MINUTES
BRAZORIA-FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

January 6, 2012

The Board of Directors (the "Board") of Brazoria-Fort Bend County Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on the 6th day of January, 2012, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Michael D. Rozell	President
Tamara Miller Lee	Vice President
Chris Swedlund	Secretary
Karri Axtell	Assistant Vice President
Jalene Palmer	Assistant Secretary

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

Also present at the meeting were Geoffrey Pope, a resident of the District; Rick Hale of Perry Homes ("Perry"); David Patterson of Assessments of the Southwest, Inc.; James Ross of LJA Engineering & Surveying, Inc.; Erin Garcia of Myrtle Cruz, Inc.; and Angela Lutz and Michelle Bryan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 2, 2011, regular meeting, which were provided in advance of the meeting. After review and discussion, Director Palmer moved to approve the minutes of the December 2, 2011, regular meeting, as submitted. Director Lee seconded the motion, which passed unanimously.

SUPPLEMENTAL SECURITY SERVICES

Ms. Lutz discussed the Security Patrol and Coordination Services Agreement and Security Patrol Services Agreement (collectively, the "Agreements") between the District, Brazoria County Municipal Utility District No. 26 ("MUD 26"), and officers of the City of Pearland (the "City") Police Department to provide security patrol services within the District and MUD 26. She stated that the Agreements have been approved by the City attorney; executed by all of the officers, with the exception of one officer who is currently out of the country on military duty; and returned to the District.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2011

The Board concurred to table this agenda item.

REPORT ON DEVELOPMENT

Mr. Hale discussed the platted and partially developed lots acquired by Perry in Shadow Creek Ranch Sections 45B, 45C, and 49. He reported on home sales in the District.

Ms. Lutz presented and reviewed a Developer Reimbursement Report prepared by McGrath & Co., PLLC for the purpose of verifying the amount to be reimbursed to Meritage Homes for water and wastewater impact fees paid to the City from surplus funds from the Series 2009 Bonds. After review and discussion, the Board concurred to (1) approve the Developer Reimbursement Report; (2) authorize disbursement of funds to reimburse Meritage Homes in the amount of $29,392, pursuant to the Developer Reimbursement Report; and (3) direct that the Developer Reimbursement Report be filed appropriately and retained in the District's official records.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Patterson distributed and reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached. He noted that the 2011 taxes were 52.07% collected as of December 31, 2011. After review and discussion, Director Axtell moved to approve the tax assessor/collector's report. Director Palmer seconded the motion, which passed unanimously.

ANNUAL DISCLOSURE STATEMENTS

Pursuant to the District's Investment Policy, Ms. Garcia presented her annual disclosure statement as the District's Investment Officer and bookkeeper. Ms. Lutz explained the Investment Officer and bookkeeper are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. After review and discussion, Director Palmer moved to accept the disclosure statements and direct that the statements be filed appropriately and retained in the District's official records. Director Swedlund seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the investment report, budget comparison, and list of checks presented for approval, a copy of which is attached. After review and discussion, Director Palmer moved to approve the bookkeeper's report and payment of the bills. Director Lee seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Ross distributed and reviewed the engineer's report, a copy of which is attached. He reviewed and recommended approval of Pay Estimate Nos. 1 and 2 in the amounts of $189,777.39 and $306,720.45, respectively, to Allgood Construction Company, Inc. ("Allgood") for water, sanitary sewer, and drainage facilities to serve Shadow Creek Ranch Sections 45B, 45C, and 49.

After review and discussion, Director Swedlund made a motion to approve (1) the engineer's report; and (2) payment of Pay Estimate Nos. 1 and 2 in the amounts of $189,777.39 and $306,720.45, respectively, to Allgood, based upon the engineer's recommendation. Director Palmer seconded the motion, which passed unanimously.

ARTICLES FOR NEWSLETTERS AND WEBSITE

The Board considered information to be included in the District's monthly notice published in the Shadow Creek Area Community Newsletter and the homeowners' association, *The Current*. After discussion, the Board concurred to direct ABHR to run the standard monthly notice directing residents to the website for information about District meetings.

Director Axtell presented the most recent edition of *The Current*, noting the January notices for the District and MUD 26 were erroneously published by *The Current* as one notice.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DATE, TIME, AND LOCATION FOR NEXT DISTRICT MEETING

The Board noted the next meeting is on February 3, 2012, and will be at ABHR.

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

(SEAL)

Asst. Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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1/6/2012

CASH

175

Myrtle Cruz, Inc.

BRAZORIA FORT BEND COUNTY MUD #1

Summary for Cash Report of January 6, 2012

	Debt Service Funds	Capital Projects Fund	General Operating Fund
Checking accounts			
PREVIOUS CASH BALANCE	0.00	21,932.98	18,889.95
CASH RECEIPTS	0.00	0.00	33,125.13
INTEREST	0.00	0.00	0.00
TRANSFERS	0.00	15,000.00	0.00
DISBURSEMENTS	0.00	(31,015.50)	(13,007.28)
ENDING CASH BALANCE	0.00	5,917.48	39,007.80
Demand Deposit Investments			
PREVIOUS INVESTMENTS	2,479,623.14	2,202,656.68	1,710,280.28
DEPOSITS	135,000.00	0.00	0.00
INTEREST	115.93	521.57	144.09
TRANSFERS	(30.00)	(15,020.00)	(10.00)
ENDING INVESTMENTS	2,614,709.07	2,188,158.25	1,710,414.37
CURRENT BALANCE	2,614,709.07	2,194,075.73	1,749,422.17

65%

Percentage of 2012 Debt Service
Remaining payment

(1)

Myrtle Cruz, Inc.

