

**EMERALD BAY MUNICIPAL UTILITY DISTRICT**  
**FINAL AND APPROVED**  
**MINUTES OF SPECIAL MEETING**  
**JULY 5, 2010**

The Board of Directors of the Emerald Bay Municipal Utility District met in special session on Monday, July 5, 2010, at 1:00 p.m. at the District office, 155 LaSalle Drive, Bullard, TX 75757. Present were Directors Bill Harris, Ray Hartley, Deena Johnson, and Paul Randolph. Director Jaymie Foote was excused. Four District residents attended the meeting.

President Harris called the meeting to order at 1:07 p.m. and advised the purpose of the meeting was to review and approve taking any and all necessary action relative to Emerald Bay Municipal Utility District Revenue Note (Note "A") in the amount of \$300,000, the proceeds of which shall be used to improve the water system, and Revenue Note (Note "B") in the principal amount of \$499,950, the proceeds of which shall be used to improve the drainage system for the Golf Course, and authorizing the President with the advice of Special Counsel to sign and approve all documents necessary to effectuate the Notes issue, including any and all requirements of Capital One Bank.

President Harris then read the following motion: **"The Board of Directors does hereby approve the Note Resolution presented to the Board by its President William Harris and Special Counsel John F. Boyle, Jr. authorizing the sale of two (2) Revenue Notes, Note "A" in the amount of \$300,000, the proceeds of which shall be used to improve the District's Water System, and Note "B" in the amount of \$499,950, the proceeds of which shall be used to improve the drainage system for the Golf Course, conveying said Notes to Capital One, National Association on the terms described in the Resolution and in the Notes, including the pledge of District and system revenues, all in accordance with Texas Water Code Chapter 49, Section 49.153 and Texas Government Code, Chapter 1202, Section 1202.007, and applicable Texas law, and authorizing and directing President William Harris and the other necessary officers with the approval of Special Counsel, to sign and approve the Resolution, the two (2) Revenue Notes, and all necessary certificates and documents as necessary to effectuate the Notes issue."** The motion was seconded by Director Hartley and approved unanimously by the directors present (Harris, Hartley, Johnson and Randolph).

Director Harris further explained that the issuance of the Notes and distribution of funding is contingent upon the finalization and approval by all parties of all necessary documentation which may take another week or so.

There being no further business, the meeting was adjourned at 1:11 p.m. upon motion duly made (Randolph) and seconded (Harris) with unanimous consent.

Respectfully submitted,

\_\_\_\_\_  
Deena M. Johnson  
Secretary

\_\_\_\_\_  
William F. Harris  
President

**THE STATE OF TEXAS**  
**COUNTY OF SMITH**

**BEFORE ME**, the undersigned authority, on this day personally appeared William F. Harris and Deena M. Johnson, President and Secretary, respectively, of the Emerald Bay Municipal Utility District; known to me to be the persons whose names are subscribed to the foregoing.

**SUBSCRIBED TO AND SWORN TO** before me, under my official hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Notary Public in and for the State of Texas