

2007-5
MINUTES OF MEETING OF BOARD OF DIRECTORS
March 6, 2007

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 special 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, March 6, 2007, at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Adrian E. Steffes	President/Investment Officer
Jim Marks	Vice President
Linda D. Theiss	Secretary
Ronald W. Schkade	Assistant Secretary
Skip Warren	Treasurer

All members of the Board were present, except Director Schkade, who monitored the meeting by conference call, thus constituting a quorum. Also attending the meeting were Messrs. Ed Shackelford, P.E. and Erich Peterson, P.E. of Jones & Carter, Inc. ("Jones & Carter"), engineers for the District; and Mr. Lewis S. Kasner of Johnson Radcliffe Petrov & Bobbitt PLLC, attorneys for the District.

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.

REVIEW AND DISCUSS LOWER BONDS GULLY EASEMENT/LAND ACQUISITIONS AND AUTHORIZE ISSUANCE OF OFFERS

Mr. Peterson stated that Mr. Gene Conner had requested that this meeting be scheduled once the appraisals for the proposed land acquisitions for the Lower Bonds Gully improvement project (the "Project") were received. Mr. Peterson also stated that the purpose of tonight's meeting was to consider the alignment options for the Project. Mr. Peterson stated that a 140-foot right-of-way is needed along the natural meander (east/west portion) of Bonds Gully for the Project to comply with the Harris County Flood Control District (the "HCFCD") acceptance and maintenance requirements and criteria. Mr. Peterson explained that the original proposed alignment along the existing Bonds Gully meander would need an additional 70-foot right-of-way acquisition from Mr. Manis for the north/south portion to attain the 140 feet required to satisfy the HCFCD criteria. Mr. Peterson went on to explain that the District could also pursue other potential alignments in order to keep the costs down on the Project. Mr. Peterson stated that a portion of the property needed from Mr. Manis' tract for the original

alignment is located along the frontage of Spring Cypress Road, and that such portion of his tract is more valuable than the rear portion of the property. Mr. Peterson went on to explain that another possible option would be to turn the direction of Bonds Gully in an east/west direction at the northern edge of the Manis property, which would be less expensive to purchase since, as previously stated, the back portion of the Manis property is less valuable than the portion fronting Spring Cypress Road. Mr. Peterson went on to explain that a 200-foot right-of-way is proposed, and that the District would purchase the Manis, Jurischk and Schindewolf properties in fee and upon completion of the Project, dedicate an easement to the HCFCFCD for purposes of maintaining the expanded ditch. Mr. Shackelford noted that the proposed re-alignment going across the back portion of the Manis tract would require the acquisition of land from Schindewolf, Manis, Jurischk and Harris County (the "County"), as reflected on the alignment map attached hereto as an exhibit.

Mr. Peterson then distributed a summary of alignment options for the Project, a copy of which is attached hereto, including an estimate of the costs for each option. Mr. Peterson stated that the District is a 46% participant in the Project, and that the District's developers would also participate in paying a portion of the Project costs, as previously discussed and approved by the Board.

Mr. Shackelford then explained that he had discussed the Project with the County, and that the County is receptive to the Project and the acquisition of land and indicated it may want to participate in the Project in order to acquire a drainage outfall for the proposed expansion of Ella Boulevard, which will help relieve the flooding problems on Ella Boulevard that have previously been discussed by the Board. Mr. Shackelford added that if the County participates, the Project would have to comply with all County and federal requirements. Mr. Shackelford then reminded the Board that the purpose of the District trying to acquire the land from the County is to provide detention for the connection of Lower Bonds Gully to Seals Gully and to serve the Fanta tract and enable both the Project and the Fanta detention pond to be constructed under one (1) contract, thereby resulting in a cost savings to the District. Mr. Shackelford reminded the Board that the Board had wanted to combine the Project with the Fanta detention pond construction in order to save on construction costs.

Director Marks then asked why the District is paying for the widening or re-alignment of Lower Bonds Gully, since he thought the natural alignment was adequate. Director Marks added that he also thought the project would cost less than the estimate reflected on the Summary of options provided by Jones & Carter. Mr. Shackelford explained that following the natural alignment may be more costly to the District due to property acquisition and construction costs, which will be discussed in Executive Session. Director Warren then stated that he does not think the District should have to buy land from the County if the County will benefit from the improvements. Director Warren inquired about the price paid by the County for the land. Mr. Shackelford explained that under State of Texas constitutional provisions, the County is prohibited from donating or giving away property, just as the District is prohibited from giving away or donating property or anything of value, but that he and Mr. Kasner could investigate the possibility of trading the value of the County property or a portion of the property for a reservation of drainage capacity or for the value of the construction work to be performed by the District.

EXECUTIVE SESSION

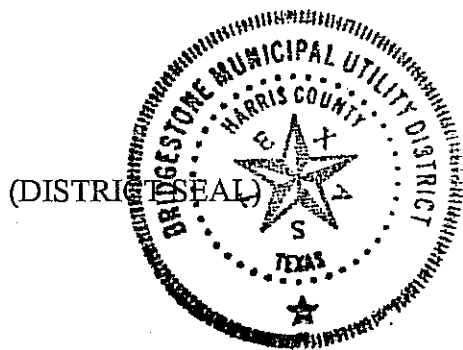
Director Steffes then adjourned the regular meeting at 7:42 p.m. and announced that the Board would convene in executive session pursuant to Sections 551.071(2) and 551.072, Texas Government Code, as amended, to discuss matters related to the attorney/client privilege and to discuss matters related to real property. The Board, Mr. Shackelford, Mr. Peterson and Mr. Kasner remained in the executive session.

RECONVENE IN OPEN SESSION

Director Steffes then reconvened the meeting in open session at 8:23 p.m. where the following action was then taken by the Board. Upon motion by Director Marks, seconded by Director Theiss, after full discussion and the question being put to the Board, the Board voted unanimously to authorize offers to be made for the Schindewolf and Jurischk properties in the amount of \$1.25 per square foot for both drainage tracts, and to authorize pursuit of the Manis property necessary for the re-alignment of Lower Bonds Gully across the rear of the Manis property and the County property that is needed for the Fanta tract detention pond.

There being no further business to come before the Board, the meeting was adjourned at 8:35 p.m.

PASSED, APPROVED AND ADOPTED this 15th day of May, 2007.



Linda Theiss
Secretary, Board of Directors