

NO. 2003-20

MINUTES OF MEETING
OF
BOARD OF DIRECTORS
November 18, 2003

THE STATE OF TEXAS §
COUNTY OF HARRIS §
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Bridgestone Municipal Utility District (the "District") met in regular session, open to the public, at the Bridgestone Community Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, November 18, 2003, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Adrian E. Steffes	-	President/Investment Officer
Brad Dill	-	Vice President
Robert J. Joyce	-	Secretary
Jim Marks	-	Assistant Secretary
Skip Warren	-	Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were Mr. Gene Conner, General Manager of the District; Ms. Pat Hall of Equi-Tax, Inc., tax assessor/collector for the District; Ms. Mary Jarmon of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Messrs. Ed Shackelford, P.E. and Erich Peterson of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; Ms. Karen Sears and Mr. Joe Almaguer of Aqua Services, LP ("Aqua Services"), operators for the District; Mr. Erik Haaland of Terra Prima LTD, development manager for RH of Texas Limited Partnership, developers of the Stone Forest and Bridgestone Ranch subdivisions within the District; Mr. Robert Hudson of Texas Investment & Development Company, developer of the Bridgestone Lakes and Gosling Pines subdivisions within the District and developer of the proposed Bridgestone Estates tract to be annexed into the District; Mr. Ron Walkoviak of Development Consultants Inc., development manager of the Spring Terrace subdivision within the District; Mr. Nick Ozuna, Jr., P.E., Project Manager - Land for MHI Partnership, Ltd., developer/homebuilder in the Spring Terrace subdivision within the District; Messrs. Perry Senn and Ronnie Matthews of H.H. Estates, LP, developer of the proposed Villages of Bridgestone subdivision within the District and developer of the proposed 205-acre Schoessow tract to be annexed into the District; Mr. Jim West of West/Hallbeck Investments and Mr. Fred Magee of FTM Realty, representing the purchasers of a 9.9-acre commercial tract within the District; numerous residents of North Tanglecreek Lane, within the District; Mr. Gary Palmer, a resident within the District; and Ms. Robin S. Bobbitt, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC, attorneys for the District. A copy of the sign-in sheet for those in attendance at the meeting is attached hereto.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

PUBLIC COMMENT

The Board first recognized Ms. Dawn Barrientes, resident of 21722 N. Tangle Creek Lane, who explained that she and her neighbors were in attendance at tonight's meeting to discuss problems with recent flooding on N. Tangle Creek Lane. Director Steffes noted that Harris County (the "County"), not the District, handles stormwater problems in the area.

Director Dill and Mr. Gary Palmer then entered the meeting at 6:05 p.m.

Mr. Lee Dillenbeck of 21602 N. Tangle Creek Lane stated that since the improvements were made to Bonds Gully, the stormwater flow has been coming from north of Bridgestone Baptist Church. Mr. Dillenbeck also noted that it appears that the grade of the ditch near Shalom Creek is backwards, and that the backyards along N. Tangle Creek Lane do not drain because of the dirt pile left from the recent improvements to Bonds Gully. Director Dill then explained why it had been necessary to make improvements to Bonds Gully and noted that Klein Independent School District ("KISD") only participated in a small portion of such improvements. Director Dill stressed that it is the Harris County Flood Control District (the "HCFCD"), not the District that is responsible for stormwater problems. Mr. Dillenbeck noted that KISD has inferred that the District, is responsible for the flooding problems. Director Warren interjected that it was KISD that built the Shalom Creek access to the school.

Mr. Ronnie Matthews then entered the meeting at 6:18 p.m.

Several of the N. Tangle Creek Lane residents then complained that the recently constructed dirt berm along Bonds Gully at the back of their homes was causing their backyards to flood. Mr. Shackelford informed the residents that the berm was an interim improvement to Bonds Gully to alleviate flooding problems from the north. Ms. Barrientes stated that the flooding is much worse now with the ditch improvements than when Tropical Storm Allison came through the area and commented that the residents will be forced to purchase flood insurance as a result of the flooding problems. Mr. Shackelford then stated that although the majority of the homes are not in the flood plain, residents should still consider purchasing flood insurance on their homes. Directors Steffes and Dill added that the subdivision streets are designed to carry stormwater.

