

MINUTES
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

May 20, 2014

The Board of Directors (the "Board") of Brazoria County Municipal Utility District No. 26 (the "District") met in special session, open to the public, on the 20th day of May, 2014, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Michael Parks	President
Herbert Fain	Vice President
Melissa Slade	Secretary
Caralynn Prade	Assistant Vice President
Fred E. Weary, Jr.	Assistant Secretary

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

Also present at the meeting were Julie Williams of Rathmann & Associates, L.P.; Mark McGrath of McGrath & Co., PLLC; and Lynne Humphries, Brooks Hamilton, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

SERIES 2014 UNLIMITED TAX BONDS, INCLUDING APPOINT PAYING AGENT/REGISTRAR, APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE, AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2014 BONDS AND SCHEDULE BOND SALE, AND AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

Ms. Humphries stated the District has received An Order (the "Order") Approving an Engineering Project and the Issuance of \$6,475,000 in Unlimited Tax Bonds ("Series 2014 Bonds") from the Texas Commission on Environmental Quality ("TCEQ"). The Board discussed appointing The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Series 2014 Bonds. Ms. Williams reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2014 Bonds with the Board. Ms. Williams discussed the City of Pearland's overlapping debt and the impact on the underlying BBB+/Stable outlook rating from Standard & Poor's Rating Services. The Board requested Ms. Williams revise the footnotes to the Selected Financial Information section of the Preliminary Official Statement to clarify that the District's 2013 Assessed Valuation is reflective of a 20% homestead exemption. Mr. McGrath discussed preparation of the developer reimbursement report for the Series 2014 Bonds. Ms. Humphries reviewed an engagement letter to engage McCall, Parkhurst, & Horton, L.L.P. ("MP&H") as disclosure counsel to the District for the sale of the Series 2014 bonds. After review and discussion, Director Prade moved to: (1)

appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the Series 2014 Bonds; (2) approve the Preliminary Official Statement and Official Notice of Sale subject to Board and consultant review; (3) authorize advertisement for sale of the Series 2014 Bonds; (4) schedule the bond sale for June 10, 2014; (5) authorize ABHR to submit the Order to the City of Pearland; (6) authorize McGrath & Co., PLLC to conduct the developer reimbursement report for the Series 2014 Bonds; and (7) approve the engagement letter to engage MP&H as disclosure counsel for the District in connection with the sale of the Series 2014 Bonds. Director Slade seconded the motion, which passed unanimously.

2014 DIRECTORS ELECTION, INCLUDING APPROVE CERTIFICATE OF ELECTION AND DIRECTORS' SWORN STATEMENTS AND OATHS OF OFFICE

The Board considered approving a Certificate of Election, reflecting the election of Michael L. Parks, Caralynn Prade, and Herbert S. Fain, Jr. to the Board of Directors of the District, each for a four-year term. After review and discussion, Director Prade moved to approve the Certificate of Election and the distribution of same to Directors Parks, Prade, and Fain, and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed by unanimous vote.

Ms. Humphries reviewed the Sworn Statements and Oaths of Office for Directors Parks, Prade, and Fain. After review and discussion, Director Prade moved that the Board approve the Sworn Statements and Oaths of Office and direct that the documents be filed in the official records of the District, and that the Oaths of Office be filed with the Secretary of State, as required by law. Director Slade seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD

The Board considered reorganizing the Board of Directors. Following discussion, Director Prade moved to maintain the organization the Board as follows:

Michael L. Parks	President
Herbert S. Fain, Jr.	Vice President
Melissa Slade	Secretary
Caralynn Prade	Assistant Secretary
Fred E. Weary, Jr.	Assistant Vice President

Director Slade seconded the motion, which passed by unanimous vote.

DISTRICT REGISTRATION FORM

The Board then considered authorizing filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly elected directors and the reorganization of the Board. Following review and discussion, Director Prade made a motion to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District's official records. Director Slade seconded the motion, which passed by unanimous vote.

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

(SEAL)



Melissa Slade
Secretary, Board of Directors

ACTION LIST

1. Ms. Williams will revise the footnotes to the Selected Financial Information section of the Preliminary Official Statement to clarify that the District's 2013 Assessed Valuation is reflective of a 20% homestead exemption.