

MINUTES
BRAZOS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

March 22, 2019

The Board of Directors (the "Board") of Brazos County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 22nd day of March, 2019, at the offices of Jones & Carter, Inc., 150 Venture Drive, Suite 100, College Station, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

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

and all of the above were present except Directors Goodwin and Hodges, thus constituting a quorum.

Also present at the meeting were Avik Bonnerjee and Brenda Bonnerjee of B&A Municipal Tax Service, LLC; Rose Montalbano of F. Matuska, Inc.; Bill Mather of Grid Raceplex Holdings, Ltd.; Derek Walton of Jones & Carter, Inc. ("J&C"); and Stephen M. Robinson and Rachel Wooten of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 17, 2018, regular meeting. Following review and discussion, Director Davis moved to approve the minutes as submitted. Director Fisher seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no public comments.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. After review and discussion, Director Davis moved to approve the proposal to renew the District's insurance policies, and direct that the proposal be filed appropriately and retained in the District's official records. Director Fisher seconded the motion, which passed unanimously.

REVIEW LIST OF LOCAL GOVERNMENT OFFICERS PURSUANT TO CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

Mr. Robinson stated that pursuant to Chapter 176 of the Texas Local Government Code, the District maintains a List of Local Government Officers. He reviewed the List of Local Government Officers. After review and discussion, Director Davis moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Fisher seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano distributed and reviewed the bookkeeper's report, including the list of checks presented for approval and the budget comparison, a copy of which is attached. She then presented the annual financial report for the District for the fiscal year ended November 30, 2018, and requested approval to file the report with the Texas Commission on Environmental Quality ("TCEQ"), as required. After review and discussion, Director Davis moved to approve the bookkeeper's report, payment of the bills, and authorize filing of the District's annual financial report with the TCEQ. Director Fisher seconded the motion, which passed by unanimous vote.

ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Mr. Robinson stated that in accordance with the District's Investment Policy, Ms. Montalbano as the District's bookkeeper and Fran Matuska as the District's Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He added that the disclosure statements will be filed with the Texas Ethics Commission. The Board reviewed the executed disclosure statements submitted by Ms. Montalbano and Ms. Matuska. After review and discussion, Director Davis moved to accept the disclosure statements, pursuant to the District's Investment Policy and the Public Funds Investment Act, authorize filing of the disclosure statements with the Texas Ethics Commission, and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Fisher seconded the motion, which passed unanimously.

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy and determined that no changes were needed. Mr. Robinson presented and reviewed a Resolution Regarding Annual Review of Investment Policy, reflecting that no changes will be made to the current Investment Policy. After review and discussion, Director Davis moved to adopt the Resolution Regarding Annual Review of Investment Policy,

and direct that the Resolution be filed appropriately and retained in the District's official records. Director Fisher seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Robinson presented and reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified banks with which the District may invest funds. He noted that the District's bookkeeper provided the updated list of banks, which is attached as Exhibit A to the Resolution. After review and discussion, Director Davis moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Fisher seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS AND ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Bonnerjee distributed and reviewed the monthly tax assessor/collector's reports for October 2018 - February 2019, copies of which are attached. He reported that the District's 2018 taxes were 100% collected.

Mr. Robinson presented a Resolution Concerning Exemptions from Taxation for the 2019 tax year. He reviewed the optional exemptions, including a general residential homestead exemption and a homestead exemption for disabled persons or persons over 65 years of age.

After review and discussion, Director Fisher moved to (1) approve the tax assessor/collector's report and payment of the tax bills listed in the report; and (2) adopt the Resolution Concerning Exemptions from Taxation reflecting that the Board rejects any exemption of residential homesteads from ad valorem taxation, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Davis seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT IN THE DISTRICT INCLUDING APPROVAL OF ANY FINANCING AGREEMENTS, ASSIGNMENTS OR AMENDMENTS THERETO AND ACKNOWLEDGEMENT OF PARTIAL ASSIGNMENTS OF DEVELOPMENT AGREEMENTS

Mr. Mather reported on development activity in the District and responded to Board members questions regarding development.

