

MINUTES OF MEETING
BOARD OF DIRECTORS

September 24, 2019

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 16444 Cutten Road, Houston, Texas, a designated meeting place outside the boundaries of the District, on Tuesday, September 24, 2019, at 7:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jean Aldredge	-	President
Tommy Kelley	-	Vice President/Treasurer
Grace Jackson	-	Secretary
Tom Thomson	-	Assistant Secretary
Mark Shultz	-	Assistant Secretary

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

Also attending the meeting were Stephanie Hendershot of Bob Leared Interests, the District's Tax Assessor/Collector ("TAC"); Michael Murr of Murr Inc., the District's landscape architect ("Murr"); Christie Leighton of Best Trash, the District's trash service provider; Wendy Austin of District Data Services, Bookkeeper for the District ("Bookkeeper"); Mark Adam with Bleyl & Associates, the Engineer for the District ("Engineer"); Stephen Eustis with R.W. Baird & Co., Financial Advisor for the District; Ken Love with Municipal District Services, the District's Operator ("Operator"); Officer

Martino and Lt. Cohen of Harris County Precinct 4 Constables Office; and Timothy Green, attorney, and Beth Van Doren, paralegal, of Coats|Rose P.C., legal counsel for the District (“Coats|Rose”). Also in attendance was Christian Bassinger, a member of the local Boy Scout Troop.

WHEREUPON, the meeting was called to order at 7:00 p.m.

The posted meeting notices are attached hereto as Exhibit “A”.

PUBLIC HEARING ON PROPOSED 2019 TAX RATE

At this time the Board opened the meeting to a public hearing on the proposed 2019 tax rate for the District. Director Aldredge reminded the Board that at the District’s meeting on August 27, 2018, the Board discussed the District’s tax rate for 2019. At such meeting the Board established its intent to set and levy a 2019 tax rate of \$0.405 per \$100 of assessed valuation; which tax shall be allocated \$0.255 per \$100 valuation for debt service, and \$0.15 per \$100 valuation for maintenance and operation purposes. It was noted that the notice of the proposed 2019 tax rate of \$0.405 per \$100 assessed value was published, as required by the Texas Water Code, in a newspaper of general circulation in Harris County at least ten days prior to this public hearing. The Board noting that there were no members of the public present who wished to comment on the 2019 tax rate, closed the public hearing and resumed the regular meeting.

ORDER SETTING TAX RATE FOR 2019

Consideration was then given to the adoption of an Order Setting Tax Rate for 2019. Upon a motion made by Director Thomson, seconded by Director Kelley, after full discussion and the question being put to the Board, the Board voted unanimously to (i) set and levy a 2019 tax rate of \$0.405 per \$100 of assessed valuation which tax shall be

allocated \$0.255 per \$100 valuation for debt service, and \$0.15 per \$100 valuation for maintenance and operation purposes, and (ii) to adopt the Order Setting Tax Rate evidencing the same, a copy of which is attached hereto as Exhibit "B".

AMENDED NOTICE TO SELLERS AND PURCHASERS

Consideration was then given to a proposed Amended Notice to Sellers and Purchasers. Ms. Van Doren informed the Board that the Notice to Sellers and Purchasers must be revised to reflect the 2019 tax rate. Upon a motion made by Director Kelley, seconded by Director Shultz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is attached hereto as Exhibit "C".

HEAR FROM PUBLIC

The Board recognized Mr. Bassinger who stated he was a member of the local Boy Scouts and was in attendance as part of a merit badge requirement.

RECEIVE CONSTABLE'S REPORT

The Board recognized Officer Drake and Lt. Cohen, who reviewed the monthly statistics within the District, a copy of which is attached hereto as Exhibit "D". No action was taken on this agenda item.

HEAR FROM BEST TRASH

The Board recognized Ms. Leighton who discussed customer service within the District. No action was taken on this agenda item.

APPROVE MINUTES OF MEETINGS OF AUGUST 27, 2019

The Board reviewed the minutes from the meeting of August 27, 2019, previously distributed to the Board. Upon a motion made by Director Thomson and seconded by Director Kelley, the Board approved the minutes of the meeting of August 27, 2019.

FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Eustis who presented the following:

- (a) Order Adopting Preliminary Official Statement ("POS"); and Authorize Distribution

Mr. Eustis reviewed with the Board a draft of the Preliminary Official Statement ("POS") for the District's \$1,740,000 Unlimited Tax Refunding Bonds, Series 2019 and \$1,885,000 Unlimited Tax Park Refunding Bonds (collectively the "Refunding Bonds"), a copy of which is attached hereto as Exhibit "E". He stated that the POS is the disclosure document which informs any potential purchaser of the Refunding Bonds of the risks associated with the purchase along with other information regarding the District. Mr. Eustis stated that copies of the POS will be provided to underwriter of the Refunding Bonds. After further discussion, Director Shultz moved that the Board authorize the distribution of the Preliminary Official Statement, subject to any final changes being made by the District's directors and consultants. The motion was seconded by Director Thomson and approved by unanimous vote of the Board.

- (b) Approve Resolution Regarding Delegation of Authority for the Sale of Charterwood Municipal Utility District Unlimited Tax Refunding Bonds, Series 2019 and Charterwood Municipal Utility District Unlimited Tax Park Refunding Bonds, Series 2019A

Consideration was next given to a proposed Resolution Regarding Delegation of Authority for the Sale of the Refunding Bonds. Mr. Green explained that the resolution

authorized any of the directors to affect the sale of the Refunding Bonds so long as a present value savings of at least 3% is achieved.

(c) Bond Purchase Agreement (“BPA”)

Consideration was then given to a proposed Bond Purchase Agreement. Mr. Green explained that this Agreement is entered into by the District and the underwriter and outlines the underwriter’s obligations to purchase and pay for the Refunding Bonds subject to the District meeting certain conditions.

(f) Approve Order Authorizing Issuance of Charterwood Municipal Utility District Unlimited Tax Refunding Bonds, Series 2019 and Charterwood Municipal Utility District Unlimited Tax Park Refunding Bonds, Series 2019A

Consideration was then given to a proposed Order Authorizing Issuance for the Refunding Bonds (the “Bond Orders”). Mr. Green explained that the Bond Orders are the contract between the District and the bondholders and provides, among other things: (1) the legal authority for the District to issue the Refunding Bonds; (2) the interest rates on the Refunding Bonds; (3) the District’s covenant to set a tax rate sufficient to pay the principal and interest due on the Refunding Bonds; (4) the designation of the Paying Agent/Registrar for the Refunding Bonds; and (5) the covenant by the Board to maintain the tax-exempt status of the Refunding Bonds. Mr. Green further stated that additional revisions may be made to the Bond Order as directed by the Attorney General’s office.

(g) General Certificate

The Board next considered adopting a General Certificate. Mr. Green 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.

(h) Certificate as to Tax Exemption

The Board next considered approving a Certificate as to Tax Exemption. Mr. Green explained that this Certificate will be drafted and dated the day of closing on the sale of the Refunding Bonds. Mr. Green explained further 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 Refunding Bonds to be qualified as tax-exempt obligations.

(i) Signature Identification and No-Litigation Certificate

Consideration was then given to a proposed Signature Identification and No-Litigation Certificate. Mr. Green explained that said Certificate represents that there is no litigation pending against the District affecting the Refunding Bonds and that the signatures of the President and Assistant Secretary are genuine.

(j) Closing Certificate of President

The Board next considered approving the Closing Certificate of President. Mr. Green explained that Director Aldredge will execute this Certificate which states that: (i) the District has complied with the terms and conditions of the Bond Purchase Agreement; (ii) there is no pending or threatened litigation which would affect the District and/or the issuance, sale and delivery of the Refunding Bonds; (iii) the Order authorizing the issuance of the Refunding Bonds is in full force and effect and has not been amended; and (iv) there has been no adverse changes in the District's financial condition since the most current audited period.

(k) Notices of Redemption for Series 2010 and 2010A Bonds

The Board next considered authorizing a Notices of Redemption of the District's Series 2010 and 2010A Bonds to be redeemed in order to notify the holders of such bonds that they are being redeemed.

(l) Paying Agent/Registrar Agreement

The Board next considered authorizing an Agreement with Regions Bank, an Alabama banking corporation, Houston, Texas as Paying Agent/Registrar for Refunding Bonds. 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 and that the Paying Agent/Registrar Agreement sets forth the duties, responsibilities and fees involved for maintaining this information and transferring to owners.

(m) Authorize execution of letters addressed to Attorney General of Texas and Coats| Rose, P.C., regarding dating Signature Identification and No-Litigation Certificate and General Certificate and Letter to Comptroller regarding delivery of Initial Bonds

The Board next considered authorizing execution of letters addressed to the Attorney General of Texas and Coats Rose regarding dating certain documents in connection with delivery of the Refunding Bonds.