1621 Milam, 3rd Floor . Houston, Tx 77002-8017 . (713)759-1368 . fax 759-1264 . email first_last@mcruz.com

BRAZORIA-FT BEND CO.MUD#1

Cash Report for Meeting of January 6th, 2012

DEBT SERVICE (175BF) : NO ACTIVE CHECKING

Previous cash balance, December 2nd, 2011		0.00
TIME DEPOSIT INVESTMENTS:		
Allegiance Bank; 10/6/11 to 4/3/12 @ .70%		240,000.00
Bank of Fort Bend; 10/6/11 to 4/3/12 @ .80%		99,000.00
Enterprise Bank; 10/6/11 to 4/3/12 @ .80%		240,000.00
Independence Bank; 10/6/11 to 4/3/12 @ .50%		240,000.00
Preferred Bank; 10/6/11 to 4/3/12 @ .50%		240,000.00
Texas Community Bank; 11/8/11 to 5/7/12 @ .800%		240,946.84
Libertad Bank; 11/8/11 to 5/7/12 @ .60%		240,887.67
Green Bank; 11/9/11 to 5/7/12 @ .500%		240,828.49
Bank Of Houston; 3/8/11-2/27/12 @ .80%		245,000.00
DEMAND DEPOSIT INVESTMENTS:		
Texpool Acct # 78925.78925.0000.2		52,845.70
previous balance	52,841.02	
11/30 Interest	4.68	
Compass Bank Acct # 2530955632		333,651.63
previous balance	198,616.63	
11/30 interest	45.00	
bank s/c	10.00-	
tax transfer	135,000.00	
Central Bank Acct # 3287031		201,548.74
previous balance	201,502.49	
11/30 interest	66.25	
bank s/c	20.00-	
previous investments	2,479,623.14	
deposits	135,000.00	
interest	115.93	
withdrawals	< 30.00 >	
ending investments		2,614,709.07
DEBT SERVICE FUNDS AVAILABLE January 6th, 2012		$2,614,709.07

SCHEDULE OF DEBT SERVICE PAYMENTS

	Due Date	Principal	Interest	Total
*				
Wells Fargo	3/1/2012		1,355,118.76	1,355,118.76
Wells Fargo	9/1/2012	1,290,000	1,355,118.76	2,645,118.76

(2)

BRAZORIA-FT BEND CO.MUD#1

Cash Report for Meeting of January 6th, 2012

CAPITAL PROJECTS (175CA) : COMPASS BANK 2530956833

Previous cash balance, December 2nd, 2011		21,932.98
plus: 01/06 Trf from Central MMS.....		15,000.00
Total Deposits :		15,000.00
Beginning cash balance, January 6th, 2012		36,932.98
less checks to be presented at this meeting :		
1020 McGrath & Co; impact fee reimbursement report.....		450.00
1021 ABHR; Inv#49327.....		1,173.50
1022 Meritage Homes of Texas, LLC; impact fees Ser 2009.....		29,392.00
previous cash balance	21,932.98	
1 receipts	15,000.00	
3 current checks	< 31,015.50 >	
ending cash balance		5,917.48

DEMAND DEPOSIT INVESTMENTS:

Central Bank Acct # 3233791.....		1,342,094.52
previous balance	1,356,668.49	
11/30 interest	446.03	
bank s/c	20.00-	
trf to checking	15,000.00-	
Texpool Acct # 78925.78925.0000.7.....		846,063.73
previous balance	845,988.19	
11/30 interest	75.54	
previous investments	2,202,656.68	
interest	521.57	
transfers	15,000.00-	
withdrawals	< 20.00 >	
ending investments		2,188,158.25
CAPITAL PROJECTS FUNDS AVAILABLE January 6th, 2012		$2,194,075.73

(3)

BRAZORIA FORT BEND COUNTY MUD #1

$4,000,000 Series 2009 Bonds

REMAINING DESIGNATED FUNDS

		Designated	Disbursed	BALANCE REMAINING
B. District Items				
1.City of Pearland IMPACT Fees		2,310,500	313,468	1,997,032
Surplus Funds / Interest earnings from Series 2009		197,043		197,043
Balance remaining Capital Projects	**1/6/2012**			**2,194,075**

Myrtle Cruz, Inc; 1621 Milam, 3rd Floor, Houston, Tx 77002-80l7 (713) 759-1368

(4)

BRAZORIA-FT BEND CO.MUD#1

Cash Report for Meeting of January 6th, 2012

OPERATING ACCOUNT (1750P) : COMPASS BANK 73973

Previous cash balance, December 2nd, 2011				18,889.95
plus: 12/02 Void ck#1938- dnp				165.39
plus: 12/05 Maintenance tax transfer				8,039.74
plus: 12/13 City of Pearland; Sept Rebate				12,870.00
plus: 12/22 City of Pearland; Nov Rebate				12,050.00
		Total Deposits :		33,125.13
Beginning cash balance, January 6th, 2012				52,015.08
less checks to be presented at this meeting :				
1944 Jalene Palmer; director fees & exp				169.27
	6310	director fees	150.00	
	6354	travel expense	27.75	
	6514	payroll taxes	8.48-	
1945 Tamara Miller; director fee and exp				185.92
	6310	director fees	150.00	
	6354	travel expense	44.40	
	6514	payroll taxes	8.48-	
1946 Mike Rozell;director fee & exp				169.27
	6310	director fees	150.00	
	6354	travel expense	27.75	
	6514	payroll taxes	8.48-	
1947 Chris Swedlund; director fee & exp				165.39
	6310	director fees	150.00	
	6354	travel expense	23.87	
	6514	payroll taxes	8.48-	
1948 Karri Axtell; director fee & exp				161.50
	6310	director fees	150.00	
	6354	travel expense	19.98	
	6514	payroll taxes	8.48-	
1949 Allen Boone Humphries Robinson LLP; Inv#49326				6,638.27
1950 Myrtle Cruz Inc; Dec 2011 Bookkeeping				2,150.00
	6333	bookkeeping expenses	2,000.00	
	6340	office expenses	150.00	
1951 LJA Engineering; Inv#20115555				1,312.91
1952 Brazoria County MUD #26; Nov billings for shared exp				2,054.75
	7395	website	89.75	
	6400	security	1,965.00	
previous cash balance			18,889.95	
4 receipts			33,125.13	
9 current checks			< 13,007.28 >	
ending cash balance				39,007.80

