

MINUTES OF MEETING
BOARD OF DIRECTORS

August 9, 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 special 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 Monday, August 9, 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"); Jan Bartholomew of RBC Capital Markets, the District's Financial Advisor ("Financial Advisor"); Malcolm McMullen of Westwego Realty Group, LLC, the District's Real Estate Broker ("Broker"); 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 7:15 p.m. The posted meeting notices are attached hereto.

RECEIPT OF BIDS AND AWARD SALE OF BONDS

Consideration was first given to the receipt of bids for the District's \$2,670,000 Unlimited Tax Bonds, Series 2010 (herein the "Bonds"). The Board recognized Ms. Bartholomew, who informed the Board that five (5) bids were received. At this time, Ms. Bartholomew reviewed the bids that had been received for the sale of the Bonds.

The bids were as follows:

<u>Bidder</u>	<u>Net Effective Interest Rate</u>
RBC Capital Markets	3.978341%
SAMCO Capital Markets	3.999518%
Morgan Keegan & Co., Inc.	4.065914%
First Southwest	4.087737%
Wells Fargo Advisors	4.171241%

Ms. Bartholomew recommended that the Board accept the bid submitted by RBC Capital Markets, as it was the low bidder with a net effective interest rate of 3.978341%.

Upon a motion made by Director Aldredge, seconded by Director Kelley, after full discussion and the question being put to the Board, the Board voted unanimously to accept the bid on the Bonds submitted by RBC Capital Markets with a net effective interest rate of 3.978341%. A copy of the accepted bid on the bonds is attached hereto.

Next, consideration was first given to the receipt of bids for the District's \$2,720,000 Unlimited Tax Park Bonds, Series 2010A (herein the "Bonds"). Ms. Bartholomew informed the Board that five (5) bids were received. At this time, Ms. Bartholomew reviewed the bids that had been received for the sale of the Bonds.

The bids were as follows:

<u>Bidder</u>	<u>Net Effective Interest Rate</u>
Vining-Sparks IBG	3.943628%
Morgan Keegan & Co., Inc.	3.957426%
SAMCO Capital Markets	3.964950%
First Southwest	3.974118%
RBC Capital Markets	4.015342%

Ms. Bartholomew recommended that the Board accept the bid submitted by Vining-Sparks IBG, as it is the low bidder with a net effective interest rate of 3.943628%

Upon a motion made by Director Aldredge, seconded by Director Kelley, after full discussion and the question being put to the Board, the Board voted unanimously to accept the bid on the Bonds submitted by Vining-Sparks with a net effective interest rate of 3.943628%. A copy of the accepted bid on the bonds is attached hereto.

APPROVAL AND AUTHORIZATION OF DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

The Board recognized Mr. Green, who presented to the Board the following documents in connection with the sale of the Series 2010 and the Series 2010A Bonds:

- a. Order Authorizing Issuance of the Bonds;
- b. Resolution Approving Official Statement;
- c. General Certificate;
- d. Signature Identification and No-Litigation Certificate;
- e. Tax Exemption Certificate;
- f. Closing Certificate;
- g. Bond Registrar, Paying Agency and Transfer Agency Agreement;
- h. DTC Blanket Issue Letter of Representation;
- i. Letters addressed to Attorney General of Texas and Coats, Rose, Yale, Ryman & Lee, P.C. regarding dating of the Signature Identification and No-Litigation Certificate and the General Certificate and Letter to the Comptroller regarding delivery of the Initial Bonds;
- j. Rule 15c2-12 Certificate;
- k. IRS Form 8038-G; and

1. Other documents and certificates necessary to obtain approval of the Bonds by the Attorney General of Texas.

Mr. Green explained that the Order Authorizing Issuance of the Bonds is the contract between the District and the bondholders and provides, among other things: (1) the legal authority for the District to issue the Bonds, (2) the interest rates on the Bonds, (3) the District's obligation to levy ad valorem taxes to pay the principal and interest due on the Bonds, (4) the designation of the Paying Agent/Registrar for the Bonds and (5) the covenant by the Board to maintain the tax-exempt status of the Bonds. Mr. Green further stated that additional revisions may be made to the Bond Order as directed by the Attorney General's office.