Mr. Mather discussed the formation of Southern Pointe, LLC ("Southern Pointe"), an entity created to assume the role of the main development entity. He then discussed the District's existing Development Financing Agreements with McAlister Opportunity Fund, 2012, L.P. ("McAlister"), 2015 SoPo, Ltd. ("2015 SoPo"), and Greens Prairie Investors, LTD ("Greens Prairie").

Mr. Mather presented a Partial Assignment and Assumption of Development Agreement to assign all of McAlister's rights under the existing Development Financing Agreement for a 79.79-acre tract to Southern Pointe.

Mr. Mather next presented a Partial Assignment and Assumption of Development Agreement to assign all of Greens Prairie's rights under the existing Development Financing Agreement for a 129.546-acre tract to Southern Pointe.

Mr. Mather then presented a Partial Assignment and Assumption of Development Agreement to assign all of 2015 SoPo's rights under the existing Development Financing Agreement for a 78.63-acre tract to Southern Pointe.

Following review and discussion, Director Davis moved to acknowledge the Partial Assignments, and direct that the Partial Assignments be filed appropriately and retained in the District's official records. Director Fisher seconded the motion, which passed unanimously.

REPORT ON ENGINEERING MATTERS

Mr. Walton distributed and reviewed the engineer's report, a copy of which is attached.

Mr. Walton updated the Board on the construction of the offsite sanitary sewer facilities to serve Southern Pointe, as reflected in his report. He presented and recommended approval of Pay Estimate No. 6 in the amount of \$43,050.29, Pay Estimate No. 7 in the amount of \$65,347.53, Pay Estimate No. 8 in the amount of \$31,748.62, and Pay Estimate No. 9 in the amount of \$8,958.50, payable to Elliott Construction, LLC.

Mr. Walton updated the Board on construction of the phase I lift station and force main to serve Southern Pointe, as reflected in his report. He presented and recommended approval of Pay Estimate No. 4 in the amount of \$36,175.60, Pay Estimate No. 5 in the amount of \$23,921.90, Pay Estimate No. 6 in the amount of \$49,343.40, and Pay Estimate No. 7 in the amount of \$101,524.50, payable to Teal Services, LLC.

Mr. Walton reported on construction of the water, sewer, drainage, and paving facilities to serve Southern Pointe, Section 100, as reflected in his report. He presented and recommended approval of Pay Estimate No. 5 in the amount of \$196,433.55, Pay Estimate No. 6 in the amount of \$323,484.30, Pay Estimate No. 7 in the amount of \$110,780.10, and Pay Estimate No. 8 in the amount of \$182,276.78, payable to Larry Young Paving Inc.

After review and discussion, Director Davis moved to approve the engineer's report and, based on the engineer's recommendation, to take the following actions: (1) approve Pay Estimate Nos. 6-9 in the amounts of \$43,050.29, \$65,347.53, \$31,748.62, and \$8,958.50, respectively, for the construction of the offsite sanitary sewer facilities to serve Southern Pointe; (2) approve Pay Estimate Nos. 4-7 in the amounts of \$36,175.60, \$23,921.90, \$49,343.40, and \$101,524.50, respectively, for construction of the phase I lift station and force main to serve Southern Pointe; and (3) approve Pay Estimate Nos. 5-8 in the amounts of \$196,433.55, \$323,484.30, \$110,780.10, and \$182,276.78, respectively, for construction of the water, sewer, drainage, and paving facilities to serve Southern Pointe, Section 100. Director Fisher seconded the motion, which carried unanimously.

Mr. Mather discussed a Conditional Acceptance of Facilities to convey portions of the sanitary sewer line to the City of College Station (the "City"), pursuant to the Utility Agreement with the City. Mr. Mather reported the Conditional Acceptance is being reviewed and finalized by the City attorney. Following review and discussion, Director Davis moved approve the Conditional Acceptance of Facilities and to authorize an officer of the Board to execute the Conditional Acceptance, subject to final review by ABHR. Director Fisher seconded the motion, which carried unanimously.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred for ABHR to contact the Board members to schedule the next meeting.

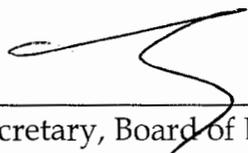
EXECUTIVE SESSION

The Board did not convene in executive session.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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