MIDTOWN MANAGEMENT DISTRICT BOARD OF DIRECTORS MEETING

May 4, 2022

MIDTOWN MANAGEMENT DISTRICT
NOTICE OF MEETING

TO: THE BOARD OF DIRECTORS OF MIDTOWN MANAGEMENT DISTRICT AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that a regular meeting of the **Midtown Management District** will be held on **Wednesday, May 4, 2022** at **6:00 p.m.** in **the 1st Floor Conference Room located at 410 Pierce Street, Houston TX 77002,** inside the boundaries of the District, ***open to the public*****,** to consider, discuss and adopt such orders, resolutions or motions, and take other direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

1. Call meeting to Order and verify that a quorum is present.

2. Receive Public Comments***

3. Consent Agenda

   a. Approve Minutes for the April 6, 2022, Board Meeting.
   b. Approve Financial Report for the Month of March 2022.
   c. Approve Payment of Invoices for April 2022.
   d. Approve Equi-Tax Report for April 2022.

4. Review, discuss and take necessary action regarding the 1st Quarter Investment Report for the period ending March 31, 2022.

5. Receive committee activity reports and review, discuss, and take necessary action regarding the following, as appropriate:

   a. Service & Maintenance. . . . . **Christopher Johnston, Chair**

      i. Field Service Team agreement

   b. Cultural Arts & Entertainment. . . . **Charles Washington, Chair**

   c. Marketing . . . . . **Debbie Tyler-Dillard, Chair**

   d. Urban Planning . . . . . **James Llamas, Chair**

   e. Finance . . . . . **Kelly A. Young, Vice-Chair**

      i. Audit engagement letter FY 2021

f. Community Activity Report. . . . . **Christopher Johnston, Liaison**

i. Super Neighborhood #62

g. Nominating. . . . . .**Gloria Haney, Chair**

i. Election of Board Officers

h. Public Safety . . . . . **Allen Douglas, Chair**

i. Security Coordinators Report

i. Executive. . . . . **Darcy John Lefsrud, Vice-Chair**

6. Report on Capital Projects of the Midtown Redevelopment Authority

7. With respect to the foregoing agenda items, the Board may conduct an executive session with regards to the following, as appropriate, and necessary.

   a. Consultation with attorney (Section 551.071, Texas Government Code);

   b. Personnel matters (Section 551.074, Texas Government Code).

   Upon entering into executive session, the presiding officer shall note which agenda items will be discussed.

8. Announcements

Presentations:
Jason Cunningham RPA, CCA – Deputy Chief Appraiser, HCAD
Pat Hall – Tax Assessor & Collector at Equi-Tax based in Houston, Texas
Carl O. Sandin – Attorney with Perdue Brandon Fielder Collins & Mott LLP

9. Next meeting date **Wednesday, June 1, 2022, at 11:00 a.m.**
   Additional information will be provided closer to the meeting date.

10. Adjourn

Darcy John Lefsrud /ca

SEAL

Darcy John Lefsrud, Vice-Chair
Midtown Management District Board of Directors

If you would like to make public comments, please register prior to 6:00 p.m. Registration sign in sheets for those making public comments will be picked up promptly at 6:00 p.m.

MISSION STATEMENT

Midtown strives to provide an economically vibrant urban destination where arts and culture thrive alongside businesses and residents in a safe, active, diverse neighborhood.

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CONSENT AGENDA

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MINUTES OF THE MIDTOWN MANAGEMENT DISTRICT
BOARD OF DIRECTORS MEETING

April 6, 2022

The Board of Directors of the Midtown Management District held a regular meeting, open to the public, on Wednesday, April 6, 2022, at 11:00 a.m. in the first-floor conference room of the building located at 410 Pierce Street, Houston, TX 77002, inside the boundaries of the District, and the roll was called of the duly appointed members of the Board, to-wit:

The roll was called of the duly appointed members of the Board, to-wit:

Pos. 1	Darcy John Lefsrud	Pos. 10	Daniel Arguijo
Pos. 2	Gloria Haney	Pos. 11	Debbie Tyler-Dillard
Pos. 3	Amar Mohite	Pos. 12	Muddassir Siddiqi, Ed.D,
Pos. 4	James Llamas	Pos. 13	Marylene Chan
Pos. 5	Ryan M. LeVasseur	Pos. 14	Christopher Johnston
Pos. 6	Vacant	Pos. 15	Jeanette Criglar, Ph.D.
Pos. 7	Desmond Bertrand-Pitts	Pos. 16	Kelly A. Young
Pos. 8	William Fulton	Pos. 17	Charles Washington
Pos. 9	J. Allen Douglas		

1. CALL MEETING TO ORDER AND VERIFY THAT A QUORUM IS PRESENT

All of the above were present except Directors Bertrand-Pitts, Fulton, Douglas, Arguijo, Chan and Washington, thus constituting a quorum.

