

**MINUTES OF THE JOINT MEETING
OF
HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER SIX
(EAST MONTROSE MANAGEMENT DISTRICT)
AND
HARRIS COUNTY IMPROVEMENT DISTRICT NUMBER 11
(WEST MONTROSE MANAGEMENT DISTRICT)**

BOARD OF DIRECTORS

February 15, 2011

Determine quorum; call to order.

The Boards of Directors of the East Montrose Management District and the West Montrose Management District held a meeting on Tuesday, February 15, 2011, at 4:00 p.m. in the 1st floor meeting room of the Freed-Montrose Branch Public Library, 4100 Montrose, Houston TX 77006 inside the boundaries of the East Montrose Management District and outside the boundaries of the West Montrose Management District, open to the public. Chairman Wynn of the West Montrose Management District called the meeting to order at 4:11 p.m. and the roll was called of the duly appointed members of the Boards, to wit:

East Montrose Management District:

Position 1: Kathy Hubbard	Position 7: Tammy Manning
Position 2: Claude Wynn	Position 8: Allen Ueckert
Position 3: Michael Grover, <i>Chairman</i>	Position 9: David Robinson
Position 4: Tom Fricke	Position 10: Randall Ellis, <i>Vice Chair</i>
Position 5: Brad Nagar, <i>Secretary</i>	Position 11: Vacant
Position 6: Vacant	

and all of the above were present with the exception of Directors Manning, Nagar and Ueckert, thus constituting a quorum.

West Montrose Management District:

Position 1: Claude Wynn, <i>Chairman</i>	Position 6: Vacant
Position 2: Allen Ueckert	Position 7: Vacant
Position 3: Randy Mitchmore	Position 8: Marchris Robinson
Position 4: Cassie B. Stinson	Position 9: Dennis Murland
Position 5: Michael Carter	Position 10: Robert Jara

and all of the above were present with the exception of Director Ueckert, thus constituting a quorum.

Also present at the meeting were David Hawes; Susan Hill and Josh Hawes, all of Hawes Hill Calderon, L.L.P.; Pat Hall, Equi-Tax, Inc.; and Clark Lord, Athea Davis, Patti Easley and Amanda Edwards, Vinson & Elkins, L.L.P.

Approve minutes of meeting held January 10, 2011.

Upon a motion duly made by Director Mitchmore and being seconded by Director Marchris Robinson, the Board of West Montrose Management District voted unanimously to approve the minutes of its meeting held January 15, 2011.

Receive public comments.

There were no public comments.

Discuss and consider consolidation of East Montrose Management District and West Montrose Management District, including:

a. East Montrose Management District - Adopt Resolution Proposing Consolidation of East Montrose Management District with West Montrose Management District, Authorizing Delivery of Resolution to the West Montrose Management District Board of Directors, and Proposing Terms and Conditions for Consolidation

b. West Montrose Management District - Adopt Resolution Proposing Consolidation of West Montrose Management District with East Montrose Management District, Authorizing Delivery of Resolution to the East Montrose Management District, and Proposing Terms and Conditions for Consolidation

Mr. Lord reviewed and explained the process and proceedings involved in consideration of the proposed Consolidation of the two Districts. He said that each District will hold a separate public hearing today on this matter and that the two boards will reconvene following the two public hearings to vote on the Consolidation. He said the Consolidation Agreements include Terms and Conditions relating to governance, financial debts and obligations and operational policies. He said the new District will be named the Montrose Management District, if the merger is approved. Director David Robinson noted that the geographic area is also often referred to as "Neartown." Mr. Lord further explained that the new District would be governed by a board of 15 directors comprised of those individuals who currently serve on the two boards. He also noted that the Service Plan for the West Montrose Management District is seven years in length, so that its term will coincide with the remaining seven years on the Service Plan of the East Montrose Management District.

Upon a motion duly made by Director Jara and being seconded by Director Mitchmore, the Board of the West Montrose Management District voted unanimously to adopt a Resolution proposing Consolidation of the West Montrose Management District with the East Montrose Management District, authorizing delivery of the Resolution to the East Montrose Management District, and proposing Terms and Conditions for Consolidation.

Chairman Grover of the East Montrose Management District then called the East Montrose Management District board meeting to order at 4:33 p.m.

Approve minutes of meeting held January 10, 2011.

Upon a motion duly made by Director Hubbard and being seconded by Director Wynn, the Board of the East Montrose Management District voted unanimously to approve the minutes of its meeting held January 15, 2011.

Receive public comments.

There were no public comments.

