

EXHIBIT “J”

RESOLUTION APPROVING CONSOLIDATION AGREEMENT BETWEEN HARRIS COUNTY IMPROVEMENT DISTRICT NO. 6 AND HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11 AND APPROVING CONSOLIDATION

WHEREAS, Harris County Improvement District No. 6 (the "District") has been legally created by House Bill 3518, Acts of the 79th Legislative Regular Session, 2005 and approved by the Governor on June 17, 2005 and the City Council of the City of Houston, Texas on March 28, 2007, and is governed by Chapter 375, Texas Local Government Code, and Chapter 3843, Texas Special Districts Local Laws Code (together, as amended (also referred to as the "Act")); and

WHEREAS, in accordance with the Act, the District may consolidate with one other municipal management district that adjoins or has a boundary that is within a two-mile radius of any boundary of the District that has not issued bonds or notes secured by assessments, ad valorem taxes or imposed taxes; and

WHEREAS, the District has a boundary that adjoins and is within a two-mile radius of Harris County Improvement District No. 11, and neither the District nor Harris County Improvement District No. 11 have issued bonds or notes secured by assessments, or ad valorem taxes, or imposed taxes; and

WHEREAS, in accordance with the Act, the District and Harris County Improvement District No. 11 may consolidate provided that they each adopt a resolution proposing consolidation and deliver a copy of the resolution to the board of directors of each district with which the consolidation is proposed; and

WHEREAS, the Act requires that a public hearing be held in each district regarding the consolidation and the terms and conditions of such consolidation of the districts to be consolidated (the "Terms and Conditions") and to publish notice of the hearing in a newspaper of general circulation in districts at least seven (7) days before the hearing; and

WHEREAS, the District and its officers and attorney is authorized to and has complied with all requirements to call and publish notice of the hearing on the proposed consolidation and the proposed Terms and Conditions therefore; and

WHEREAS, the Act requires that such Terms and Conditions include: (1) adoption of a name for the consolidated district; (2) the number and apportionment of directors to serve on the board of the consolidated district; (3) the effective date of the consolidation; (4) an agreement on finances for the consolidated district, including disposition of funds, property, and other assets of each district; and (5) an agreement on governing the districts during the transition period including selection of officers; and

WHEREAS, the Act requires that no later than the 30th day after the consolidating districts have approved of such consolidation that the districts enter an agreement specifying the Terms and Conditions for consolidation (the "Consolidation Agreement") and enter an order by majority vote approving such Consolidation Agreement with its Terms and Conditions to consolidate the districts accordingly; and

WHEREAS, the Act establishes the governance of the districts after consolidation as one district prior to the Terms and Conditions taking effect, authorizing the officers of each district to continue to act jointly as officers of the original districts to settle the affairs of their respective districts during the period before the Terms and Conditions of the agreement take effect, and further declaring that if one of the districts consolidated into one district had powers at the time the districts were consolidated that the other did not have, the consolidated district may exercise within the original boundaries of each district only the powers that belonged to that original district; and

WHEREAS, the Act authorizes the consolidated district, after two districts are consolidated, to protect the debts and obligations of the original districts and ensure that the debts and obligations are not impaired, and if the consolidated district has taxing authority, the debts may be paid by taxes imposed on land in the original districts as if they had not consolidated or from contributions from the consolidated district on terms stated in the consolidation agreement; and

WHEREAS, the Act authorizes the consolidated district, if it has taxing authority, to impose and collect taxes on all property in the district uniformly, for maintenance and operation of the district; and

WHEREAS, the Act authorizes the consolidated district to keep in the records of the consolidated district, recorded in the office of the county clerk in the districts, and filed with the Executive Director of the Texas Commission on Environmental Quality, a Consolidation Order issued by the Board; and

WHEREAS, the District and Harris County Improvement District No. 11 have adopted Resolutions Proposing Consolidation of the District and Harris County Improvement District No. 11, Authorizing Delivery of Resolution to the Harris County Improvement District No. 11 Board of Directors, and Proposing Terms and Conditions for Consolidation as they are adjoining districts with boundaries within a two-mile radius, with neither district having issued bonds or notes secured by assessments, or ad valorem taxes, or imposed taxes; and

WHEREAS, the District has published a notice of the hearing in a newspaper of general circulation within the boundaries of the District at least seven (7) days before the hearing and has held a public hearing on this date regarding the consolidation and the Terms and Conditions of such consolidation of the districts to be consolidated as required by the Act; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 6 THAT:

Section 1: Harris County Improvement District No. 6 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 as a part of this Resolution, including the terms defined therein.

Section 2: Harris County Improvement District No. 6 has approved a Resolution Proposing Consolidation of the District with Harris County Improvement District No. 11,

Authorizing Delivery of Resolution to the Harris County Improvement District No. 11 Board of Directors, and Proposing Terms and Conditions for Consolidation.