In addition, present at the meeting were Midtown Staff members Matt Thibodeaux, Kandi Schramm, Cynthia Alvarado, Vernon Williams, Marlon Marshall, David Thomas, Amaris Salinas, and Jaime Giraldo; Peggy Foreman of Burney & Foreman; Clark Lord of Bracewell LP; and Jesse Sampson of S.E.A.L. Security Solutions LLC.

Vice-Chair Lefsrud called the meeting to order and welcomed everyone.

2. RECEIVE PUBLIC COMMENTS

Vice- Chair Lefsrud announced Members of the public are invited to speak during this portion of the agenda. Please limit your comments to no more than 3 minutes. Speakers may not yield all or a portion of their time to another person. State law prohibits the Board Chair or members of the Board from commenting on any statement or engaging in dialogue without an appropriate agenda item being posted in accordance with the Texas Open Meetings Act. Comments should be directed to the entire Board, not individual Board members. If you would like to speak during the Public Comments portion of the meeting, we ask that you please announce yourself now.

There were no public comments.

3. CONSENT AGENDA

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A. **APPROVE MINUTES FOR THE MARCH 2, 2022, BOARD MEETING.**
B. **APPROVE FINANCIAL REPORT FOR THE MONTH OF FEBRUARY 2022.**
C. **APPROVE PAYMENT OF INVOICES FOR MARCH 2022.**
D. **APPROVE EQUI-TAX REPORT FOR MARCH 2022.**

Operations Manager Cynthia Alvarado presented the various items on the consent agenda. Director Young made a motion to approve the consent agenda as presented. The motion was seconded by Director LeVasseur, which carried by unanimous vote.

4. RECEIVE COMMITTEE ACCOMPLISHMENT REPORTS AND REVIEW, DISCUSS AND TAKE NECESSARY ACTION REGARDING THE FOLLOWING, AS APPROPRIATE:

A. **Service & Maintenance Committee – Christopher Johnston, Chair**

B. **Cultural Arts & Entertainment Committee – Charles Washington, Chair**

C. **Marketing & Economic Development Committee – Debbie Dillard, Chair**

D. **Urban Planning Committee – James Llamas Chair**

E. **Finance and Budget Committee – Kelly Young, Chair**

F. **Community Activity Report – Christopher Johnston, Liaison**

   i. **Super Neighborhood #62**

G. **Public Safety Committee- J. Allen Douglas, Chair**

   i. **Security Coordinators Report**

H. **Executive Committee – Darcy Lefsrud, Vice-Chair**

   Items that were presented at the Executive Committee are action items on this agenda.

REPORT ON CAPITAL PROJECTS OF THE MIDTOWN REDEVELOPMENT AUTHORITY (MRA)

Caroline Street – This is a TXDOT managed project. There has been quite a bit of progress on the landscaping installation and the ADA ramps. The contractor and Midtown staff are continuing to work with CenterPoint Energy and AT&T to remove their poles from certain areas. The final plans for street striping have been received. Ponding of rainwater has been noticed on Caroline Street, the MRA is working with TXDOT on the installation of French Drains.

Baldwin Park – This is an MRA partner project with the Service and Maintenance Committee of the Midtown Management District. Currently the installation for the electrical conduit to add in additional lighting and electric utilities is taking place at the playground area. The playground area is under construction and equipment will be installed later this month. Water detention construction will also start later this month. Weather permitting this is an anticipated 6-month project with completion scheduled for August of 2022.

PARTNER PROJECTS

The Gray Street Bike Buffer Design – This project is moving forward.

WITH RESPECT TO THE FOREGOING AGENDA ITEMS, THE BOARD MAY CONDUCT AN EXECUTIVE SESSION WITH REGARDS TO THE FOLLOWING AS APPROPRIATE AND

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NECESSARY.

a. Consultation with attorney (Section 551.071, Texas Government Code);

b. Personnel matters (Section 551.074, Texas Government Code).

There was no Executive Session.

ANNOUNCEMENTS

Were made at the meeting.

NEXT MEETING DATE

Vice-Chair Lefsrud announced that the next Midtown Management District Board of Directors meeting will be held on Wednesday, May 4, 2022, at 6:00 p.m. and that more details will be forthcoming.

ADJOURN

There being no other business, the meeting was adjourned.

_____ _____

Marylene Chan Date
Board Secretary

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MIDTOWN MANAGEMENT DISTRICT
Committee Notes
Marketing and Economic Development Committee and the **Cultural Arts and Entertainment Committee**
Tuesday, April 19, 2022, at 3:00 p.m.

