

**NORTHTOWN MUNICIPAL UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS' MEETING**

September 22, 2011

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

A special meeting of the Board of Directors of Northtown Municipal Utility District was held on September 22, 2011, at the offices of Armbrust & Brown, PLLC, 100 Congress Ave., Ste. 1300, Austin, Texas 78701. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit "A"**.

The roll was called of the members of the Board:

Robin Campbell	-	President
Brenda Richter	-	Vice President
Scott M. Gray	-	Treasurer
Alex Martinez	-	Secretary
Felix T. Amaro, Jr.	-	Assistant Secretary

and all of the Directors were present, except Director Gray, thus constituting a quorum. Also present at the meeting were Cheryl Allen and William Gunkle of Southwest Securities; Carol Pumbo of McCall Parkhurst & Horton, L.L.P.; Scott Foster of Kimley-Horn & Associates, Inc., Kathy Haught, a resident of the District and Sue Brooks Littlefield of Armbrust & Brown, PLLC.

Director Campbell called the meeting to order at 12:30 p.m. and stated that the Board would first receive and review bids for the District's \$4,790,000 Unlimited Tax and Revenue Bonds, Series 2011 (the "Bonds") and recognized Ms. Allen. Ms. Allen distributed the information attached as **Exhibit "B"** and reviewed it with the Board. She pointed out that interest rates had fluctuated over the past year, with a low of about 3.5%. She then reviewed the bid tabulation attached as **Exhibit "C"**, and pointed out that the low bid was 3.39%, which she thought might be the lowest rate she had ever gotten. In response to a question from Director Richter, she explained that there were very few bonds in the market and that "A" rated bonds were highly sought. She confirmed that Samco Capital Market's ("Samco's") interest rate calculations were correct and that they were the low bidder. She recommended award of the sale to Samco. Ms. Allen stated that she had initially thought the District would receive more bids, but thought that some of the bidders were not willing to bid at such a low rate. Ms. Allen reminded the Board that she had not included the interest rate for the Bonds in the current debt service tax rate, and that a small increase would be necessary in the 2013 fiscal year. Ms. Allen noted that it would be necessary for the Board President to sign a letter to the Texas Commission on Environmental Quality ("TCEQ") explaining that a lower interest rate had been obtained and a lower amount of bonds issued. Ms. Allen then reviewed the letter to Moody's Investor Service attached as **Exhibit "D"** and requested Board approval. She reminded the Board that the District was scheduled to close the sale on October 6th, and Ms. Pumbo confirmed that she had prefiled the bond

transcript with the Attorney General's office. Ms. Allen stated that she had scheduled the closing to occur quickly because the market was so volatile. She stated that she would provide the bond sale information to the auditor and the auditor's report would be presented at the next regular meeting.

Ms. Polumbo then presented the Order Authorizing the Issuance of \$4,790,000 Northtown Municipal Utility District Unlimited Tax and Revenue Bonds, Series 2011; Awarding the Sale of the Bonds; Authorizing the Levy of an Ad Valorem Tax in Support of the Bonds; Entering Into a Paying Agent/Registrar Agreement; Approving an Official Statement; and Other Matters Related to the Issuance of the Bonds attached as **Exhibit "E"** and reviewed it with the Board. She explained that this Order authorized the issuance of the Bonds, set forth the form of the Bonds, authorized entering into the paying agent/registrar agreement and authorized finalizing the Preliminary Official Statement with the information needed to convert it to the Official Statement. She stated that one of the most important covenants in the Order was the District's promise and covenant to levy a tax rate sufficient to pay the debt service on the Bonds, and explained that, if the Board or a future Board, did not do so, the bondholders would be able to mandamus the Board to require the levy of the necessary taxes. Ms. Allen thanked the Board for holding the meeting downtown, and stated that this had resulted in a savings in the interest rate. Director Richter then moved award of the sale of the Bonds to Samco and, upon second by Director Martinez, the motion was unanimously adopted. Director Richter then moved that the Board approve the Order and the related letters as described by Ms. Allen. Upon second by Director Martinez, the Board voted unanimously to approve the Order and the execution and delivery of the related letter to the TCEQ and rating agency.

Director Richter then moved approval of the Paying Agent Registrar/Agreement attached as **Exhibit "F"**. Upon second by Director Amaro, the Board voted unanimously to approve the Agreement.

Upon motion by Director Richter and second by Director Martinez, the Board voted unanimously to approve the Amended and Restated Information Form attached as **Exhibit "G"**, to reflect the increase in the District's issued bonds. Ms. Haught thanked the Board for holding the meeting downtown since it had resulted in a savings in the interest rate.

There being no further business to come before the Board, the meeting was adjourned.

Date: _____.

(SEAL)

Alex Martinez, Secretary
Board of Directors