

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

Harris County Water
Control & Improvement
District No. 70

1 Name of person doing business with local governmental entity.

Smith, Murdaugh, Little & Bonham, L.L.P.

2

Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3

Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.

Smith, Murdaugh, Little & Bonham, L.L.P. (the "Firm") has been engaged to represent the governmental entity reflected above (the "Governmental Entity") to serve as general counsel and as bond counsel. The Governmental Entity has engaged a financial advisor, engineer, tax assessor, auditor, bookkeeper and operator and may from time to time engage other consultants or service providers, who may make recommendations to a local governmental officer of the Governmental Entity with respect to expenditure of money. The Firm, through its individual attorneys, works closely with the Governmental Entity, consultants and service providers to assist in every aspect of the Governmental Entity's business, however, unless otherwise disclosed in the Form CIQ, neither the Firm nor individual partners or associates of the Firm derives any pecuniary benefit from any relationship with a consultant or service provider other than payment by the Governmental Entity for legal services rendered.

4

Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.

None

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

Page 2

5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.) None

This section, item 5 including subparts A, B, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

Yes No

C. Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?


Yes No

D. Describe each affiliation or business relationship.

6 Describe any other affiliation or business relationship that might cause a conflict of interest.

See attached, if applicable.

7



Signature of person doing business with the governmental entity

2/15/2006

Date

Harris County Water Control and Improvement District No. 70 (the "Governmental Entity")

Smith, Murdaugh, Little & Bonham, L.L.P. (the "Firm")

Answer No. 6

The Firm represents land owners and developers with regard to creation of municipal utility districts and other conservation and reclamation districts and in matters involving development of land within utility districts. The Firm also represents certain municipal utility districts and other conservation and reclamation districts, including districts in which such developers have developed or are developing land.

To the extent that any such utility district and/or developer has a contractual relationship with the Governmental Entity or may be involved in contract negotiations with the Governmental Entity, the Firm has a potential conflict of interest, or there may be a perceived conflict of interest, as to the Firm's representation of the District and the other district and/or developer. The potential conflict created by representation of both parties has been disclosed to the Governmental Entity.

The Firm represents the following districts and/or developers:

Newport Municipal Utility District