

MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS

OCTOBER 15, 2008

THE STATE OF TEXAS

COUNTY OF HARRIS

CHARTERWOOD MUNICIPAL UTILITY DISTRICT

The Board of Directors (the "Board") of Charterwood Municipal Utility District (the "District") met in special session, open to the public, at Comfort Suites/Willowbrook, 21222 Tomball Parkway, Houston, Texas 77070, a designated meeting place inside the boundaries of the District, on Wednesday, October 15 at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Richard G. Howe	-	President
Jean Aldredge	-	Secretary
Tommy Kelley	-	Assistant Secretary/Treasurer
Tom Thomson	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Ken Love with Municipal District Services, the District's Operator ("Operator"); Mark Adam with AEI Engineering, Inc., the District's Engineer ("Engineer"); and Lori Crawford, Legal Assistant, of Coats, Rose, Yale, Ryman & Lee, P.C. Attorneys for the District ("Coats/Rose").

WHEREUPON, the meeting was called to order. The posted meeting notices are attached hereto.

PUBLIC COMMENT

No members of the public were in attendance.

RESOLUTION AND ORDER CONCERNING CANCELATION OF ELECTION

The Board next considered adopting a Resolution Authorizing Cancelation of Election and Issuance of an Order Canceling Bond Election. It was noted by Director Howe that the Board authorized Director Aldredge to coordinate and interface with Ms. Crawford concerning pre-election preparations, including a) obtaining election officials; b) setting up the clubhouse for the District's election, c) contracting with Premier Election Solutions for election equipment and training of officials; and d) contacting the County for information and other matters related to preparations for conducting a bond election. He said after consideration of several factors, including but not limited to a) the logistics of conducting a District election concurrently with the national election; and b) the unavailability of election officials, the Board should consider postponing the election.

Following discussion regarding these matters, and based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to adopt the Resolution Authorizing Issuance of an Order Canceling the Bond Election.

Further and in follow-up to adoption of the Resolution, and based on a motion by Director Kelley which was seconded by Director Thomson, the Board voted unanimously to adopt the Order Canceling the Bond Election, noting that the intention of the Board is to hold the bond election in May of 2009.

ENGINEER'S REPORT

Mr. Adam presented a report and updated the Board on the meeting between representatives of the District and representatives of the North Harris County Regional

Water Authority (the "Authority"). A copy of his memorandum summarizing such meeting is included in the Engineer's report attached hereto. No action was taken.

SURPLUS FUNDS APPLICATION

The Board next considered approving the Application to the Texas Commission on Environmental Quality ("TCEQ") for use of Surplus Funds to reimburse Smith Commercial Contracting for reimbursable expenses for construction of the water line extension to serve 10400 Rodgers Road (the "Application").

Following review and discussion, and based on a motion by Director Thomson which was seconded by Director Aldredge, the Board voted unanimously to approve the Application, authorize payment of the \$100 application fee, and to authorize Coats/Rose and AEI Engineering, Inc. to submit the application to the TCEQ.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

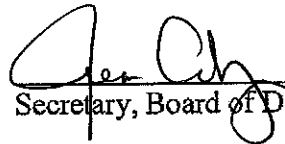
Mr. Adam referred to the memorandum included in his report, noting that he has nothing further to report concerning the Authority, pending Coats/Rose's review of the summary and comments related thereto. He said he believes another meeting will be scheduled with the Authority in the near future.

MAJESTICS OAKS REQUEST FOR REPLACEMENT OF FENCE

Director Thomson reported on some correspondence he received from the Majestics Oaks HOA concerning the fence behind the pool in the District. He said Majestics Oaks requested information on the District's intent to replace the fence behind the pool and clubhouse. The Board concurred that it has no intention of repairing or replacing the fence, noting that the fence is not the responsibility of the District.

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

PASSED, APPROVED AND ADOPTED this 28th day of October, 2008.


Secretary, Board of Directors

(DISTRICT SEAL)

