

**MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS**

**August 3, 2016**

STATE OF TEXAS §

COUNTY OF FORT BEND §

BIG OAKS MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Big Oaks Municipal Utility District of Fort Bend County, Texas (the "District"), met in special session, open to the public, on Wednesday, August 3, 2016, at the offices of Municipal Operations and Consulting, 1825 North Mason Road, Katy, Texas, a designated meeting place outside the boundaries of the District, whereupon, the roll was called of the members of the Board, to-wit:

Michael Abshire	-	President
Vacant	-	Vice President
Sonyan Stephens	-	Secretary
Mark Van Dyck	-	Assistant Secretary
Jennifer Flores	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also present at the meeting were: Renee Gay and Ann Ross, members of the public; Mike Bohm with D.R. Horton; Mike Williams and Brian Dubiel of Municipal Operations and Consulting ("MOC") or (the "Operator"); Matt Carpenter of IDS Engineering Group ("IDS"), the District's engineer (the "Engineer"); John Cannon, Attorney, and Tiffany Marquez, Paralegal, of Coats|Rose, P.C., the District's legal counsel.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. A copy of the posted agenda notice is attached hereto as Exhibit "A".

HEAR PROPOSAL FROM DR HORTON WITH RESPECT TO DISTRICT UTILITY CAPACITY IN WATER AND WASTWATER PLANTS AND PLANS TO SERVICE TRACT TO THE WEST OF THE DISTRICT

Director Van Dyck introduced Ms. Ross, who is interested in becoming a Board Director and noted that her property is near the location where D.R. Horton is interested in developing.

Mr. Bohm reported that D.R. Horton is pursuing purchasing approximately 379 acres near the District. He added that he has been coordinating with Mr. Cannon and Mr. Carpenter relating to the potential purchase.

Mr. Carpenter presented and outlined a memorandum related to the possibility of the District, D.R. Horton and Fort Bend County MUD No. 190 ("FBMUD190"), which includes the D.R. Horton land, entering into a favorable agreement for all parties. A copy of Mr. Carpenter's memorandum is attached hereto as Exhibit "B".

Mr. Bohm stated that D.R. Horton at this time plans to develop 1,200 single family homes and no commercial tracts. He noted that the District does not have enough tax base to reimburse D.R. Horton and therefore annexing said property into the District is not a feasible option. However, D.R. Horton is open to acquiring a capacity in the District's sewage treatment plant and water plant and in participating in expanding the District's sewage treatment plant, while possibly utilizing a package plant during construction of an expansion to the District's plant.

Mr. Carpenter and Mr. Williams believe that the District could manage the facilities and any operational changes, including the possibility of adding a water well as another water source. Mr. Bohm noted that FBMUD190 is currently an inactive District. Mr. Cannon stated that another attorney at his firm is the legal counsel for D.R. Horton and that he would not disclose any information confidential to the District to D.R. Horton's legal counsel without the District's consent.

After consideration, upon a motion brought by Director Abshire, seconded Director Stephens the Board unanimously voted to authorize Mr. Cannon to draft an agreement detailing the business terms of a proposal agreement between the District, FBMUD190 and D.R. Horton, and waiving any potential conflict of interest in Coats|Rose representing both parties.

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

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PASSED, APPROVED AND ADOPTED this 14<sup>th</sup> day of September, 2016.

(DISTRICT SEAL)



  
Secretary Board of Directors