

CERTIFICATE FOR ORDER CANVASSING RETURNS
AND DECLARING RESULTS OF BOND ELECTION

THE STATE OF TEXAS §
COUNTY OF HARRIS §
CLEAR LAKE CITY WATER AUTHORITY §

We, the undersigned Officers of the Board of Directors (the "Board") of Clear Lake City Water Authority (the "Authority"), hereby certify as follows:

1. The Board convened in regular session, open to the public, on the 12th day of November, 2009, at the regular meeting place thereof, and the roll was called of the members of the Board, to-wit:

Gayle I. Yoder	-	President
John B. Branch	-	Vice President
Robert T. Savely	-	Secretary
Vince Johnson	-	Director
John Ferguson	-	Director

All members of the Board were present except the following absentees: all present, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

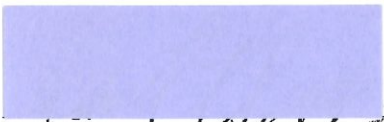
ORDER CANVASSING RETURNS AND DECLARING
RESULTS OF BOND ELECTION

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and, after due discussion, such motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:


AYES: 5 NOES: 0

2. A true, full, and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Order would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by V.T.C.A., Government Code, Chapter 551, as amended.

SIGNED AND SEALED the 12th day of November, 2009.


Secretary, Board of Directors

(SEAL)


President, Board of Directors

ORDER CANVASSING RETURNS AND
DECLARING RESULTS OF BOND ELECTION

STATE OF TEXAS §
COUNTY OF HARRIS §
CLEAR LAKE CITY WATER AUTHORITY §

WHEREAS, on August 13, 2009, the Board of Directors of Clear Lake City Water Authority (the "Authority") properly ordered an election on November 3, 2009 to be held at (i) the Clear Lake City Precinct at the Clear Lake City Recreational Center, 16511 Diana Drive, Houston, Harris County, Texas; (ii) the Brook Forest/Middlebrook Precinct at the University Baptist Church, 16106 Middlebrook Drive, Houston, Harris County, Texas; and (iii) the Clear Lake Forest Precinct at the Taylor Lake Village City Hall, 500 Kirby Boulevard, Taylor Lake Village, Harris County, Texas, all places within the Authority at which the following proposition was submitted in accordance with the law:

PROPOSITION

SHALL THE BOARD OF DIRECTORS OF CLEAR LAKE CITY WATER AUTHORITY BE AUTHORIZED TO ISSUE THE BONDS OF SAID AUTHORITY IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$57,975,400 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, AS DEFINED BY CHAPTER 1204, TEXAS GOVERNMENT CODE, AS AMENDED, ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH SUCH ISSUE OR SERIES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID AUTHORITY, FOR THE PURPOSE OR PURPOSES OF REPAIRING, REHABILITATING AND MAKING CAPITAL IMPROVEMENTS TO THE AUTHORITY'S EXISTING WATERWORKS SYSTEM, SANITARY SEWER SYSTEM, AND DRAINAGE AND STORM SEWER SYSTEM AND THE CONSTRUCTION OF DETENTION AND DRAINAGE/STORM SEWER FACILITIES TO SERVE LAND LOCATED WITHIN THE AUTHORITY AND PURCHASING OR OTHERWISE ACQUIRING ANY AND ALL PROPERTY, CONTRACT RIGHTS, RIGHTS OF USE AND INTERESTS IN PROPERTY NECESSARY, APPROPRIATE OR INCIDENT TO THE REPAIR, REHABILITATION AND MAKING OF CAPITAL IMPROVEMENTS TO THE AUTHORITY'S EXISTING WATERWORKS SYSTEM, SANITARY SEWER SYSTEM, AND DRAINAGE AND STORM SEWER SYSTEM AND FOR DETENTION AND DRAINAGE/STORM SEWER IMPROVMENTS THAT SERVE LAND WITHIN THE AUTHORITY BUT NOT TO INCLUDE DEVELOPER FACILITIES LEASED TO THE

