

MINUTES OF SPECIAL MEETING  
NORTHAMPTON MUNICIPAL UTILITY DISTRICT  
HARRIS COUNTY, TEXAS

August 31, 2016

THE STATE OF TEXAS     §  
                                      §  
COUNTY OF HARRIS     §

The Board of Directors (the "Board") of Northampton Municipal Utility District (the "District") of Harris County, Texas, met in special session, open to the public, at 7:00 p.m., on the 31st day of August, 2016, at the special meeting place thereof, the Northampton Center, 6012 Root Road, Spring, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

E. C. Thomas	President
Bill Black	1st Vice President
W. Paul Schneider	2nd Vice President
Scott Kirkpatrick	Secretary
Roger A. Flood III	Treasurer/Investment Officer

All members of the Board were present, thus constituting a quorum.

Also present were Mr. Jim Sheffield, the District's General Manager; Ms. Jan Bartholomew of Robert W. Baird & Co. the District's Financial Advisor; and Mr. John Wallace, of Bacon & Wallace, L.L.P., the District's Attorney.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

\$2,700,000 DEFINED AREA UNLIMITED TAX ROAD BONDS, SERIES 2016

John Wallace presented a revised Summary of Costs, a copy of which is attached hereto as an exhibit. He stated that the Summary had been revised to delete the left turn lane project because it was located outside of the Defined Area boundary. The enabling legislation for road powers limited bonds to those projects only within the Defined Area. Upon motion duly made and seconded, the Board voted unanimously to approve the Summary of Costs as revised.

Jan Bartholomew reviewed the bids on the \$2,700,000 Defined Area Unlimited Tax Road Bonds, Series 2016 ("Road Bonds"). Ms. Bartholomew then presented a bid sheet, a copy of which

is attached hereto as an exhibit. She informed the Board that the low bidder was Hilltop Securities Inc. at a net interest rate of 3.397774%. Ms. Bartholomew stated that the Bonds were non-rated, non-insured and not bank qualified. She next informed the Board that the good faith check had been delivered. Ms. Bartholomew then recommended the Board award the sale to Hilltop Securities Inc. Upon motion duly made and seconded, the Board voted unanimously to award the sale of the Bonds to Hilltop Securities Inc.

Mr. Wallace next presented the Order Authorizing Issuance of the Series 2016 Bonds, Official Statement, General Certificate, Rule 15c2-12 Certificate, Signature Identification and No-Litigation Certificate, Paying Agent/Registrar Agreement and letters to the Comptroller and Attorney General for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the documents as presented and to authorize the Attorney and Financial Advisor to do all things necessary to complete the sale and delivery of the Bonds. It was noted that the proposed closing was scheduled for September 29, 2016.

#### REFUNDING BONDS AND AUTHORIZE PARAMETER SALE

Ms. Bartholomew then presented and reviewed a draft Preliminary Official Statement (“POS”) for the proposed \$4,710,000 par amount. The Bonds will refund a portion of the Series 2010 Bonds and Series 2010 Refunding Bonds. She stated that the Bond issue would comply with the City of Houston (“COH”) refunding criteria because it does not extend the debt, achieves annual savings, and provides at least a three percent present value savings. Ms. Bartholomew next stated that the projected present value savings was 8.519%, and the gross savings net would be \$525,117 net of costs.

Ms. Bartholomew then reviewed the proposed parameter sale. She stated that she would finalize the Official Statement and submit the application for the Bond rating to Moody’s Investor Services. She then noted that the Bonds would sell fifteen days after the Road Bonds had been issued. Ms. Bartholomew informed the Board that the parameter sale would be an Advance Refunding, and the call date would be March 1, 2018. She stated that an escrow agreement would be used to fund the Bond proceeds, and to pay off all of the old bonds on their call date. She then mentioned that an underwriter would be selected when the deal was priced, which would price in three weeks. Ms. Bartholomew then advised the Board to authorize a Board member to sign the Official Pricing Certificate and Bond Purchase Agreement. Ms. Bartholomew then recommended the District use Raymond James as an underwriter. Upon motion duly made and seconded, the Board voted unanimously to approve the selection of Raymond James as underwriter. Upon motion duly made and seconded, the Board voted unanimously to proceed with the sale of Refunding Bonds by parameter sale with a present value savings of at least seven percent. Upon motion duly made and seconded, the Board voted unanimously to approve the Bond documents and authorize Director Flood to sign the Official Pricing Certificate and Bond Purchase Agreement.

#### OTHER MATTERS

Director Kirkpatrick reported on the Liftwater Construction, Inc. He informed the Board that he and Director Black met with Jones & Carter regarding the construction of the Wastewater

Treatment Plant No. 2 Phase I final pay estimate. He stated that the District paid Jones & Carter \$25,849.00 to facilitate the contract and the project was not completed in a timely manner. He stated that the District paid Jones & Carter \$25,849.00 to facilitate the contract; however, the project was not completed on time. He then asked the Board approval to allow Jones & Carter to send a letter to the contractor regarding deducting the cost of the engineering efforts from the contract, a copy of which is attached hereto as an exhibit. Director Kirkpatrick stated he did not propose pursuing liquidated damages; although he did request electronic copies of the Operations and Maintenance manuals. Upon motion duly made and seconded, the Board authorized Jones & Carter to send the letter to Liftwater.

Jim Sheffield next updated the Board on Water Plant No. 1 new generator. Mr. Sheffield informed the Board that the diesel gas tanks needed to be moved to accommodate the new generator. He then noted that the fuel would have to be removed from the gas tanks before removing it. He next stated that the Operator would remove the gas tanks. Mr. Sheffield stated that the District would keep the gas tank as well as the slab had been set for the new generator. He then informed the Board that the diesel tank would be set in a temporary location and once the new generator was installed the District could remove of the temporary slab.

Director Black stated that photos had been sent out for the new bridge footings and it looked good. He then stated he had lunch with Sylvia, a director of Oakmont Public Utility District ("Oakmont") regarding the Joint Use Agreement. He informed the Board that Oakmont had decided to sever the Joint Use Agreement and maybe even the Management Agreement. Director Black presented and reviewed a draft of Northampton recreational facilities and fees for non-residents of Oakmont, a copy of which is attached hereto as an exhibit. He stated that he worked on the access costs to non-residents. The Board then discussed the various charges of fees for different facilities and programs, and the costs of providing services, such as a heated pool. A committee was formed with Mr. Sheffield, Directors Black and Scott to work on the costs for nonresidents using the facilities

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

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Secretary, Board of Directors

(SEAL)