Director Marks then entered the meeting at 6:25 p.m.

Mr. Dillenbeck commented that only one (1) of three (3) culverts under Shalom Creek was open. Director Dill noted that opening all three (3) culverts would not improve the situation because there is a negative flow in that area. Director Dill then explained that the Board has been trying to resolve the flooding problems with the County and KISD. Director Steffes noted that it was as a result of the District's intervention that the culverts were installed under Shalom Creek.

Mr. Conner then explained that recently he had initiated meetings and other communications with KISD and the owner of land adjacent to the District also experiencing problems with flooding. Mr. Conner noted that further ditch improvements to Bonds Gully still need to be made at the south end of the ditch. Mr. Conner further explained that there was no immediate solution to the stormwater problem. Director Dill suggested that the dirt berms be stabilized with vegetation. Ms. Dillenbeck inquired about the dimensions of the improved drainage ditch. Mr. Shackelford stated that it is 100 feet wide at the top and tapers down to ten (10) feet at the bottom ditch. Mr. Dillenbeck asked why any improvements were made to the ditch upstream without improving the area downstream to carry the stormwater flow. Mr. Shackelford informed those in attendance that he was working for the County at the time that KISD built the new school and stated that KISD was required to dedicate a 70-foot easement to the County. Mr. Shackelford noted that currently, there is no one responsible for continuing the improvements downstream of the KISD property. Mr. Conner added that he was trying to find an immediate solution to the problem. Mr. Dillenbeck noted that the stormwater run-off previously flowed south through the KISD unimproved property and not into the subdivision as it is now doing. Mr. Dillenbeck asked if the old flow alignment could be re-established to relieve the flooding in the District. Director Warren asked what the circumstances would be if the culverts had not been installed at Shalom Creek. Mr. Shackelford stated that the floodwaters would flow over Shalom Creek like a dam.

Ms. Avila then exited the meeting at 6:46 p.m.

Mr. Conner suggested that there might be something restricting the flow of water through the one (1) culvert that is open under Shalom Creek. Mr. Shackelford stated that the culverts under Bridgestone Lane and FM 2920 were open, and that the developments north of FM 2920 have detention basins with restricted flow requirements and, therefore, not the cause of the flooding problems. Ms. Bobbitt reminded the Board that it is the HCFCD that has jurisdiction over this geographical area. Mr. Shackelford encouraged the residents to contact the HCFCD and suggested that they also contact Commissioner Eversole, Mr. Clay Haines, liaison between the County Commissioner's Court and the HCFCD, Mr. Gary Green, Assistant Director of the HCFCD and representatives of KISD. Mr. Conner informed the residents that he is in regular communications with KISD and the HCFCD to help resolve the flooding problems. Ms. Barrientes then provided her videotape of the flooding problems on N. Tangle Creek Lane to Mr. Shackelford.

The residents then exited the meeting.

CONSENT AGENDA

Director Steffes then reviewed with the Board the items reflected on the Consent Agenda. Director Steffes explained that this portion of the agenda deals with routine matters of the Board, and that no separate discussion of such items will occur unless a Board member or a member of the public requests that an item be moved to the regular portion of the agenda.

Director Steffes stated that Consent Agenda items no. 6 and 7 regarding the adoption of an Order Adding Land and Amended District Information Form would be deferred and noted that the minutes of the special meeting of September 4, 2003 were not included in the meeting

