

**MINUTES OF THE MEETING
OF
MONTROSE MANAGEMENT DISTRICT
BOARD OF DIRECTORS**

May 13, 2013

Determine quorum; call to order.

The Board of Directors of the Montrose Management District held a meeting on Monday, May 13, 2013, at 12:00 p.m. Noon at 401 Branard Street, 2nd Floor, Room 106, Houston, TX 77006, inside the boundaries of the District, and open to the public. Chairman Wynn called the meeting to order at 12:05 p.m., and the roll was called of the duly appointed members of the Board, to wit:

Position 1: Claude Wynn, <i>Chairman</i>	Position 9: Kathy Hubbard, <i>Treasurer</i>
Position 2: Dana Thorpe	Position 10: Michael Grover
Position 3: Randy Mitchmore, <i>Vice Chairman</i>	Position 11: Bobby Heugel
Position 4: Cassie Stinson, <i>Secretary</i>	Position 12: Brad Nagar, <i>Ass't Sec'y</i>
Position 5: Lane Llewellyn	Position 13: Vacant
Position 6: Vacant	Position 14: David Robinson
Position 7: Vacant	Position 15: Randall Ellis
Position 8: Robert Jara	

and all of the above were present with the exception of Director Ellis, Grover and Nagar, thus constituting a quorum. Also present at the meeting were Bill Calderon, Susan Hill, Josh Hawes, Gretchen Larson and Ray Lawrence, all of Hawes Hill Calderon, L.L.P.; Clark Lord, Bracewell & Giuliani, L.L.P.; Patricia Hall, Equi-Tax, Inc.; and Darrell Hawthorne, Municipal Accounts and Consulting, L.P. Others present were Dennis Beedon and Marie Cortes-Matte, both District business ambassadors; Daphne Scarbrough, Richmond Avenue Coalition; Eugene Nosal, Avondale Association; Kirk Baxter, graphic designer; Chloe Sanders; Joseph Le, Harris County Constable's Office Precinct One; Kevin Strickland, Gratifi Kitchen & Bar; and Johnna Carlson, U.S. Congressman Ted Poe's Office.

Approve minutes of meeting held April 8, 2013.

Upon a motion duly made by Director Llewellyn and being seconded by Director Robinson, the Board voted unanimously to approve the minutes of its meeting held on April 8, 2013.

Receive public comments.

There were no public comments.

Receive Presentation on Esplanade Memorial.

Mr. Baxter addressed the Board and explained the “Mary’s Memorial” concept and the possibility of displaying the Memorial in an area esplanade. He then highlighted the historical and social significance of Mary’s Lounge to the Montrose area. He said that numerous organizations and associations have been supportive of the Memorial project and that funding initiatives are being undertaken. Several Board members commented on the project being of an iconic status to Montrose. Director Robinson noted that the Neartown Association supports the venture. Director Hubbard noted that November is Citizenship month in the City and that perhaps a ribbon-cutting of the Memorial could be scheduled at that time. Chairman Wynn suggested that Mr. Baxter collaborate with the District’s Visual Improvements Committee, which has responsibility for adopting esplanades. No action was taken.

Receive District’s Monthly Assessment Collection Reports and Billing and Assessment Summaries, Lawsuit and Arbitration Status Details, and Delinquent Assessment Reports.

Ms. Hall presented the Report. She reported that the 2012 assessments are 98% collected to date on both sides of the District. She said that there are no properties in the District with uncertified property values. She noted that lists of the District’s Top Ten Assessment Payers and the Ten Largest Delinquent Accounts are both included in the Board agenda materials, as well as a report on delinquent collections activities. She recommended that the Board consider approving a new credit card processing firm with a lower per-transaction rate for accepting its assessments. No action was taken.

Receive Executive Director’s Report on District initiatives.

Mr. Calderon said that the full Executive Director’s Monthly Report is included in the Board agenda materials. He reported on Committee activity during the past month, noting that the Marketing and Business Relations Committee is in the process of solidifying its plans and programs. In that regard, contract agreements with multiple, marketing services providers will be presented to the Board for consideration today.