TIME DEPOSIT INVESTMENTS:

Allegiance Bank; 11/16/11 to 5/14/12 @ .40%	240,829.80
Green Bank; 11/16/11 to 5/14/12 @ .50%	240,828.49
Texas Community Bank; 11/16/11 to 5/14/12 @ .80%	240,946.84
Icon Bank; 11/16/11 to 5/14/12 @ .50%	240,710.66
Tradition Bank; 5/23/11 to 5/23/12 @ 1.0%	240,000.00

BRAZORIA-FT BEND CO.MUD#1

Cash Report for Meeting of January 6th, 2012

DEMAND DEPOSIT INVESTMENTS:			
Texpool Acct # 78925.78925.0000.1.....			5,749.56
previous balance	5,749.03		
11/30 interest	0.53		
Texstar Acct # 26725.1111.000.....			1,000.31
previous balance	1,000.23		
11/30 interest	0.08		
Compass Bank;Acct # 2519434795.....			500,348.71
previous balance	500,215.23		
11/30 interest	143.48		
bank s/c	10.00-		
previous investments		1,710,280.28	
interest		144.09	
withdrawals		< 10.00 >	
ending investments			1,710,414.37
OPERATING ACCOUNT FUNDS AVAILABLE January 6th, 2012			$1,749,422.17

E-6

BRAZORIA FORT BEND COUNTY MUD #1
Budget for Fiscal Year Ending September 30, 2012

1/6/2012

Revenue :	Actual MTD	Budget MTD	Actual YTD	3 months Budget YTD	Annual Budget	v variance
City of Pearland Wtr/Swr Payment	24,920.00	13,250.00	36,945.00	39,750.00	159,000.00	*(2,805.00)*
Interest earned	144.09	250.00	3,617.18	750.00	3,000.00	*2,867.18*
Maintenance Tax Revenue	8,039.74	10,000.00	12,491.46	10,000.00	228,000.00	*2,491.46*
	33,103.83	23,500.00	53,053.64	50,500.00	390,000.00	*2,553.64*

Expenses :	Actual MTD	Budget MTD	Actual YTD	Budget YTD	Annual Budget	variance
Director Fees	600.00	837.50	1,950.00	2,512.50	10,050.00	*562.50*
Payroll Taxes	-33.92	61.67	268.80	185.00	740.00	*(83.80)*
Legal Fees/General	6,638.27	5,375.00	20,061.43	16,125.00	64,500.00	*(3,936.43)*
Engineering	1,312.91	2,083.33	8,419.16	6,250.00	25,000.00	*(2,169.16)*
Audit Fees	0.00	0.00	0.00	0.00	12,500.00	*0.00*
Insurance	0.00	0.00	0.00	0.00	2,500.00	*0.00*
Bookkeeping	2,000.00	2,000.00	6,000.00	6,000.00	24,000.00	*0.00*
Legal Notices	0.00	50.00	0.00	150.00	600.00	*150.00*
Travel Expenses (Directors)	119.88	625.00	383.51	1,875.00	7,500.00	*1,491.49*
Election Expenses /Pk Bond	0.00	1,250.00	0.00	3,750.00	15,000.00	*3,750.00*
Membership Fees	0.00	0.00	550.00	550.00	550.00	*0.00*
Office Expenses	160.00	208.33	480.00	625.00	2,500.00	*145.00*
Security	1,965.00	2,500.00	2,880.00	7,500.00	30,000.00	*4,620.00*
Website/ Newsletter	89.75	62.50	113.50	187.50	750.00	*74.00*
Capital Reserve	0.00	0.00	0.00	0.00	183,810.00	*0.00*
Miscellaneous	0.00	0.00	0.00	0.00	0.00	*0.00*
Inspection of Facilities	0.00	833.33	0.00	2,500.00	10,000	*2,500.00*
TOTALS	12,851.89	15,886.67	41,106.40	48,210.00	390,000	*7,103.60*

Prior cash balance	1,729,170.23	1,737,474.93	
Braz 26- Reimb Pearland Rebate	0.00	0.00	
Credit Pk Design/Eng	0.00	0.00	
Net Income	20,251.94	11,947.24	0.00
Cash Report Balance of 1/6/2012	1,749,422.17	1,749,422.17	

Myrtle Cruz, Inc 1621 Milam, 3rd Floor, Houston, Texas 77002-8017.
Phone #713-759-1368 Fax #713-759-1264

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INVESTMENT REPORT, AUTHORIZATION AND REVIEW

Report for
BRAZORIA FORT BEND COUNTY MUD #1 Prepared for the reporting period ("Period") from **12/1/2011** to **12/31/2011**

Investment Pools	Rate	Beginning Value for Period			Interest earned	Deposits or	Ending Value for Period		
		Book	N.A.V.	Market	this period	(Withdrawals)	Book	N.A.V.	Market
BF Bond Fund TexPool	0.1080%	52,841.02	1.00007	52,844.72	4.68	0.00	52,845.70	1.00007	52,849.40
CA Construction TexPool	0.1080%	845,988.19	1.00007	846,047.41	75.54	0.00	846,063.73	1.00007	846,122.95
OA Operating Texstar	0.0973%	1,000.23	1.00007	1,000.30	0.08	0.00	1,000.31	1.00007	1,000.38
OA Operating TexPool	0.1080%	5,749.03	1.00007	5,749.43	0.53	0.00	5,749.56	1.00007	5,749.96
	0.1080%	905,578.47		905,641.86	80.83	0.00	905,659.30		905,722.69

Money Market Funds	Rate	BEGINNING BALANCE			Interest earned this period	Deposits or (Withdrawals)	ENDING BALANCE	
BF Compass Bank	0.4000%	198,616.63			35.00	135,000.00	333,651.63	
BF Central Bank	0.4000%	201,502.49			46.25	0.00	201,548.74	
CA Central Bank	0.4000%	1,356,668.49			426.03	(15,000.00)	1,342,094.52	
OA Compass Bank	0.4000%	500,215.23			133.48	0.00	500,348.71	
		2,257,002.84			640.76	120,000.00	2,377,643.60	

