

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

October 7, 2014

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 11 (the "District") met in regular session, open to the public, on the 7th day of October, 2014, inside the boundaries of the District, at Mike Stone Associates, Inc., 19875 Southwest Freeway, Suite 270, Sugar Land, Texas, and the roll was called of the members of the Board:

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| Justin Ring | President |
| Jared Jameson | Vice President/ Assistant Secretary |
| Stuart Rimes | Secretary/ Assistant Vice President |

and all of the above were present except Director Rimes, thus constituting a quorum.

Also present at the meeting were Clark Carruth of Levee Management Services, LLC ("LMS"); Christina Garcia of Myrtle Cruz, Inc.; Greg Ordeneaux of Tax Tech, Inc.; Michael Rusk of LJA Engineering, Inc.; Pat Naff of CDC Unlimited LLC; Jim Lawless, architect for the District; and Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 2, 2014, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Jameson moved to approve the minutes as submitted. Director Ring seconded the motion, which was approved by unanimous vote.

COMMENTS AND QUESTIONS FROM THE PUBLIC

There were no comments from the public.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Ordeneaux distributed and reviewed the tax assessor/collector's report, a copy of which is attached. He reported the District's 2013 taxes are 99.66% collected. After review and discussion, Director Jameson moved to approve the tax assessor/collector's report and payment of the tax bills. Director Ring seconded the motion, which passed unanimously.

The Board discussed the "Payment Credit Card Industry Data Security Standard Self-Assessment Questionnaire and Attestation of Compliance" presented at the District's September meeting. After review and discussion, Director Jameson moved to

re-approve the execution of the questionnaire on the District's behalf. Director Ring seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S 2014 TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Ordeneaux stated that Tax Tech Inc. published the required Notice of Public Hearing stating the District anticipates levying a maximum rate of \$0.24 at this meeting.

Director Ring then opened the public hearing. No members of the public came forward to make comments. Director Ring closed the public hearing.

Ms. Humphries presented an operating fund maintenance tax rate analysis prepared by the District's Financial Advisor, a copy of which is attached. After review and discussion, the Board concurred to adopt a 2014 tax rate of \$0.225, comprised of \$0.18 for debt service and \$0.045 for operations and maintenance.

Ms. Humphries then presented to the Board an Order Levying Taxes for a \$0.225 tax rate, comprised of \$0.18 for debt service and \$0.045 for operations and maintenance. Ms. Humphries also presented an Amendment to Information Form reflecting the new tax rate.

After review and discussion, Director Jameson moved to adopt the Order Levying Taxes as presented and authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Ring seconded the motion, which passed unanimously. The Board confirmed its intention that the 2014 tax levy includes a debt service component for the calendar year ending December 31, 2014, and a maintenance tax component for the fiscal year ending September 30, 2015.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the monthly budget comparison and list of checks presented for approval. A copy of the bookkeeper's report is attached. Following review and discussion, Director Jameson moved to approve the bookkeeper's report and authorize payment of the bills listed therein. Director Ring seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Carruth distributed and reviewed the monthly operator's report, a copy of which is attached. He reviewed and discussed work completed by LMS during the last month as reflected in his report.

Mr. Carruth stated Mr. Ducayet; a District resident residing at 9119 Morning Star Drive requested the Board consider granting a Right of Entry access easement on the District's levee and by the District's pump station for the construction of a pool on Mr. Ducayet's property. After review and discussion, the Board concurred to grant the Right of Entry access easement for the property located at 9119 Morning Star Drive, contingent upon receipt of a fully executed Right of Entry Agreement and a \$7,500.00 deposit. The Board concurred all access and repairs to the District's property will be at the sole discretion of the District's operator.

Following review and discussion, Director Rimes moved to approve the operator's report as submitted. Director Jameson seconded the motion, which was approved by unanimous vote.

LEVEE AND DITCH MOWING

Mr. Naff updated the Board regarding mowing in the District. He then presented proposals for fall herbicide and fertilization of the District's levee in the amount of \$3,600 and spring over seeding and fertilization of the District's levee in the amount of \$14,400, copies of which are attached. After review and discussion, Director Jameson moved to approve the proposals for fall herbicide and fertilization of the District's levee in the amount of \$3,600 and spring over seeding and fertilization of the District's levee in the amount of \$14,400. Director Ring seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Rusk discussed and reviewed the engineer's report, a copy of which is attached.