He reported that the District’s business ambassadors have completed a survey of businesses located along Richmond Avenue with regard to their levels of support for METRO rail and that the results have been delivered to U.S. Congressman Ted Poe’s Office. He said that METRO also will receive a copy of the report. Mr. Calderon indicated that discussions are underway with City of Houston Parks personnel with regards to the “Adopt An Esplanade” program. He said that an estimated maintenance cost for the adopted esplanades also is being developed.

He reported that the Houston-Galveston Area Council (HGAC) has indicated that its current priorities are bicycle/pedestrian-related projects, rather than a bridge-lighting project such as the one for which the District recently submitted its grant application.

He said that the possibility of reconsideration of the District's application at the local level is being discussed with the HGAC staff and City personnel. HGAC will subsequently make recommendations to TxDOT, with grant approvals expected by the end of July, 2013. Director Mitchmore joined the meeting in progress at 12:29 p.m. Mr. Calderon added that grants are not the only financing option available within the TxDOT system for the bridge-lighting project. Director Stinson recommended that all of the community partners who formally supported the bridge-lighting proposal with letters, including Rice University, Texas Medical Center, the Mayor's Office and others, should be notified. No action was taken.

Receive report and recommendations from the Marketing and Business Relations committee:

- a. Approval of Services Agreements with District Vendors for graphic design, photography, website, videography and writing services. (This item is carried forward from April 8 meeting).**

Mr. Calderon said that services agreements for each of the recommended marketing suppliers are being submitted for Board consideration today. He said that funding for all of the work to be performed is included in the FY 2013 budget. Ms. Larson noted that highlights of the Committee's activities are included in the Board agenda materials. Chairman Wynn said that the District's multi-faceted marketing approach is working well and is proving beneficial. Upon a motion duly made by Director Hubbard and being seconded by Director Mitchmore, the Board voted unanimously to approve Services Agreements with District vendors for graphic design, photography, website, videography and writing services.

Receive and consider Montrose Management District's monthly financial report and pay invoices.

Mr. Hawthorne reviewed the financial statements included in the Board agenda materials. He also distributed a document titled, "Montrose Management District Quarterly Investment Inventory Report," dated March 31, 2013, hereby attached as Exhibit A. Mr. Calderon noted that the invoices being presented for payment were reviewed by the Finance Committee. Upon a motion duly made by Director Llewellyn and being seconded by Director Heugel, the Board voted unanimously to approve the Montrose Management District's monthly financial report and pay invoices.

Convene in Executive Session pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney to discuss litigation, and matters related to the same.

The Board did not convene in Executive Session.

Reconvene in Open Session and authorize appropriate action by legal counsel related to Item #12 on the agenda.

No action was taken.

Announcements.

There were no announcements. Guests attending the meeting introduced themselves. No action was taken.

Adjourn.

There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 12:50 p.m.

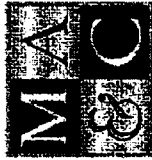
Cassie B Stinson

Secretary, Board of Directors
Montrose Management District



List of Exhibits:

Exhibit A: "Montrose Management District Quarterly Investment Inventory Report,"
dated March 31, 2013



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

Montrose Management District


Quarterly Investment Inventory Report

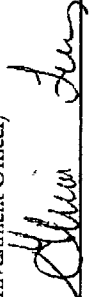
Period Ending March 31, 2013

BOARD OF DIRECTORS
Montrose Management District

Attached is the Quarterly Investment Inventory Report for the
Period ending March 31, 2013.

This report and the District's investment portfolio are in compliance with the
investment strategies expressed in the District's investment policy, and the
Public Funds Investment Act.


Mark M. Burton
(Investment Officer)


Ghia Lewis
(Investment Officer)

COMPLIANCE TRAINING

"HB 675 states the Investment Officer must attend at least one training seminar for (6) six hours
Within twelve months of taking office and requires at least (4) four hours training within each (2)
two year period thereafter.

