

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

**November 14, 2011**

**Determine quorum; call to order;**

The Board of Directors of the Montrose Management District held a meeting on Monday, November 14, 2011, at 12:00 p.m. noon at 401 Branard Street, 2<sup>nd</sup> Floor, Room 107, Houston, TX 77006, inside the boundaries of the District, and open to the public. Chairman Wynn called the meeting to order at 12:12 p.m., and the roll was called of the duly appointed members of the Board, to wit:

Position 1: Claude Wynn, *Chairman*  
Position 2: Vacant  
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: Vacant  
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 Grover and Jara, thus constituting a quorum. Director Manning arrived at 12:25 p.m. while the meeting was in progress. Also present at the meeting were Susan Hill, Bill Calderon, Allen Goodlow, Roy Hill, Gretchen Larson and Josh Hawes, Hawes Hill Calderon, L.L.P.; Clark Lord, Vinson & Elkins, L.L.P.; and Darrell Hawthorne, Municipal Accounts and Consulting, L.P.

Others present at the meeting were Caroline Negley, State Representative Sarah Davis' Office; Robin Foster, Houston Chronicle Neighborhoods; Caroline Evans, The Examiner; Beth Morris, Greystar Real Estate Partners, L.L.C. – The Westheimer Apartments; Jim Bartley; Daphne Scarbrough, Richmond Avenue Coalition; Andrew Leva, L Qube Corporation; Adam E. Smailly; Bob Rose; Harlan Ashby; Geary Ashby; Philip Navratil, Ivanhoe Apartments; John Foelber; Foelber Pottery; Dana Thorpe, Brightside Properties, L.L.C; Chris French, Reprise Properties, L.L.C; Charles Giammalva, GIA Interests, Ltd.; Brian Copeland, Copeland Properties; Amalia Kazilas; and Sheri Carey, Marcus & Millichap Real Estate Investment Services.

Others attending the meeting were Sherry Kelley, Sherry Kelley Antiques; Cody Lutsch, Fat Property, L.L.C.; Bill Chen and Jason Pennington, Plaza at River Oaks; Andy Lang; Ed Foteh; Charles Baird; Ravi Jaisinghani, Plant Control Solutions; Charles Toomey, Toomey-Guseman Family L.P.; Gary Troy, F.L. Toy, Ltd; Eric Chan, West Main Gardens; Sherri Stewart; River Oaks Center; Emily Morgan, Chelsea Medical Management; Rusty and Alice Venable, W.K. Hill Awning Company; O.Keith Owen, III; Raj Patel and Vincent Mandola,

Nino's Restaurant; Gordon Pilmer, The Finger Companies; Saverio Giammalva, Four Gs Properties Group, L.L.C.; and Stathis Kafoglis, Kafoglis Enterprises.

**Approve minutes of meeting held October 14, 2011;**

Upon a motion duly made by Director Nagar and being seconded by Director Hubbard, the Board voted unanimously to approve the minutes of its meeting held on October 14, 2011.

**Receive public comments;**

Public comments were made by Ms. Scarbrough, Ms. Morgan, Mr. Owen, Mr. Navratil, Mr. Thorpe, Mr. Leva and Mr. Smaily, all speaking in favor of the dissolution of the District. No action was taken.

**Receive report with regard to petition for dissolution.**

Mr. Lord reviewed the background of the petition for dissolution. He said the Board had adopted a resolution at its October, 2011 Board meeting establishing procedures and protocols for verifying the petitions. He said that the verification process on the submitted petitions has now been completed, and he asked Mr. Calderon to report on the findings.

Mr. Calderon distributed two documents including: (1.) a PowerPoint presentation summary of the "Report to the Board of Directors of the Montrose Management District On Petition for Dissolution Submitted September 29, 2011," dated November 14, 2011, hereby attached as Exhibit A; and (2.) "Report to the Board of Directors of the Montrose Management District On Petition for Dissolution Submitted September 29, 2011," dated November 14, 2011, hereby attached as Exhibit B. Director Manning joined the meeting in progress.

Mr. Calderon explained the specifics of the petition verification process and reported the following results:

Total number of verified signatures:	849
Total number of unverifiable signatures:	139
Assessed value of property represented by verified signatures:	\$543,705,438
Assessed value of property represented by unverifiable signatures:	\$287,099,998

In summary, Mr. Calderon said that the assessed value of property represented by verified signatures is 13.7% of the total assessed value of property in the District of \$3,959,593,305, based on the most recent certified County tax roll.

**Consider Order Responding to Petition to Dissolve the Montrose Management District.**

Mr. Lord read aloud the entire proposed, "Order Responding to Petition to Dissolve the Montrose Management District," dated November 14, 2011, hereby attached as Exhibit C. Director Stinson asked for the advice of Mr. Lord regarding clarifying the statutory language about the matter of total assessed property values




Mr. Lord explained that the statute states that the assessed property value refers to all of the property within the boundaries of the District. Director Murland said that the Board is operating within the confines of the law and that he would welcome hearing the points of view of area business owners. He also requested that meeting attendees respect the volunteer Board members. Upon a motion duly made by Director Mitchmore and being seconded by Director Stinson, the Board voted unanimously to approve the Order.

**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. Upon a motion duly made by Director Stinson and being seconded by Director Manning, the Board voted unanimously to approve the Montrose Management District's monthly financial report and pay invoices.

