinnermon next presented the Administrative Report. Mr. Tinnermon stated that Mr. Butler and Ms. Andrea Jones of the Mayor's Office had met with the Metropolitan Transit Authority ("METRO") regarding LARA's participation in METRO'S initiative to promote gasoline conservation in the City of Houston. He stated that buying a LARA home allows homebuyers to live closer in to the City and, thus, helps promote gasoline conservation. Ms. Jones reported that METRO is interested in increasing its ridership by promoting many different forms of gasoline conservation and is therefore also supportive of LARA's homebuilding initiatives within the City of Houston. Ms. Jones also stated that she would obtain further information regarding METRO'S promotion of its conservation efforts and report back to the board at a later date. Mr. Adams requested that Ms. Jones work to ensure that the LARA logo is included on METRO's marketing materials promoting gasoline conservation.

Mr. Ratcliff moved acceptance of the Administrative Report and the motion was seconded by Mr. Leal. The board unanimously voted to accept the Report.

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

Ms. Felps distributed the monthly Property Lot Foreclosure Activity Report as prepared by her firm and pointed out that there were 31 properties acquired in the month of May, eleven (11) by strike off and twelve (12) by purchase. Ms. Felps also reported that twenty two (22) properties are posted for the June auction.

V. Committee Reports

1. Executive Committee Report

Mr. Adams reported that the Executive Committee (the "EC") had met immediately prior to the scheduled Board of Directors' meeting and discussed the possibility of awarding contracts for weed cutting services on LARA lots. Mr. Adams stated that Mr. Tinnermon met with Trans TEQ regarding the response it submitted to the RFP.

Mr. Adams further reported that the EC discussed the potential development of multi-family and rental housing construction on LARA lots. Mr. Adams stated that the EC had asked Ms. Andrea Jones to provide it with credit assistance initiatives developed by the City of Houston and made available to prospective LARA homebuyers. The EC also, he said, had asked Mr. Butler and Ms. Henson to search for suitable LARA lots that might be candidates for the construction of multi-family/four-plex dwellings. Finally, Mr. Adams reported, the EC had asked Mr. Lemond to examine any legal issues associated with the construction of multi-family dwellings on LARA lots.

Mr. Adams next reported that the EC discussed holding a Board of Directors' Retreat in the near future and that Mr. Tinnermon would recommend to the Board some possible dates for the Retreat. Mr. Adams stated that Mr. Lemond had offered to have his law firm host the Directors' Retreat at its offices and that Mr. Lemond had suggested it might be better to hold the retreat on a weekday late afternoon and early evening rather than during a weekend.

Mr. Adams moved acceptance of the Executive Committee report and Ms. Morales seconded the motion. The motion was unanimously approved.

2. Builder Selection Committee Report.

Mr. Ratcliff reported that there had been two (2) Builder proposals presented for consideration this month and that VNV Homes, Inc., one of the builders, was present. Mr. Ratcliff then introduced Mr. Montana Mitchell of VNV Homes, Inc.

Mr. Mitchell said that he was pleased to now be considered for LARA construction contracts. He also said that, in his opinion, LARA needed to promote its homes more aggressively in the City and this could be accomplished through the use of targeted radio advertising. Mr. Mitchell said that VNV Homes had met with executives at two major radio stations that command a listening audience of more than 950,000 persons. He then indicated that the credit crisis in the home mortgage market was currently having a huge adverse effect on potential first-time homebuyers and that his company was addressing this problem in various ways. For instance, he said, VNV Homes is committed to providing its own financing to eligible homebuyers by providing owner-financing to potential homebuyers at a interest rate of not more than 4% annually.

Mr. Adams inquired as to whether VNV Homes intended to install solar panels in the homes they plan to construct on LARA lots. Mr. Mitchell responded that VNV Homes does intend to offer solar panels on its models because the City of Houston ranks very low on the list of U.S. cities promoting environmental and energy conservation efforts. Mr. Adams inquired

about the cost of solar panels on its affordable homes models. Mr. Mitchell stated that solar panels cost between \$13,000 and \$18,000 per home and that the panels would pay for themselves in savings to the homeowner over a period of eight (8) to twenty (20) years. Ms. Morales stated that the Board should conduct extensive research regarding the viability of the installation of solar panels before agreeing to allow LARA builders to install such equipment on LARA homes.

Mr. Adams moved acceptance of the Builder Selection Committee Report, seconded by Mr. Hall, and the Committee Report was unanimously accepted.

3. LARA/Houston Hope Construction Update (the "Construction Report")

Mr. Butler next reported that 23 homes had been constructed and sold this calendar year alone on LARA lots and that 47 others were in various stages of construction. He said that there are currently two (2) homes in the process of closing and that could boost the completion total to 25 homes by the end of the month.

Ms. Morales asked Mr. Tinnermon about the budget expectations for constructed homes that had been set by the Mayor. Mr. Tinnermon responded that the Mayor had set a budget expectation of the sale of 21 homes per month and 100 homes for the year. He said that LARA will fall short of that expectation this year.

Ms. Black Navarro next suggested that LARA needed to do a better job of marketing LARA homes to potential Latino homebuyers and in doing business with Latino businesses. Discussion ensued regarding advertising and utilizing selected advertising sources to address the changing demographics of the City. Mr. Tinnermon concurred with Ms. Black Navarro and stated that he would work closer with the City's Housing and Community Development Department to ensure that advertising the opportunities for LARA homeownership is such that it covers a broad spectrum of all segments of the City's population.

