

MINUTES
PECAN GROVE MUNICIPAL UTILITY DISTRICT

August 17, 2016

The Board of Directors (the "Board") of Pecan Grove Municipal Utility District (the "District") met in special session, open to the public, on the 17th day of August, 2016, 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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| Chad Howard | President |
| Ryan Yokubaitis | Vice President |
| Buddy Kluppel | Secretary |
| Stephen D. Crow | Assistant Secretary/ Assistant Vice President |
| Charles D. Bertrand | Assistant Vice President/ Assistant Secretary |

and all of the above were present.

Also present at the meeting were Grady Turner and Scott Saenger of Jones & Carter, Inc. ("J&C"); and Lynne Humphries of Allen Boone Humphries Robinson LLP ("ABHR").

EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY, PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER, INCLUDING CONDEMNATION PROCEEDINGS

Director Howard announced the Board would convene in executive session at 8:02 a.m. to conduct a private consultation with the District's attorney.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 9:11 a.m. Following discussion in executive session, Director Kluppel moved to authorize ABHR and McFarland PLLC to prepare a Settlement Agreement and to make a final offer of settlement to Pecan Grove Golf, LLC, as discussed.

There being no additional business to consider, the meeting was adjourned.

Ge. E. Kuyper
Secretary, Board of Directors

(SEAL)