Section 3: A public hearing was held in the District regarding the Terms and Conditions for consolidation of said districts.


Section 4: Harris County Improvement District No. 6 has delivered a Resolution Proposing Consolidation of the District with Harris County Improvement District No. 11; Authorizing the Delivery of the Resolution to the Harris County Improvement District No. 11 Board of Directors; and Proposing the Terms and Conditions for Consolidation to the Harris County Improvement District No. 11 Board of Directors on this date.

Section 5: Harris County Improvement District No. 6 hereby approves of the Consolidation Agreement containing the Terms and Conditions for Consolidation, attached hereto as Exhibit A.

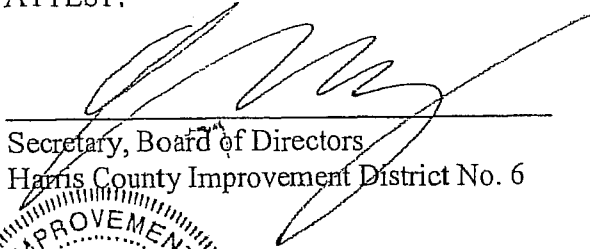
Section 6: Harris County Improvement District No. 6 hereby approves of the consolidation of the districts.

[Execution Page Follows]

PASSED AND APPROVED this 15th day of February, 2011.


Chairman, Board of Directors
Harris County Improvement District No. 6

ATTEST:


Asst. Secretary, Board of Directors
Harris County Improvement District No. 6

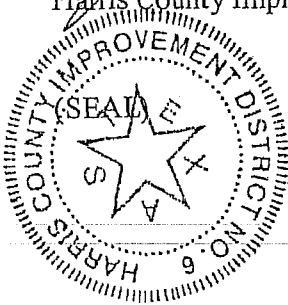


EXHIBIT A
[CONSOLIDATION AGREEMENT]

CONSOLIDATION AGREEMENT

Between

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 6

and

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11

February 15, 2011

CONSOLIDATION AGREEMENT

This Consolidation Agreement ("*Agreement*"), effective February 15, 2011, ("*Effective Date*") is made by and between HARRIS COUNTY IMPROVEMENT DISTRICT NO. 6 ("*East Montrose Management District*"), a municipal management district that has been legally created by House Bill 3518, 79th Legislature, Regular Session, 2005 and approved by the Governor on June 17, 2005; and the City Council of the City of Houston ("*Houston City Council*"), Texas on March 28, 2007, and is governed by Chapter 375, Texas Local Government Code and Chapter 3843, Texas Special Districts Local Laws Code (together, as amended (the "*Act*")), and HARRIS COUNTY IMPROVEMENT DISTRICT NO. 11 ("*West Montrose Management District*"), a municipal management district that has been legally created by House Bill 4722, 81st Legislature, Regular Session 2009, and approved by the Governor on June 19, 2009 and the Houston City Council on January 5, 2011, and is governed by Chapter 375, Texas Local Government Code and Chapter 3878; Texas Special Districts Local Laws Code (together, as amended also referred to as (the "*Act*")).

RECITALS

Both the East Montrose Management District and West Montrose Management District lawfully approved of the consolidation of the said districts and the proposed terms and conditions for consolidation (the "*Terms and Conditions*") by resolutions passed on February 15, 2011 in accordance with the Act.

In order to consolidate East Montrose Management District and West Montrose Management District, the Act requires that that no later than the 30th day after the consolidating districts have approved of such consolidation that the districts enter an agreement specifying the Terms and Conditions for consolidation and enter an order by majority vote approving such Consolidation Agreement with its Terms and Conditions to consolidate the districts accordingly.

The Act further requires that such Terms and Conditions include: (1) adoption of a name for the consolidated district; (2) the number and apportionment of directors to serve on the board of the consolidated district; (3) the effective date of the consolidation; (4) an agreement on finances for the consolidated district, including disposition of funds, property, and other assets of each district; and (5) an agreement on governing the districts during the transition period including selection of officers.

The Act establishes the governance of the districts after consolidation as one district prior to the Terms and Conditions taking effect, authorizing the officers of each district to continue to act jointly as officers of the original districts to settle the affairs of their respective districts during the period before the Terms and Conditions of the agreement take effect, and further declaring that if one of the districts consolidated into one district had powers at the time the districts were consolidated that the other did not have, the consolidated district may exercise within the original boundaries of each district only the powers that belonged to that original district; and

The Act authorizes the consolidated district, after two districts are consolidated, to protect the debts and obligations of the original districts and ensure that the debts and obligations are not impaired, and if the consolidated district has taxing authority, the debts may be paid by taxes imposed on land in the original districts as if they had not consolidated or from contributions from the consolidated district on terms stated in the consolidation agreement.

