

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

October 14, 2011

Determine quorum; call to order;

The Board of Directors of the Montrose Management District held a meeting on Friday, October 14, 2011, at 10:00 a.m. at 5020 Montrose Boulevard, Suite 201, Houston, TX 77006, inside the boundaries of the District, and open to the public. Chairman Wynn called the meeting to order at 10:04 a.m., and the roll was called of the duly appointed members of the Board, to wit:

Position 1: Claude Wynn, *Chairman*
Position 2: Allen Ueckert
Position 3: Randy Mitchmore, *Vice Chairman*
Position 4: Cassie Stinson, *Secretary*
Position 5: Michael Carter
Position 6: Marchris Robinson
Position 7: Dennis Murland
Position 8: Robert Jara

Position 9: Kathy Hubbard, *Treasurer*
Position 10: Michael Grover
Position 11: Tom Fricke
Position 12: Brad Nagar, *Ass't Secretary*
Position 13: Tammy Manning
Position 14: David Robinson
Position 15: Randall Ellis

and all of the above were present with the exception of Directors Fricke, Manning, Murland, Marchris Robinson and Ueckert, thus constituting a quorum. Director Ellis arrived at 10: 20 a.m. while the meeting was in progress. Also present at the meeting were David Hawes, Susan Hill, Bill Calderon and Josh Hawes, Hawes Hill Calderon, L.L.P.; Clark Lord, Vinson & Elkins, L.L.P.; Mark Burton, Municipal Accounts and Consulting, L.P.; and Patricia Hall, Equi-Tax, Inc.

Others present at the meeting were Lawrence Skiles; Beth Morris; Lyle Mitchell; Keith Owen; Bob Rose; Charles Giammalva; Saverio Giammalva; Ravi Jaisinghani; Geary Ashby; Leonard and Helen Bernard; Griff Griffin; Tim Monk, Sr.; Gary Toy; Joan Bishop; Jason Pennington; David Johnson; Chris French; Daphne Scarbrough; Iseia Truong; Timothy Seo; Ben Woitena; Jose Trevino; David Harberg; and Joyce Johnson.

Approve minutes of meeting held September 12, 2011;

Upon a motion duly made by Director Mitchmore and being seconded by Director Stinson, the Board voted unanimously to approve the minutes of its meeting held September 12, 2011.

Receive public comments;

Public comments were made by Mr. Owen, Mr. Rose, Mr. Ashby, Mr. Monk, Ms. Scarbrough and Mr. Griffin, all speaking in favor of the dissolution of the District. They noted that more than 1,000 petitions supporting dissolution were delivered to the District on September 29, 2011.

Comments included requests for the Board to suspend spending activities pending dissolution and a recommendation that the Board should request an independent financial audit by the State Comptroller's Office. No action was taken.

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

Mr. Burton reviewed the financial statements included in the Board agenda materials. Director Ellis joined the meeting in progress at this time. Upon a motion duly made by Director Stinson and being seconded by Director Mitchmore, the Board voted unanimously to approve the Montrose Management District's monthly financial report and pay invoices.

Receive Montrose Management District's monthly Assessment Collection Report and Billing and Assessment Summary, Lawsuit and Arbitration Status Detail, and Delinquent Assessment Report;

Ms. Hall briefed the Board with regards to assessments received year-to-date. She said that the 2010 assessments are currently 97% collected for both the East and West sides of the District. She said that lists of the Top Ten Assessment Payers and the Ten Largest Delinquent Accounts are included in the Board agenda materials. Mr. David Hawes reported that the Finance Committee is developing a Collections Policy to be presented to the Board at its next meeting. No action was taken.

Receive and consider recommendations from the Public Safety Committee related to:

a. Patrol Activity Report for the month of September;

Committee Chair Nagar said the "Patrol Activity Report," for September 2011 is included in the Board agenda materials. Mr. Josh Hawes updated the Board on the arrests made recently by the District's patrol officers, noting that numerous felony arrests were made. No action was taken.

Receive and consider recommendations from the Business and Economic Development Committee:

Selection of website vendor and other reports.

Mr. David Hawes said that the staff recommends tabling this agenda item until a later meeting. No action was taken.

Convene in Executive Session pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with attorney to discuss pending or contemplated litigation.

No Executive Session was required.

Reconvene in Open Session and authorize appropriate action regarding contemplated litigation.

No action was taken.