**Adjourn.**

There being no further business to come before the Board, Chairman Wynn adjourned the meeting at 12:57 p.m.

  
Secretary, Board of Directors  
Montrose Management District

(SEAL)

**List of Exhibits:**

- Exhibit A: Power Point presentation on "Report to the Board of Directors of the Montrose Management District On Petition for Dissolution Submitted September 29, 2011," dated November 14, 2011
- Exhibit B: "Report to the Board of Directors of the Montrose Management District On Petition for Dissolution Submitted September 29, 2011," dated November 14, 2011
- Exhibit C: "Order Responding to Petition to Dissolve Montrose Management District," dated November 14, 2011

**Montrose Management District**

**Verification of Petition for Dissolution**

**November 14, 2011**



**HAWES HILL CALDERON  
LLP**

*Exhibit A*



# Petition for Dissolution

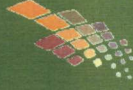
- Petition was filed September 29, 2011
- Six Binders/3004 Bates-labeled photo copies/14 envelopes with CDs with electronic file containing the same information in the petition.
- 988 Properties represented in the petition
- Total Value represented by the Petition--\$830,805,436.





# Verification of Petitions

1. Section 375.262 requires 75% of the District value be represented by the petition, signed by “owners” of the real property represented by the petition.
2. Three Step Process was utilized to test the petition for compliance with the law.
3. Steps included :
  - A. Matching the petition signatures with property owners as reflected on the Harris County Appraisal District data base;
  - B. Direct mailing to the petitions that did not match the HCAD data base
  - C. Searching the Texas Secretary of State data base for ownership information on all petitions that did not match the HCAD data base

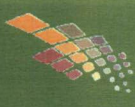




## Step One—Match of Petition signatures with the HCAD Data Base

549 Signatures matched the HCAD data base

\$254,693,510 in property value.





## Step two---Matching signatures by Direct mail/email responses

439 First Class letters were mailed to property owners with copies of petition documents requesting proof the signer was authorized to sign the petition.

Responses received validated an additional 77 petition properties.

Served to validate an additional \$105,668,364 in property value.

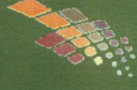


## Step three---Matching signatures against the Texas SOS data base

439 records were searched for ownership information representing 100% of the non-verified petitions using the HCAD data base.

279 petition signatures were verified.

Representing \$264,060,341 in property value.





# Findings

## Summary of the Verification Findings:

Total number of verified signatures	849
Total number of unverifiable signatures	139
Assessed value of property represented by verified signatures	\$543,705,438
Assessed value of property represented by unverifiable signatures	\$287,099,998



# Findings

Assessed value of property represented  
by verified signatures:

\$543,705,438

Assessed value of property in the district based on  
the most recent certified county tax roll:

\$3,959,593,305

Percentage of verified petitions

13.7%

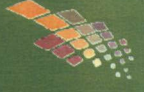


Exhibit B

MONTROSE MANAGEMENT DISTRICT  
CITY OF HOUSTON  
HARRIS COUNTY, TEXAS

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**AGENDA MEMORANDUM**

TO: Montrose Management District Board of Directors  
FROM: Executive Director  
SUBJECT: Agenda Item Materials

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4. Receive report with regard to petition for dissolution.



*Report to the Board of Directors of the Montrose Management District*

*On Petition for Dissolution Submitted September 29, 2011*

On September 29, 2011, Robert Rose personally delivered to the offices of Hawes Hill Calderon, LLP, located at 10103 Fondren Road, Suite 300, Houston, Texas 77096, two boxes addressed to Claude Wynn, Chairman of the Montrose Management District (the "District"). The boxes contained six (6) binders that all together held 3,004 Bates-labeled photocopied pages. In addition there were fourteen (14) envelopes with compact discs (CDs) labeled "MMD Petitions for Dissolution," each addressed to a member of the Board of Directors of the District. The CDs contain scanned images of the paper documents filed in the binders. The binders' contents comprised a petition to dissolve the District and consisted of 988 individually signed petition forms accompanied in most cases by Harris County Appraisal District ("HCAD") property valuation report forms. It is important to note that the documentation Mr. Rose submitted in the binders included photocopies only. No signed original documents were provided.

Staff notified the board of the petition's receipt immediately. At the District's regular meeting on October 14, 2011, the board unanimously adopted a *Resolution Proposing Protocols and Procedures for the Administration of Dissolution Petitions*. A copy of the resolution to administer the review of the petition forms is attached to this report as Exhibit A. The board then directed staff to conduct the review according to the procedures set forth in the resolution and to prepare a report of findings to be delivered no later than the next regularly scheduled meeting of the board set for noon, Monday, November 14, 2011. Specifically, the procedures instruct the District's officers, consultants and attorney to take all actions necessary to:

- Verify the legal authority of the petition
- Verify the ownership status of the petition signers
- Verify the signature authority of the petition signers, including the legal authority of those signing on behalf of an owner of each parcel of property referenced in the petition
- Determine the portion of the assessed value of property in the District represented by the verified petition forms

Section 375.262, Subchapter M, Chapter 375 of the TEXAS LOCAL GOVERNMENT CODE, titled "**Dissolution by Petition by Owners**" states:

Except as limited by Section 375.264<sup>1</sup>, the board shall dissolve the district on written petition filed with the board by the owners of:

(1) 75 percent or more of the assessed value of the property in the district based on the most recent certified county property tax rolls: or

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<sup>1</sup> No dissolution can be undertaken if there is outstanding bonded indebtedness.