packet and will also be deferred. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the minutes of the regular meeting of October 21, 2003; 2) authorize the advertising for bids for the detention basin to serve the Bella Sera development; 3) review bid tabulations and award of contracts for construction of a) the lift station and off-site utilities to serve Spring Terrace to Cravens Partners, Ltd. in the amount of \$462,496.25, b) the water, sanitary sewer and drainage facilities to serve Spring Terrace, Section 1 to Big State Excavation in the amount of \$1,228,119.50, and c) the water, sanitary sewer and drainage facilities to serve Spring Terrace, Section 2 to SLC Construction, L.P. in the amount of \$698,278.25; 4) review and approve pay estimates and change orders, which include a) Pay Estimate No. 7 for NewQuest Properties ("NewQuest") off-site utilities in the amount of \$109,210.88, b) Pay Estimate No. 3 for clearing and grubbing of the Spring Terrace subdivision in the amount of \$5,236.88, and c) Pay Estimate No. 9 and Final for Lift Station No. 5 in the amount of \$67,582.66 and Change Order No. 1 in the amount of \$10,682.66; and 5) approve the Developers' Reports.

REGULAR AGENDA

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Hall then presented the Tax Assessor/Collector's Report for the month of October, a copy of which is attached hereto. Ms. Hall reported that 98.8% of the District's 2002 taxes had been collected and 0.03% of the District's 2003 taxes had been collected to date. Ms. Hall noted that the 2003 tax statements were mailed out to property owners in October.

Ms. Hall then reviewed the Delinquent Tax Attorney's Report with the Board, a copy of which is attached hereto. Ms. Hall noted that in Section I of the Delinquent Tax Attorney's Report, all of the accounts had breached their installment payment agreements with the District. Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to terminate water service to the three (3) accounts.

Ms. Hall then reported that service was still terminated at 41319 Piney Creek Lane reflected in Section II of the Delinquent Tax Attorney's Report.

Concerning Section III of the Delinquent Tax Attorney's Report, Ms. Hall reported that the nine (9) accounts listed had agreed to installment payment agreements.

Ms. Hall next reported that the Delinquent Tax Attorney recommended moving the three (3) accounts reflected in Section V of the Delinquent Tax Attorney's Report to the uncollectible tax roll. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to move the three (3) accounts to the uncollectible tax roll.

Ms. Hall noted that the four (4) accounts listed in Section VI were in bankruptcy.

Upon motion by Director Joyce, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report, to authorize payment of the checks reflected therein and to approve the Delinquent Tax Attorney's Report.

RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO THE BOARD OF DIRECTORS OF HARRIS COUNTY APPRAISAL DISTRICT

Ms. Bobbitt next presented a Resolution of the Board of Directors Casting Its Ballot for the Election of a Person to the Board of Directors of the Harris County Appraisal District (the "Resolution") for the Board's review and adoption, a copy of which is attached hereto. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to cast its vote for Glenn E. Peters and to adopt the Resolution.

DIRECTOR'S REPORT

Director Dill reported that he and Mr. Almaguer conducted an inspection of the facilities on November 14, 2003 and presented a copy of his report to the Board, a copy of which is attached hereto. The Board briefly discussed what measures could be taken to discourage people from congregating in the late evening hours at the end of Spring-Cypress Road where it dead ends into Stone Forest.

Ms. Hall then exited the meeting at 7:08 p.m.

Upon motion by Director Warren, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Director's Report.

Messrs. Matthews and Magee then exited the meeting at 7:10 p.m.

OPERATOR'S REPORT

Ms. Sears then reviewed the Operator's Report for the month of October with the Board, including the delinquent account list, copies of which are attached hereto. Ms. Sears reported that the water accountability ratio for the month was 88.1%, with a four (4) month average of 89.8%, and that there were eight (8) sludge hauls during the month. Ms. Sears added that there are currently 2,668 connections in the District, including 247 builder accounts and 35 vacancies. Ms. Sears noted that Aqua Services had submitted a letter to the Texas Commission on Environmental Quality (the "TCEQ") to qualify the District for a superior water supply designation. Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and to authorize the termination of service to the delinquent accounts.

BOOKKEEPER'S REPORT

Ms. Jarmon next reviewed the Bookkeeper's Report with the Board, including the revenues and expenses of the District, the budget comparison, investment report and the checks

being presented for payment, a copy of which is attached hereto. Ms. Jarmon reported that there had been a great deal of activity in the District's various accounts and noted that there had been \$11,100 received in tap fees during the prior month and that Anco Wessendorff Insurance Agency had refunded \$50 to the District.