Process for reviewing and verifying petitions for dissolution.

Director Mitchmore addressed the Board and presented a proposed process for reviewing and verifying petitions for dissolution. He also read a document titled, "Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions," dated October 14, 2011, hereby attached as Exhibit A. During discussion, Mr. David Hawes said that he expects the petitions to be reviewed and verified prior to the next Board meeting. Mr. Lord said that there is no change to the District's legal status as an entity until such time as the petitions are verified. He also noted that the District has met its legal requirements in terms of having annual, independent financial audits performed and said that the District has consistently received clean audit opinions. Director Grover said that the names of some members of the Board of Directors are not listed on the proposed Resolution, and Mr. Lord said that the matter would be resolved. Upon a motion duly made by Director Mitchmore and being seconded by Director Hubbard, the Board voted unanimously to approve the Resolution.

Receive Executive Director's Monthly Report on Action Initiatives in Support of the Montrose Management District;

Mr. David Hawes said that the Executive Director's Monthly Report is included in the Board agenda materials for Board review. No action was taken.

Adjourn.

There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 10:36 a.m.



Cassie B. Stinson

Secretary, Board of Directors
Montrose Management District

List of Exhibits:

Exhibit A: "Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions," dated October 14, 2011

RESOLUTION ESTABLISHING PROTOCOLS AND PROCEDURES FOR THE
ADMINISTRATION OF DISSOLUTION PETITIONS

WHEREAS, the Board of Directors (the "Board") of Montrose Management District (the "District") received a petition on September 29, 2011 (the "Petition"), requesting that the Board dissolve the District, pursuant to section 375.262, Subchapter M, Chapter 375 of the Local Government Code (the "Code") and the District's enabling acts, found in Chapters 3843 and 3878, Subtitle C, Title 4, of the Special District Local Laws Code (the "Act"); and

WHEREAS, the Code and the Act require that the Board dissolve the District upon receipt of a written petition filed with the Board by the owners of 75 percent or more of the assessed value of the property in the district based on the most recent certified county property tax rolls; and

WHEREAS, the District desires to set forth protocols and procedures by which it will administer the review of and response to the Petition, including: 1) verifying the legal authority of the Petition; 2) validating the signature authority of the Petition signers, and 3) responding to and implementing the request of the Petition; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MONTROSE MANAGEMENT DISTRICT THAT:

Section 1: The District hereby officially finds and determines that the facts and recitations contained in the recitals to this Resolution are true and correct and such recitals are hereby approved and adopted as a part of this Resolution, including the terms defined therein.

Section 2: The District hereby directs its officers, consultants and attorney to act diligently and without delay to take all actions necessary to:

a) verify the legal authority of the Petition, including verifying the ownership status of the signers of the Petition, and establishing what portion of the assessed value of property in the District is represented by the Petition;

b) validate the signature authority of the signers of the Petition, including verification of the legal authority of the signers to sign the Petition on behalf of the property owner of each parcel of property referenced in the Petition; and

c) respond to or implement the request in the Petition, based on the conclusions and findings of items a and b of this Section, including presenting to the Board of the District the conclusions, findings and recommendations for responding to the Petition in accordance with all applicable laws.

Section 3: The District further proposes that in an effort to maintain openness and transparency with the public, the District hold a meeting to publicly address its findings as soon as an outcome is known.

Section 4: The District authorizes delivery of this Resolution to the Board of Directors of Montrose Management District on this date.

[Execution Page Follows]

PASSED AND APPROVED this ____ day of October, 2011.

Chairman, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Montrose Management District, do hereby certify as follows:

1. The Board of Directors of Montrose Management District convened in regular session on the ____ day of October, 2011, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Claude Wynn	Chairman (Position 1)
Randy Mitchmore	Vice Chairman (Position 3)
Marchris Robinson	Secretary (Position 8)
Dennis Murland	Assistant Secretary (Position 9)
Allen Ueckert	Director (Position 2)
Cassie Stinson	Director (Position 4)
Tripp Carter	Director (Position 5)
Brandon Dudley	Director (Position 6)
E. Joyce Iyamu	Director (Position 7)
Robert Jara	Director (Position 10)

and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION PROPOSING PROTOCOLS AND PROCEDURES FOR THE ADMINISTRATION OF DISSOLUTION PETITIONS

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the

meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the ____ day of October, 2011.

Secretary, Board of Directors

(SEAL)