

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 18

Minutes of Meeting of Board of Directors

April 9, 2013

The Board of Directors of the Montgomery County Municipal Utility District No. 18 held a regular meeting, open to the public, on April 9, 2013, 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
Joe Constantino, Secretary
Chris Uzelmeier, Assistant Secretary
Roy Champagne, Treasurer

and the following directors absent:

Linda B. Pierce, Vice President

Also present at the meeting were J. Ron Young of Young & Brooks, Drew Masterson of First Southwest Company, 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 Rex Cambern.

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 March 12, 2013.

The board recognized Drew Masterson of First Southwest Company, who presented a report reflecting the potential savings to be achieved through the proposed 2013 refunding bond issue along with information regarding underwriters currently active in utility district financings, and a draft preliminary official statement which he reviewed with the board. After discussion, upon motion duly made, seconded and unanimously carried, the board designated SAMCO Capital Markets, Inc. as the underwriter for the bonds. After further discussion, upon motion duly made, seconded and unanimously carried, the board approved the proposed plan of financing, preliminary official statement, and sale of the Series 2013 Refunding Bonds, provided the District realizes a net present value savings of at least 5.0% of the principal amount of the refunded bonds.

The board was presented with the Bond Order attached hereto for the issuance of the District's Unlimited Tax Refunding Bonds Series 2013, which Bond Order designates the District's President and Treasurer for a period of six (6) months as the Authorized Officer to approve the final terms for the issuance and sale of the Series 2013 Refunding Bonds. The Bond Order, with its exhibits attached thereto, was fully considered by the board, and upon motion duly made, seconded and unanimously carried the President was authorized to execute and the Secretary to attest same on behalf of the District.

The Paying Agent/Registrar Agreement and the Escrow Agreement between the District and The Bank of New York Mellon Trust Company, N.A., were presented for approval and execution. Upon motion duly made, seconded and unanimously carried, these agreements were approved, and the board authorized the President and Secretary to execute same on behalf of the District and the Board of Directors.

Upon motion duly made, seconded and unanimously carried, the board further authorized its officers to execute the numerous documents and letters presented to the board in connection with the issuance for the Series 2013 Refunding Bonds and transcripts, and to execute any further documents required by the Attorney General in connection with the approval of the Series 2013 Refunding Bonds. The board unanimously approved a financial advisory fee agreement with First Southwest Company for the proposed refunding transaction. The board further authorized First Southwest Company and Young & Brooks in their respective capacities, to finalize matters concerning the issuance, delivery and funding of the bonds upon approval of the Attorney General.

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 96.7% collected for 2012.

Dan Wright reported as to operational matters within the District. There are 1973 connections in the District. The District received all of its credits from the Lone Star Groundwater Conservation District such that the sale of said credits can now be effectuated.

John Bleyl reported as to engineering matters within the District. The contract with N.G. Painting has been completed and the board unanimously accepted the work as complete in

accordance with the engineer's recommendations. The board unanimously approved the contract for three generators and authorized a Notice to Proceed. The escrowed funds application at the TCEQ was discussed.

Director Uzelmeier discussed the prospective park project.

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