Upon motion by Director Warren, seconded by Director Dill, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and the payment of the checks reflected therein.

PROPOSED BUDGET FOR 2004

Ms. Jarmon next reviewed the proposed budget for the District's fiscal year ending December 31, 2004, a copy of which is attached hereto. Ms. Jarmon noted that she had included a security expense line item on the budget to reflect the cost of the District's Law Enforcement Services Agreement with Harris County, Precinct No. 4. Ms. Jarmon asked that the Board and the District's consultants review the proposed budget and submit their comments to her prior to the December meeting.

REVIEW AND APPROVE AGREEMENT FOR BOOKKEEPING SERVICES

The Board next considered a proposed Agreement for Bookkeeping Services (the "Agreement") from MCI, a copy of which is attached hereto. Director Warren stated that he did not believe that the proposed increase represented the amount of work now required by the District and proposed that the Board consider approving a monthly fee of \$1,200. The Board concurred with Director Warren's proposal and also suggested that all future bookkeeping service fees be adjusted on an annual basis based on the number of connections in the District. Ms. Jarmon thanked the Board and stated that she would revise the Agreement and forward it to the Board, Mr. Conner and Ms. Bobbitt.

Upon motion by Director Marks, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Agreement for Bookkeeping Services with MCI, as revised.

ENGINEER'S REPORT

The Board next recognized Mr. Peterson, who reviewed the Engineer's Report with the Board, a copy of which is attached hereto. Mr. Peterson also briefly reviewed the various Consent Agenda items related to the Engineer's Report.

Mr. Peterson next reviewed the list of Construction Plan Reviews currently in progress, a copy of which is attached to the Engineer's Report. Director Dill noted that he would like the list to include the date that plans are submitted to Jones & Carter for review. Mr. Peterson stated that Jones & Carter was preparing a spreadsheet to track the various construction projects in the District. Director Dill commented that a spreadsheet would aid both the Board and the developers in tracking the various construction projects. Ms. Jarmon stated that MCI prepares and maintains approximately 19 spreadsheets in connection with the various development projects in the District, including annexation deposits and construction management service expenses, and inquired if the Board wanted to receive a copy of the spreadsheets each month.

The Board stated that they only wanted to see the spreadsheets for projects that show a negative balance.

Concerning the NewQuest utilities, Mr. Peterson reported that NewQuest is in the process of getting the plans for the water, sanitary sewer, storm sewer and detention basin facilities re-approved by the City of Houston (the "COH") as public utilities, as previously discussed with the Board. Mr. Peterson stated that Jones & Carter still needs to review the revised plans from NewQuest. Mr. Shackelford stated he is trying to keep communications open with NewQuest. Mr. Conner reported that he recently had a meeting with representatives of NewQuest concerning the status of the Wal-Mart project. Director Dill stated that the Board talks about the Wal-Mart development at every meeting, and he does not like seeing the General Manager and engineers spending so much time on this one (1) project. The Board then inquired about the status of payment of the construction management invoices by NewQuest. Ms. Jarmon stated that NewQuest currently owes the District approximately \$32,000 for construction management services. Mr. Conner noted that he, Ms. Bobbitt, Ms. Jarmon, Ms. Dold, Mr. Peterson and Mr. Shackelford met last Thursday to discuss and review the amounts owed to the District by the various developers for construction management services and to discuss the procedures for invoicing the developers for such services. Mr. Conner stated that he would further discuss this matter at the special meeting to be held prior to the Board's regular December meeting.

A discussion then ensued concerning the District's ability and authority to require the developers to comply with the District's policies and procedures and the TCEQ rules and regulations. An inquiry was made about the District's obligation to reimburse a developer who has not complied with the policies, procedures and regulations. Ms. Bobbitt advised that the TCEQ will determine whether the developer has adequately complied with the rules and regulations, and that the District's ultimate recourse is to deny service to a development until there is compliance. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the policy that no utility service and no construction management services will be provided to a development until all construction plans and any and all revisions to such plans are provided to and approved by Jones & Carter and until all delinquent amounts for construction management services are paid in full.

