

MINUTES OF MEETING
BOARD OF DIRECTORS

August 24, 2010

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 regular session, open to the public, at Comfort Suites/Willowbrook, 21222 Tomball Parkway, Houston, Texas, a designated meeting place inside the boundaries of the District, on Tuesday, August 24, 2010, at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Richard G. Howe	-	President
Jean Aldredge	-	Vice President
Grace Jackson	-	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"); Wendy Austin of District Data Services, Bookkeeper for the District ("Bookkeeper"); Eric Comeau of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); Michael Murr of Murr Inc., the District's landscape architect ("Murr"); Malcolm McMullen of Westwego Realty Group, LLC, the District's Real Estate Broker ("Broker"); Mr. and Mrs. Phil Baker, developers within the District; Doug Harris, a resident of the District; and Timothy Green, Attorney and Beth Van

Doren, Legal Assistant, of Coats, Rose, Yale, Ryman & Lee, P.C., attorneys for the District ("Coats/Rose").

WHEREUPON, the meeting was called to order at 7:20 p.m. The posted meeting notices are attached hereto.

APPROVAL OF MINUTES OF MEETING OF JULY 27, 2010

The Board reviewed the minutes from the meeting of July 27, 2010, previously distributed to the Board. Upon a motion made by Director Jackson and seconded by Director Kelley, with Director Howe abstaining from the vote, the Board approved the minutes of the meeting of July 27, 2010.

BOOKKEEPER'S REPORT

The Board recognized Ms. Austin who reviewed the bookkeeping report for the current reporting period, including the District's receipts, expenditures, capital projects and debt service funds, a copy of which is attached.

Following discussion regarding bookkeeping matters, and based on a motion by Director Thomson which was seconded by Director Jackson, the Board voted unanimously to approve the Bookkeeper's report as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Mr. Comeau who reviewed the TAC report for the period ending July 31, 2010, noting that 98.4% of 2009 taxes have been collected to date. Mr. Comeau reported on receipts and disbursements from the tax account and reviewed historical tax data.

Following a full review of the TAC report, and based on a motion by Director Kelly which was seconded by Director Aldredge, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related expenses.

ENGINEERS REPORT

The Board recognized Mr. Adam who reviewed and discussed the Engineer's Report, a copy of which is attached.

Mr. Adam reviewed the monthly inspection report from Storm Water Solutions and recommended approval of pay estimate No. 1 in the amount of \$420.00 for the monthly inspection and mowing work of the dry detention pond.

Following a full review and discussion of engineering and construction matters, and based on a motion by Director Jackson which was seconded by Director Aldredge, the Board voted unanimously to a.) approve the Engineer's report; and b.) approve Pay Estimate No. 1 from Storm Water Solutions in the amount of \$420.00 for maintenance of the detention pond.

OPERATOR'S REPORT

Mr. Love presented the Operations Report for August and updated the Board on collections, water production and accountability. He also reviewed the list of accounts scheduled for termination due to non-payment.

Mr. Love noted that there were no new taps installed in May, 2010. The total connection count for the District is 1247. Mr. Love further noted that there was 80.1% accountability for water pumpage during the current reporting period, bringing the four month average to 81.1%.

Next, Director Howe requested Mr. Love notify the District's residence that the District will be converting to surface water. He directed the letter outline what the customer can expect from the surface water.

Following discussion of operations matters, and based on a motion by Director Jackson on which was seconded by Director Aldredge, the Board voted unanimously to approve the Operator's report as submitted.

REVIEW AND DISCUSS POLICIES AND PROCEDURES FOR APPLICATIONS FOR WATER AND SEWER SERVICE AND ANNEXATIONS

The Board deferred action on this item.

REVIEW INFORMATION REGARDING TEMPORARY MEETING FACILITIES AND CONSIDER TAKING ACTION

The Board prepared an outline of possible scenarios for the meeting facilities and rated each in accordance with feasibility. The Board determined that more research was needed and requested an additional meeting be called for September 20, 2010.

BROKER'S REPORT

The Board recognized Mr. McMullen who presented an update on the status of properties for the District's meeting facility. Mr. McMullen gave a brief analysis of a various sites that could be potential meeting sites.

The Board discussed and outlined additional options and requested Mr. McMullen to further investigate on behalf of the District.

CONSIDER ACCEPTING CONVEYANCE OF FACILITIES FROM KLEIN ISD AND ASSIGNMENT OF CONTRACTS

The Board next considered accepting a Conveyance of Facilities from Klein ISD and assignment of contracts. Based on a motion by Director Kelley which was seconded

by Director Thomson, the Board voted unanimously to approve the form of the Conveyance of Facilities and Assignment of Contracts to be executed by Klein ISD.

CONSIDER ACCEPTING CONVEYANCE OF FACILITIES FROM PHIL BAKER, PIN OAK PARK AND ASSIGNMENT OF CONTRACTS

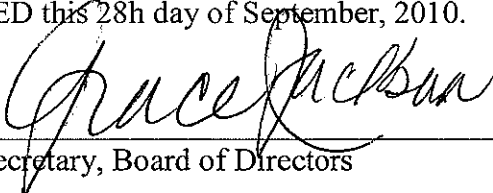
The Board considered accepting a Conveyance of Facilities from Phil Baker, Pin Oak Park and assignment of contracts. Based on a motion by Director Jackson which was seconded by Director Aldredge, the Board voted unanimously to accept the Conveyance of Facilities from Phil Baker, Pin Oak Park and Assignment of Contracts.

CONSIDER ACCEPTING CONVEYANCE OF FACILITIES FROM SMITH COMMERCIAL CONTRACTING AND ASSIGNMENT OF CONTRACTS

The Board considered accepting a Conveyance of Facilities from Smith Commercial Contracting and assignment of contracts. Based on a motion by Director Thomson which was seconded by Director Kelley, the Board voted unanimously to accept the Conveyance of Facilities from Smith Commercial Contracting and Assignment of Contracts

There being no further business to come before the Board, upon a motion duly made, seconded and approved unanimously, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 28h day of September, 2010.


Secretary, Board of Directors

