

MINUTES OF ORGANIZATIONAL MEETING
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

January 29, 2015

The Board of Directors (the "Board") of Brazos County Municipal Utility District No. 1 (the "District") met in organizational session, open to the public, on the 29th day of January, 2015, at 17777 State Highway 6 S, Tower Conference Room, College Station, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

R. Hunter Goodwin	Director
L. B. Hodges Jr.	Director
Kyle Davis	Director
Charles Moreau	Director
Brian G. Fisher	Director

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

Also present at the meeting were Bill Mather and Lisa Huerta of Grid Raceplex Holdings, Ltd. ("GRH"); Tami Martin of Texas World Speedway; Keith Behrens of Devlan Group; Terry Reeves, Doug Bramwell, and Adam Brumbaugh of Jones & Carter, Inc. ("J&C"); Avik Bonnerjee of B&A Municipal Tax Service, LLC; Terrell Palmer of First Southwest Company; Rose Montalbano of F. Matuska, Inc.; and Stephen M. Robinson, Annette Stephens, and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

DIRECTOR ORGANIZATION MATTERS

The Board considered approving the Sworn Statements, Oaths of Office, and Official Bonds of the temporary District Directors. Mr. Robinson stated that pursuant to Chapter 49 of the Texas Water Code, a Board must elect officers. He added that in order for the Board to convene, three directors must be present, and in order for a motion to pass, three directors must vote in favor of the motion. The Board considered organizing and electing officers. Upon a motion made by Director Davis and seconded by Director Moreau, the Board voted unanimously for Director Goodwin to serve as President of the Board. Upon a motion made by Director Goodwin and seconded by Director Davis, the Board voted unanimously for Director Moreau to serve as Vice President of the Board. Upon a motion made by Director Hodges and seconded by Director Moreau, the Board voted unanimously for Director Hodges to serve as Secretary of the Board, Director Davis to serve as Assistant Secretary of the Board, and Director Fisher to serve as Assistant Vice President of the Board.

Mr. Robinson presented and reviewed a memorandum regarding the requirement for Board members and consultants to disclose certain conflicts of interest, pursuant to Chapter 176 of the Texas Local Government Code, a copy of which is attached. He reviewed the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176, and encouraged the Board members to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

Mr. Robinson presented and reviewed a memorandum regarding the Open Meetings Act and Public Information Act training requirements, a copy of which is attached. He stated that each elected or appointed public official is required to complete a course of training regarding responsibilities of the governmental body and its members under the Texas Open Meetings Act, Chapter 551. Mr. Robinson stated that elected or appointed directors must complete training within 90 days of taking the oath of office. He then discussed the methods by which the Board can receive the required training and requested that the Directors forward their certificates of completion to ABHR for the District's records.

Following review and discussion and upon a motion by Director Goodwin and seconded by Director Davis, the Board voted unanimously to approve the Sworn Statements, Oaths of Office, and Official Bonds for the District Board members and to organize the Board and elect officers as follows:

R. Hunter Goodwin	President
Charles Moreau	Vice President
L. B. Hodges Jr.	Secretary
Kyle Davis	Assistant Secretary
Brian G. Fisher	Assistant Vice President

EXECUTION OF ENGAGEMENT LETTER WITH ALLEN BOONE HUMPHRIES
ROBINSON LLP TO SERVE AS ATTORNEY FOR THE DISTRICT

The Board next considered selecting an attorney to represent the District. Mr. Robinson reviewed an engagement letter with ABHR. He reviewed the general services ABHR would perform for the District and stated ABHR would bill hourly for these services. Mr. Robinson stated that ABHR also would act as bond counsel for the District and the firm would be paid a lump sum fee based on a percentage of the District's bond issues. After review and discussion, Director Goodwin moved to engage ABHR as the District's attorney and authorize execution of the engagement letter. Director Moreau seconded the motion, which passed unanimously.

OFFICIAL SEAL

Mr. Robinson presented the proposed seal for the District, an imprint of which follows:

Director Davis moved that the seal be adopted as the official seal of the District. Director Moreau seconded the motion, which passed unanimously.

PROPOSALS FOR DIRECTORS BONDS AND CONSULTANT BONDS AND INSURANCE POLICIES

Mr. Robinson stated that the Directors are each required to have a \$10,000 fidelity bond and the District must obtain public employee bonds for consultants who handle District funds. The Board then reviewed a proposal from SIG/McDonald & Wessendorff for director and consultant bonds, general and automobile liability, and directors and officers liability. After review and discussion, Director Davis moved to accept the proposal for director and consultant bonds and general and automobile liability and directors and officers liability coverages. Director Hodges seconded the motion, which passed by unanimous vote. Director Goodwin then made a motion to add workers compensation coverage to the insurance package being purchased from SIG/McDonald & Wessendorff. Director Moreau seconded the motion, which passed unanimously.