Upon motion by Mr. Harrison, seconded by Mr. Ratcliff, the board unanimously accepted the Construction Report.

VI. Consideration and possible action awarding lot acquisition contracts to Mayberry Homes, Inc. for construction of new affordable housing in Sunnyside

Mr. Collins opened the floor for discussion. No questions or comments were raised. Upon motion by Ms. Navarro Black, seconded by Mr. Adams, the board unanimously approved and authorized LARA to award lot acquisition contracts to Mayberry Homes, Inc. for construction of new and affordable housing in Sunnyside.

VII. Consideration and possible action on awarding lot acquisition contracts to VNV Homes, Inc. for construction of new affordable housing in Independence Heights.

Mr. Collins opened the floor for discussion. No questions or comments were raised. Upon motion by Mr. Adams, seconded by Ms. Jackson, the board unanimously approved and authorized the LARA to award lot acquisition contracts to VNV Homes, Inc. for construction of new and affordable housing in Independence Heights.

VIII. Consideration and possible action authorizing the LARA Finance Committee to award Mir, Fox & Rodriguez a contract to perform a Financial Audit for LARA.

Mr. Collins opened the floor for discussion. No questions or comments were raised. Upon motion by Mr. Harrison and seconded by Mr. Hall, the Board unanimously approved and authorized the LARA Finance Committee to award Mir, Fox & Rodriguez, P.C. a contract to perform a Financial Audit of the Land Assemblage Redevelopment Authority.

IX. Consideration and possible action awarding contracts for weed-cutting services on LARA lots in response to the Weed Cutting Services RFP.

Mr. Collins opened the floor for discussion. Mr. Tinnermon stated that the Board had received a response to the RFP for weed cutting and that the Representatives of Trans TEQ Environmental Solutions, Inc. were present and had requested an opportunity to make a presentation to the Board of Directors. The Representatives introduced themselves and explained Trans TEQ's weed-cutting experience. The Representatives stated that Trans TEQ is prepared to begin work as soon as the Board authorizes and approves LARA to contract with Trans TEQ. Ms. Morales inquired as to why the contract would be for a period of two (2) years rather than one (1) year. Mr. Tinnermon explained that a 2-year contract would allow the vendor a sufficient period of time to recapture some of its initial capital outlay necessary to comply with the contract. Also, he pointed out, it would allow LARA to lock in prices for 24 months, as opposed to only 12 months. Mr. Adams inquired as how long it might be before the first LARA lots could be cut if the Trans TEQ's proposal is approved. Mr. Tinnermon stated that the first lot could be cut as early as the end of the upcoming week.

Ms. Navarro Black asked if Trans TEQ had other weed-cutting contracts with the City. The Representatives responded that the company did not have any other contracts with the City.

Ms. Morales asked whether the City of Houston's Neighborhood Protection Division of the Houston Police Department would continue to provide weed-cutting services to LARA if the Trans TEQ contract were to be approved. Mr. Tinnermon stated that the Neighborhood Protection Division would continue to provide lot-cutting services for LARA on an as-needed basis requiring special services but that the bulk of the weed-cutting work would be performed by the new contractor.

Upon motion by Mr. Adams and seconded by Ms. Jackson, the Board unanimously approved and authorized the award of a contract for weed-cutting services on LARA lots to Trans TEQ Environmental Solutions, Inc.

X. Discussion regarding the promotion of multi-family and rental housing construction on LARA lots.

Mr. Collins opened the floor for discussion. Based on Mr. Adams' report from the Executive Committee meeting, the board agreed to take no action on this issue until more information is made available to the board, as had been requested by the EC.

XI. Discussion regarding the diversification of LARA funding sources.

Mr. Collins opened the floor for discussion. Mr. Adams stated that the Executive Committee had recommended that the board table any consideration of this matter until another time.

XII. Discussion and possible action on a LARA Board Retreat

Mr. Collins opened the floor for discussion. Mr. Collins asked that Mr. Tinnermon bring back specific recommendations regarding the time and place for the Retreat, along with a range of topics to be covered at the Retreat. No other action was taken on this item.

XIII. Executive Session

No Executive Session was held.

XIV. Public Comments

No requests were received for the opportunity to make public comments.

XV. Chairman's Comments

Mr. Collins asked about the status of construction of the Rice Design Alliance ("RDA") house and Mr. Tinnermon reported that the winner of the design competition was a team from Seattle, Washington and that groundbreaking was scheduled for mid-summer. He next handed out a press packet from RDA containing details about the design competition and other information on the project.

XVI. Board Member Comments

Ms. Black Navarro inquired of Councilmember Jolanda Jones about the possibility of increased City funding for LARA. Ms. Jones responded that the possibility existed and reminded the board that she is LARA's strongest supporter on City Council because she is so proud of LARA's accomplishments. She implored the board to continue its laudable work to help first-time homebuyers achieve self-sufficiency through homeownership.

XVII. Adjournment

No other matters having been presented to the board for consideration, the Chairman invited a motion for adjournment. Upon a motion by Ms. Black Navarro, seconded by Mr. Bowie, the meeting was adjourned at 2:50 o'clock p.m.

Minutes prepared by:

**Jim Lemond and Danna White
Winstead PC**

Signed on the _____ day of _____, 2008.

Reginald Adams, President

Reverend Steve Hall, Secretary