(2) 75 percent or more of the surface area of the district excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment under Sections 375.161<sup>2</sup>, 375.163<sup>3</sup> and 375.164<sup>4</sup> according to the most recent certified county property tax rolls.

## Verification Tests

In order to meet the requirements of Chapter 375.262, TEXAS LOCAL GOV'T CODE, and the board's resolution, staff performed the following tests:

1. **Ownership Name Match:** Staff compared each owner name and signature on every petition form for a particular property to the name of the owner as shown in the Harris County Appraisal District's property ownership database. HCAD is the official local repository of taxable property appraisal records and parcel maps for all local taxing jurisdictions, including the City of Houston, Harris County, Montrose Management District, independent school districts and many others. If the owner name/signature on the petition corresponded identically to the owner name on the on the HCAD property account record, the signature was deemed to be verified.

### Findings:

- a) **549 of the names/signatures on the 988 petition forms submitted matched the names on the HCAD ownership records.**
  - b) **439 signatures and names did not match those on the HCAD ownership records. In these instances the owners on the HCAD records were taxable entities -- including companies, corporations, associations, trusts or partnerships -- rather than individuals, requiring further verification of ownership.**
  - c) **The total assessable value represented by the matching petition forms is \$254,693,510, or 6.43% of the total assessed value of the District.**
2. **Verification by Direct Mail:** To verify signatures on the 439 remaining petition forms, staff prepared a letter to the taxable entity as shown in the HCAD database and sent it via U. S. Postal Service first class mail. An example of the letter is attached to this report as Exhibit B. The letter requested evidence of legal authority or authorization to sign the petition at the time it was executed, including the name of the taxable entity on whose behalf the signer executed the petition, the office or position the signer held, affirmation that the signer was duly authorized to sign under the company's establishment documents or bylaws, and affirmation that the actual signer was the person authorized to sign the petition. The letter asked for a response no later than 5 pm, Tuesday, November 8, 2011, by regular mail to the offices of Hawes Hill Calderon LLP or by email to [info@montrosedistrict.org](mailto:info@montrosedistrict.org).

<sup>2</sup> The board may not impose an impact fee, assessment, tax, or other requirement for payment ... on single-family detached residential property, duplexes, triplexes and quadraplexes.

<sup>3</sup> Property comprising three or more acres used primarily for public scenic areas or parks is exempt.

<sup>4</sup> The board may exempt residential property from all or a part of assessments if the property will not benefit from services or improvements.



**Findings:**

- a) 57 responses (mail and email) were received, representing 77 properties.
- b) The total assessable value of properties represented by these responses is \$105,688,364

3. **Taxable Entity Search:** In addition to sending the letter to record owners, staff conducted a search of taxable entities named in the 439 petition forms in the Texas Comptroller of Accounts' *Window on State Government* online database. This database reports franchise tax account status along with the names of the registered agent, officers and directors for corporations and limited liability companies registered in Texas. (Ownership information reported by associations, partnerships, and trusts is not subject to public disclosure and consequently is not available at the site.) If a match was found between the name of the signer of the petition form and the name of any individual associated with the entity as an officer or director, the signature was counted as verified. Moreover, in the instances where the signer was the registered agent indicated in the database and no other officer or director information was available, staff counted the registered agent's signature as verification.

**Findings:**

- a) 279 signatures of officers, directors or registered agents were verified by taxable entity search
- b) The total assessable value represented by this group of petitions is \$264,060,341, or 6.6% of the total assessed value of the district.

The signatures on petition forms that could not be validated by any of the three tests are as follows:

- a) 139 unverifiable signed petition forms
- b) The total assessable value represented by this group of petitions is \$287,099,998, or 7.25% of the total assessed value of the district.



### Summary of the Verification Findings:

Total number of verified signatures	849
Total number of unverifiable signatures	139
Assessed value of property represented by verified signatures	\$543,705,438
Assessed value of property represented by unverifiable signatures	\$287,099,998

**Calculation of percentage of assessed value pursuant to  
Section 375.262, Subchapter M, Chapter 375 of the TEXAS  
LOCAL GOVERNMENT CODE**

Assessed value of property represented by verified signatures  
Assessed value of property in the district based on the most recent certified  
county tax roll

$$\text{\$543,705,438} \div \text{\$3,959,593,305}$$

**13.7%**



# Appendix

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**Exhibit A: Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions**

**Exhibit B: Sample of Letter RE Montrose Management District Petition for Dissolution Signature Authorization and Proof of Legal Authority dated October 21, 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 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.

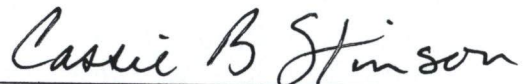
[Execution Page Follows]



PASSED AND APPROVED this 14<sup>th</sup> day of October, 2011.