Certificates of Deposits fund		Rate	Purchase Value	Term in Days	Begin Value for Period	Interest accrued this period	Deposits or (Withdrawals)	Ending Value for Period	Date of Purchase	Date of Maturity
BF	Bank of Houston	0.80%	245,000.00	356	246,439.12	166.47	0.00	246,605.59	03/08/11	02/27/12
BF	Texas Community Bank	0.80%	240,946.84	181	241,068.30	163.71	0.00	241,232.02	11/08/11	05/07/12
BF	Libertad Bank	0.60%	240,887.67	181	240,978.75	122.75	0.00	241,101.50	11/08/11	05/07/12
BF	Green Bank	0.50%	240,828.49	180	240,901.07	102.27	0.00	241,003.34	11/09/11	05/07/12
BF	Allegiance Bank	0.70%	240,000.00	180	240,257.75	142.68	0.00	240,400.44	10/06/11	04/03/12
BF	Enterprise Bank	0.80%	240,000.00	180	240,294.58	163.07	0.00	240,457.64	10/06/11	04/03/12
BF	Preferred Bank	0.50%	240,000.00	180	240,184.11	101.92	0.00	240,286.03	10/06/11	04/03/12
BF	Independence Bank	0.50%	240,000.00	180	240,184.11	101.92	0.00	240,286.03	10/06/11	04/03/12
BF	Bank of Fort Bend	0.80%	99,000.00	180	99,121.51	67.27	0.00	99,188.78	10/06/11	04/03/12
OP	Allegiance Bank	0.40%	240,829.80	180	240,869.39	81.82	0.00	240,951.20	11/16/11	05/14/12
OP	Green Bank	0.50%	240,828.49	180	240,877.98	102.27	0.00	240,980.24	11/16/11	05/14/12
OP	Texas Community Bank	0.80%	240,946.84	180	241,026.06	163.71	0.00	241,189.77	11/16/11	05/14/12
OP	Icon Bank	0.50%	240,710.66	180	240,760.12	102.22	0.00	240,862.34	11/16/11	05/14/12
OP	Tradition Bank	1.00%	240,000.00	366	241,262.47	203.84	0.00	241,466.30	05/23/11	05/23/12
		0.6510%	3,229,978.79	366	3,234,225.31	1,785.91	0.00	3,236,011.22		115

Federal Obligations fund	Simple APR	Purchase Value	Term in Days	Begin Period Market Value	Gain (Loss) to Market Value	Deposits or (Withdrawals)	Ending Period Market Value	Date of Purchase	Date of Maturity
n/a									
		0.00	0	0.00	0.00	0.00	0.00		
total investments	0.6510%	5,486,981.63	366	3,234,225.31	2,426.67	120,000.00	5,613,654.82	wam:	66

Compliance Statement. The investments (reported on above) for the Period are in compliance with the investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.

90.45

Review. This report and the District's Investment Policy are submitted to the Board for its review and to make any changes thereto as determined by the Board to be necessary and prudent for the management of District funds.

Signatures.

Investment Officer 1/3/12 (please sign & date)

Bookkeeper (Myrtle Cruz, Inc.)

CENTRAL BANK - PUBLIC FUNDS
DEPOSIT COLLATERAL REPORT
ALL DISTRICTS

Effective Date: 11/30/2011
Accounts Through: 11/30/2011 7:00 PM
Memo Posts Through:

BRAZORIA FT BEND COUNTY MUD 1

Tax ID: 10817023
FHLB Pledge Code: 20701
1st Consultant: MCI
2nd Consultant:

DEPOSITS

Acct No	Funds Type	Class	Balance	Interest	Total	Current Month Average	Prior Month Average	YTD Average	Prior Year Average
Bond Fund									
3287031	MMA	32	$201,548.74	$0.00	$201,548.74	$201,535.44	$231,486.54	$407,134.92	
Subtotal Bond Fund			**$201,548.74**	**$0.00**	**$201,548.74**	**$201,535.44**	**$231,486.54**	**$407,134.92**	**$0.00**
Interest									
3233791	MMA	32	$1,357,094.52	$0.00	$1,357,094.52	$1,356,898.92	$1,356,452.41	$1,441,676.98	$1,505,557.89
Subtotal Interest			**$1,357,094.52**	**$0.00**	**$1,357,094.52**	**$1,356,898.92**	**$1,356,452.41**	**$1,441,676.98**	**$1,505,557.89**
Total Deposits			**$1,558,643.26**	**$0.00**	**$1,558,643.26**	**$1,558,434.36**	**$1,587,938.95**	**$1,848,811.90**	**$1,505,557.89**

SECURITIES

Safekeeping	Agency	CUSIP	Pool No.	Maturity	Date Pledged	Units Pledged	Market Value
FHLB-D	GNMA	36225DAP9	80913	05/20/2034	02/28/2011	1,000,000	$225,165.01
FHLB-D	GNMA	36225DSE5	81416	07/20/2035	06/08/2011	3,527,884	$1,119,432.22
FHLB-D	GNMA	36225EVP4	82421	11/20/2039	03/18/2010	150,000	$127,666.32
Total Securities Pledged						4,677,884	$1,472,263.55

DEPOSIT COLLATERAL CALCULATION

	Account Balances	FDIC Insurance	Collateral Required
Subtotal Non-Interest Deposits:	$0.00	$0.00	$0.00
Subtotal Interest Deposits:	$1,357,094.52	$250,000.00	$1,107,094.52
Subtotal Bond Fund Deposits:	$201,548.74	$201,548.74	$0.00
TOTALS:	**$1,558,643.26**	**$451,548.74**	**$1,107,094.52**

DEPOSIT COLLATERAL POSITION

	Deposits Requiring Collateral	Securities Pledged	Excess Collateral	% Pledged
At 100 %	$1,107,094.52	$1,472,263.55	**$365,169.03**	**133 %**
At 105 %	$1,162,449.25	$1,472,263.55	**$309,814.30**	**127 %**

Deposit / Collateral Report by District

BRAZORIA FORT BEND CO MUD 1

Tax ID - Pledge: 010817023-20701

1st. Consultant: MCI-MYRTLE CRUZ, INC.