AUTHORITY UNDER EXISTING LEASE PURCHASE AGREEMENTS, ALL AS MORE FULLY DESCRIBED IN THAT CERTAIN ENGINEER'S REPORT APPROVED BY THE AUTHORITY ON AUGUST 13, 2009 AND FOR THE ADDITIONAL PURPOSE OF PAYING ALL EXPENSES IN ANY MANNER INCIDENTAL THERETO AND SUCH EXPENSES AS ARE INCIDENTAL TO THE ADMINISTRATION, AND FINANCING OF THE AUTHORITY WHICH UNDER APPLICABLE LAW MAY PROPERLY BE PAID FROM THE PROCEEDS OF SUCH BONDS; AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF TIMES THE AMOUNT OF BONDS OR OTHER EVIDENCES OF INDEBTEDNESS HEREAFTER ISSUED FOR THE PURPOSE OF REFUNDING ANY BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE AUTHORITY FOR ANY OF THE FOREGOING PURPOSES, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE PLEDGE OF NET REVENUES AND THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID AUTHORITY, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

WHEREAS, notice of said election was duly posted as required by law at the Authority's administrative office and at the location where notices of meetings are posted within the boundaries of the Authority; and

WHEREAS, the Board of Directors has investigated all matters pertaining to the election, including the ordering, giving notice, officers, holding, and making returns of the election;

THEREFORE, THE BOARD OF DIRECTORS OF CLEAR LAKE CITY WATER AUTHORITY AFFIRMATIVELY FINDS AND DECLARES THAT:

1. The election ordered by the Board of Directors on August 13, 2009, was duly and regularly called, notice thereof given and said election was conducted on November 3, 2009, all in accordance with the laws of the United States and the State of Texas, including particularly the Texas Election Code, as amended, and Chapters 49 and 54 of the Texas Water Code, as amended.

2. The returns of said election were regularly made to this Board of Directors by the officers of said election as provided by the Texas Election Code, as amended.

3. The Board of Directors officially finds and determines that the following votes were cast at the Bond Election by the resident, qualified electors of said District, who voted at said election:

1135 FOR THE ISSUANCE OF BONDS AND THE PLEDGE OF NET REVENUES AND THE LEVY OF AD VALOREM TAXES FOR THE PAYMENT OF BONDS

300 AGAINST THE ISSUANCE OF BONDS AND THE PLEDGE OF NET REVENUES AND THE LEVY OF AD VALOREM TAXES FOR THE PAYMENT OF BONDS

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF CLEAR LAKE CITY WATER AUTHORITY THAT:


I.

Said election was duly called, notice thereof given in accordance with the law, and conducted in the manner required by the law and as provided in the Order Calling Bond Election dated August 13, 2009. Due returns of said election have been made by the election officials. The results of said election are hereby declared to be that a majority of said voters of the District voting at said election approved the issuance of bonds in the maximum aggregate amount of FIFTY-SEVEN MILLION NINE HUNDRED SEVENTY-FIVE THOUSAND FOUR HUNDRED DOLLARS (\$57,975,400) described in the proposition submitted at said election.

II.

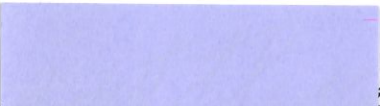
The President or Vice President is authorized to execute and the Secretary is authorized to attest this Order on behalf of the Board of Directors.

PASSED AND APPROVED this 12th day of November 2009



President, Board of Directors

ATTEST:



Secretary, Board of Directors

After Recording, Please Return To:
Julianne B. Kugle, Esq.
Coats, Rose, Yale, Ryman & Lee, P.C.
3 Greenway Plaza, Suite 2000
Houston, Texas 77046-0307

THE STATE OF TEXAS

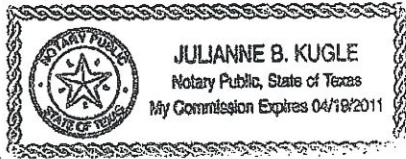
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COUNTY OF HARRIS

This instrument was affirmed and acknowledged before me on November 12, 2009 by Gayle I. Yoder, President of the Board of Directors of Clear Lake City Water Authority, in the capacity herein stated.



(SEAL)



Notary Public in and for the
State of T E X A S

Name Printed or Typed
My commission expires: _____

THE STATE OF TEXAS

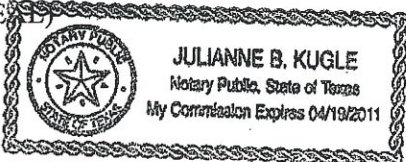
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COUNTY OF HARRIS

This instrument was affirmed and acknowledged before me on November 12, 2009 by Robert T. Savely, Secretary of the Board of Directors of Clear Lake City Water Authority, in the capacity herein stated.



(SEAL)



Notary Public in and for the
State of T E X A S

Name Printed or Typed
My commission expires: _____