INVESTMENT OFFICERS

Mark M. Burton

Ghia Lewis

CURRENT TRAINING

- September 14, 2002 (McCall, Gibson 6 Hours)
- September 13, 2003 (McCall, Gibson 4 Hours)
- October 1, 2005 (McCall, Gibson 4 Hours)
- October 26, 2007 (UNT 10 Hours)
- October 26, 2009 (Texpool Academy 10 Hours)
- November 5, 2011 (Texpool Academy 10 Hours)
- September 13, 2003 (McCall, Gibson 6 Hours)
- September 23, 2007 (McCall, Gibson 4 Hours)
- October 26, 2009 (Texpool Academy 10 Hours)
- October 25, 2011 (Texpool Academy 10 Hours)

E X h S A

Montrose Management District

Summary of Money Market Funds

01/01/2013 - 03/31/2013

Fund: Operating		Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
Date	Description					
02/20/2013	CD Interest XXXX0143		51.37			
02/25/2013	Assessments		4,426.53			
02/27/2013	Assessments		5,838.03			
02/28/2013	To Checking			(11,033.13)		
03/01/2013					92.15	
03/04/2013	Assessments		1,284.00			
03/07/2013	Assessments		2,212.27			
03/11/2013	To Checking			(28,000.00)		
03/15/2013				(10.00)		
03/18/2013	Assessments		9,926.99			
03/21/2013	CD Interest XXXX8246		46.60			
03/21/2013	Assessments		2,346.95			
03/26/2013	Assessments		1,288.05			
Totals for Account XXXX2019:		\$203,747.33	\$373,377.92	(\$102,207.07)	\$198.33	\$481,316.51

Fund: Operating		Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
Date	Description					
01/01/2013		194,680.48				
01/02/2013	To Checking			(24,410.14)		
01/02/2013					38.25	
01/02/2013	Assessments		29,736.53			
01/07/2013	Assessments		24,921.71			
01/07/2013	Assessments		60,733.55			
01/10/2013	Assessments		14,365.28			
01/14/2013	To Checking			(47,536.80)		
01/15/2013				(10.00)		
01/22/2013	Assessments		439.69			
01/22/2013	Assessments		104,903.08			

Account Number: XXXX2019 Date Opened: 03/20/2012 Current Interest Rate: 0.20%

Account Number: XXXX2086 Date Opened: 03/20/2012 Current Interest Rate: 0.20%

Methods Used For Reporting Market Values:

- Percentage of Deposits: Percent Value Plus Accrued Interest
- Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
- Public Fund Investment Pool/AMF Accounts: Balance = Book Value = Current Market

Montrose Management District

Summary of Money Market Funds

01/01/2013 - 03/31/2013

Fund: Operating		Account Number: COMPASS BANK-PREMIER	Date Opened: 03/20/2012	Current Interest Rate: 0.20%	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
Date	Description									
01/22/2013	Assessments					14,887.48				
01/25/2013	Assessments					29,638.58				
01/29/2013	Assessments					149,746.07				
01/30/2013	Assessments					103,556.99				
01/30/2013	Assessments					27,194.53				
01/31/2013	Assessments							(18,611.20)		
01/31/2013	Assessments					366.43				
01/31/2013	Assessments					11,465.80				
02/01/2013	Assessments									69.62
02/04/2013	Assessments					125,207.08				
02/04/2013	Sage Payment								(0.20)	
02/04/2013	Assessments					84,077.80				
02/05/2013	Assessments					30,089.54				
02/05/2013	Assessments									
02/06/2013	To Compass XXXXX2019								(1,117.77)	
02/07/2013	Assessments									
02/11/2013	Assessments					6,369.83				
02/13/2013	Assessments					1,065.67				
02/14/2013	Assessments					4,438.09				
02/15/2013	Assessments					1,058.44				
02/15/2013	Assessments					4,602.13				
02/15/2013	To Checking								(10.00)	
02/15/2013	To Checking								(40,746.00)	
02/19/2013	Assessments									
02/20/2013	Assessments					1,153.07				
02/21/2013	Assessments					1,179.86				
02/23/2013	Assessments					10,244.74				
02/27/2013	Assessments					-1,104.11				
02/28/2013	To Checking								(23,348.39)	

Methods Used For Reporting Asset Values

Cash	Face Value Plus Accrued Interest
Securities/Other Government Obligations:	Market Value Quoted by the Seller of the Security and Confirmed in Writing
Public Fund Investment Pool/NM Account:	Fundnet = Bank Value = Current Market