Debbie Tyler-Dillard, Chari
Ashley Small – Medley Inc.
Cynthia Alvarado – Operations Manager Midtown Management District

1. **Welcome Guests and receive public comments** – no guests were present.

2 Updates on Marketing and Economic Development Committee

a. Report on Social Media numbers for March

Ashley Small of Medley Inc provide the committee with a detailed report outlining the statistics for social media. She stated that there were some discrepancies in the report and that it would be updated for the committee chair.

b. Discuss Advertising Campaigns
c. Digital Kiosks in Midtown

3. Updates on Cultural Arts and Entertainment Committee

a. Debrief Midtown Art in the Park 2022

The sign wrap day (Tuesday, March 29th) and Art in the Park were successful events. Art in the Park consisted of 18 artists, 7 musical artists and 3 ArtJams. It was combined with Chalk on the Block. We have wonderful photos and are waiting for the video team to complete the video recap.

b. City-wide Juneteenth Events

Charles Washington (Chair) and Cynthia Alvarado continue to participate in the citywide planning for this historic event. Ms. Alvarado is working with FreshArts to complete the Call for Artists scheduled to launch on Monday, April 11 and closes on May 11, 2022. The installation day is scheduled for Monday, June 6th.

c. City-wide Make Music Day - June 21, 2022

The city has opened registration for musicians to apply to participate in this one-day event. Ms. Alvarado will be seeking out musicians to participate in various locations throughout Midtown.

d. midtownHOU Arts Micro Grants 2022

Ms. Alvarado will begin working with the Committee Chair and FreshArts to determine a timeline. Ms. Alvarado will prepare the needed documents for the grant launch.

e. Citywide 713 Day – no plans yet.

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f. Mini Murals Maintenance Proposal

Ms. Alvarado noticed graffiti damage to the Guerra Girl Mini Mural located at McGowen and Fannin. She contacted UP Art Studio the project managers for the citywide Mini Murals to see if it could be repaired. During the inspection process UP Art noted that the clear coat, designed to protect the mural from fading and graffiti was almost nonexistent. Like paint the clear coat does need to be reapplied after a certain length of time. The mural was installed in 2016. Due to the age of the mini murals UP Art Studio recommended a maintenance assessment. The assessment includes recommendations for each Mini Murals which can be updated with a new layer of clear coat, note any areas that need to be repainted, or if the Mini Mural needs to be replaced with new artwork or decommissioned. Midtown has 12 mini murals that have been installed over the years since 2016. The cost of the assessment is $450. There is an approved line item in the budget for Mini Murals.

4. Next Committee meetings – Marketing and Economic Development Committee
Cultural Arts and Entertainment Committee
Tuesday, May 17, 2022, at 3:00pm
Meeting links will be provided closer to the date

5. Adjourn

Debbie Tyler-Dillard/ca

Debbie Tyler-Dillard, Chair
Marketing and Economic Development Committee

Charles Washington/ca

Charles Washington, Chair
Cultural Arts and Entertainment Committee

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Committee Notes

Service and Maintenance Committee and Urban Planning Committee
Monday, April 18, 2022, at 4:00p.m.

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1. Welcome and receive public comments –

Updates from the Service and Maintenance Committee

2. Dark Blocks Project.

Is being revisited to see where additional Midtown signature streetlights can be placed in the community.

3. Main Street Landscaping Progress.

New landscaping is being placed up and down the rail line.

4. Baldwin Park tree assessment and care.

Staff is following up to see what funds are available to care and maintain the trees in Baldwin Park after the construction is complete.

5. Ongoing projects.

Marlon Marshall received an email from Metropolitan Landscape the company that provides our Field Services Maintenance Team regarding a price increase of $54,198 to offset increases in their labor, Insurance, equipment, miscellaneous repairs, golf cart upkeep, trash bags, trash haul off services, and water services. They have not had a price increase since 2018. They are under contract to the end of 2022.

Updates on Urban Planning Committee

6. City of Houston Maintenance Agreement.

7. STEPS/Pedestrian Enhancements.

8. City of Houston Parking Benefits District and Community Parking Program.

Was on City Council March 3oth agenda. It was tagged and presented again on Wednesday, April 6th and passed. The next step is an MOU with Midtown and the COH. That process is in city legal.

9. City of Houston Vision Zero.

10. Partnership Projects

- **Glover Park** – the plans for the park have been approved. Staff is soliciting bids.
- **City of Houston water line projects**
- **Tuam Triangle** – The waterline for Tuam will begin in the 3rd quarter of the year
- **Sidewalk repairs**

11. Other business.

Next meeting date: Monday, May 16, 2022, at 4:00pm
Meeting links will be provided closer to the date

9. Adjourn

Seal

James Llamas/ca

Christopher Johnston/ca

_____

Christopher Johnston, Service & Maintenance Committee Chair
James Llamas, Urban Planning Committee Chair
Midtown Management District

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MIDTOWN MANAGEMENT DISTRICT
Finance and Budget Committee
Tuesday, April 26, 2022, at 4:00 p.m.