  
Chairman, Board of Directors

ATTEST:

  
Secretary, Board of Directors





October 21, 2011

SLOAN PROPERTIES LLC  
2101 PINE VALLEY DR

HOUSTON, TX 77019-3507



Re: Montrose Management District Petition for Dissolution Signature Authorization and Proof of Legal Authority

Dear Sir or Madam:

On September 29, 2011, The Board of Directors (the "Board") of the Montrose Management District (the "District") received in their office a signed Petition for Dissolution of the Montrose Management District (the "Petition"). This letter is being sent to all persons whose signatures appeared on said Petition. In accordance with the Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions adopted on October 14, 2011 by the Board of Directors, the Board now seeks to verify the authenticity of all signatures as well as the signature authority of all signers of the Petition.

In order to complete the verification process, the Board requests that you provide evidence of your legal authority or authorization to sign the Petition at the time said Petition was executed. The proof of authority must include such information as: the name of the company for which the signer signed and the name of the signer, the office held by the signer, that the signer was duly authorized by the company's establishment documents and/or bylaws to execute the Petition on behalf of the company, and that the person who signed the Petition and the person authorized to execute the Petition were one and the same.

As we are attempting to resolve all verifications as soon as possible, please provide your response(s) by no later than Tuesday, November 8, 2011, 5:00pm. Responses may be mailed to: 10103 Fondren Rd Ste 300, Houston, Texas 77096 or via e-mail to: [info@montrosedistrict.org](mailto:info@montrosedistrict.org).

Sincerely,



David Hawes  
Executive Director

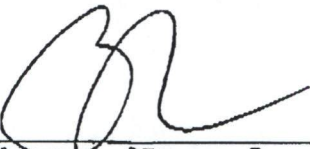
On behalf of:

The Board of Directors of the  
Montrose Management District

**Stop the District!**  
An independent action by "Taxpayers' Property Owners to Revolt Against Management Districts"**Petition for Dissolution**

I, the undersigned, declare that I am the legal owner or representative of property having been subject to the assessments of Harris County Improvement District No. 6, also known as the "East Montrose Management District" or to the assessments of Harris County Improvement District No. 11, also known as the "West Montrose Management District", which property is now subject to any assessment levied by a combination of these Districts commonly known as the "Montrose Management District" and hereafter referred to as "the District".

As provided by section 375.262, Subchapter M, Chapter 375, of the Local Government Code, I do hereby petition the Board of Directors of the District to dissolve said District. In the event that the District transfers any or all of its powers to any subsequent entity or entities, I also intend for this petition to apply to any such entity or entities.

 Date: 5/31/11  
Signature of Property Owner or Representative of Property Owner

Mark R. Brinker Title: MD  
Printed Name and Title of Property Owner or Representative

☒ Check Here, if returned by FAX or email.

HCAD Account Number: 0522220000019

Legal Description: TRS 19 & 19B BLK 2 MANDELL PLACE

Property Owner Name: SLOAN PROPERTIES LLC

Property Address: 0 W ALABAMA ST, HOUSTON, TX 77006

**Stay Informed:**

If you would like to be kept informed on the progress of Stop The District, please provide an e-mail address below:

Email: mark @ mbrinker . com



## **ORDER RESPONDING TO PETITION TO DISSOLVE MONTROSE MANAGEMENT DISTRICT**

On September 29, 2011, the Board of Directors (the "Board") of Montrose Management District (the "District") received a petition (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").

On October 10, 2011, the Board convened in regular session, at which session was adopted a Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions (the "Protocols and Procedures Resolution").

By means of the Protocols and Procedures Resolution, the Board duly directed its officers, consultants and attorney to act diligently and without delay to take all actions necessary to:

1. 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;
2. 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;
3. respond to or implement the request in the Petition, based on the conclusions and findings of items 1 and 2, including presenting to the Board of the District the conclusions, findings and recommendations for responding to the Petition in accordance with all applicable laws.

The Board thereafter followed the procedures outlined in the Protocols and Procedures Resolution, resulting in a report on the Petition prepared by its executive director, which report is hereby adopted and attached hereto as Exhibit "A," (the "Report") and now wishes to report on findings of those procedures.

### **FINDINGS OF FACT**

In consideration of all issues of fact and law relative to the Petition, the Board rules and makes the following Findings of Fact:

1. On September 29, 2011, Robert Rose personally delivered to the offices of Hawes Hill Calderon, LLP, located at 10103 Fondren Road, Suite 300, Houston, Texas 77096, two boxes addressed to Claude Wynn, Chairman of the Montrose Management District (the "District"). The boxes contained six (6) binders that all together held 3,004 Bates-labeled photocopied pages. In addition there were fourteen (14) envelopes with compact discs (CDs) labeled "MMD Petitions for Dissolution," each addressed to a member of the Board of Directors of District. The CDs contain scanned images of the paper documents filed in the binders. The binders' contents comprised a petition to dissolve the District and consisted of 988 individually signed petition forms accompanied in most cases by Harris County Appraisal District ("HCAD") property valuation report forms. The 988 signed forms included one duplicate petition, reducing the actual number of signed submissions to 987.
2. The Petition consisted only of photocopies of the signature pages. No originals were delivered.