Monrose Management District

Summary of Money Market Funds

01/01/2013 - 03/31/2013

Fund: Operating		Financial Institution: COMPASS BANK-PREMIER	Account Number: XXXX2086	Date Opened: 03/20/2012	Current Interest Rate: 0.20%	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
03/01/2013											166.30
03/04/2013		Returned Check									
03/04/2013		MERCH PYMT					207.56	(157.19)			
03/04/2013		Assessments					5,460.18				
03/06/2013		Assessments					549.14				
03/07/2013		Assessments					2,154.28				
03/11/2013		To Checking						(37,000.00)			
03/15/2013								(10.00)			
03/18/2013		SAGE PAYMENT					1,596.24				
03/18/2013		Assessments					6,597.01				
03/21/2013		Allegiance XXXXX8452					46.60				
03/21/2013		Assessments					560.81				
03/25/2013		SAGE PAYMENT					463.25				
03/25/2013		Assessments					1,503.58				
Totals for Account XXXX2086:							\$194,680.48	\$864,686.73	(\$214,682.83)	\$274.17	\$844,958.55
Totals for Operating Fund:							\$404,427.81	\$1,238,264.65	(\$316,889.90)	\$472.50	\$1,326,275.06

Method Used For Reporting Market Value

Securities of Deposits: Price Value Plus Accrued Interest
 Securities/Divest Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Public Fund Investment Pool/AMF Account: Balance = Book Value = Current Market

Montrose Management District
Summary of Certificates of Deposit with Money Market
 01/01/2013 - 03/31/2013

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal Withdrawn	Principal Reinvested	Ending Balance	Interest Rate	Beg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest
Fund: Operating															
Certificates of Deposit															
ALLEGIANCE BANK	XXXXX8246	10/15/12	03/14/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	31.64	46.60	0.00	46.60	0.00
ALLEGIANCE BANK	XXXXX8432	10/15/12	03/14/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	31.64	46.60	0.00	46.60	0.00
BANK OF HOUSTON	XXXXX0753	08/16/12	01/13/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.15%	28.15	30.80	0.00	30.80	0.00
GREEN BANK	XXXXX0143	09/15/12	02/14/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.25%	36.64	31.37	0.00	31.37	0.00
Rollover over FROM CD XXXX0842															
GREEN BANK	XXXXX0143	02/14/13	08/13/13	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.35%	0.00	0.00	0.00	0.00	21.58
GREEN BANK	XXXXX0169	01/13/13	07/15/13	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.40%	0.00	0.00	0.00	0.00	42.19
Rollover over FROM CD XXXX0753															
GREEN BANK	XXXXX0210	03/14/13	09/10/13	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.35%	0.00	0.00	0.00	0.00	8.15
Rollover over FROM CD XXXX8452															
IBC BANK	XXXXX6061	11/15/12	04/14/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	18.90	0.00	0.00	0.00	55.89
IBC BANK	XXXXX6088	11/15/12	04/14/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	18.90	0.00	0.00	0.00	55.89
IBC BANK	XXXXX6355	12/11/12	05/10/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	8.22	0.00	0.00	0.00	45.21
IBC BANK	XXXXX6363	12/11/12	05/10/13	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.30%	8.22	0.00	0.00	0.00	45.21
TEXAS COMMUNITY BANK	XXXXX0287	03/14/13	09/10/13	0.00	0.00	50,000.00	0.00	0.00	50,000.00	0.35%	0.00	0.00	0.00	0.00	8.15
Rollover over FROM CD XXXX8246															
Totals for Operating Fund:				-400,000.00	0.00	200,000.00	0.00	200,000.00	-400,000.00	N/A	182.31	175.37	0.00	175.37	\$282.27
Beginning Balance:				\$400,000.00											
Plus Principal From Cash:				\$0.00											
Less Principal Withdrawn:				\$0.00											
Plus Interest Reinvested:				\$0.00											
Fixed Balance:				\$400,000.00											
MM Balance:				\$1,326,275.06											
Total Balance:				\$1,726,275.06											
Totals for District:				-400,000.00	0.00	200,000.00	0.00	200,000.00	-400,000.00	N/A	182.31	175.37	0.00	175.37	\$282.27