(n) Rule 15c2-12 Certificate

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

(o) Order Adopting Execution and Distribution of Official Statement and Ratifying Distribution of Official Notice of Sale and Preliminary Official Statement

Mr. Green presented the Official Statement explaining that relevant information from the sale of the Refunding 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 Refunding Bonds.

(p) IRS Form 8038-G

The Board next considered authorizing the President to execute IRS Form 8038-G. Mr. Green explained that this form is required by the IRS and provides information about the Refunding Bonds to the IRS for record keeping purposes.

(q) Additional Actions on Series 2019 and Series 2019A Refunding Bonds

Consideration was then given to authorizing additional action in connection with obtaining approval of the Attorney General of Texas of the Refunding Bonds. Mr. Green informed the Board that once the Attorney General's office has received and reviewed the Transcript of Proceedings for the Refunding Bonds, they may 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.

(r) Consider engaging Regions Bank, an Alabama banking corporation, Houston, Texas as the escrow agent and consider entering in Escrow Agreement

Consideration was then given to engaging Regions Bank, an Alabama banking corporation, Houston, Texas, as the escrow agent and enter into an Escrow Agreement.

(s) Engage CPA

Consideration was then given to engaging Public Finance Partners LLC, a CPA,

to prepare the Verification Report that is necessary in connection with the issuance of the Refunding Bonds.

- (t) Consider approval of any other action in connection with the sale of refunding bonds

After consideration, upon motion made by Director Shultz and seconded by Director Thomson, the Board voted unanimously to approve all of the foregoing actions.

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 hereto as Exhibit "F".

Following discussion regarding bookkeeping matters, and based on a motion by Director Thomson, which was seconded by Director Kelley, the Board voted unanimously to approve the Bookkeeper's report, payment of the bills referenced therein.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Hendershot who reviewed the TAC Report for the period ending August 31, 2019, a copy of which is attached hereto as Exhibit "G", noting that 99.1% of the 2018 taxes have been collected to date. She further 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 Shultz which was seconded by Director Kelley, the Board voted unanimously to approve the TAC's Report and authorize payment of tax-related matters.

ENGINEERS REPORT

The Board recognized Mr. Adam who reviewed and discussed the Bleyl Engineer's Report, a copy of which is attached hereto as Exhibit "H".

9900 Lake Road Four Plex Units

Mr. Adam stated the applicant has requested a final annexation and utility commitment agreement.

Vintage/Cutten Detention Pond Monthly Inspection Report

Mr. Adam presented Storm Water Solutions Invoices Nos. 7707-34*12 and 8682-34*01 in the amounts of \$799.00 and \$106.00 for maintenance of the District's detention and drainage improvements and recommended same for payment. The Engineer's Report includes the current inspection report for the drainage facilities.

Wastewater Collection System

Pay Estimate No. 1 in the amount of \$164,974.50 was recommended for payment.

After further discussion and based on a motion by Director Thomson, seconded by Director Kelley, the Board voted unanimously to: (i) approve the engineer's report; (ii) approve Invoices Nos. 7707-34*12 and 8682-34*01 in the amount of \$799.00 and \$106.00; and (iii) approve Pay Estimate No. 1 in the amount of \$164,974.50.

OPERATOR'S REPORT

The Board recognized Mr. Love who presented the Operations Report for August 2019 and updated the Board on collections, water production and accountability, a copy of which is attached hereto as Exhibit "I". He noted that the total connections for the District are 1385. He also reviewed the list of accounts scheduled for termination due to non-payment. Mr. Love further noted that there was 97.3% accountability for water pumpage during the current reporting period.

After further discussion and based on a motion by Director Kelley which was seconded by Director Shultz, the Board voted unanimously to approve the Operator's report.

REPORT FROM MICHAEL MURR

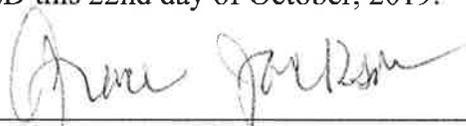
The Board recognized Mr. Murr who updated the Board on the status of the District's various landscaping projects and rental requests, a copy of which is attached hereto as Exhibit "J". After further discussion and based on a motion by Director Kelley, seconded by Director Thomson, the kitchen repairs.

DISCUSS DISTRICT EMAILS

Director Shultz reviewed the various emails received this month and the action that was taken on each.

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 22nd day of October, 2019.



Secretary, Board of Directors

(DISTRICT SEAL)

