

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 165

September 7, 2016

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 165 (the "District") met in special session, open to the public, on the 7th day of September, 2016, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Alan Bentson	President
David Molina	Vice President
Wayne Green	Secretary
Janet Davidson	Assistant Secretary
Keith Maddox	Assistant Vice President

and all of the above were present except Director Molina, thus constituting a quorum.

Also present at the meeting were Ryan Nesmith of Robert W. Baird & Co. Incorporated; and Jessica Holoubek and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

ISSUANCE OF BOND ANTICIPATION NOTE SERIES 2016

Ms. Holoubek presented a Resolution Authorizing the Issuance of a Bond Anticipation Note in the amount of \$15,525,500 to fund the construction or acquisition of (1) construction, engineering/materials testing, and storm water pollution prevention for Pine Creek at Canyon Lakes West, Sections 9, 10, 11, 12, 13, and 14; (2) drainage analysis for Towne Lake Greene; (3) construction, and engineering/materials testing for Towne Lake Greene, Sections 3; (4) construction, and engineering/materials testing for Towne Lake Greene Detention; (5) construction, engineering/materials testing and storm water pollution prevention for Towne Lake Green Section 4; (6) drainage study for Mirabella South; (7) construction, engineering/materials testing and storm water pollution prevention for Mirabella lift station; (8) construction, engineering/materials testing and storm water pollution prevention for Mirabella force main; (9) construction, engineering/materials testing and storm water pollution prevention for Mirabella Sections 4, 6, and 7; (10) construction, engineering/material testing, storm water pollution prevention, and wetlands plantings and monitoring for Langham Creek Phase II; (11) construction, engineering/materials testing and storm water pollution prevention for Mirabella Sections 8, 9, 10, and 11; (12) construction, engineering/materials testing, storm water pollution prevention and turf establishment for U-132 Detention Phase II; (13) construction, engineering/materials testing, and

storm water pollution prevention for Mirabella Section 5; (14) construction, engineering/materials testing and storm water pollution prevention for West Rd. Utilities (east of Mirabella Drive); (15) construction, and engineering/materials testing for Mountain Meadows; (16) construction and engineering for Miramesa Retail/Storm Sewer; (17) construction, engineering/materials testing and storm water pollution prevention for Lift Station No. 1 Replacement; (18) construction, engineering/materials testing, and storm water pollution prevention for Lift Station No. 1 Force Main Replacement; (19) construction and engineering/materials testing for Langham Creek Pilot Channel Restoration; (20) land acquisition for Langham Creek tract, West Detention System and East Detention System; (21) engineering fees; (22) reimbursement for audit estimate; and (23) legal fees, fiscal agent fees, and other bond anticipation note issuance costs.

Mr. Nesmith reviewed bids received for the purchase of the Bond Anticipation Note and recommended that the District award the sale to Trustmark Bank at an interest rate of 1.169%. Mr. Nesmith reported that the closing will occur on September 29, 2016. After review and discussion, Director Davidson moved to adopt a Resolution Authorizing the Issuance of the Bond Anticipation Note and Approve the Issuance of the District's \$15,525,000 Bond Anticipation Note, Series 2016 to Trustmark Bank at 1.169%, authorize the Board of Directors to sign all documents relating to the Bond Anticipation Note, and authorize the District's attorney and financial advisor to take all necessary action to deliver the Bond Anticipation Note to the Purchaser. Director Maddox seconded the motion, which passed by unanimous vote.

Ms. Holoubek next presented the Purchaser's Investment and Bid Letter. After review and discussion, Director Davidson moved to authorize the President and Secretary to sign the Purchaser's Investment and Bid Letter. Director Maddox seconded the motion, which passed by unanimous vote.

Ms. Holoubek presented and reviewed with the Board, a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Davidson moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Maddox seconded the motion, which passed by unanimous vote

Ms. Greenwood reviewed a draft of a developer reimbursement audit setting forth the amounts to be reimbursed to MREC LT Sterling Canyon LLC, Chesmar Homes, Ltd., and Beazer Homes Texas, LP from the proceeds of the Bond Anticipation Note. After review and discussion, Director Maddox moved to approve the developer reimbursement report and authorize developer reimbursement subject to receipt of a signed receipt by the developer receiving funds and subject to final review by ABHR. Director Davidson seconded the motion, which carried unanimously.

There being no additional business to consider, the meeting was adjourned.


Secretary, Board of Directors

