

MINUTES  
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 26

February 6, 2015

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 6<sup>th</sup> day of February, 2015, 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 except Director Weary, thus constituting a quorum.

Also present at the meeting were Mike Rozell, Jalene Palmer, Geoffrey Pope, Terry Ruiz, and Karri Axtell, Directors of Brazoria-Fort Bend County Municipal Utility District No. 1 ("BFB1"); Officer Natisha Lucas of City of Pearland Police Department (the "City"); Julie Williams of Rathmann & Associates, L.P.; Maria Southall-Shaw and Charlie Norton of Shadow Creek Ranch Maintenance Association ("SCRMA"); Bobby Wilkerson, Committee Chair of Biscayne Bay Homeowners Association; Mark McGrath and Tayo Ilori of McGrath & Co., PLLC; Bob DeForest of KGA/DeForest Design, LLC; Michael Doyle of Development Consultants, Inc.; David Patterson of Assessments of the Southwest, Inc.; Tracey Scott of Myrtle Cruz, Inc.; James Ross of LJA Engineering, Inc. ("LJA"); and Lynne Humphries, Hannah Brook, and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

RECREATIONAL FACILITIES IN AND NEAR THE DISTRICT

Mr. DeForest presented and reviewed a summary of comments from the City regarding the site plan for construction of the temporary ball fields, a copy of which is attached. Mr. DeForest said the comments are directed at a permanent facility and he will meet with City Park Director Michelle Graham to intercede with the other City departments who have commented to emphasize the temporary nature of the project. Mr. DeForest recommended the District not accept the alternate bid item of irrigation and instead use a drop truck as needed to water the fields. Mr. DeForest recommended the District engage LJA to review and provide the engineer's seal as required by the City. Mr. DeForest stated one bid was received for the construction of the temporary ball fields from Key-Scape, LLC for a total cost of \$246,905.00, which does not include

the alternate bid item for irrigation. A copy of the bid tabulation is attached. Mr. DeForest stated the Districts can award a contract once it has received approval from the City.

Ms. Humphries stated the Board of BC 26 requested a special meeting today to finalize details and answer questions related to the park projects underway in Shadow Creek Ranch that the District and BFB1 (collectively, the "Districts") are funding, including obtaining City approval for the temporary ball fields site plan and a commitment from SCRMA to schedule and maintain the temporary ball fields. Ms. Humphries noted the lease agreement with the City for the 4-acre tract on which the temporary ball fields will be constructed was entered into with BC 26 exclusively via an Interlocal Agreement Regarding Use of the Shadow Creek Ranch Sports Complex (the "Agreement") because at that stage of project planning and development, the District was not fully committed to participating in the funding of the project, and the temporary ball fields are located within BC 26. Ms. Humphries noted the Agreement stipulates that BC 26 is responsible for the maintenance of the ball fields and the scheduling of usage, although BC 26 may subcontract to another party.

Discussion ensued regarding (1) resistance to the Districts' funding of City owned park projects; (2) the source of funding for the construction of the temporary ball fields using operating revenue from City water bills rather than maintenance tax revenue; (3) the Districts' advocacy of park development to date and going forward; and (4) the benefits to the community of completing the temporary ball fields.

Discussion ensued with representatives of SCRMA about SCRMA's initial decision to not fund ongoing maintenance and scheduling of the temporary ball fields because SCRMA believes this is the City's responsibility. Both Boards agreed the City should pay all costs associated with the Regional Sports Park, but Board members of BC 26 noted the City was unwilling to do anything related to the temporary sports fields, including even refusing to pay for irrigation water.

Director Ruiz requested a two week time period to meet with Ms. Graham and members of City Council to address the expectation of the Districts, the community of Shadow Creek Ranch, and SCRMA that the City bears the responsibility for scheduling and mowing the temporary ball fields, water usage, and park development.

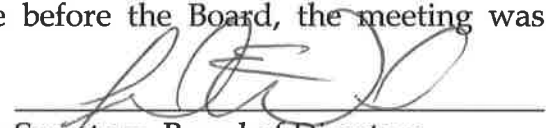
Following discussion, the Boards of the Districts concurred to schedule a special meeting on February 20, 2015, at ABHR at noon to discuss and take action, if necessary, on award of a contract for the temporary fields depending on the outcome of Director Ruiz's meeting with City representatives. Ms. Southall-Shaw said at the February 20, 2015, meeting she will report SCRMA's decision whether to enter into an agreement with BC 26, with the consent of the District, for SCRMA to be responsible for the scheduling and mowing of the temporary ball fields, once constructed.

Ms. Humphries presented a Cost Sharing Agreement for Construction of Temporary Ball Fields in Shadow Creek Ranch Sports between the Districts to share equally the cost of constructing the temporary ball fields, which was previously approved.

Ms. Humphries presented a Maintenance and Scheduling Agreement between BC 26 and SCRMA for Temporary Ball Fields in the Shadow Creek Ranch Regional Sports Park (the "Maintenance and Scheduling Agreement") which stipulates that SCRMA will be responsible for scheduling usage of the temporary ball fields and mowing the temporary ball fields, once installed. Ms. Humphries noted the Maintenance and Scheduling Agreement includes a consent by BFB1 to acknowledge the Agreement. Ms. Southall-Shaw stated that if SCRMA becomes responsible for scheduling usage of the temporary ball fields, SCRMA will only schedule the time slots on a first come first served basis and notify parties of their allotted time. She added SCRMA will not be responsible for enforcing any party's adherence to the reservation of that or any other party's allotted time. In response to a question by Mr. Wilkerson, the Boards indicated when and if the temporary ball fields are completed, they will consider ways to generate funds for maintaining the temporary ball fields.

Following review and discussion, Director Ruiz of BFB1 moved to (1) engage LJA to review and provide the engineer's seal as required by the City regarding construction of the temporary ball fields; (2) reapprove the Cost Sharing Agreement for Construction of Temporary Ball Fields in Shadow Creek Ranch Sports between BFB1 and BC 26 for equal sharing of the cost of constructing the temporary ball fields; and (3) authorize consent to acknowledge the Maintenance and Scheduling Agreement between BC 26 and SCRMA, which stipulates that SCRMA will be responsible for scheduling usage of the temporary ball fields and mowing the temporary ball fields, once installed. The motion was seconded by Director Rozell of BFB1 and passed unanimously among the Board of BFB1.

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

  
Asst. Secretary, Board of Directors

(SEAL)