2nd. Consultant:

BBVA Compass Bank

Pledge Date: 12/01/2011

Accounts Through: 11/30/2011 10:00 PM

Memo Posts Through: NO MEMO POSTS

Deposits

Interest Account

Acct No	Funds Type	Class	Balance	Interest	Total
0000073973	Interest Account		$30,352.74	$0.00	$30,352.74
2519434795	Interest Account		$500,348.71	$0.00	$500,348.71
2530956833	Interest Account		$22,173.43	$0.00	$22,173.43
Subtotal Interest Account			**$552,874.88**	**$0.00**	**$552,874.88**

Bond Fund

Acct No	Funds Type	Class	Balance	Interest	Total
2530955632	Bond Fund		$198,651.63	$0.00	$198,651.63
Subtotal Bond Fund			**$198,651.63**	**$0.00**	**$198,651.63**
Total Deposits			**$751,526.51**	**$0.00**	**$751,526.51**

Securities

Agency	Custodian	CUSIP	Maturity Date	Date Pledged	Units Pledged	Market Value
FNMA	FHLB-A	31410GQ55	05/01/2033	03/02/2011 02:25 PM	1,350,000	$490,810.81
Total Securities Pledged					**1,350,000**	**$490,810.81**

DEPOSIT / COLLATERAL POSITION CALCULATION

Subtotal Interest Deposits	$552,874.88
Subtotal Non-Interest Deposits	$0.00
Subtotal Bond Fund Deposits	$198,651.63
TOTAL DEPOSITS	$751,526.51
LESS APPLICABLE FDIC	
Subtotal Interest Deposits	$250,000.00
Subtotal Non-Interest Deposits	$0.00
Subtotal Bond Fund Deposits	$198,651.63
Deposits Requiring Collateral	$302,874.88
TOTAL SECURITIES PLEDGED	$490,810.81
DEPOSIT COLLATERAL POSITION - 100%	$187,935.93
DEPOSIT COLLATERAL POSITION - 105%	$172,792.19
	162%

I, Thomas W. Lee, Tax Assessor/Collector for Brazoria-Fort Bend County MUD #1 do affirm this to be an accurate report of collections and disbursements pertaining to the tax fund to the best of my knowledge.

Thomas W Lee

TAX ASSESSOR / COLLECTOR CASH RECEIPTS AND DISBURSEMENTS REPORT

	Current Month (12/1/2011 - 12/31/2011)	Fiscal Year (10/1/2011 - 9/30/2012)	Tax Year (10/1/2011 - 9/30/2012)
Beginning Balance :	**179,741.26**	**15,027.52**	**15,027.52**
Plus Collections :			
Taxes Collected:			
Debt Service Taxes	1,761,986.34	1,961,844.87	1,961,844.87
Maintenance Taxes Due General Operating Fund	110,126.60	122,618.06	122,618.06
Contract Taxes	0.00	0.00	0.00
Penalties and Interest on Tax Accounts	0.00	991.15	991.15
Delinquent Attorney Fees and Court Costs	0.00	928.01	928.01
Overpayments	149.60	149.60	149.60
Current Year Value Reduction Refund	0.00	0.00	0.00
Prior Year Value Reduction Refund	0.00	0.00	0.00
Litigation Refund	0.00	0.00	0.00
Redeposit of Returned Checks	0.00	0.00	0.00
Interest Earned	82.43	99.37	99.37
Certificate and Notice To Purchaser Income	10.00	290.00	290.00
Outstanding Credit Card Payment	-1,671.87	-1,671.87	-1,671.87
Deposit from Other District or Rebate from CAD	0.00	0.00	0.00
Transfer from Gen Fund or Other Sources or Additional Fees	-1,940.70	0.00	0.00
Total Collections Received :	**1,868,742.40**	**2,085,249.19**	**2,085,249.19**
Less Disbursements :			
Debt Service Transfers	135,000.00	165,000.00	165,000.00
Maintenance Transfers	8,039.74	12,491.46	12,491.46
Contract Tax Transfers	0.00	0.00	0.00
Overpayments Refunded	0.00	0.00	0.00
Current Year Value Reductions Refunded	0.00	0.00	0.00
Prior Year Value Reductions Refunded	0.00	0.00	0.00
Litigation Refund	0.00	0.00	0.00
Professional Consultant Fees	0.00	0.00	0.00
Delinquent Tax Attorney Fees	0.00	928.01	928.01
Hourly Fees - Meeting Attendance	0.00	0.00	0.00
Tax Assessor/Collector	0.00	11,303.10	11,303.10
CAD Payment	0.00	1,421.50	1,421.50
Late Rendition Penalty Reimbursement to CAD	0.00	0.00	0.00
Data Processing	0.00	0.00	0.00
Aerial Photography	0.00	0.00	0.00
Truth in Taxation Publication	0.00	0.00	0.00
Postage	0.00	3,648.72	3,648.72
Bank Charges	0.00	0.00	0.00
Statutory Interest	0.00	0.00	0.00
Insurance Bond Premiums	0.00	0.00	0.00
Returned Checks	0.00	0.00	0.00
Refund of Other District's Deposit	0.00	0.00	0.00
Escheated Funds Transferred to State	0.00	0.00	0.00
Certificate Reimbursement	0.00	40.00	40.00
Delivery Reimbursement	0.00	0.00	0.00
Other Fees	0.00	0.00	0.00
Total Disbursements :	**143,039.74**	**194,832.79**	**194,832.79**
Ending Balance :	**1,905,443.92**	**1,905,443.92**	**1,905,443.92**

See Attached List for Securities Pledged

Prepared by Assessments of the Southwest, Inc.
P.O. Box 1368
Friendswood TX 77549-1368
(281)-482-0216

Brazoria-Fort Bend County MUD #1 TAX ASSESSOR / COLLECTOR
TAX RATE AND VALUE REPORT AS OF December 31, 2011

