

MINUTES OF SPECIAL MEETING OF
SONTERRA MUNICIPAL UTILITY DISTRICT
Thursday, April 7, 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 7th day of April, 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, thus constituting a quorum. Also in attendance were Theron and Ellie Vaughan; Andy Bilger; Jason Jones of Jones-Heroy Engineers; Bob West of West Davis and Company, LLP; Patrick Sharp a landowner in the vicinity of the District; and Ronald Freeman of Freeman & Corbett.

1. The Board first considered the proposed amendment no. one to the Strategic Partnership Agreement with the City of Jarrell. Mr. Bilger explained the proposed amendment to the Board. After discussion, Director Gravell made a motion to approve the amendment no. one to the Strategic Partnership Agreement with the City of Jarrell. Director Schwarz seconded the motion, which the Board passed unanimously. A copy of the amendment is attached to these minutes.

2. The Board then considered approval of the minutes of the Board's March 17, 2011 meeting and March 24, 2011 meeting. Director Wedge made a motion that the Board approve the minutes subject to revising The March 24, 2011 minutes to reflect the correct officer positions of directors Wedge and Allen. Director Gravell seconded the motion, which the Board passed unanimously.

3. The Board then considered the draft report on the developer's reimbursement audit and disbursements from Bond Issue 3. Mr. West explained his Report to the Board. After discussion, Director Gravell made a motion to approve the developer's reimbursement audit report and authorize disbursements from Bond Issue 3 as proposed in the draft report subject to (i) approving any additional taxes on the detention pond site for reimbursement if approved by the auditor and consistent with TCEQ rules, (ii) releasing detention pond site reimbursement only upon receipt of a title search reflecting good title in the District and (iii) all developer reimbursement being subject to approval of conveyance documents and lien releases by the District's General Counsel. Director Frymire seconded the motion, which the Board passed unanimously.

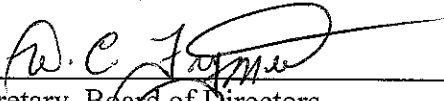
4. Next, the Board discussed acquisition of landscaping equipment by lease and/or purchase. Director Gravell indicated that he had acquired three separate bids for lease/purchase of a tractor for landscaping use with prices between \$25,000 and \$50,000 and he made a motion to approve the lease/purchase of a tractor with Coufal-Prater Equipment Ltd, as being the most advantageous to the District. Director Allen seconded the motion, which the Board passed unanimously.

5. The Board then considered hiring District employees for parks and recreation or other purposes. After discussion, Director Gravell made a motion to authorize him and Mr. Bilger to hire a maintenance person for the parks and recreation facilities. Director Wedge seconded the motion, which the Board passed unanimously.

6. The Board then considered taking action regarding a landowner's request for de-annexation of property from the District. After discussion, Mr. Freeman advised the Board that it does not have the power to de-annex property from the District once bonds have been issued by the District unless at the same time land is also annexed into the District that is less expensive to serve and that has more taxable assessed value; unilateral de-annexations are simply not permitted under the law. No action was taken by the Board.

7. Next, the Board considered taking action regarding the Association of Water Board Directors Conference in Fort Worth, Texas. Mr. Gravell explained the conference to the Board. After discussion, Director Gravell made a motion to authorize any member of the Board to attend the Association of Water Board Directors Conference in Fort Worth, Texas at District expense. 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 11:45 a.m.


Secretary, Board of Directors

