

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

Minutes of Meeting of Board of Directors

December 11, 2012

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on December 11, 2012, at the Bentwater Country Club, 800 Bentwater Drive, Montgomery, Texas, inside the boundaries of the District with a quorum of directors present as follows:

Louis J. Tichacek, President
Linda B. Pierce, Vice President
Joe Constantino, Secretary
Chris Uzelmeier, Assistant Secretary
Roy Champagne, Treasurer

and the following directors absent:

None

Also present at the meeting were J. Ron Young of Young & Brooks, Ken Byrd of Equi-Tax, Inc., Dan Wright of Hays Utility Service Corporation, Wendy Austin of District Data Services, John Bleyl, P.E. of Bleyl & Associates and Steve Seay.

The president called the meeting to order and declared it open for such business as may come before the board.

The board approved the minutes of the board meeting held on November 13, 2012.

Wendy Austin reported as to bookkeeping matters within the District.

Ken Byrd reported as to the status of tax collections within the District. The District is 99.0% collected for 2011.

Dan Wright reported as to operational matters within the District. There are 1946 connections in the District.

John Bleyl reported as to engineering matters within the District. The board unanimously approved change order #2 as a deduct in the amount of \$7330.00. The board approved a water pressure model for the entire District. Upon motion duly made, seconded and unanimously adopted, the board authorized Bleyl to design the generator for the five year plan.

Steve Seay discussed development in the District.

The board unanimously approved a Resolution Reviewing Investment Policies.

Director Uzelmeier discussed a summary of the annexation process applicable to the City of Conroe and Bentwater.

There was presented to the board a list of bills for the approval of payment, a copy of which is attached hereto. After discussion, upon motion duly made, seconded and unanimously carried, the board approved said bills and ordered checks to be issued on the appropriate accounts of the District in payment thereof.

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



Secretary, Board of Directors

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

RESOLUTION REVIEWING INVESTMENT POLICY
AND INVESTMENT STRATEGIES

WHEREAS, Montgomery County Municipal Utility District No. 18 (the "District") is a political subdivision of the State of Texas and has adopted an investment policy and investment strategies pursuant to Texas Government Code Chapter 2256, as amended; and

WHEREAS, the District's investment policy and investment strategies provide for an annual review by the District's Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the board of directors of Montgomery County Municipal Utility District No. 18 (the "Board") that:

- Section 1: The Board has reviewed the District's investment policy and investment strategies with input from the District's financial consultants.
- Section 2: The Board has determined to not make any changes to the District's investment policy.
- Section 3: The Board has determined to not make any changes to the District's investment strategies.
- Section 4: The Board has reviewed the District's methods of purchasing investments and hereby adopts the following list of qualified brokers, attached hereto as Exhibit "A" and incorporated herein, as the brokers that are authorized to engage in investment transactions with the District.

PASSED AND APPROVED this 11th day of December, 2012.



President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT A
LIST OF AUTHORIZED BROKERS/DEALERS

Alief Alamo Bank	Legg Mason Wood Walker, Inc.
Amegy Bank	LOGIC (Local Gov't Investment Cooperative)
American Bank	Lone Star Investment Pool
Bank of America	Lone Star Bank
Bank of Houston	Main Street Bank
Bank of Tanglewood, USA	Maxim Bank
Bank of West University (Tanglewood Branch)	Merchants Bank
Bank One	Merrill Lynch, Inc.
Bank One Texas, NA	Metro Bank
Bluebonnet Savings	Morgan Keegan, Inc.
Central Bank	MBIA Texas Class
Chase Bank of Texas, N.A.	North Houston Bank
Chase Securities of Texas, Inc.	Northwest Bank
Chasewood Bank	PaineWebber, Inc.
Citizens Bank Bellaire	Paradigm Bank
Citizens National Bank	Plains State Bank
Clear Lake National Bank	Prime Bank
Coastal Banc	Prosperity Bank
Community Bank	Republic National Bank
Compass Bank	Salomon Smith Barney
Comerica Bank	Security State Bank
Crosby State Bank	Salomon Smith Barney
Dain Rauscher Incorporated	Southern National Bank of Texas
Dean Witter, Inc.	SouthTrust Bank
Enterprise Bank	Southwest Bank of Texas
Fidelity Investments	Southwest Securities, Inc.
First Bank of Missouri City	State Bank of Texas
First Bank of Texas	Sun America Securities, Inc.
First Community Bank	TexPool
First National Bank Rosenberg	TEXSTAR
First State Bank	Texas Capital Bank
First Southwest Company	Texas First Bank
FiServ Investor Services	Texas Guaranty Bank
Frost Bank	Texas National Bank
Green Bank	Tradition Bank
Guaranty Federal Bank	Tri Star Financial
Heritage Bank	Union Planters Bank
Horizon Capital Bank	Unity Bank
Houston Commerce Bank	Wallis State Bank
Houston Community Bank	Wells Fargo Bank
Houston Savings	Whitney Bank
International Bank of Commerce	Woodforest National Bank
Independence Bank	
J.P. Morgan Chase Bank	
Klein Bank	
League City Bank & Trust	