

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 84

**Minutes of Special Meeting of Board of Directors
November 5, 2009**

The Board of Directors of Montgomery County Municipal Utility District No. 84 met in special session, open to the public on November 5, 2009, and held at 1300 Post Oak Boulevard, Suite 1400, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

David Jezierski, President
Scott Finger, Vice President
John Becker, Secretary
Candice H. Creekmore, Assistant Secretary
Edward J. Boado, Director

and all of said persons were present, except Director Jezierski, thus constituting a quorum.

Also present were Lisa Hernandez of Municipal Accounts & Consulting, L.P. ("MAC"); Tommy Weaver of Friendswood Development Company ("Friendswood"); Sherri Greenwood of BKD, LLP; and Joseph M. Schwartz and Linda Knox of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, the Vice President called the meeting to order and declared it open for such business as might regularly come before it.

APPROVAL OF AUDIT RELATIVE TO DISBURSEMENT OF PROCEEDS FROM THE DISTRICT'S \$5,500,000 UNLIMITED TAX BONDS, SERIES 2009

The Board considered the approval of an audit report relative to the District's \$5,500,000 Unlimited Tax Bonds, Series 2009 ("Series 2009 Bonds") and the disbursement of bond proceeds in accordance therewith. In that regard, Ms. Greenwood reviewed with the Board an audit report prepared by BKD, LLP, in connection with the payment of funds to Friendswood and to Montgomery County Municipal Utility District No. 83 ("No. 83"). Mr. Schwartz also noted that: (1) \$1,610,087.67 of the proceeds from the Series 2009 Bonds will be utilized for payment of the redemption price (principal and all accrued interest) of the District's Series 2008A Bond Anticipation Note held by Third Coast Bank, SSB; (ii) \$1,073,391.78 of the proceeds from the Series 2009 Bonds will be utilized for payment of the redemption price (principal and all accrued interest) of the District's Series 2008B Bond Anticipation Note held by the Stunja Family Trust; and (iii) \$359,586.25 of the proceeds from the Series 2009 Bonds will be utilized for payment of

the redemption price (principal and all accrued interest) of the District's Series 2008C Bond Anticipation Note held by Atlas Service Link, LLC (collectively, the "BAN"). After discussion, Director Becker moved that the audit report be approved by the Board and that proceeds of said Series 2009 Bonds be disbursed in accordance with said report subject to (i) closing on the sale of the Series 2009 Bonds on November 9, 2009, and (ii) the receipt of an executed Receipt and Indemnity from Friendswood, and that proceeds from the District's Series 2009 Bonds be utilized as set forth above for full and final payment of the District's BAN. Director Finger seconded said motion, which unanimously carried.

APPROVAL OF INTERNAL REVENUE SERVICE FORM 8038-G RELATIVE TO THE DISTRICT'S \$5,500,000 UNLIMITED TAX BONDS, SERIES 2009

The Board considered authorizing the execution and filing of Internal Revenue Service Reporting Form 8038-G relative to the issuance of the District's Series 2009 Bonds. After discussion on the matter, it was moved by Director Becker, seconded by Director Finger and unanimously carried that the President be authorized to execute said form on behalf of the Board and the District.

CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS AND INTERNAL REVENUE SERVICE RESTRICTIONS ON SAME IN CONNECTION WITH THE DISTRICT'S \$5,500,000 UNLIMITED TAX BONDS, SERIES 2009

Mr. Schwartz presented and reviewed correspondence from SPH, as Bond Counsel for the issuance of the Series 2009 Bonds, addressed to the Board of Directors regarding certain provisions of the federal tax law and regulations of the Internal Revenue Service ("IRS") pertaining to the expenditure and investment of proceeds of the Series 2009 Bonds. He advised the Board that certain periodic reviews and reports are required in order to monitor compliance with the requirements set forth therein and that arbitrage rebate or yield reduction payments could be required to be made based on said review and reports. Mr. Schwartz also explained that the District's bookkeepers would monitor investment rates and that the District's financial advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. Mr. Schwartz advised the Board, however, that compliance with the IRS requirements is ultimately the responsibility of the Board of Directors.

APPROVAL AND EXECUTION OF AN AMENDMENT TO THIRD AMENDED AND RESTATED DISTRICT INFORMATION FORM IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S \$5,500,000 UNLIMITED TAX BONDS, SERIES 2009 BONDS

Mr. Schwartz presented and discussed with the Board an Amendment to the Third Amended and Restated District Information

Form in connection with the issuance of the District's Series 2009 Bonds, to be effective as of November 9, 2009. After discussion on the matter, Director Becker moved that the Amendment to the Third Amended and Restated District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Finger seconded said motion, which carried unanimously.

CONSIDER AND ACT UPON ANY OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S \$5,500,000 UNLIMITED TAX BONDS, SERIES 2009

The Board considered authorizing the execution of various closing documents relative to the District's Series 2009 Bonds, including the District's Receipt, a No-Litigation Certificate and a Federal Tax Certificate. After discussion on the matter, it was moved by Director Becker, seconded by Director Finger and unanimously carried that the President and Vice President, as appropriate, be authorized to execute such closing documentation and the Secretary to attest same on behalf of the Board and the District, and that SPH be authorized to approve closing on the sale of the Bonds.

BOOKKEEPING REPORT

Ms. Hernandez next presented for the Board's review the bookkeeping report, dated November 5, 2009, a copy of which is attached hereto as **Exhibit A**, including the checks presented for payment. A discussion ensued regarding check no. 1064 payable to Costello, Inc. in the amount of \$40,234.00 for the preparation of the Bond Application Report for the District's Series 2009 Bonds. Ms. Greenwood advised the Board that she would confirm that Costello, Inc. had not already been paid for this work. Upon motion duly made by Director Becker, seconded by Director Finger and unanimously carried, payment was approved of the attached list of checks as identified in said report.

ADJOURNMENT

There being no further business to come before the Board, it was moved Director Becker, seconded by Director Finger and unanimously carried, that the meeting be adjourned.

/s/ John Becker

John Becker
Secretary, Board of Directors

LIST OF ATTACHMENTS

Exhibit A Bookkeeping Report