3. The original Petition documents are currently being held in the office of State Representative Sarah Davis.
4. Upon receipt of the Petition, the staff immediately notified the Board.
5. At the District's regular meeting on October 10, 2011, the Board unanimously adopted the Protocols and Procedures Resolution. The Protocols and Procedures Resolution directed the District's officers, consultants and attorney to take all actions necessary to:
  - a. Verify the legal authority of the petition;
  - b. Verify the ownership status of the petition signers;
  - c. Verify the signature authority of the petition signers, including the legal authority of those signing on behalf of an owner of each parcel of property referenced in the petition; and
  - d. Determine the portion of the assessed value of property in the District represented by the verified petition forms.
6. Pursuant to the Protocols and Procedures Resolution, the Board thereafter undertook to verify the legal authority of the Petition and validate the signature authority of the signers of the Petition by performing the following verification procedures (those signatures verified by one of the three following methods to be hereafter referred to as "Verified Signatures"):
  - a. Ownership Name Match—Staff compared each owner name and signature on every petition form for a particular property to the name of the owner as shown in the HCAD property ownership database. HCAD is the official local repository of taxable property appraisal records and parcel maps for all local taxing jurisdictions, including the City of Houston, Harris County, Montrose Management District, independent school districts and many others. If the owner name/signature on the petition corresponded identically to the owner name on the on the HCAD property account record, the signature was deemed to be verified.
  - b. Verification by Direct Mail— To verify signatures on the 453 remaining petition forms, staff prepared a letter (the "Verification Letter") to the taxable entity as shown in the HCAD database and sent it via U. S. Postal Service first class mail. The letter requested evidence of legal authority or authorization to sign the petition at the time it was executed, including the name of the taxable entity on whose behalf the signer executed the petition, the office or position the signer held, affirmation that the signer was duly authorized to sign under the company's establishment documents or bylaws, and affirmation that the actual signer was the person authorized to sign the petition. The letter asked for a response no later than 5 pm, Tuesday, November 8, 2011, by regular mail to the offices of Hawes Hill Calderon LLP or by email to [info@montrosedistrict.org](mailto:info@montrosedistrict.org).
  - c. Taxable Entity Search—In addition to sending the letter to record owners, staff conducted a search of taxable entities named in the 453 petition forms in the Texas Comptroller of Accounts' Window on State Government online database. This database reports franchise tax account status along with the names of the registered agent, officers and directors for corporations and limited liability companies registered in Texas. (Ownership information reported by associations, partnerships, and trusts is not subject to public disclosure and consequently is not available at the site.) If a match was found



between the name of the signer of the petition form and the name of any individual associated with the entity as an officer or director, the signature was counted as verified. Moreover, in the instances where the signer was the registered agent indicated in the database and no other officer or director information was available, staff counted the registered agent's signature as verification.

7. While the Board had no means by which to confirm the signature authority of those registered agents, such signatures, if the signer was verified as a valid registered agent through the Secretary of State database, were nonetheless included in the calculation of Verified Signatures.
8. Likewise, the signature pages received in the set of documents constituting the Petition varied in form; however, the Board nonetheless included each signature page received, so long as verified via one or more of the three verification procedures listed in 6. above, in the calculation of Verified Signatures, not discounting any signature received due to inconsistency of form.
9. The verification procedures listed in 6. above revealed the following:
  - a. Five hundred forty-nine (549) signatures were verified via the HCAD system. The total assessable value represented by these Verified Signatures is \$254,693,510, or 6.43% of the total assessed value of the District.
  - b. Fifty-seven (57) signatures were verified via return response to the Verification Letter, representing seventy-seven (77) properties. The total assessable value represented by these Verified Signatures is \$105,688,364, or 2.67% of the total assessed value of the district.
  - c. Two hundred seventy-nine (279) signatures were verified via the Taxable Entity Search. The total assessable value represented by these Verified Signatures is \$264,060,341, or 6.6% of the total assessed value of the district.
10. The total number of Verified Signatures amounted to eight hundred forty-nine (849).
11. The value of ad valorem property represented by those Verified Signatures amounted to \$543,705,438.
12. The total value of ad valorem property in the District is equal to \$3,959,593,305.
13. The ad valorem property represented by the Verified Signatures constituted a 13.7% representation of the total ad valorem property in the District.

#### CONCLUSIONS OF LAW

In consideration of all issues of fact and law relative to the Petition, the Board rules and makes the following Conclusions of Law:

1. The Code and the District's enabling acts require that the Board dissolve the District on 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 or 75 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment under Sections 375.161, 375.163 and 375.164 according to the most recent certified county property tax rolls; and

2. Under the Code, the phrase "assessed property" is interpreted, unless otherwise qualified, as all ad valorem property, including both commercial and residential properties, in the District; and
3. The Petition does not constitute the required percentage of assessed value that would require the Board to dissolve the district.
4. The Petition contains multiple signature pages but constitutes only one unified submission, consisting of only those documents submitted to the Board at their office on September 29, 2011. The Board will not consider any signatures submitted subsequent to September 29, 2011 to be a part of the Petition and any such other documentation will not be considered as part of the Petition.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF MONTROSE MANAGEMENT DISTRICT THAT:

Section 1. Facts and Findings Related to the Petition. The facts and recitations contained in the recitals to this Order are true and correct and such recitals are hereby approved and adopted as a part of this Order, including the terms defined therein. The findings of fact and conclusions of law are hereby determined to be true and correct. The Report is hereby adopted and made a part of this Order.

Section 2. Petition Insufficient to Meet Statutory Requirement. The value of ad valorem property represented by the Verified Signatures is insufficient to meet the statutory requirement for dissolution of the District.

Section 3. District to Remain Intact. The District hereby rejects the Petition as insufficient to meet the requirements of the Act and the Code, and, thus, the District shall remain intact and fully operational under the Act and the Code and all other applicable laws.