Interest Earned:		\$175.37
Less Beg Accrued Interest:		\$182.31
Plus End Accrued Interest:		\$282.27
Fixed Interest Earned:		\$275.33
MM Interest Earned:		\$472.50
Total Interest Earned:		\$747.83

Methods Used For Reporting Market Values
 Certificates of Deposits
 Securities/Direct Government Obligations
 Public Fund Investment Pos/ADM Accounts

Face Value Plus Accrued Interest
 Market Value Quoted by the Seller of the Security and Confirmed in Writing
 Balance = Book Value = Current Market

**Montrose Management District
Detail of Pledged Securities**

01/01/2013 - 03/31/2013

Financial Institution: COMPASS BANK- PREMIER

Security: FHL-MC
CUSIP: 312853U9

Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
575,000.00	09/01/2038	02/04/2013		

Date	Value
02/28/2013	473,820.19
03/31/2013	469,655.58

Security: FHL-MC
CUSIP: 3137A5UQ5

Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
300,000.00	07/15/2040	06/15/2012		

Date	Value
01/31/2013	274,707.68
02/28/2013	272,574.16
03/31/2013	268,379.92

Security: FNMA
CUSIP: 313711PU7

Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
7,750,000.00	05/01/2014	06/12/2012		

Date	Value
01/31/2013	272,685.24
02/28/2013	246,350.45
03/31/2013	221,784.04

Security: FNMA
CUSIP: 3138EGQ56

Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
400,000.00	03/01/2035	01/30/2013		

Date	Value
01/31/2013	251,576.80
02/28/2013	233,254.51
03/31/2013	223,674.22

Security: FNMA
CUSIP: 31419ATX5

Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
425,000.00	02/01/2039	01/31/2013		

Date	Value
01/31/2013	182,575.58
02/28/2013	175,151.51
03/31/2013	164,963.74

Financial Institution: PROSPERITY BANK

Security: Fannie Mae
CUSIP: 31410G588

Par Value:	Maturity Date:	Pledged:	Released:	Amount Released:
678,313.88	04/01/2021	09/01/2008	03/22/2013	678,313.88

Date	Value
01/31/2013	171,663.29

Methods Used For Reporting Market Values

- Certificates of Deposit: Price Value Plus Accrued Interest
- Securities/Other Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
- Public Fund Investment Pool/IRG Accounts: Balance = Book Value = Current Market

**Monrose Management District
Detail of Pledged Securities**

01/01/2013 - 03/31/2013

Financial Institution: PROSPERITY BANK

Security: Fannie Mae
CUSIP: 31410GSS8
Par Value: 678,313.88
Maturity Date: 04/01/2021
Pledged: 09/01/2008
Released: 03/22/2013
Amount Released: 678,313.88

Date	Value
02/28/2013	162,796.56

Security: FN 778983
CUSIP: 31410LKN1
Par Value: 2,350,000.00
Maturity Date: 12/01/2027
Pledged: 02/05/2013
Released: 03/22/2013
Amount Released: 2,350,000.00

Date	Value
02/05/2013	2,221,780.76

Security: FN 778983
CUSIP: 31416XFLX1
Par Value: 98,828.00
Maturity Date: 01/01/2021
Pledged: 02/08/2011
Released: 03/22/2013
Amount Released: 98,828.00

Date	Value
01/31/2013	61,221.02
02/28/2013	59,733.49

Security: FNMA
CUSIP: 3138A2CF4
Par Value: 1,210,000.00
Maturity Date: 12/01/2025
Pledged: 02/28/2011
Released: 03/22/2013
Amount Released: 1,210,000.00

Date	Value
01/31/2013	758,593.24
02/28/2013	794,235.04

Security: FNMA
CUSIP: 3138MFRP6
Par Value: 1,000,000.00
Maturity Date: 10/01/2027
Pledged: 01/15/2013
Released: 03/22/2013
Amount Released: 1,000,000.00

Date	Value
01/31/2013	804,687.22
02/28/2013	987,321.60

Methods Used For Reporting Market Value:

- Certificate of Deposits: Fair Value Plus Accrued Interest
- Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing
- Public Fund Investment Pool/AMM Accounts: Balance = Book Value = Current Market