Cert Taxable Value	Supplemental Value	Net Taxable Value	Total Tax Rate
459,270,333	10,847,560	470,117,893	0.85000

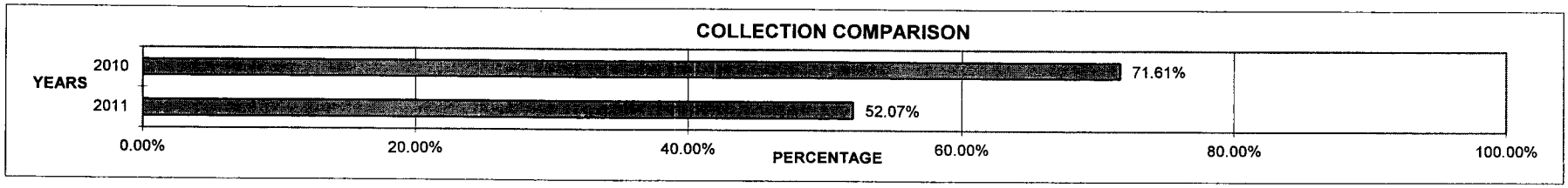
Year	Taxable Value	I & S Rate	I & S Levy	M & O Rate	M & O Levy	Contract Rate	Contract Levy	Total Tax Rate
2011	**470,117,893**	**0.80000**	**3,760,943.14**	**0.05000**	**235,058.95**	**0.00000**	**0.00**	**0.85000**
2010	458,485,464	0.80000	**3,667,883.71**	0.05000	**229,242.73**	0.00000	**0.00**	**0.85000**
2009	424,976,514	0.80000	**3,399,812.11**	0.05000	**212,488.26**	0.00000	**0.00**	**0.85000**
2008	370,132,387	0.80000	**2,961,059.10**	0.05000	**185,066.19**	0.00000	**0.00**	**0.85000**
2007	254,610,225	0.70000	**1,782,271.58**	0.15000	**381,915.34**	0.00000	**0.00**	**0.85000**
2006	135,179,600	0.70000	**946,257.20**	0.15000	**202,769.40**	0.00000	**0.00**	**0.85000**
2005	69,125,500	0.00000	**0.00**	0.85000	**587,566.75**	0.00000	**0.00**	**0.85000**
2004	1,923,450	0.00000	**0.00**	0.85000	**16,349.33**	0.00000	**0.00**	**0.85000**

Prepared by Assessments of the Southwest, Inc.
P.O. Box 1368
Friendswood TX 77549-1368
(281)-482-0216

Brazoria-Fort Bend County MUD #1 TAX ASSESSOR / COLLECTOR
RECEIVABLES REPORT AS OF December 31, 2011

Land Value	Improvement Value	Personal Property	Exemption Value	Total Value
140,384,600	336,546,137	4,795,396	11,608,240	470,117,893

Year	Value Levy	Rollback / Uncollectibles	Rendition Penalty	Total Levy	Taxes Due 10/1	Adjustments	Collections	Balance	% Collected
2011	3,996,002.09	0.00	0.00	3,996,002.09	3,903,803.39	92,204.26	2,080,813.96	1,915,193.69	52.07%
2010	3,897,126.44	0.00	0.00	3,897,126.44	13,877.07	0.00	1,775.65	12,101.42	99.69%
2009	3,612,300.37	0.00	13.17	3,612,313.54	5,575.08	0.00	1,873.32	3,701.76	99.90%
2008	3,146,125.29	0.00	33.15	3,146,158.44	2,027.42	0.00	0.00	2,027.42	99.94%
2007	2,164,186.91	0.00	0.00	2,164,186.91	0.00	0.00	0.00	0.00	100.00%
2006	1,149,026.60	0.00	0.00	1,149,026.60	0.00	0.00	0.00	0.00	100.00%
2005	587,566.75	0.00	0.00	587,566.75	0.00	0.00	0.00	0.00	100.00%
2004	16,349.33	0.00	0.00	16,349.33	0.00	0.00	0.00	0.00	100.00%
				TOTALS	3,925,282.96	92,204.26	2,084,462.93	1,933,024.29	



Prepared by Assessments of the Southwest, Inc.
P.O. Box 1368
Friendswood TX 77549-1368
(281)-482-0216

Cash Balance : December 31, 2011 **$1,905,443.92**

Collections Received to Date : **$148,802.20**

Check No.	Payee	Amount	Type of Disbursement
1148	Assessments of the Southwest	11,303.10	Tax Assessor/Collector
	Quarterly Billing	50.00	Insurance Bond Premiums
	Total = $11,353.10		
1149	Brazoria County Appraisal District	5,496.00	CAD Payment
1150	Chase Home Finance	479.40	Overpayments Refunded
1151	Chase Home Finance	149.60	Overpayments Refunded
Wire 1/6/12	Brazoria/Ft Bend Co MUD #1 Debt Service Fund	1,750,000.00	Debt Service Transfers
Wire 1/6/12	Brazoria/Ft Bend Co MUD #1 Operating Fund	110,126.60	Maintenance Transfers

Total Disbursements : **$1,877,604.70**

Cash Balance: January 6, 2012 **$176,641.42**

See Attached List for Securities Pledged

Prepared by Assessments of the Southwest, Inc.
P.O. Box 1368
Friendswood TX 77549-1368
(281)-482-0216

WELLS FARGO BANK, N.A.
GOVERNMENT & INSTITUTIONAL BANKING
COLLATERAL ANALYSIS

BRAZORIA/FORT BEND MUD 1

PO BOX 1368
FRIENDSWOOD, TX 77549

DATE COMPLETED:	**12/2/2011**	**COLLATERAL ANALYSIS AS OF:**	**11/30/2011**
CONTRA NUMBER:	**PL-0000176**	**COLLATERAL ACCOUNT NUMBER:**	**L629**
COLLATERAL WHEREHELD:	**Federal Reserve Bank**		