Mr. Green then introduced the Order Adopting Execution and Distribution of Official Statement and Ratifying Distribution of Official Notice of Sale, Preliminary Official Statement, and Official Bid Form, explaining that relevant information from the sale of the Bonds will be included in the Official Statement prior to its printing. He further stated that the Official Statement will be provided by the Underwriter to prospective purchasers of the Bonds.

Mr. Green then introduced the General Certificate and explained that this Certificate gives a brief history of the District, including the directors and terms of office, information on previous bond sales, current tax rate, and the District's current assessed valuation.

Mr. Green next presented the Signature Identification and No-Litigation Certificate, explaining that said Certificate represents that there is no litigation pending against the District affecting the Bonds and that the signatures of the President and Secretary are genuine.

Mr. Green then presented the Certificate as to Tax Exemption. He explained that this Certificate will be dated the day of closing on the sale of the Bonds. Mr. Green further stated that the Certificate states, in addition to other facts, that the District has met certain conditions pursuant to the Internal Revenue Code of 1986 which allows the Bonds to be qualified as tax-exempt obligations.

Mr. Green presented the Closing Certificate, and explained that Director Reese will execute this Certificate which states that (i) the District has complied with the terms and conditions of the Order Authorizing Issuance of the Bonds, (ii) there is no pending or threatened litigation which would affect the District and/or the issuance, sale and delivery of the Bonds, (iii) the Order authorizing the issuance of the Bonds has not been amended without RBC Capital Markets and Vining-Sparks' approval and (iv) there have been no adverse changes in the District's financial condition since March 31, 2010, the most current audited period.

Mr. Green next presented a Bond Registrar, Paying Agency and Transfer Agency Agreement with Wells Fargo Bank, N.A. Mr. Green explained that all tax-exempt municipal bonds are required to be fully registered with registry books maintained by a registrar on behalf of the District. The books reflect the names, addresses and principal amounts of bonds registered in the name of the owner. Mr. Green further explained that the Agreement sets forth the duties, responsibilities and fees involved for maintaining this information and making payments to bond owners.

Mr. Green then presented (i) the letter to the Attorney General for the State of Texas which authorizes the execution of the General Certificate and the Signature

Identification and No-Litigation Certificate as of the date of the Approving Opinion for the Bonds, (ii) the letter to the Comptroller of Public Accounts which authorizes the Comptroller of Public Accounts to deliver the bonds to Coats, Rose, Yale, Ryman & Lee, P.C. once they are approved by the Attorney General and registered and (iii) the letter to Coats, Rose, Yale, Ryman & Lee, P.C. which authorizes the dating of the General Certificate, the Signature Identification and No-Litigation Certificate and the Certificate as to Tax Exemption and provides that the District will immediately notify Coats, Rose, Yale, Ryman & Lee, P.C. if any of the facts contained in those documents change prior to the date of closing and delivery of the bonds.

Mr. Green next presented the Rule 15c2-12 Certificate in connection with the issuance of the Bonds. Mr. Green noted that the purpose of this Certificate is to enable the Underwriter for the Bonds to comply with the Securities Exchange Act of 1934 in connection with the offering and sale of the Bonds.

The Board next considered authorizing the President to execute IRS Form 8038-G. Mr. Green explained that this form provides information about the Bonds to the IRS for recordkeeping purposes.

Consideration was then given to authorizing additional action in connection with obtaining approval of the Attorney General of Texas of the Bonds. Mr. Green informed the Board that once the Attorney General's office has received and reviewed the Transcript of Proceedings for the Bonds, it is possible they will request additional information and/or documents and requested the Board's authority to prepare and have executed any requested documents or amendments to the existing documents.

Upon a motion made by Director Kelley that all of the foregoing documents be adopted both the Series 2010 and the Series 2010A bond documents, which motion was seconded by Director Thomson the Board, after due discussion, passed such motion, which prevailed and was carried by unanimous vote.

BOOKKEEPER'S REPORT

In the absence of the Bookkeeper, no report was offered.

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 home on Timber Valley that could be used as a temporary office for the District. The home would need to be renovated to ADA code.

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

REVIEW AND DISCUSS POLICIES AND PROCEDURES FOR APPLICATIONS FOR WATER AND SEWER SERVICE AND ANNEXATION REQUESTS

The Directors received copies of current and additional policies and procedures for their review.

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 13th day of September, 2010.



Price Jackson
Secretary, Board of Directors