

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

August 4, 2014

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 4th day of August, at the Pecan Grove MUD Customer Service Office, 2035 FM 359, Suite 13, Richmond, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

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| Randy Vance | President |
| Kirk Boyd | Vice President |
| Buddy Kluppel | Secretary |
| Ryan Yokubaitis | Assistant Secretary |
| Chad Howard | Assistant Vice President |

and all of the above were present.

Also present at the meeting were Charles McFarland of Joyce, McFarland and McFarland LLP; and Hannah Brook and Tim Austin of Allen Boone Humphries Robinson LLP ("ABHR").

EXECUTIVE SESSION PURSUANT TO THE SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board determined it was not necessary to convene in executive session.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO (1) SEEK ADVICE ON PENDING OR CONTEMPLATED LITIGATION, INCLUDING CONDEMNATION PROCEEDINGS, AND (2) MATTERS IN WHICH THE DUTY OF THE ATTORNEY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT CONFLICT WITH CHAPTER 551 TEXAS GOVERNMENT CODE

Director Vance announced that the Board would convene in executive session at 9:10 a.m. to conduct a private consultation with the District's attorney to seek advice on pending litigation. Ms. Brook, Mr. Austin and Mr. McFarland were present during executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 10:40 a.m. Following executive session, Director Boyd authorized ABHR to proceed as discussed in executive session and authorize settlement by Charles McFarland, as discussed in executive session. Director Kluppel seconded the motion, which passed unanimously.

There being no additional business to consider, the meeting was adjourned at 10:45 a.m.



Secretary, Board of Directors