Mr. Rusk discussed the possibility of utilizing water from the main lake to irrigate the golf club.

After review and discussion, Director Jameson moved to (1) the engineer's report and (2) decline utilizing water from main lake for golf club irrigation at this time. Director Ring seconded the motion, which passed unanimously.

ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR USE OF SURPLUS FUNDS

Mr. Rusk stated LJA is preparing an application to the TCEQ to use the District's Surplus Funds remaining from the completion of the Middle Bayou Detention Lake Erosion Project in the amount of \$192,644 for the construction of the emergency operations building. Ms. Humphries then presented a Resolution Authorizing Application to the TCEQ for Use of Surplus Funds. After review and discussion,

Director Ring moved to approve the Resolution Authorizing Application to the TCEQ for Use of Surplus Funds and direct that it be filed appropriately and retained in the District's records. Director Jameson seconded the motion, which passed unanimously.

EMERGENCY PREPAREDNESS COMMITTEE MATTERS

There were no updates regarding this matter.

COMMUNITY PROJECTS COMMITTEE

The Board discussed the Community Projects Committee meeting, park development and land sale and/or swap options with the Greatwood Homeowners' Association ("HOA").

Ms. Humphries stated the Master District approved a proposal from KGA Deforest to prepare an amenity master plan study for parks development at two specific locations within and around Greatwood.

Ms. Humphries stated the HOA requested the Greatwood districts consider reimbursing the HOA for the energy bills for street light usage within Greatwood. She stated the HOA reported this would allow additional funds in the HOA budget for possible development of the MUD-owned 3-acre tract.

Ms. Humphries stated there have been several questions regarding the Surface Water Conversion fee ("SWC fee") received via the Greatwood Districts' website. She stated the Presidents discussed adding a 'frequently asked questions' section to the website and including information regarding the SWC fee and fire protection fee. Ms. Humphries stated the Presidents and the Master District requested ABHR coordinate with the website administrator regarding the matter.

FORT BEND FLOOD MANAGEMENT ASSOCIATION MATTERS/ACTIONS

The Board discussed the Fort Bend Flood Management Association ("FBFMA") meeting. Director Ring noted that fees for the FBFMA will increase next year.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There were no updates regarding this matter.

REPORTS ON GREATWOOD PRESIDENT'S MEETING AND ACTIVITIES AND FOLLOW UP ON LEVEE AND DRAINAGE FACILITIES AND OTHER DISTRICT AND GREATWOOD REGIONAL MATTERS

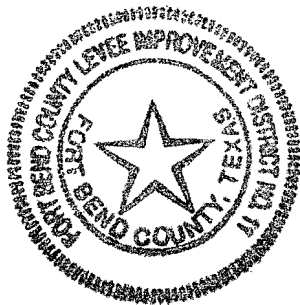
Ms. Humphries distributed and reviewed with the Board (i) a Texas Attorney General ("A.G.") press release regarding a Settlement Agreement between the A.G. and

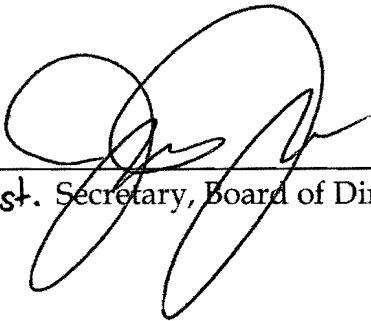
RBC Capital Markets, LLC, ("RBC Settlement Agreement"); and (ii) the RBC Settlement Agreement which are attached hereto. Discussion ensued.

Ms. Humphries then presented and reviewed a letter received from BOSC, Inc, a copy of which is attached.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)





Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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| Texas Attorney General press release regarding a Settlement Agreement between the A.G. and RBC Capital Markets, LLC | 5 |
| Settlement Agreement between the A.G. and RBC Capital Markets, LLC | 5 |
| Letter received from BOSCO, Inc | 5 |