

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF
COMMISSIONERS OF MAUMELLE SUBURBAN IMPROVEMENT DISTRICT
NO. 500, A/K/A MAUMELLE WATER MANAGEMENT**

**September 30, 2009
5:00 P.M.**

Commissioners present

Dave Kaufman, Chairman
Mary Peyton, Vice Chairman
Ralph Kearney, Secretary

Managers present

Mike Thomason, G.M.
Barry Heller, Asst. G.M.
Tina Richardson, Office Mgr.
Bryan Smith, Water Mgr.
Todd Crook, WWater Mgr.

Attending

Stuart Hankins, MWM Legal Counsel
Vaughan Hankins, MWM Legal Counsel
Bill Lawson, Maumelle Monitor

The Chairman called the meeting to order at 5:00 p.m. and stated that the purpose of the meeting was to consider a request by Bottomline Construction, Inc. for dismissal without prejudice of the Complaint In Intervention filed by the District which is currently pending in the Pulaski County Circuit Court.

Mr. Stuart Hankins then explained that several months ago, Bottomline, Inc. instituted litigation against the City of Maumelle and the Maumelle Country Club. The Maumelle Country Club litigation with Bottomline could potentially adversely impact the District's property interests concerning its well sites, access easements, pipeline easements, etc. The Board authorized its legal counsel to intervene in the lawsuit to protect the District's property interests. Subsequently, Bottomline settled their lawsuits with the City of Maumelle and the Maumelle Country Club without contacting the District. Due to those actions, the District has been, and is currently in negotiations with Bottomline and its attorney to come up with a Settlement Agreement pertaining to the District's interests.

Mr. Stuart Hankins stated that the purpose of this Special meeting is only for the Board to authorize a dismissal, without prejudice, of the District's Complaint In Intervention. It is not to approve the Settlement Agreement with Bottomline. Also, Mr. Hankins noted that the action to be taken at today's meeting does not deal with the "Conflict of Interest" petition that will have to be filed at a later date following the Board's approval of the Settlement Agreement with Bottomline.

Mr. Vaughan Hankins then discussed a few of his concerns in approving this action. Mr. Hankins stated the Order of Dismissal being requested by Bottomline is mostly to

accommodate Bottomline. Bottomline needs this action completed as soon as possible due to their financing arrangements which are conditional upon the dismissal of the lawsuit.

Mr. Hankins informed the Board that a provision has been put in the Settlement Agreement that, if the Board approves of the dismissal, before the order is given to the court for entry, the District's legal counsel will have to receive the Settlement Agreement and Memorandum signed by Bottomline so that there is no change in position by Bottomline prior to or after the District consents to the order of dismissal.

After further discussion, and legal counsel's recommendation, Commissioner Peyton made a motion that the Board authorize the dismissal, without prejudice, of the Complaint In Intervention, contingent upon the District's legal counsel receiving the signed Settlement Agreement from Bottomline, and the signed Memorandum Agreement from Bottomline, before the order of dismissal is taken to the Judge for execution and entry. Chairman Kaufman seconded the motion and the motion passed unanimously.

There being no further business to come before the Board, the Chairman adjourned the special meeting.

Approved this ____ day of October, 2009.

Respectfully submitted

Approved

Tina Richardson
Assistant Secretary

Dave Kaufman, Commissioner

Mary Peyton, Commissioner

Ralph Kearney, Commissioner