

MINUTES OF SPECIAL MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, March 24, 2011

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

The Board of Directors of Sonterra Municipal Utility District (the “District”) held a special meeting, open to the public, at 10:30 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 24th day of March, 2011, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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| Bill Gravell | President |
| Lenn Schwarz | Vice President |
| William Frymire | Secretary |
| Trisha Allen | Treasurer |
| Erma Wedge | Assistant Secretary |

and all of said persons were present, thus constituting a quorum. Also in attendance were Theron Vaughan; Andy Bilger; Jason Jones of Jones-Heroy Engineers; Garry Kimball of Specialized Public Finance, Inc.; and Ronald J. Freeman of Freeman & Corbett.

1.First, the Board considered Sonterra Municipal Utility District \$1,490,000 Unlimited Tax and Revenue Bonds, Series 2011. Mr. Kimball presented the bids on the Bonds to the Board. After discussion, Director Gravell made a motion to award the sale of the bonds to The GMS Group, L.L.C., at a net interest rate of 5.52350%. Director Allen seconded the motion, which the Board passed unanimously. A copy of the winning bid is attached as an exhibit to these minutes.

2. The Board then considered adopting the Resolution Authorizing the Issuance of Sonterra Municipal Utility District \$1,490,000 Unlimited Tax and Revenue Bonds, Series 2011; Prescribing the Terms and Provisions Thereof; Making Provision for the Payment of the Interest Thereon and the Principal Thereof; Levying and Pledging the Proceeds of a Tax; Authorizing the Sale of the Bonds; Authorizing a Paying Agent/Registrar Agreement; and Containing Other Provisions Relating to the Subject. Mr. Freeman explained the Resolution to the Board. After discussion, Director Frymire made a motion to approve the Resolution. Director Allen seconded the motion, which the Board passed unanimously.

3. Next, the Board considered an engagement letter from Vinson & Elkins, L.L.P. for Special Tax Counsel. After discussion, Director Schwarz made a motion to approve the engagement letter from Vinson & Elkins, L.L.P. for Special Tax Counsel. Director Frymire seconded the motion, which the Board passed unanimously. A copy of the engagement letter is attached as an exhibit to these minutes.

4. The Board then considered organizing the Board. After discussion, Director Gravell made motions to change Director Allen’s position to Treasurer and to change Director

Wedge's position to Assistant Secretary. Director Allen seconded both motions, which the Board passed unanimously.

5. The Board next considered a possible agreement with Sonterra HOA regarding parks and recreational facilities. Mr. Bilger explained the possible agreement to the Board. After discussion, Director Gravell made a motion to first approve establishment of a Parks and Recreation Department within the District. Director Frymire seconded the motion. The motion passed with four directors voting in favor of the motion and one director voting against the motion.

6. The Board then considered taking action regarding charges for water supply for emergency services in the District (fire protection service). After discussion, the Board agreed to table this item until the next Board meeting.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:20 a.m.

Secretary, Board of Directors

(SEAL)