Section 4. Authorization of Delivery. The District authorizes delivery of this Order to the Board of Directors of Montrose Management District on this date.

Section 5. Severability. If any provision, section, subsection, sentence, clause, or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Order or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board in adopting this Order that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 6. Notice. The Board officially finds, determines, recites, and declares that sufficient written notice of the date, hour, place, and subject of this meeting of the Board were posted at places convenient to the public at the Harris County Clerk's Office and in the District for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter thereof has been discussed, considered, and formally acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.



PASSED AND ADOPTED this 14th day of November, 2011.

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Chairman, Board of Directors  
Montrose Management District

ATTEST:

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Secretary, Board of Directors  
Montrose Management District



EXHIBIT A

REPORT TO THE BOARD OF DIRECTORS OF THE MONTROSE MANAGEMENT DISTRICT ON  
PETITION FOR DISSOLUTION



## Report to the Board of Directors of the Montrose Management District

### On Petition for Dissolution Submitted September 29, 2011

On September 29, 2011, Robert Rose personally delivered to the offices of Hawes Hill Calderon, LLP, located at 10103 Fondren Road, Suite 300, Houston, Texas 77096, two boxes addressed to Claude Wynn, Chairman of the Montrose Management District (the "District"). The boxes contained six (6) binders that all together held 3,004 Bates-labeled photocopied pages. In addition there were fourteen (14) envelopes with compact discs (CDs) labeled "MMD Petitions for Dissolution," each addressed to a member of the Board of Directors of the District. The CDs contain scanned images of the paper documents filed in the binders. The binders' contents comprised a petition to dissolve the District and consisted of 988 individually signed petition forms accompanied in most cases by Harris County Appraisal District ("HCAD") property valuation report forms. It is important to note that the documentation Mr. Rose submitted in the binders included photocopies only. No signed original documents were provided.

Staff notified the board of the petition's receipt immediately. At the District's regular meeting on October 14, 2011, the board unanimously adopted a *Resolution Proposing Protocols and Procedures for the Administration of Dissolution Petitions*. A copy of the resolution to administer the review of the petition forms is attached to this report as Exhibit A. The board then directed staff to conduct the review according to the procedures set forth in the resolution and to prepare a report of findings to be delivered no later than the next regularly scheduled meeting of the board set for noon, Monday, November 14, 2011. Specifically, the procedures instruct the District's officers, consultants and attorney to take all actions necessary to:

- Verify the legal authority of the petition
- Verify the ownership status of the petition signers
- Verify the signature authority of the petition signers, including the legal authority of those signing on behalf of an owner of each parcel of property referenced in the petition
- Determine the portion of the assessed value of property in the District represented by the verified petition forms

Section 375.262, Subchapter M, Chapter 375 of the TEXAS LOCAL GOVERNMENT CODE, titled "**Dissolution by Petition by Owners**" states:

Except as limited by Section 375.264<sup>1</sup>, the board shall dissolve the district on written petition filed with the board by the owners of:

(1) 75 percent or more of the assessed value of the property in the district based on the most recent certified county property tax rolls: or

(2) 75 percent or more of the surface area of the district excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment under Sections 375.161<sup>2</sup>, 375.163<sup>3</sup> and 375.164<sup>4</sup> according to the most recent certified county property tax rolls.

---

<sup>1</sup> No dissolution can be undertaken if there is outstanding bonded indebtedness.

<sup>2</sup> The board may not impose an impact fee, assessment, tax, or other requirement for payment ... on single-family detached residential property, duplexes, triplexes and quadraplexes.

<sup>3</sup> Property comprising three or more acres used primarily for public scenic areas or parks is exempt.

<sup>4</sup> The board may exempt residential property from all or a part of assessments if the property will not benefit from services or improvements.

## Verification Tests

In order to meet the requirements of Chapter 375.262, TEXAS LOCAL GOV'T CODE, and the board's resolution, staff performed the following tests:

1. **Ownership Name Match:** Staff compared each owner name and signature on every petition form for a particular property to the name of the owner as shown in the Harris County Appraisal District's property ownership database. HCAD is the official local repository of taxable property appraisal records and parcel maps for all local taxing jurisdictions, including the City of Houston, Harris County, Montrose Management District, independent school districts and many others. If the owner name/signature on the petition corresponded identically to the owner name on the HCAD property account record, the signature was deemed to be verified.

### Findings:

- a) 549 of the names/signatures on the 988 petition forms submitted matched the names on the HCAD ownership records.
  - b) 439 signatures and names did not match those on the HCAD ownership records. In these instances the owners on the HCAD records were taxable entities -- including companies, corporations, associations, trusts or partnerships -- rather than individuals, requiring further verification of ownership.
  - c) The total assessable value represented by the matching petition forms is \$254,693,510, or 6.43% of the total assessed value of the District.
2. **Verification by Direct Mail:** To verify signatures on the 439 remaining petition forms, staff prepared a letter to the taxable entity as shown in the HCAD database and sent it via U. S. Postal Service first class mail. An example of the letter is attached to this report as Exhibit B. The letter requested evidence of legal authority or authorization to sign the petition at the time it was executed, including the name of the taxable entity on whose behalf the signer executed the petition, the office or position the signer held, affirmation that the signer was duly authorized to sign under the company's establishment documents or bylaws, and affirmation that the actual signer was the person authorized to sign the petition. The letter asked for a response no later than 5 pm, Tuesday, November 8, 2011, by regular mail to the offices of Hawes Hill Calderon LLP or by email to [info@montrosedistrict.org](mailto:info@montrosedistrict.org).