Discuss and consider consolidation of East Montrose Management District and West Montrose Management District, including:

a. East Montrose Management District - Adopt Resolution Proposing Consolidation of East Montrose Management District with West Montrose Management District, Authorizing Delivery of Resolution to the West Montrose Management District Board of Directors, and Proposing Terms and Conditions for Consolidation

b. West Montrose Management District - Adopt Resolution Proposing Consolidation of West Montrose Management District with East Montrose Management District, Authorizing Delivery of Resolution to the East Montrose Management District, and Proposing Terms and Conditions for Consolidation

Upon a motion duly made by Director Wynn and being seconded by Director Hubbard, the Board of the East Montrose Management District voted unanimously to adopt a Resolution proposing Consolidation of the East Montrose Management District with the West Montrose Management District, authorizing delivery of the Resolution to the West Montrose Management District, and proposing Terms and Conditions for Consolidation.

Mr. Lord introduced the staff members present from Vinson & Elkins, L.L. P. who will assist with conducting the two public hearings on the matter of the proposed Consolidation. Both boards went into recess at 4:35 p.m. in order to hold their separate public hearings. Both boards reconvened their meetings at 5:10 p.m. It was noted that there were no public comments during either of the public hearings.

Reorganize Board of Directors and Appoint Officers.

Mr. Lord recommended that a slate of proposed officers for the new District should be recommended and presented to the two boards for a vote. The following slate of officers was proposed for the Montrose Management District:

Proposed Officers:

- Claude Wynn, Chairman
- Randy Mitchmore, Vice Chairman
- Cassie B. Stinson, Secretary
- Brad Nagar, Assistant Secretary
- Kathy Hubbard, Treasurer

Upon a motion duly made by Director Mitchmore and being seconded by Director Jara, the Board of the West Montrose Management District voted unanimously to accept and approve the proposed slate of officers.

Upon a motion duly made by Director Fricke and being seconded by Director David Robinson, the Board of the East Montrose Management District voted unanimously to accept and approve the proposed slate of officers.

Consider Approval of Consolidation Agreement between East Montrose Management District and West Montrose Management District and Approval of Consolidation:

- a. East Montrose Management District - Adopt Resolution Approving Consolidation Agreement between East Montrose Management District and West Montrose Management District and Approving Consolidation**
- b. West Montrose Management District - Adopt Resolution Approving Consolidation Agreement between East Montrose Management District and West Montrose Management District and Approving Consolidation**
- c. East Montrose Management District - Adopt Order Consolidating East Montrose Management District and West Montrose Management District.**
- d. West Montrose Management District - Adopt Order Consolidating East Montrose Management District and West Montrose Management District.**

Upon a motion duly made by Director David Robinson and being seconded by Director Hubbard, the Board of the East Montrose Management District voted unanimously to adopt a Resolution approving the Consolidation Agreement between the East Montrose Management District and the West Montrose Management District and approving the Consolidation, as well as to adopt the Order consolidating the East Montrose Management District and the West Montrose Management District.

Upon a motion duly made by Director Jara and being seconded by Director Stinson, the Board of the West Montrose Management District voted unanimously to adopt a Resolution approving the Consolidation Agreement between the East Montrose Management District and the West Montrose Management District and approving the Consolidation, as well as to adopt the Order consolidating the East Montrose Management District and the West Montrose Management District.

Conduct annual review of Investment Policy and adopt Resolution Regarding Annual Review of Investment Policy.

This meeting agenda item was tabled.

Accept and authorize filing of Disclosure Statements from Investment Officer and bookkeeper.

This meeting agenda item was tabled.

Approve invoices submitted for payment.

Mr. David Hawes provided a brief overview of the invoices to be considered for payment by the East Montrose Management District. Following discussion, and upon a motion duly made by Director Wynn and being seconded by Director Hubbard, the Board voted unanimously to approve the invoices and authorize payment.

Other Business.

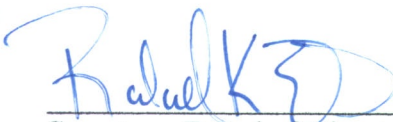
Mr. Hawes noted that the Montrose Management District will hold its monthly Board meetings at noon on the second Monday of each month at Traditions Bank.

Chairman Wynn of the West Montrose Management District expressed his gratitude and sincere thanks to Chairman Grover of the East Montrose Management District for his outstanding leadership during the past three years.

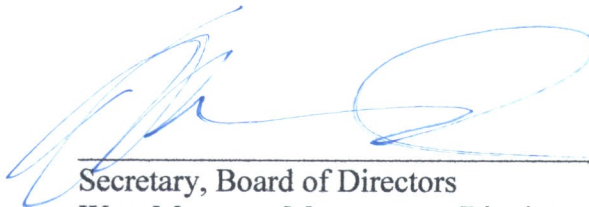
Adjourn.

There being no further business to come before the Board, Chairman Grover adjourned the meeting of the East Montrose Management District at 5:20 p.m. Chairman Wynn adjourned the meeting of the West Montrose Management District at 5:22 p.m.



Vice chair


Secretary, Board of Directors
East Montrose Management District



Secretary, Board of Directors
West Montrose Management District