Mr. Peterson next reported that the District's seventh (7th) bond application report is pending at the TCEQ.

Mr. Peterson then reported that Jones & Carter has prepared a schematic for access to the Rhodes Landing detention basin pump station and control panel. Mr. Peterson stated that Jones & Carter is obtaining cost estimates to extend the access road from the Rhodes Crossing Shopping Center to the pump station and control pad. Mr. Peterson also reported that there was approximately one (1) foot of silt in the Rhodes Landing detention basin that is in the process of being removed.

Concerning the Spring Terrace development, Mr. Peterson reported that Mr. Walkoviak had requested Jones & Carter to update the reimbursement calculation worksheet now that the six (6) construction contracts for such development have been bid and awarded.

Mr. Peterson next reported that the low bidder for the construction of the water, sewer and drainage facilities to serve Spring Terrace, Section 2 was SLR Construction, L.P. ("SLR") based on a low bid of \$462,496.25, and noted that Mr. Ozuna had inquired about the possibility of Big State Excavation, the second lowest bidder and the current contractor for the Spring Terrace, Section 1 utilities could be awarded the contract. Mr. Peterson stated that this was not a common request or common practice and that Jones & Carter, along with Ms. Bobbitt, was reviewing the legality of the request. Mr. Ozuna then addressed the Board and expressed concern over having a smooth transition from one (1) contractor to the other in connection with the development. Mr. Peterson stated if there is no legal basis for awarding the contract to the second low bidder, Jones & Carter would recommend that the contract be awarded to SLR. Upon motion by Director Dill, seconded by Director Warren, after full discussion and the question being put to the Board, the Board voted unanimously to ratify the Board's earlier action of awarding the construction contract for the water, sewer and drainage facilities to service Spring Terrace, Section 2 to SLR.

Mr. Peterson then noted that Jones & Carter has recently received plans from the County for the proposed widening of Kuykendahl Road.

Upon motion by Director Warren, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

REVIEW AND ACCEPT PETITIONS FOR ADDITION OF LAND AND AUTHORIZE SUBMISSION OF PETITIONS FOR CONSENT TO ANNEX LAND TO THE COH

Ms. Bobbitt next reported that the District had received Petitions for Addition of Land from Jon S. Lindsay and wife, Tonita Lindsay (collectively, the "Lindsays"), for a 38.538-acre tract and from Stimac Enterprises, Inc. ("Stimac") for a 14.990-acre tract. Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Petitions for Addition of Land from the Lindsays and Stimac and to authorize execution of the corresponding Petitions for Consent to Annex Land to the COH. Copies of all such Petitions are attached hereto.

Mr. Ozuna then exited the meeting at 8:05 p.m.

GENERAL MANAGER'S REPORT

Mr. Conner then reviewed the General Manager's Report with the Board, a copy of which is attached hereto. Mr. Conner reported that Cathco, Inc. will begin painting all of the fire hydrants in the District, as previously authorized by the Board, on November 17, 2003.

Mr. Conner next reported that he, Ms. Bobbitt and the engineers were nearly ready with the final draft of the proposed Policies and Procedures for Development (the "Policies and Procedures") and noted that he wanted to schedule a special meeting in early December to review the draft to enable the Policies and Procedures to be approved for implementation as of January 1, 2004.

Mr. Conner went on to report that the contractor will begin the rework on Water Well No. 1 in the near future.

Mr. Conner noted that he is continuing to work on security and vulnerability issues for the District.

Mr. Conner then reported that Water Well No. 4 would be reinstated as the District's lead well next week and that lightning and surge protection devices would be installed on the facilities this coming week.