### Findings:

- a) 57 responses (mail and email) were received, representing 77 properties.
  - b) The total assessable value of properties represented by these responses is \$105,688,364, or 2.67% of the total assessed value of the District.
3. **Taxable Entity Search:** In addition to sending the letter to record owners, staff conducted a search of taxable entities named in the 439 petition forms in the Texas Comptroller of Accounts' *Window on State Government* online database. This database reports franchise tax account status along with the names of the registered agent, officers and directors for corporations and



limited liability companies registered in Texas. (Ownership information reported by associations, partnerships, and trusts is not subject to public disclosure and consequently is not available at the site.) If a match was found between the name of the signer of the petition form and the name of any individual associated with the entity as an officer or director, the signature was counted as verified. Moreover, in the instances where the signer was the registered agent indicated in the database and no other officer or director information was available, staff counted the registered agent's signature as verification. Because this form of verification was conducted in tandem with the letter sent to the 439 taxable entities, many of the signatures verified by this method were also verified by response to the letter described in 2. immediately above, in which case the verified signature counted only once in the overall total listed in the Summary of Verification Findings section below, though the duplicates are reflected in the Findings immediately below.

**Findings:**

- a) 279 signatures of officers, directors or registered agents were verified by taxable entity search**
- b) The total assessable value represented by this group of petitions is \$264,060,341, or 6.6% of the total assessed value of the District.**

The signatures on petition forms that could not be validated by any of the three tests are as follows:

- a) 139 unverifiable signed petition forms**
- b) The total assessable value represented by this group of petitions is \$287,099,998, or 7.25% of the total assessed value of the District.**

Summary of the Verification Findings:

Total number of verified signatures	849
Total number of unverifiable signatures	139
Assessed value of property represented by verified signatures	\$543,705,438
Assessed value of property represented by unverifiable signatures	\$287,099,998

Calculation of percentage of assessed value pursuant to Section  
375.262, Subchapter M, Chapter 375 of the TEXAS LOCAL GOVERNMENT  
CODE

Assessed value of property represented by verified signatures  
Assessed value of property in the district based on the most recent certified  
county tax roll

$\$543,705,438 \div \$3,959,593,305$

13.7%



## **Appendix**

Exhibit A: Resolution Establishing Protocols and Procedures for the  
Administration of Dissolution Petitions

Exhibit B: Sample of Letter RE Montrose Management District Petition for  
Dissolution Signature Authorization and Proof of Legal Authority  
dated October 21, 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 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.



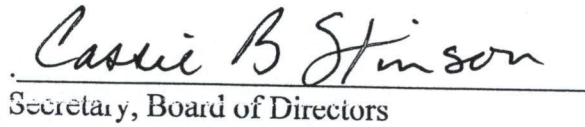
Section 4: The District authorizes delivery of this Resolution to the Board of Directors of Montrose Management District on this date.

[Execution Page Follows]

PASSED AND APPROVED this 14<sup>th</sup> day of October, 2011.

  
Chairman, Board of Directors

ATTEST:

  
Secretary, Board of Directors





October 21, 2011

SLOAN PROPERTIES LLC  
2101 PINE VALLEY DR

HOUSTON, TX 77019-3507



Re: Montrose Management District Petition for Dissolution Signature Authorization and Proof of Legal Authority

Dear Sir or Madam:

On September 29, 2011, The Board of Directors (the "Board") of the Montrose Management District (the "District") received in their office a signed Petition for Dissolution of the Montrose Management District (the "Petition"). This letter is being sent to all persons whose signatures appeared on said Petition. In accordance with the Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions adopted on October 14, 2011 by the Board of Directors, the Board now seeks to verify the authenticity of all signatures as well as the signature authority of all signers of the Petition.

In order to complete the verification process, the Board requests that you provide evidence of your legal authority or authorization to sign the Petition at the time said Petition was executed. The proof of authority must include such information as: the name of the company for which the signer signed and the name of the signer, the office held by the signer, that the signer was duly authorized by the company's establishment documents and/or bylaws to execute the Petition on behalf of the company, and that the person who signed the Petition and the person authorized to execute the Petition were one and the same.

As we are attempting to resolve all verifications as soon as possible, please provide your response(s) by no later than Tuesday, November 8, 2011, 5:00pm. Responses may be mailed to: 10103 Fondren Rd Ste 300, Houston, Texas 77096 or via e-mail to: [info@montrosedistrict.org](mailto:info@montrosedistrict.org).

Sincerely,



David Hawes  
Executive Director

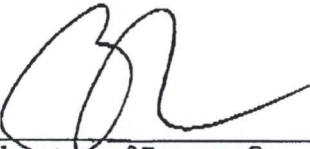
On behalf of:

The Board of Directors of the  
Montrose Management District

**Stop the District!**  
An independent action by "Taxpayers Property Owners to Revolt Against Management Districts"**Petition for Dissolution**

I, the undersigned, declare that I am the legal owner or representative of property having been subject to the assessments of Harris County Improvement District No. 6, also known as the "East Montrose Management District" or to the assessments of Harris County Improvement District No. 11, also known as the "West Montrose Management District", which property is now subject to any assessment levied by a combination of these Districts commonly known as the "Montrose Management District" and hereafter referred to as "the District".

