

MINUTES OF REGULAR MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, May 19, 2011

STATE OF TEXAS §
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COUNTY OF WILLIAMSON §

The Board of Directors of Sonterra Municipal Utility District (the “District”) held a regular meeting, open to the public, at 10:30 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 19th day of May, 2011, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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

and all of said persons were present except Director Wedge, thus constituting a quorum. Also in attendance were Theron and Ellie Vaughan; Andy Bilger; Autumn Phillips of Municipal Accounts & Consulting, L.P.; Jason Jones and Ken Heroy of Jones-Heroy Engineers; Robert Anderson of Crossroads Utility Services; Anne E. Napoli; Sherry Cummings; Denise Williams; Gabriel Planas; Clay Avery of Case; Ashley Singh; Tony Corbett (via telephone during executive session) and Lauren Hughes of Freeman & Corbett.

1. The Board first considered the minutes of the Board’s April 19, 2011 meeting. Director Frymire made a motion that the Board approve the minutes subject to revising the minutes to show that Annie Napoli was also present at the meeting. Director Schwarz seconded the motion, which the Board passed unanimously.

2. The Board then considered the Utility Operator’s Report. Mr. Anderson gave a brief update on the status of development within the District.

3. The next item was consideration of the bills and invoices. Ms. Phillips presented a list of bills and invoices to the Board and explained the Bookkeeper’s Report. Ms. Phillips recommended the District void Check No. 6219 for Director Wedge’s director fee since she was unable to attend the meeting. Director Allen made a motion to approve the bills and invoices as recommended by Ms. Phillips except Check No. 6219. Director Schwarz seconded the motion, which the Board passed unanimously. A copy of the list of bills and invoices is attached to these minutes.

4. The Board then considered the Developer’s Report. Mr. Vaughan gave a brief update on the status of development within the District. No action was taken by the Board.

5. The Board then considered the Construction Manager's Report. Mr. Bilger gave a brief update on the status of the District's agreement with Sonterra's HOA. Mr. Bilger also updated the Board on the status of the pool construction. No action was taken by the Board.

6. The Board next considered the Engineer's Report. Mr. Jones gave a brief update on the status of development within the District. No action was taken by the Board.

7. The Board next considered the agreement with Sonterra HOA regarding parks and recreational facilities. Mr. Bilger explained that the Board had previously approved the agreement but had not seen a final draft. After discussion, Director Gravell made a motion to approve the agreement with Sonterra HOA regarding parks and recreational facilities and to authorize Mr. Bilger and Mr. Freeman to complete the agreement. Director Allen seconded the motion, which the Board passed unanimously. A copy of the draft agreement is attached as an exhibit to these minutes.

8. The Board then considered the assignment of developer reimbursement rights. Mr. Bilger briefly explained to the Board that Sonterra Development wanted to assign its rights to reimbursement for infrastructure constructed to date to a third party. After discussion, Director Gravell made a motion to approve the assignment of developer reimbursement rights as described. Director Frymire seconded the motion, which the Board passed unanimously.

9. Next, the Board considered taking action regarding creating a Park and Recreation Board to be advisory in nature only. After discussion, the Board concluded that they wanted five members to serve on the Board and they wanted the President of the Park and Recreation Board to report back to the District at its monthly meetings. Director Gravell made a motion to authorize Mr. Bilger to find five candidates to serve on the Board subject to the Board's approval. Director Frymire seconded the motion, which the Board passed unanimously.

10. Next, the Board considered adopting a monthly park and recreation fee. Mr. Bilger explained the fee to the Board. After discussion, Director Gravell made a motion to adopt a park and recreation fee of \$21.00 on the District's monthly billing cycle effective June 1, 2011. Director Allen seconded the motion, which the Board passed unanimously.

11. The Board then considered the District's agreement with Jones-Heroy Engineers. The Board then went into executive session at approximately 12:04 p.m. The Board then came out of executive session at approximately 12:23 p.m. Director Gravell made a motion to terminate the District's contract with Jones-Heroy Engineers effective thirty days from May 19, 2011. Director Allen seconded the motion, which the Board passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:40 a.m.

Secretary, Board of Directors

(SEAL)