1. Welcome Guests.

Kelly A. Young – Vice-Chair Finance and Budget Committee
David Thomas – Accounting Manager; Midtown
Kandi Schramm – Administrative Manager – Midtown
Peggy Foreman – Burney & Foreman

2. Receive Public Comments. No public comments

3. Review and discuss unaudited 2022 Financials compared to Budget.

Accounting Manager, David Thomas reviewed and reported on the approved budget and the current expenditures. There are no anomalies.

4. Other business.

Mr. Thomas reported that as requested at the March meeting the presentations for the May 4 Management District Board meeting have been coordinated. Presenters are:

Jason Cunningham RPA, CCA – Deputy Chief Appraiser, HCAD
Pat Hall – Tax Assessor & Collector at Equi-Tax based in Houston, Texas
Carl O. Sandin – Attorney with Perdue Brandon Fielder Collins & Mott LLP

5. Next Meeting Date:

Tuesday, May 31, 2022, at 4:00PM
Meeting information will be provided closer to the date

6. Adjourn.

MIDTOWN MANAGEMENT DISTRICT
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Kelly A. Young/ca

Kelly Young,
Vice-Chair Finance & Budget Committee
Midtown Management District

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MIDTOWN MANAGEMENT DISTRICT
Committee Notes
Public Safety Committee
Tuesday, April 19, 2022, at 11:30 a.m.

Jeanette Criglar Ph. D– Public Safety Committee Vice Chair
James Llamas – MMD Board Member
Cynthia Alvarado – Operations Manager
Jaime Giraldo – Security Coordinator
Mark Sullivan – Service and Maintenance
Peggy Foreman- Burney and Foreman

Kay Walton SN #62

HPD South Central-
Commander Johnson
Lt. Cory Cloud
Lt. Roseman
Sgt. Brian Alms

HPD Central – Lucy Viera

Precinct 7 Constables – Sgt Odell Haynes

METRO PD- Lt. Ramirez

Houston Community College – Not Present

SEAL Security-
Erica Rocha
Jesse Sampson

Public Intoxication Transport Team (PITT) –
Susana Del Toro
Brandon Wyatt

SEARCH Homeless Outreach Team -
Alexis Loving
Sean Quitzau
Ferma
Kelly Ward

Henriette Bodmer de Heer
Melissa
Aline Lostombo
Bob Jacobson
Erika Garcia
Guadalupe Serrato – McDonalds on Gray Street
Jeanette Baughman – San Jose Christus

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1. **Welcome Guests and Receive Public Comments**
   There were no public comments.

2. **Receive, discuss, and take necessary action regarding monthly reports from:**

   a. **Houston Police Department – South Central Division**
   South Central Officers will be working to streamline the process to work the noise concerns. They will be using a packet of information with pre-written citations and detailed information to help explain noise concerns. The commander and the DRT officers met with the city attorney. Officers have been going out to the Gray Hound Bus Station and have been interacting with individuals who are coming out of TX Department of Criminal Justice. Commander Johnson is working on officers attending court for citations issued and is looking at options with the municipal courts. ACTION ITEM – Security Coordinator will send out a list of top loud noise violators. Completed.

   b. **Houston Police Department – Central Division**
   Officer Viera reported that burglary of motor vehicles is up and there were three guns stolen from vehicles. They cleared two vacant houses in a neighboring community that were being used by homeless and are concerned that some of them may make their way to Midtown. Central Patrol is still using same overtime protocols including some new overtime from their council member to supplement patrol and their calls for service.

   c. **Harris County Constable- Precinct 7**
   Sargent Haynes reported that they have increased patrol in the 3200-3400 block of Louisiana in response to a request from Midtown Security Coordinator and stakeholders. Also reported his monthly stats and that his patrol deputies continue to focus on Midtown's hotspots.

   d. **METRO Police Dept**
   Lt Ramirez reports no incidents on the rail line in April.

   e. **Houston Community College Police Dept**
   Did not attend.

   f. **S.E.A.L. Security Solutions**
   Commander Jesse Sampson reports an increase in homeless activity at 2850 Fannin. They have increased patrols in that area and are concerned about a vacant lot next door to the apartment complex and businesses.

   g. **Public Intoxication Transport Team**
   Brandon Wyatt reports they are getting more cooperation from the homeless and addicted community and have seen an increase in their stats.

   h. **SEARCH Homeless Outreach**
   Midtown SEARCH Homeless Outreach Team has been working with the Coalition for the Homeless in outreaching to the camps located at Spur 527 at Travis and Alabama. The camp on Spur 527 and Travis was decommissioned on 4/14/2022 with the aid of Midtown Mgmt District Coalition for the Homeless, HPD and the City of Houston.