CUSIP	DESCRIPTION	CPN	MATURITY DATE	ORIGINAL FACE	CURRENT FACE	MARKET VALUE	PLEDGE VALUE
31417YTT4	FN MA0561 4.000% 11/01/2040	4.00	2040-11-01	4,025,000.00	3,610,150.78	3,777,471.06	3,777,471.06
	Total for Collateral Account # L629			**$4,025,000.00**	**$3,610,150.78**	**$3,777,471.06**	**$3,777,471.06**
	Grand Total			**$4,025,000.00**	**$3,610,150.78**	**$3,777,471.06**	**$3,777,471.06**

ACCOUNT NUMBER / OWNER NAME / DELQ DATE | ------ PARCEL ADDRESS ------ LAND | IMPROVEMENT | DEFERRED AG | APPR. VALUE | ---- LEGAL DESCRIPTIONS ------ EXEMPTIONS | TAXABLE VALUE | TAX AMOUNT | LEVY DUE | PENALTY & INTEREST | COLLECTION FEES | TOTAL DUE

74/6887960010150 6887960010150 SHADOW CREEK RANCH SF-46B,
MUSE JANIE BLOCK 1,
13616 ORCHARD WINE LN ROLL R ACRES 0.0000 LOT 15 PARTIAL EXEMTIONS: HOM O65 DEF

PEARLAND TX 77584-1772 13616 ORCHARD WIND LN DEFERRAL 08-18-10

2008	074	02/01/2009	67,200	171,320	0	238,520	0	238,520	2,027.42	2,027.42	973.16	600.12	3,600.70
2009	074	02/01/2010	57,750	159,200	0	216,950	0	216,950	1,844.08	1,844.08	663.87	501.59	3,009.54
2010	074	02/01/2011	63,530	153,650	0	217,180	0	217,180	1,846.03	1,846.03	147.68	.00	1,993.71
						TOTALS FOR ACCOUNT			5,717.53	5,717.53	1,784.71	1,101.71	8,603.95

74/6887530020040 6887530020040 SHADOW CREEK RANCH SF-53,
TATE BENJAMIN F III BLOCK 2,
2707 GREEN MOUNTAIN DR ROLL R ACRES 0.0000 LOT 4

PEARLAND TX 77584-3437 2807 GREEN MOUNTAIN

2010	074	02/01/2011	43,400	0	0	43,400	0	43,400	368.90	368.90	88.54	91.49	548.93

JR	YEAR	NUMBER OF ACCOUNTS	TOTAL LEVY	LEVY PAID	PAYMENT AMOUNT	LEVY BALANCE	PENALTY & INTEREST	TOTAL DUE
074	2010	2	2,214.93			2,214.93	236.22	2,451.15
074	2009	1	1,844.08			1,844.08	663.87	2,507.95
074	2008	1	2,027.42			2,027.42	973.16	3,000.58
074		TOTALS FOR THIS JURISDICTION	6,086.43			6,086.43	1,873.25	7,959.68
000		LEVY NOT DELINQUENT (SUPPL)				0.00		
000		LEVY ON TAX EXEMPT PROPERTY				0.00		
000		LEVY IN VALUE SUIT (42.08)				0.00		
000		LEVY WITH OVER65 DEFERRAL				5,717.53		
000		LEVY IN BANKRUPTCY				0.00		
000		LEVY UNDER TAX SUIT				0.00		
000		INSTALLMENT AGREEMENT LEVY				0.00		
000		LEVY ON UNCOLLECTABLE ROLL				0.00		
000		LEVY WITH BAD ADDRESS CODE				0.00		
000		TOTAL LEVY IN SUSPENSE				5,717.53		
000		TOTAL UNRESTRICTED LEVY DUE				368.90		

JR	YEAR	NUMBER OF ACCOUNTS		TOTAL LEVY	LEVY PAID	PAYMENT AMOUNT	LEVY BALANCE	PENALTY & INTEREST	TOTAL DUE
000			GRAND TOTALS FOR ALL JURISDICTIONS	6,086.43			6,086.43	1,873.25	7,959.68

***** END OF REPORT *****

ACCOUNT NUMBER / OWNER NAME / DELQ DATE	LAND	IMPROVEMENT	DEFERRED AG	APPR. VALUE	EXEMPTIONS	TAXABLE VALUE	TAX AMOUNT	LEVY DUE	PENALTY & INTEREST	COLLECTION FEES	TOTAL DUE
75/75023221013	75023221013			SHADOW CREEK RANCH SF-32B, BLOCK 1,							
BLAKE VANETTA T											
2102 CRESTWIND CT	ROLL R ACRES		0.0000	LOT 13	PARTIAL EXEMTIONS: HOM						
PEARLAND TX 77584-3628	2102 CRESTWIND COURT										
2010 075 02/01/2011	36,040	158,480	0	194,520	0	194,520	1,653.42	1,653.42	396.82	410.05	2,460.29
75/87003069020	87003069020			CABLE MILEAGE CONVERTS &							
COMCAST OF HOUSTON LLC	TAX DEPARTMENT			PERSONAL PROPERTY BRAZORIA-FT							
1 COMCAST CTR	ROLL P ACRES		0.0000	BEND MUD #1 (M11), 289 MTRS							
PHILADELPHIA PA 19103-2833											
2010 075 02/01/2011	0	590,220	0	590,220	0	590,220	5,016.87	2,842.31	682.15	704.89	4,229.35
75/75023822014	75023822014			SHADOW CREEK RANCH SF-38B							
DAKOTA BLUE HOMES LP				(PEARLAND), BLOCK 2, LOT 14							
8554 KATY FWY	ROLL R ACRES		0.0000								
STE 300											
HOUSTON TX 77024-1851	12810 WINTER SPRINGS										
2010 075 02/01/2011	36,020	74,870	0	110,890	0	110,890	942.57	942.57	226.22	233.76	1,402.55
75/75023825007	75023825007			SHADOW CREEK RANCH SF-38B							
JEBB MARCIA				(PEARLAND), BLOCK 5, LOT 7							
12903 SOUTHPORT DR	ROLL R ACRES		0.0000		PARTIAL EXEMTIONS: HOM O65						
PEARLAND TX 77584-3396	12903 SHADY GATE LANE										
2010 075 02/01/2011	36,740	144,090	0	180,830	0	180,830	1,537.06	460.69	110.57	114.25	685.51
75/75023213011	75023213011			SHADOW CREEK RANCH SF-32A , BLOCK 3,							
JUDGE GLADYS											
2023 SHORE BREEZE DR	ROLL R ACRES		0.0000	LOT 11	PARTIAL EXEMTIONS: HOM O65 DEF						
PEARLAND TX 77584-3619	2023 SHORE BREEZE DR										
2010 075 02/01/2011	30,740	148,340	0	179,080	0	179,080	1,522.18	1,522.18	121.77	.00	1,643.95
75/75023605021	75023605021			SHADOW CREEK RANCH SF-36							
STAPP BERTHA LORENA				(PEARLAND), BLOCK 5, LOT 21	ADDRESS FLAG: MC						
2402 CENTERBROOK CT	ROLL R ACRES		0.0000								
PEARLAND TX 77584-2502	2402 CENTERBROOK COU										
2009 075 02/01/2010	41,950	176,600	0	218,550	0	218,550	1,857.68	1,857.68	668.76	505.29	3,031.73
2010 075 02/01/2011	41,950	244,180	0	286,130	0	286,130	2,432.11	2,432.11	583.71	603.16	3,618.98
					TOTALS FOR ACCOUNT		4,289.79	4,289.79	1,252.47	1,108.45	6,650.71

