

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

October 25, 2007

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 October 25, 2007, at the offices of Armbrust & Brown, L.L.P., 100 Congress Avenue, Suite 1300, Austin, Texas. 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:

Texana Kowis	-	President
Robin Campbell	-	Vice President
Brenda Richter	-	Secretary
Michael Zeniecki	-	Assistant Secretary
William E. Henderson	-	Treasurer

and all of the Directors were present, except Director Kowis, thus constituting a quorum. Also present at the meeting were Cheryl Allen and Linda Loup of Southwest Securities; Carol Polumbo of McCall Parkhurst & Horton; Mike Morin of ECO Resources, Inc. and Sue Brooks Littlefield of Armbrust & Brown, L.L.P.

Director Campbell called the meeting to order at 12:15 p.m., and stated that the Board would first consider taking action regarding the District's \$6,005,000 Unlimited Tax and Revenue Bonds, Series 2007. Ms. Littlefield advised the Board that the District had received Texas Commission on Environmental Quality authorization to purchase the facilities which were proposed to be bonded, a copy of which is attached as **Exhibit "B"**.

Ms. Allen then presented information on historical interest rates, and pointed out that interest rates had been substantially higher in June and July because of school district bond sales which had flooded the market. She presented a summary of the bids which had been received on the District's bonds, a copy of which is attached as **Exhibit "C"**, and explained that the District had received three legal bids, and one additional bid that was not structured correctly. She stated that the low bid was 4.10%, which was an excellent bid, and compared very favorably to others in the market. She stated that the District's underlying rating had improved since the time of its last bond sale, and advised the Board that the District's bonds had also qualified for insurance from all four insurance companies. She presented the updated projection of income and expenses attached as **Exhibit "D"**, and explained that, because the interest rate on the bonds was lower than anticipated, the District would be able to have a lower debt service tax rate than had originally been projected. She stated that she recommended award of sale of the bonds to First Southwest Company, the low bidder. Upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to do so.

Ms. Allen then explained that the sale was scheduled to close on October 31, 2007. Ms. Polumbo confirmed that she had received preliminary approval from the Attorney General's office, and that there were only a few signed documents which still needed to be provided. She reminded the Board of the District's covenant, contained in the Order Authorizing the Issuance of \$6,005,000 Northtown Municipal Utility District Unlimited Tax and Revenue Bonds, Series 2007; Awarding the Sale of the Bonds; Authorizing a 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, a copy of which is attached as **Exhibit "E"**, to set a tax rate sufficient to pay the debt service on the bonds. She stated that the District had received a good faith check, which would be held until the closing. She also explained that, when the Board met the following month, it would approve the reimbursement report, accept the conveyance of facilities, and approve the disbursements under the report. After discussion, upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to approve the Order.

Director Campbell then reminded the Board of the need to update the District's Information Form in order to reflect the sale of the bonds. After discussion, upon motion by Director Richter and second by Director Zeniecki, the Board voted unanimously to approve the Amended and Restated Information Form attached as **Exhibit "F"**.

There being no further business to come before the Board, the meeting was adjourned at 12:36 p.m.

Date: _____.

(SEAL)

Brenda Richter, Secretary
Board of Directors