3. **Discuss and review:**

4. **Next meeting date – Tuesday, May 17, 2022, at 11:30 a.m.**

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Public Safety Meeting
Meeting information will be provided

5. Adjourn.

J. Allen Douglas/jg

J. Allen Douglas, Chair
Public Safety Committee
Midtown Management District

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Midtown Management District
2022 Sources and Uses of Funds
January through March 2022

	Jan - Mar 22	Budget	$ Over Budget
Sources of Funds			
400000 · Revenue - Assessments			
400080 · FY21 Assessment Revenue	2,851,033.05	2,729,713.00	121,320.05
400081 · FY20 Assessment Revenue	31,779.59	35,000.00	-3,220.41
400082 · FY19 Assessment Revenue	-1,703.93	3,700.00	-5,403.93
400083 · FY18 Assessment Revenue	372.36	3,200.00	-2,827.64
400084 · FY17 Assessment Revenue	0.00	1,450.00	-1,450.00
400085 · FY16 Assessment Revenue	0.00	300.00	-300.00
400086 · FY15 Assessment Revenue	0.00	225.00	-225.00
400087 · FY14 Assessment Revenue	0.00	150.00	-150.00
400088 · FY13 Assessment Revenue	0.00	54.00	-54.00
400089 · FY12 Assessment Revenue	0.00	27.00	-27.00
400090 · FY11 Assessment Revenue	0.00	27.00	-27.00
400091 · FY10 Assessment Revenue	0.00	24.00	-24.00
400092 · FY09 Assessment Revenue	0.00	21.00	-21.00
400093 · FY08 Assessment Revenue	0.00	24.00	-24.00
400500 · Penalties & Interest	3,073.02	7,500.00	-4,426.98
402400 · Over Payments (Overpayments)	7,996.27	3,700.00	4,296.27
402500 · Refunds/Assessment Adjustments	-40,394.06	-22,999.98	-17,394.08
402510 · Collection Costs (Fees charged to MMD for collections)	-18,743.76	-12,000.00	-6,743.76
402511 · CAD Correctons	0.00	225.00	-225.00
402512 · CAD Lawsuit Corrections	5,472.49	12,000.00	-6,527.51
402600 · Assessment Collection Costs	1,620.92	3,600.00	-1,979.08
400000 · Revenue - Assessments - Other	64,183.70	0.00	64,183.70
Total 400000 · Revenue - Assessments	2,904,689.65	2,765,940.02	138,749.63
403000 · Other Income (Other Income)			
403100 · Booth and Events Fees (Booth and Events Fees)	1,650.00	0.00	1,650.00
403105 · Application Fees (Non-Refundable Application Fees)	775.00	0.00	775.00
Total 403000 · Other Income (Other Income)	2,425.00	0.00	2,425.00
404000 · Int Income (Invest Interest Earned)	1,323.04	699.99	623.05
Total	2,908,437.69	2,766,640.01	141,797.68
Total Sources	2,908,437.69	2,766,640.01	141,797.68
Uses of Funds			
500000 · Security and Public Safety			
501000 · Street Lighting - Electricity	24,999.99	24,999.99	0.00
502000 · Enhancement Public Safety (Public Safety)			
502011 · Harris County Precinct 7 (Harris County Precinct 7)	108,996.00	112,269.00	-3,273.00
502012 · S.E.A.L. Security Program (S.E.A.L. Security Program)	48,256.00	58,219.98	-9,963.98
502013 · PIT Program (PIT Program)	16,697.49	16,695.00	2.49
50214 · SEARCH {Homeless Services} (SEARCH {Homeless Services})	26,432.74	32,197.26	-5,764.52
Total 502000 · Enhancement Public Safety (Public Safety)	200,382.23	219,381.24	-18,999.01
504000 · Security Coordinator	146.21	200.00	-53.79
507000 · Street Outage Survey	850.00	850.00	0.00
509700 · Staffing (Allocated Staffing hours)	30,104.31	30,628.69	-524.38
Total 500000 · Security and Public Safety	256,482.74	276,059.92	-19,577.18

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UNAUDITED FINANCIALS

Midtown Management District
2022 Sources and Uses of Funds
January through March 2022