EXECUTION OF AGREEMENT FOR BOOKKEEPING SERVICES AND OPENING OF DISTRICT OPERATING ACCOUNT

Ms. Montalbano discussed bookkeeping services provided by F. Matuska, Inc. and reported on efforts to work with Guaranty Bank & Trust to open an operating account for the District, subject to such bank's execution of an acceptable form of depository pledge agreement with the District. She recommended Compass Bank if Guaranty Bank & Trust is not willing to execute the necessary agreement. Ms. Montalbano presented a proposed Contract for Bookkeeping Services for the Board's consideration. After review and discussion, Director Moreau moved to engage F. Matuska, Inc. as the District's bookkeeper, authorize execution of the Contract for Bookkeeping Services, and authorize opening of a District operating account at Guaranty Bank & Trust or Compass Bank, as discussed. Director Davis seconded the motion, which passed unanimously.

EXECUTION OF AGREEMENT FOR TAX ASSESSMENT/COLLECTION SERVICES

Mr. Bonnerjee discussed the appraisal process and tax assessor/collector services related to appraisals of property within the District and the levy of taxes by the District. He next presented a proposed Agreement for Services of Tax Assessor/Collector for B&A Municipal Tax Service, LLC to serve as tax assessor/collector for the District. After review and discussion, Director Hodges moved to engage B&A Municipal Tax Service, LLC as the District's tax assessor/collector and authorize execution of the Agreement for Services of Tax Assessor/Collector. Director Moreau seconded the motion, which passed unanimously.

EXECUTION OF AGREEMENT WITH FIRST SOUTHWEST COMPANY TO SERVE AS FINANCIAL ADVISOR FOR THE DISTRICT

Mr. Robinson discussed financial advisory services provided by First Southwest Company, including tax rate recommendations for the District, recommendations regarding the issuance of bonds, and marketing of District bonds. He reviewed a proposed Financial Advisory Services Agreement between the District and First Southwest Company. Mr. Palmer stated First Southwest Company is paid a lump sum fee based on a percentage of the District's bond issues. After review and discussion, Director Davis moved to engage First Southwest Company as the District's financial advisor and authorize execution of the Financial Advisory Services Agreement. Director Moreau seconded the motion, which passed unanimously.

EXECUTION OF AGREEMENT WITH JONES & CARTER, INC. TO SERVE AS ENGINEER FOR THE DISTRICT

Mr. Reeves reviewed a proposed Professional Services Agreement for J&C to serve as engineer for the District. He discussed general and construction-related engineering services contemplated in the Agreement. After review and discussion, Director Hodges moved to engage J&C as the District's engineer and authorize execution of the Professional Services Agreement. Director Goodwin seconded the motion, which passed unanimously.

ENGAGE AUDITOR

This item was tabled.

RESOLUTION ADOPTING FISCAL YEAR END FOR THE DISTRICT

The Board considered adopting a fiscal year-end for the District. After review and discussion, Director Moreau moved to adopt a Resolution Adopting Fiscal Year End reflecting November 30th as the District's fiscal year-end. Director Davis seconded the motion, which passed unanimously.

UTILITY AGREEMENT AND STRATEGIC PARTNERSHIP AGREEMENT WITH THE CITY OF COLLEGE STATION

Mr. Robinson distributed copies of the proposed Utility Agreement and Strategic Partnership Agreement between the District and the City of College Station (the "City"). He recommended that the Board members review the agreements for consideration at the next meeting.

REPORT ON DEVELOPMENT IN THE DISTRICT

Mr. Mather discussed development plans for the District and responded to questions from the Board.

Mr. Robinson discussed the actions taken and costs incurred to date by GRH, ABHR, and J&C in connection with the creation of the District by the Texas Commission on Environmental Quality ("TCEQ") over approximately 553 acres of land. He discussed with the Board the feasibility rules of the TCEQ associated with reimbursing a developer from the sale of bonds. Mr. Robinson presented and reviewed a proposed Development Financing Agreement with GRH, which reflects that GRH will pre-finance the design and construction of water, sewer, drainage, and road facilities and certain creation and operating expenses of the District, to be reimbursed from a future bond sale. After review and discussion, Director Moreau moved to approve the actions taken and expenditures made by the developers, attorney, and engineer to date and to approve the Development Financing Agreement with GRH. Director Davis seconded the motion, which passed unanimously.

REPORT ON ENGINEERING MATTERS

Mr. Bramwell distributed and reviewed a report on engineering matters, a copy of which is attached. He next presented a District Boundary Map for execution by the Board. Following review and discussion, Director Davis moved to authorize execution of the District Boundary Map. Director Hodges seconded the motion, which passed unanimously.

ATTORNEY'S REPORT

The Board considered establishing District offices and out-of-District meeting places at the offices of ABHR and J&C. Mr. Robinson presented a Resolution Establishing Offices and Out-of-District Meeting Places of the Board of Directors for the Board's consideration.

Mr. Robinson stated that pursuant to Section 49.063 of the Texas Water Code, the Board is required to establish a posting place within the boundaries of the District for all notices of Board of Director meetings, in addition to posting notices at the Brazos County courthouse. He then presented a Resolution Establishing Posting Place for

Notice of Board of Directors Meetings for the Board's consideration. The Board considered establishing a posting place at today's meeting location.