ACCOUNT NUMBER / OWNER NAME / DELQ DATE	------ PARCEL ADDRESS ------ LAND	IMPROVEMENT	DEFERRED AG	APPR. VALUE	EXEMPTIONS	TAXABLE VALUE	---- LEGAL DESCRIPTIONS ------	TAX AMOUNT	LEVY DUE	PENALTY & INTEREST	COLLECTION FEES	TOTAL DUE
75/75023221038 WELLS FARGO 8742 LUCENT BLVD SUITE 300 HIGHLANDS RANCH CO 80129-0000	75023221038 ROLL R ACRES 0.0000 2114 BREEZEWAY LANE						SHADOW CREEK RANCH SF-32B, BLOCK 1, LOT 38					
2010 075 02/01/2011	31,290	167,950	0	199,240	0	199,240	PARTIAL EXEMTIONS: HOM O65 DEF	1,693.54	33.21	2.66	.00	35.87

JR	YEAR	NUMBER OF ACCOUNTS		TOTAL LEVY	LEVY PAID	PAYMENT AMOUNT	LEVY BALANCE	PENALTY & INTEREST	TOTAL DUE
075	2010	7		14,797.75	4,911.26	5,405.16	9,886.49	2,123.90	12,010.39
075	2009	1		1,857.68			1,857.68	668.76	2,526.44
075			TOTALS FOR THIS JURISDICTION	16,655.43	4,911.26	5,405.16	11,744.17	2,792.66	14,536.83
000			LEVY NOT DELINQUENT (SUPPL)				0.00		
000			LEVY ON TAX EXEMPT PROPERTY				0.00		
000			LEVY IN VALUE SUIT (42.08)				0.00		
000			LEVY WITH OVER65 DEFERRAL				1,555.39		
000			LEVY IN BANKRUPTCY				0.00		
000			LEVY UNDER TAX SUIT				942.57		
000			INSTALLMENT AGREEMENT LEVY				0.00		
000			LEVY ON UNCOLLECTABLE ROLL				0.00		
000			LEVY WITH BAD ADDRESS CODE				4,289.79		
000			TOTAL LEVY IN SUSPENSE				6,787.75		
000			TOTAL UNRESTRICTED LEVY DUE				4,956.42		

ASSESSMENTS OF THE SOUTHWEST
UNPAID ACCOUNTS TAX ROLL
AS OF 01/04/2012

JR	YEAR	NUMBER OF ACCOUNTS		TOTAL LEVY	LEVY PAID	PAYMENT AMOUNT	LEVY BALANCE	PENALTY & INTEREST	TOTAL DUE
000			GRAND TOTALS FOR ALL JURISDICTIONS	16,655.43	4,911.26	5,405.16	11,744.17	2,792.66	14,536.83

***** END OF REPORT *****

LJA Engineering & Surveying, Inc.

2929 Briarpark Drive
Suite 600
Houston, Texas 77042-3703

Phone 713.953.5200
Fax 713.953.5026
www.ljaengineering.com

ENGINEER'S REPORT
BRAZORIA-FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

January 6, 2012

AGENDA ITEM NO. 8

Action Item

a. Design of District facilities and approval of plans and specifications, authorization to advertise for bids, award of construction contracts for District or joint District/TIRZ contracts, execution of any related construction and reimbursement agreements, and letter financing agreements;

Shadow Creek Ranch SF-54 – WS&D (Design Complete)

Shadow Creek Ranch SF-56 – WS&D (Design Complete)

Shadow Creek Ranch SF-57 – WS&D (Design Complete)

Shadow Creek Ranch SF-58 – WS&D (Design Complete)

Shadow Creek Ranch SF-61 – WS&D (Design Complete)

Shadow Creek Ranch SF-62 – WS&D (Design Complete)

b. Construction of water, sewer, and drainage facilities to serve land within the District, including approve pay estimates, change orders and final acceptance as appropriate;

✓ Shadow Creek Ranch SF-45B, 45C, and 49 – WS&D
Approval of Pay Estimates No. 1 and 2 to Allgood Construction Company, Inc. in the amount of $189,777.39 and $306,720.45.

Shadow Creek Ranch SF-52 (Phase 1 WS&D Construction Complete)

Shadow Creek Ranch SF-60 (Phase 1 WS&D Construction Complete)

c. Inspection/maintenance of facilities;

LJA Engineering will discuss with the Board an inspection of facilities in March of 2012.

d. Deeds and easements;

None.