	Jan - Mar 22	Budget	$ Over Budget
600000 · Marketing & Economic Developmen			
603004 · Resident/.Stake Holder Foc Cmmu	732.55	666.66	65.89
603005 · Midtown Newspaper (Newspaper for Midtown Stakeholders and Residents)	3,800.00	4,000.00	-200.00
607000 · Midtown eNews	0.00	150.00	-150.00
609700 · Staffing (Allocated Staffing hours)	6,549.72	6,499.98	49.74
Total 600000 · Marketing & Economic Developmen	11,082.27	11,316.64	-234.37
700000 · Urban Planning			
706700 · Staffing (Allocated Staffing hours)	5,806.26	5,649.99	156.27
Total 700000 · Urban Planning	5,806.26	5,649.99	156.27
710000 · Cultural Arts & Entertainment			
710102 · Art Project Sponsorships	860.00	1,000.00	-140.00
710106 · Art in the Park	26,155.33	26,000.00	155.33
710700 · Staffing (Allocated Staffing hours)	13,277.00	13,050.00	227.00
Total 710000 · Cultural Arts & Entertainment	40,292.33	40,050.00	242.33
720000 · Service & Maintenance			
722005 · Baldwin/Glover Park Maintenance			
722051 · Water	592.50	1,050.00	-457.50
722052 · Electric	212.30	495.00	-282.70
722056 · Baldwin/Glover Landscape Contra (Monthly General Maintenance)	4,815.00	3,210.00	1,605.00
Total 722005 · Baldwin/Glover Park Maintenance	5,619.80	4,755.00	864.80
725000 · Midtown Field Service Prog			
725001 · Field Service TEAM			
Field Service TEAM	68,772.00	68,772.00	0.00
Total 725001 · Field Service TEAM	68,772.00	68,772.00	0.00
725002 · Graffiti	0.00	800.00	-800.00
725004 · Storage	996.00	1,196.00	-200.00
Total 725000 · Midtown Field Service Prog	69,768.00	70,768.00	-1,000.00
726000 · Service Maintenance - Other			
726010 · SeeClickFix (SeeClickFix)	8,356.35	8,356.35	0.00
726100 · Legacy Maintenance	318,810.00	318,810.00	0.00
726200 · District New Improvement Prgs	150,853.00	150,853.00	0.00
Total 726000 · Service Maintenance - Other	478,019.35	478,019.35	0.00
728000 · Staffing (Allocated Staffing hours)	13,007.01	13,563.00	-555.99
Total 720000 · Service & Maintenance	566,414.16	567,105.35	-691.19
800000 · District Administration			
802000 · Legal Counsel	19,937.50	28,125.00	-8,187.50
805000 · Assessment Collection Costs			
805130 · Returned Checks	3,846.89	0.00	3,846.89
Total 805000 · Assessment Collection Costs	3,846.89	0.00	3,846.89
806000 · General Operating/Admin. Exp.	2,552.01	2,850.00	-297.99
807000 · Board Meeting & Misc. Exp.	635.41	725.00	-89.59
Total 800000 · District Administration	26,971.81	31,700.00	-4,728.19
Total Uses	907,049.57	931,881.90	-24,832.33
Net Increase (/Decrease) for the Period	**2,001,388.12**	**1,834,758.11**	**166,630.01**

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UNAUDITED FINANCIALS

Midtown Management District
Balance Sheet
As of March 31, 2022

	Mar 31, 22
ASSETS	
Current Assets	
Checking/Savings	
10000 · Operating Funds	3,938,512.73
10002 · Restricted Funds	11,432.70
Total Checking/Savings	3,949,945.43
Accounts Receivable	
120000 · Assessments Receivable	388,224.54
Total Accounts Receivable	388,224.54
Total Current Assets	4,338,169.97
Other Assets	
130501 · Other Misc Assets	41,896.75
Total Other Assets	41,896.75
TOTAL ASSETS	**4,380,066.72**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	363,865.32
Total Accounts Payable	363,865.32
Other Current Liabilities	
203001 · Other Misc Liabilities	24,999.99
205000 · Deferred Assessment Revenues	399,824.54
206000 · Accrued liability	159,612.25
207000 · Bal due to MRA from FTA Reimbur	11,322.95
Total Other Current Liabilities	595,759.73
Total Current Liabilities	959,625.05
Total Liabilities	959,625.05
Equity	
390000 · Fund Balance-Prior	1,419,053.55
Net Income	2,001,388.12
Total Equity	3,420,441.67
TOTAL LIABILITIES & EQUITY	**4,380,066.72**

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Midtown Management District
Account Transaction Detailed by Account
As of May 04, 2022