Mr. Robinson next reviewed a Resolution Establishing Fees of Office and Reimbursement Policy. He stated that pursuant to Section 49.060 of the Texas Water Code, the Board can establish fees of office of not more than \$150 per day for each day the director spends in service of the District; however, by law such fees may not exceed \$7,200 per year.

Mr. Robinson presented a Resolution Authorizing Request to Brazos Central Appraisal District to Activate a District. He stated that the Resolution requests the Appraisal District to prepare the District's tax roll for the future levy of taxes.

The Board next considered authorizing the execution of a District Registration Form reflecting the names, positions, and contact information of the Board of Directors and District consultants. Mr. Robinson stated that the District Registration Form will be filed with the TCEQ.

Mr. Robinson presented a District Information Form reflecting the creation of the District and the form of Notice to Purchasers. He stated that the Information Form will be filed in the official records of Brazos County and with the TCEQ.

Following review and discussion, Director Hodges moved to take the following actions and direct that these documents be filed appropriately and retained in the District's official records: (1) adopt the Resolution Establishing Offices and Out-of-District Meeting Places of the Board of Directors to establish (i) the official office of the District at ABHR, (ii) an office for the purposes of receiving bids and administering construction contracts at the offices of J&C, and (iii) out-of-District meeting places at the offices of ABHR and J&C; (2) adopt the Resolution Establishing Posting Place for Notice of Board of Directors Meetings to establish the District's posting place at 17777 State Highway 6 S, College Station, Texas 77845, inside the boundaries of the District; (3) adopt the Resolution Establishing Fees of Office and District Reimbursement Policy to establish fees of office not to exceed the maximum amount allowable by law; (4) adopt the Resolution Authorizing Request to Brazos Central Appraisal District to Activate a District requesting preparation of the District's tax roll; (5) authorize execution and filing of the District Registration Form; and (6) authorize execution and filing of the District Information Form. Director Moreau seconded the motion, which passed unanimously.

ENGINEERING REPORT

Messrs. Reeves and Bramwell distributed and reviewed an engineering report with summaries of costs associated with the construction of water, sewer, drainage, and paving facilities to serve the District. After review and discussion, Director Goodwin

moved to accept the engineering report. Director Moreau seconded the motion, which passed unanimously.

ORDER CALLING CONFIRMATION ELECTION, DIRECTORS ELECTION, BOND ELECTIONS, AND OPERATION AND MAINTENANCE TAX ELECTIONS

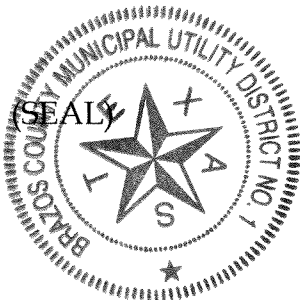
The Board considered adopting an Order Calling Confirmation Election, Directors Election, Bond Elections, and Operation and Maintenance Tax Elections ("Election Order"). Mr. Robinson stated that voter approval of the propositions to be submitted to the District's voters at elections to be held on May 9, 2015, would (1) confirm the creation of the District, (2) elect five directors, (3) authorize the District to issue water, sewer, and drainage bonds and to levy and collect a tax upon all taxable property within the District for the payment of principal and interest on such bonds, (4) authorize the District to issue road bonds and to levy and collect a tax upon all taxable property within the District for the payment of principal and interest on such bonds, (5) authorize the levy and collection of an operation and maintenance tax on all taxable property within the District, and (6) authorize the levy and collection of a road operation and maintenance tax on all taxable property within the District. After review and discussion, Director Hodges moved to adopt the Election Order and direct it be filed and posted appropriately and retained in the District's official records. Director Davis seconded the motion, which passed by unanimous vote.

PAY FOR ELECTION OFFICIALS

Mr. Robinson stated that the Texas Election Code authorizes the Board to set the pay for election officials serving during District elections. After discussion, Director Goodwin moved to set the pay for the election officials serving at the May 9, 2015, elections at \$12.00 per hour. Director Hodges seconded the motion, which passed by unanimous vote.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

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




Secretary, Board of Directors

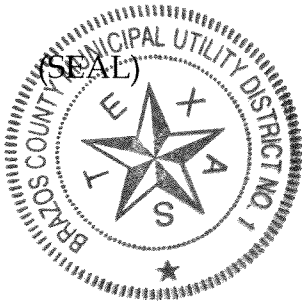
LIST OF ATTACHMENTS TO MINUTES

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CERTIFICATION

I, the undersigned officer of the Board of Directors of Brazos County Municipal Utility District No. 1 (the "District"), do hereby certify that the foregoing is a true and correct copy of the minutes of the District's organizational meeting on January 29, 2015, approved by the Board of Directors of said District on April 17, 2015, and said minutes are true and accurate.

Witness my hand and seal of the District the 17th day of April, 2015.





Secretary, Board of Directors