Mr. Conner then reported that the sanitary sewer force main line that runs underneath Spring-Cypress Road and serves the North Pines Business Park must be relocated immediately due to the widening of Spring-Cypress Road. Mr. Conner explained that the force main is the District's responsibility, but it appears that the lift station the line flows into is not the District's property. Further discussion of the matter ensued. Ms. Bobbitt recommended that Jones & Carter prepare a letter to the TCEQ to declare the situation an emergency and proceed accordingly with the relocation of the force main line. Upon motion by Director Dill, seconded by Director Marks, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Jones & Carter to prepare the necessary letter to the TCEQ and proceed with the emergency relocation of the sanitary sewer force main line.

The Board then discussed when to schedule a special meeting. The Board concurred that the special meeting would be scheduled on Tuesday, December 9, 2003, at 7:00 p.m. at the Sewage Treatment Plant office.

The Board then continued the earlier discussion regarding the flooding problems associated with the Bonds Gully ditch and what options were available to remedy the flooding. Mr. Shackelford suggested that Jones & Carter check with the HCFCD to see if it will issue a letter to allow the District to clean out a portion of Bonds Gully to help alleviate the flooding problem. Mr. Hudson noted that there were no immediate plans to vegetate the drainage ditch berms, but stated that he would place rye grass seed on the berms. The Board concurred that the matter needs to be looked at and a determination made as to how much of the drainage ditch would need to be cleaned out to help alleviate the flooding problem. Mr. Conner stated he would proceed with further investigation of the matter.

Director Steffes reported that a representative from the U.S. Geological Survey (the "USGS") had been reviewing sites for the location of the USGS monitoring well to test for shallow groundwater contamination. Director Steffes stated that the District was the only utility district in north Harris County that had agreed to allow the USGS to install a monitoring well.

Upon motion by Director Warren, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to approve the General Manager's Report.

ATTORNEY'S REPORT

Ms. Bobbitt then reminded the Board that a topic discussed at the Board's special meeting held on October 30th was the proposed 50-foot Drainage Easement from KISD for an interceptor

drainage swale for the Spring Terrace development. Ms. Bobbitt stated that she had prepared and forwarded a draft of the easement to KISD, and noted that KISD would have flow capacity rights in the drainage swale. Mr. Shackelford informed the Board that the engineer for KISD suggested that KISD be exempt from the payment of any operation and maintenance expenses associated with the drainage swale. Mr. Shackelford stated that he took exception to the concept since KISD could sell the property at a future date. Mr. Shackelford also noted that if development of vacant land in the area continues, KISD will be required to purchase additional capacity in the Bonds Gully ditch.

Upon motion by Director Dill, seconded by Director Joyce, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposed 50-foot Drainage Easement with KISD for the Spring Terrace development.

Director Warren questioned whether the Board was in favor of Mr. Hudson planting rye grass on the dirt berms along Bonds Gully near Shalom Creek. Mr. Hudson stated that he would forward to the District's General Manager and consultants a copy of the letter that he had received from the HCFCD regarding the ditch improvement project that was required for the Bridgestone Lakes development in order for Jones & Carter to determine whether the additional ditch work needed at Shalom Creek might be covered in such letter.

PROPOSED DEVELOPMENT

Mr. Hudson briefly reported that he has plans to develop Bridgestone Lakes, Section 4 to be comprised of a newly acquired 18-acre tract within the boundaries of the District, plus an additional 7.2-acre tract of land east of the warehouses and north of the Roth homestead that will need to be annexed into the District. Mr. Hudson requested that such items be included on the December meeting agenda and stated that he will also request a waiver of the feasibility study for the development of Bridgestone Lakes, Section 4.

Mr. Hudson also reported that he is currently negotiating for the purchase of a 106-acre tract located immediately west of the proposed 38.5-acre Bridgestone Estates development and asked that an item be placed on the December agenda concerning such tract.

MISCELLANEOUS MATTERS

It was then noted that the next regular meeting of the Board will be held on Tuesday, December 16, 2003, at the Bridgestone Community Center meeting facility.

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

PASSED, APPROVED AND ADOPTED this 16th day of December, 2003.

/s/Bob Joyce

Secretary, Board of Directors

(DISTRICT SEAL)

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