Type	Date	Num	Name	Memo	Debit	Credit	Balance
							2,229,904.47
				April 2022			
Deposit				April Deposits	21,953.43		2,251,857.90
Bill Pmt -Cl	04/06/2022	9008	Angela Nicole Cortez	BALANCE DUE: 2022 ART in the PARK "ACoreMedia" Photography & time lapse video March 28-29, 2022...		6,000.00	2,245,857.90
Bill Pmt -Cl	04/06/2022	9009	Medley Incorporated	March event support for 2022 Art in the Park; Social Media Ads for2022 Art in the Park		3,588.96	2,242,268.94
Bill Pmt -Cl	04/06/2022	9010	SEAL Security Solutions LLC	MARCH 2022 - Commissioned Security Officers and Occassional K-9		18,768.00	2,223,500.94
Bill Pmt -Cl	04/06/2022	9011	SEARCH Homeless Services	Monthly Contribution/Reimburseuables expenses to support Program{ MARCH 2022}		9,467.00	2,214,033.94
Bill Pmt -Cl	04/06/2022	9012	Sonya R. Hill'	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,213,733.94
Bill Pmt -Cl	04/06/2022	9013	MidCorp dba Midtown Parks Conservancy	REIMBURSEMENT FOR MMD Public Storage August - December 2021		1,660.00	2,212,073.94
Bill Pmt -Cl	04/06/2022	9014	A&N Cleaning Service	2022 ART in the PARK - Cleaning services for Event April 2, 2022		500.00	2,211,573.94
Bill Pmt -Cl	04/06/2022	9015	Melaine Rodriquez	Staff Support for "2022 Art in the Park" event held on April 2, 2022		120.00	2,211,453.94
Bill Pmt -Cl	04/06/2022	9016	Maria A. Rychilk	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,211,153.94
Bill Pmt -Cl	04/06/2022	9017	RACHEL DELAROSA	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,210,853.94
Bill Pmt -Cl	04/06/2022	9018	SARAH WARD	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,210,553.94
Bill Pmt -Cl	04/06/2022	9019	MidCorp dba Midtown Parks Conservancy	REIMBURSEMENT CREDIT CARD CHARGES /Marketing /Media ADS/Public Storage/ATT - AUG - DEC 2021;		4,376.65	2,206,177.29
Bill Pmt -Cl	04/06/2022	9020	Shane A. Joshi	VOID: "2022 Arts in the Park " Live Performance {UP-Close Magic Sidesdow}	0.00		2,206,177.29
Bill Pmt -Cl	04/06/2022	9021	Jasmine Ayers	"2022 Arts in the Park" 04-02-2022 The Art of Self Expression Workshop ArtJam Supplies		63.09	2,206,114.20
Bill Pmt -Cl	04/06/2022	9022	David L. Rychilk, Jr.	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,205,814.20
Bill Pmt -Cl	04/06/2022	9023	Jaime Giraldo	Reimbursements: Meetings/Travel in District/Reports: building sites		100.56	2,205,713.64
Bill Pmt -Cl	04/06/2022	9024	Keegan Bergman	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,205,413.64
Bill Pmt -Cl	04/06/2022	9025	Shawn Artis	"CHALK ON THE BLOCK" time lapse video & live onsite performance 2022 ART IN THE PARK		300.00	2,205,113.64
Bill Pmt -Cl	04/06/2022	9026	Marie H Cortes	Supplies for Tutorial Services & Curriculum " Teach a class @ Mditown Art in the Park" 20 partic...		264.06	2,204,849.58
Bill Pmt -Cl	04/06/2022	9027	Shane A. Joshi	"2022 Arts in the Park " Live Performance {UP-Close Magic Sidesdow}		500.00	2,204,349.58

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Midtown Management District
Account Transaction Detailed by Account
As of May 04, 2022

