

MINUTES OF REGULAR MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, July 19, 2012

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

The Board of Directors of Sonterra Municipal Utility District (the "District") held a regular meeting, open to the public, at 8:00 a.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 19th day of July, 2012, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Bill Gravell	President
Erma Wedge	Vice President
John Faske	Secretary
Trisha Allen	Treasurer
David Chandos	Assistant Secretary/Treasurer

and all of said persons were present, thus constituting a quorum. Also in attendance were Andy Bilger; Michael Luft of Municipal Accounts & Consulting, L.P.; Robert Anderson of Crossroads Utility Services; Mike Fisher of Baker-Aicklen and Associates, Inc.; Theron Vaughan; Anne Napoli; and Ronald J. Freeman and Lauren Hughes of Freeman & Corbett.

1. First, the Board considered the minutes of the Board's June 21, 2012 meeting. Director Chandos made a motion to approve the minutes. Director Faske 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 facilities and services within the District. After discussion, Director Chandos made a motion to authorize Mr. Anderson to solicit up to three bids and accept the lowest bid for a breathing apparatus for use by the District. Director Faske seconded the motion, which the Board passed unanimously.

3. Next, Mr. Luft presented a list of bills and invoices to the Board. Director Wedge made a motion to approve the bills. Director Chandos seconded the motion, which the Board passed unanimously. Copies of the list of bills and invoices are attached as exhibits 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.

5. The Board then considered the Manager's Report. Mr. Bilger gave a brief update on the status of the District.

6. Next, the Board considered the Engineer's Report. Mr. Fisher gave a brief update on the status facilities in the District and mad a recommendation that the District accept certain

facilities. Director Wedge made a motion to accept Mr. Fisher's recommendations for acceptance of the following facilities:

- Sonterra West, Section 5-B
- Sonterra West Section 2-B1 and B2
- Sonterra West Section 8 Detention Ponds (accepted pending completion of remaining checklist items identified by Mr. Fisher, including repair on grout channel near school driveway and general maintenance at outfalls)

Director Chandos seconded the motion, which the Board passed unanimously. A copy of the Engineer's Memorandum is attached as an exhibit to these minutes.

7. The Board then considered the District's policy regarding reimbursement for, or sale of, personal communication devices for Board members and District employees. Mr. Freeman presented a revised policy to the Board based on suggestions made at the District's last meeting. After discussion, Director Wedge made a motion to approve the revised policy as drafted by Mr. Freeman and to authorize Director Wedge to conduct research regarding the current fair market value of former director Bill Frymire's iPad (based on the average prices on Ebay and Craig's List for such items) and obtain payment from Mr. Frymire in that amount should he desire to retain his iPad. Director Allen seconded the motion, which the Board passed unanimously. A copy of the revised Policy is attached as an exhibit to these minutes.

8. Next, the Board discussed taking bids for construction of improvements to Well No. 1. The Board tabled this item.

9. Next, the Board discussed taking action regarding activities related to Corn Hill Regional Water Authority. Director Gravell and Mr. Freeman gave brief reports to the Board on activities related to this Authority. No action was taken by the Board.

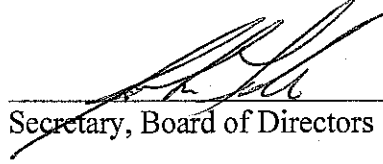
10. The Board then considered a resolution requesting financial assistance for local park grant program. Director Gravell made a motion to authorize Naismith Engineering to resubmit the District's grant application for the local park program provided that the cost to do so does not exceed \$300.00. Director Faske seconded the motion, which the Board passed unanimously.

11. The Board then conducted a public hearing regarding resubmitting the District's grant application for the local park program. Ms. Napoli stated she agreed with the Board's decision to resubmit the application but stated she did not believe the Board should spend any more money on the resubmitted application process than the \$300 approved.

12. Next, the Board considered taking actions related to the District's reimbursement agreements with Sonterra Development of Jarrell Texas, LLC. The Board convened in executive session at 9:02 a.m. to seek legal advice from Mr. Freeman and came out of executive session at 9:21 a.m. Mr. Vaughan reported in open session that he was notifying the District that the reimbursement agreement would be assigned from Sonterra Development of Jarrell Texas, LLC to a new purchaser of his land, Four Seasons Land & Development, L.L.C. Director Wedge made a motion to approve a resolution acknowledging receipt of notice by the District of Sonterra Development of Jarrell Texas, LLC's assignment of the reimbursement agreement to

Four Seasons Land & Development, L.L.C. and to authorize President Gravell to execute letters to the new buyer concerning the status of various matters as requested by the new developer, subject to any changes required by Mr. Freeman. 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 _____ a.m.



Secretary, Board of Directors

(SEAL)