As provided by section 375.262, Subchapter M, Chapter 375, of the Local Government Code, I do hereby petition the Board of Directors of the District to dissolve said District. In the event that the District transfers any or all of its powers to any subsequent entity or entities, I also intend for this petition to apply to any such entity or entities.

 Date: 5/31/11  
Signature of Property Owner or Representative of Property Owner

Mark R. Brinker Title: MD  
Printed Name and Title of Property Owner or Representative

☒ Check Here, if returned by FAX or email.

HCAD Account Number: 0522220000019  
Legal Description: TRS 19 & 19B BLK 2 MANDELL PLACE  
Property Owner Name: SLOAN PROPERTIES LLC  
Property Address: 0 W ALABAMA ST, HOUSTON, TX 77006

**Stay Informed:**

If you would like to be kept informed on the progress of Stop The District, please provide an e-mail address below:

Email: mark @ mbrinker . com



CERTIFICATE FOR ORDER

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 14th day of November, 2011, inside 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)
Cassie Stinson	Secretary (Position 4)
Brad Nagar	Assistant Secretary (Position 12)
Kathy Hubbard	Treasurer (Position 9)
Michael Carter	Director (Position 5)
Randy Ellis	Director (Position 15)
Tom Fricke	Director (Position 11)
Michael Grover	Director (Position 10)
Robert Jara	Director (Position 8)
Tammy Manning	Director (Position 13)
Dennis Murland	Director (Position 7)
David Robinson	Director (Position 14)
Marchris Robinson	Director (Position 6)
Allen Ueckert	Director (Position 2)

and all of said persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**ORDER RESPONDING TO PETITION TO DISSOLVE MONTROSE  
MANAGEMENT DISTRICT**

was introduced for the consideration of the Board. It was then duly moved and seconded that said order be adopted; and, after due discussion, said motion, carrying with it the adoption of said order, prevailed and carried by the following vote:

AYES:

NOES:

ABSTENTIONS:

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order 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 Order 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 this 14th day of November, 2011.

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Secretary, Board of Directors  
Montrose Management District





**RESOLUTION ADOPTING REPORT TO THE BOARD OF DIRECTORS OF THE  
MONTROSE MANAGEMENT DISTRICT ON PETITION FOR DISSOLUTION**

WHEREAS, Montrose Management District (the "District") has been legally created and operates pursuant to the general laws of the State of Texas applicable to management districts; and

WHEREAS, 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") require that the Board dissolve the District on 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 or 75 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment under Sections 375.161, 375.163 and 375.164 according to the most recent certified county property tax rolls; and

WHEREAS, on September 29, 2011, the Board of Directors of the District received a petition to dissolve the District (the "Petition"); and

WHEREAS, at the District's regular meeting on October 14, 2011, the Board unanimously adopted a Resolution Establishing Protocols and Procedures for the Administration of Dissolution Petitions (the "Protocols and Procedures Resolution"). The Protocols and Procedures Resolution directed the District's officers, consultants and attorney to take all actions necessary to:

- a. Verify the legal authority of the petition;
- b. Verify the ownership status of the petition signers;
- c. Verify the signature authority of the petition signers, including the legal authority of those signing on behalf of an owner of each parcel of property referenced in the petition; and
- d. Determine the portion of the assessed value of property in the District represented by the verified petition forms; and

WHEREAS, the Board did so follow the directions of the Protocols and Procedures Resolution and have created a report in response to the Petition (the "Report to the Board of Directors of the Montrose Management District On Petition for Dissolution"), attached hereto as Exhibit A; Now, Therefore,

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

Section 1: The Board of Directors of the District has compiled the Report to the Board of Directors of the Montrose Management District on Petition for Dissolution Submitted September 29, 2011, dated November 14, 2011 and hereby adopts such report.

Section 2: The provisions of this Resolution shall be effective as of the date of adoption.

PASSED AND APPROVED THIS 14h day of November, 2011.

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Chairman, Board of Directors  
Montrose Management District

ATTEST:

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Secretary, Board of Directors  
Montrose Management District





## CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS

§

§

COUNTY OF HARRIS

§

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

1. The Board of Directors of Montrose Management District convened in regular session on the 14th day of November, 2011, inside the boundaries of the Authority, 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)
Cassie Stinson	Secretary (Position 4)
Brad Nagar	Assistant Secretary (Position 12)
Kathy Hubbard	Treasurer (Position 9)
Michael Carter	Director (Position 5)
Randy Ellis	Director (Position 15)
Tom Fricke	Director (Position 11)
Michael Grover	Director (Position 10)
Robert Jara	Director (Position 8)
Tammy Manning	Director (Position 13)
Dennis Murland	Director (Position 7)
David Robinson	Director (Position 14)
Marchris Robinson	Director (Position 6)
Allen Ueckert	Director (Position 2)

and all of said persons were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

### **RESOLUTION ADOPTING REPORT TO THE BOARD OF DIRECTORS OF THE MONTROSE MANAGEMENT DISTRICT ON PETITION FOR DISSOLUTION**

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 14th day of November 2011.

(SEAL)

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Secretary, Board of Directors  
Montrose Management District