Type	Date	Num	Name	Memo	Debit	Credit	Balance
Bill Pmt -Cl	04/06/2022	9028	MidCorp dba Midtown Parks Conservancy	REIMBURSEMENT: PARK PROGRAMMING 2021		9,716.00	2,194,633.58
Bill Pmt -Cl	04/20/2022	9029	Houston Tents & Events, LLC	"2022 Arts in the Park "		11,908.54	2,182,725.04
Bill Pmt -Cl	04/26/2022	9030	Elizabeth Umanzor	"CHALK ON THE BLOCK" live onsite performance 2022 ART IN THE PARK		300.00	2,182,425.04
Bill Pmt -Cl	04/26/2022	9031	Nasha Scott	"CHALK ON THE BLOCK" live onsite performance 2022 ART IN THE PARK		300.00	2,182,125.04
Check	05/04/2022	9032	Houston Recovery Center, LGC	Monthly Contribution to support PIT Program {MAY 2022}		5,565.83	2,176,559.21
Check	05/04/2022	9033	Excelsior Land Co. Inc.	5115 MAIN ST 81 033 256 005 0005 TAX YEAR: 2020		107.47	2,176,451.74
Check	05/04/2022	9034	MA READE MANAGEMENT CO LTD.	OVERPAYMENTS {2 properties} 4850 Main Street		212.21	2,176,239.53
Check	05/04/2022	9035	H MIDTOWN LP'	81 002 263 002 0001 2111 AUSTIN STREET 216 : TAX YEAR 2020		1,503.43	2,174,736.10
Check	05/04/2022	9036	606 DENNIS LLC	81 150 076 001 0001 614 DENNIS STREET : TAX YEAR 2021		553.65	2,174,182.45
Check	05/04/2022	9037	DETERLING MARK T & MELISSA	81 130 097 000 0011 2900 HAMILTON STREET 11: TAX YEAR 2021		57.49	2,174,124.96
Bill Pmt -Cl	05/04/2022	9038	BRACEWELL LLP	051911.000001 For Service Throught MARCH 31, 2022 General Counsel		2,706.41	2,171,418.55
Bill Pmt -Cl	05/04/2022	9039	Equi-Tax, Inc.	Monthly Fee per contract for Assessment Collection:--- MAY 2022		2,657.64	2,168,760.91
Bill Pmt -Cl	05/04/2022	9040	Harris County Treasurer	Constable Services for JUNE 2022		36,332.00	2,132,428.91
Bill Pmt -Cl	05/04/2022	9041	LIMB DESIGN, INC.	[MIDH 001 22 Midtown Arts Hosting Transfer)Programming & Consulting		300.00	2,132,128.91
Bill Pmt -Cl	05/04/2022	9042	Medley Incorporated	April Retainer: Social Media Services/Ads/Coordinate Graphics/Midtown Buzz{Annual Fee}		7,700.00	2,124,428.91
Bill Pmt -Cl	05/04/2022	9043	Minor Design Group, Inc.	Printing Fee including delivery : {"Midtown Buzz" DIGITAL Newspaper SPRING 2022 Edition}		760.00	2,123,668.91
Bill Pmt -Cl	05/04/2022	9044	OSO promotions Inc.	Office Staff merchandise for Security Coordinator		172.44	2,123,496.47
Bill Pmt -Cl	05/04/2022	9045	smc Logistics, LLC	2022 MARCH Streetlight and Park lights Report		425.00	2,123,071.47
Total 106010 · Wells Fargo Assessment Acct					21,953.43	128,786.43	2,123,071.47
Total 106000 · Wells Fargo Bank					21,953.43	128,786.43	2,123,071.47
TOTAL					**21,953.43**	**128,786.43**	**2,123,071.47**

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
Two Riverway, 15th Floor
Houston, TX 77056

(713) 621-8090
(713) 621-6907 (fax)
www.cricpa.com

April 11, 2022

Board of Directors and Management
Midtown Management District
410 Pierce Street, Suite 355
Houston, Texas 77002

We are pleased to confirm our understanding of the services we are to provide Midtown Management District (the District) for the years ended December 31, 2021 and 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and major fund, and the disclosures, which collectively comprise the basic financial statements of Midtown Management District as of and for the years ended December 31, 2021 and 2022. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

2) Budgetary Comparison Schedule

The objectives of our audits are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

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Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audits in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audits, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audits, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

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Although planning has not been completed, we have identified the following significant risks of material misstatement from our prior audit that remain relevant to these audits:

- Risk of management override of controls
- Improper revenue recognition

It is possible that modifications may be made to this list as planning and our audit is not completed, in which case we will communicate these modifications in writing.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audits will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will assist in preparing the financial statements and related notes of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audits will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audits; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

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You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee these services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

Governing Law; Venue

This agreement and performance hereunder shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Coffee County, Alabama, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

Statute of Limitations

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

Disclosure

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account including service providers located outside of the United States. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your

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information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your financial information, if applicable, or other information to our service providers located abroad. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your District, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your District may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools.

While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

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Alyssa Hill is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audits in April of each year, as long as you have provided to us substantially all of the schedules, documents, confirmations and other information requested from you in preparation for the audits. If the information requested is not substantially ready and provided to us by the scheduled due dates, we may delay the start of our audit until such time as the information is ready.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, etc.) except that we agree that our audit fee will not exceed $14,200 for 2021 audit and $14,900 for 2022 audit. Additional out-of-pocket expenses are estimated to be $250. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Carr, Riggs & Ingram, LLC reserves the right to assess finance charges on past due balances up to the maximum amount allowed under State law. If we must place your account with a collection agency or attorney because you are seriously overdue, you agree to pay their reasonable fees and expenses. If for any reason you are unable to pay your account balance in a timely fashion, we urge you to call our Accounts Receivable department to make alternate arrangements.

Reporting

We will issue a written report upon completion of our audits of the District's financial statements. Our report will be addressed to the Board of Directors of Midtown Management District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audits. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return this signed letter to us.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

Houston, Texas

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RESPONSE:

This letter correctly sets forth the understanding of Midtown Management District.

Management signature: _____

Title: _____

Governance signature: _____

Title: _____

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