

MINUTES OF SPECIAL MEETING OF  
SONTERRA MUNICIPAL UTILITY DISTRICT  
Monday, January 31, 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 2:00 p.m., at 113 Limestone Terrace, Jarrell, Texas, inside the boundaries of the District, on the 31<sup>st</sup> day of January, 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/Assistant Secretary
Erma Wedge	Director

and all of said persons were present, except Director Gravell initially (he entered the meeting as noted below), thus constituting a quorum. Also in attendance were Theron Vaughan; Andy Bilger; Richard Hamala of Tiemann, Shahady & Hamala, P.C.; and Anthony S. Corbett and Lauren Hughes of Freeman & Corbett.

1. First, the Board considered taking action regarding agreement or agreements related to legislative services related to proposed Corn Hill Regional Water Authority. After discussion, Director Wedge made a motion to approve hiring Cliff Johnson for legislative services related to proposed Corn Hill Regional Water Authority. Director Frymire seconded the motion, which the Board passed 4-0.

2. Next, the Board considered the Corrected Resolution to the TCEQ for approval of the District’s Bond Issue No. 3. Mr. Corbett explained the Resolution to the Board. After discussion, Director Wedge made a motion to approve the Corrected Resolution to the TCEQ for approval of the District’s Bond Issue No. 3. Director Frymire seconded the motion, which the Board passed 4-0.

3. The Board then considered engaging special legal counsel regarding the District water treatment plant. Mr. Hamala presented his engagement letter to the Board. After discussion, Director Wedge made a motion to approve the engagement letter from Tiemann, Shahady & Hamala, P.C. Director Frymire seconded the motion, which the Board passed 4-0. A copy of the engagement letter is attached as an exhibit to these minutes. Director Gravell entered the meeting at this time.

4. The Board then entered into executive session to receive legal advice from Mr. Hamala regarding the District water treatment plant at approximately 2:20 p.m. The Board came out of executive session at approximately 2:41 p.m.

5. Next, Director Gravell, who had entered the meeting during the executive session, made a motion to authorize Mr. Hamala to resolve the title issue regarding the District's water treatment plant. Director Wedge seconded the motion, which the Board passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at approximately 2:50 p.m.

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Secretary, Board of Directors

(SEAL)