AGREEMENT

For and in consideration of the mutual promises, covenants, obligations, and benefits of this Agreement, East Montrose Management District and West Montrose Management District contract and agree as follows:

ARTICLE 1 GENERAL PROVISIONS

1.1 Consolidation Effective Date. The effective date of the consolidation of East Montrose Management District and West Montrose Management District shall be February 15, 2011 (the "*Consolidation Effective Date*"). As of the Consolidation Effective Date, East Montrose Management District and West Montrose Management District shall become Montrose Management District.

1.2 Montrose Management District Board of Directors. (a) The Montrose Management District board of directors ("*Montrose Management District Board*") shall consist of the following 15 voting directors:

<u>Pos. No.</u>	<u>Name of Director</u>
1	Claude Wynn
2	Allen Ueckert
3	Randy Mitchmore
4	Cassie Stinson
5	Trip "Bradshaw" Carter
6	Marchris Robinson
7	Dennis Murland
8	Robert Jara
9	Michael Grover
10	Randall Ellis
11	Brad Nagar
12	Kathy Hubbard
13	Tom Fricke
14	Tammy Manning
15	David Robinson

(b) The following persons shall serve as nonvoting directors: (1) the directors of the following departments of the City of Houston or a person designated by that director: parks and recreation; planning and development; and public works; and (2) the City of Houston's chief of police. If a department described in this

paragraph is consolidated, renamed or changed, the Montrose Management District may appoint a director of the consolidated, renamed or changed department as a nonvoting director. If a department described by this paragraph is abolished, the board may appoint a representative of another department that performs duties comparable to the duties performed by the abolished department.

(c) The voting directors shall serve four-year staggered terms expiring June 1 of each odd-numbered years in accordance with the terms they previously held in their respective districts. The Montrose Management District shall fill Montrose Management District Board vacancies by appointment by the Montrose Management District Board.

(d) A majority of the voting directors in non-vacant director positions constitute a quorum of the Montrose Management District.

(e) As of the Consolidation Effective Date, the directors listed above in Section 1.2 shall assume their director positions of the Montrose Management District Board and those filling the officer positions of Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer and Investment Officer shall be selected by Montrose Management District Board approval.

1.3 Transition Period. During the period after the both districts approve the resolution proposing consolidation and prior to the Consolidation Effective Date (the "*Transition Period*"), the officers of each district shall act jointly to settle the affairs of their respective districts during the Transition Period.

1.4 Existing Debts and Obligations of Original Districts. As of the Consolidation Effective Date, Montrose Management District shall protect the debts and obligations of the original districts and ensure that the debts and obligations are not impaired. All assessments will continue to be collected as they were prior to consolidation. The Montrose Management District shall uphold and pay all outstanding debts and obligations of the original districts from the assessments levied and collected pursuant to the Service and Improvement Plans and Assessment Plans of the original districts, and the assessments arising from each respective plan shall be spent only on the costs incurred pursuant to each respective plan. All orders and resolutions and other action taken by each respective district and each contract or other obligation entered into by each respective district shall become effective and enforceable by the Montrose Management District upon the Consolidation Effective Date.

1.5 Governing Laws. As of the Consolidation Effective Date, each district shall be governed by the laws applicable to each district prior to consolidation. If one of the districts consolidated into one district under had powers at the time that the other district being consolidated did not have, the consolidated district may exercise within the original boundaries, of each district only the powers that belonged to that original district.

1.6 Investment Policy. The investment policy and the list of qualified broker/dealers attached to the investment policy, which is attached hereto as **Exhibit A** (the "*Investment Policy*") shall govern the investments for Montrose Management District. The Chairman, Investment Officer and the Montrose Management District attorney shall have the requisite legal

authority to execute any collateral or depository pledge agreements necessary to carry out and effectuate the Montrose Management District Investment Policy.

ARTICLE 2
MISCELLANEOUS

2.1 Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

2.2 Exhibits; Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the parties and shall not be construed to have any effect or meaning as to the agreement between the parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

2.3 Construction. This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect.


2.4 Entire Agreement. This written agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

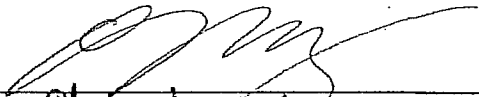
[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the 15th day of February, 2011.

**HARRIS COUNTY IMPROVEMENT
DISTRICT NO. 6 (EAST MONTROSE
MANAGEMENT DISTRICT)**


**HARRIS COUNTY IMPROVEMENT
DISTRICT NO. 11 (WEST MONTROSE
MANAGEMENT DISTRICT)**

By: 
Name: Michael Grover
Title: Chairman, Board of
Directors

By: 
Name: Claude Wynn
Title: Chairman, Board of
Directors

ATTEST:

ATTEST:

By: 
Name: Claude Wynn
Title: Asst. Secretary,
Board of Directors


By: 
Name: Marchris Robinson
Title: Secretary, Board of
Directors

EXHIBIT A

[Investment Policy]