

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

July 2, 2013

THE STATE OF TEXAS §
COUNTY OF HARRIS §
BRIDGESTONE MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Bridgestone Municipal Utility District (the "District") met in special session, open to the public, at the Jerry Thomas Center, 4403 Lost Lake Lane, Spring, Texas, its regular meeting place within the boundaries of the District, on Tuesday, July 2, 2013, at 6:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Jim Marks	President
Adrian E. Steffes	Vice President
Skip Warren	Secretary
Ronald W. Schkade	Assistant Secretary
Mikuel K. Draper	Director

All members of the Board were present, except Director Schkade, thus constituting a quorum. Director Schkade monitored the meeting via conference call. Also attending the meeting were: Messrs. Mac McElwrath and Tim Shaughnessy of Oden Hughes, LLC ("Oden Hughes"), potential developer of a multi-family development on a 19-acre tract of land within the District on FM 2920 and adjacent to the Kroger Shopping Center; Mr. Chris Jousan, P.E., of Jones & Carter, Inc. ("Jones & Carter"), land development manager representing Oden Hughes, LLC; Mr. Steven Griggs of Development Services, Inc.; Mr. Jeb Cox of Mill Creek Residential Trust ("Mill Creek"), developer of a 19.5-acre tract located at Spring-Stuebner Road and Northcrest Drive; Mr. Edward Schaefer, President of Hopkins Commercial Real Estate, Inc., agent for the seller of the Mill Creek tract; Mr. Clayton Black, P.E., of Jones & Carter, the land development manager representing Mill Creek; Messrs. Erich Peterson, P.E., and Mr. Joshua Lee, P.E., of Jones & Carter, engineers for the District; Mr. David Rowe of Water District Management Company, Inc., operators for the District; and Mr. Jonathan D. Polley, attorney, and Ms. Brooke T. Dold, paralegal, of Johnson Radcliffe Petrov & Bobbitt PLLC, attorneys for the District.

WHEREUPON, the meeting was called to order by Director Marks and evidence was presented that public notice of the meeting had been given in compliance with the law.

DISCUSS AMENDING PROVISIONS OF THE DISTRICT'S RATE ORDER RELATED TO MULTI-FAMILY DEVELOPMENTS AND RATES APPLICABLE TO SAME;

Mr. Polley briefly explained that the special meeting had been scheduled to discuss the changes that the Board needs to make to the District's Rate Order to address multi-family development and customers and to consider concerns previously expressed by the developers of the proposed multi-family developments. Mr. Polley reported that Mr. Black had submitted a letter, dated July 1, 2013, and attached hereto, regarding the current City of Houston (the "City") requirements for multi-family developments and how they conflict with the Board's proposed Rate Order. Director Marks then stated that he finds it hard to compare single-family customers to multi-family customers. Mr. Polley explained that the Board's requirement for multiple meters at a multi-family development came from the Board's desire to treat multi-family customers the same as single-family customers.

Mr. Polley then recommended that the Board convene in executive session.

EXECUTIVE SESSION

Director Marks then adjourned the regular meeting at 6:10 p.m. and announced that the Board would convene in executive session pursuant to Section 551.071 and 551.072, Texas Government Code, as amended, to obtain legal advice from the District's attorney. Directors Marks, Steffes, Warren and Draper, Messrs. Peterson, Lee, Rowe and Polley and Ms. Dold remained in the executive session, and Director Schkade remained connected via conference call, at which time all other persons in attendance at the meeting exited the meeting room.

RECONVENE IN OPEN SESSION

Director Marks then reconvened the meeting in open session at 6:42 p.m. Messrs. Cox, McElwrath, Shaughnessy, Griggs, Black, Jousan and Schaefer re-entered the meeting room.

Mr. Polley then addressed the developers and stated that the Board is willing to allow a master meter at the multi-family developments as required by the City. Mr. Polley stated that the Board will require a capital recovery fee from the developers and noted that such fee would be calculated by the District's engineers and included in the feasibility studies that Jones & Carter are ready to finalize pending the resolution to the Rate Order revisions. Concerning water and sewer rates, Mr. Polley stated that the multi-family water rates will be a minimum of \$8.00 per month times the number of units in the multi-family development up to 3,000 gallons, and usage over 3,000 gallons will be billed at \$2.00 per 1,000 gallons. Mr. Polley went on to state that multi-family units will have the same sewer rate as commercial units, which is 100% of the monthly amount billed for water service. Mr. Polley further noted that the North Harris County Regional Water Authority fee will be included on the bills for the multi-family developments, just as with all other customers.

Mr. Polley then noted that the Board is extremely concerned about added security problems that might develop due to the addition of the multi-family developments and the strain that it would put on the District's current security program. Mr. Polley stated that the Board wants the developers to be aware that these concerns may need to be addressed at such time the developments are occupied.

Mr. Polley then stated that the Board would require an affidavit/acknowledgment from each developer that no government funding is connected with the project. Mr. Cox asked that such affidavit/acknowledgment exclude Fannie Mae and Freddie Mac, who are involved in most real estate finance transactions.

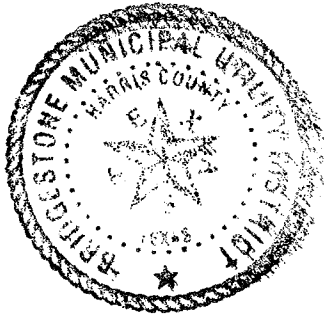
Mr. Polley then stated that he would revise the District's Rate Order as discussed tonight and present it to the Board for adoption as part of the Consent Agenda for the regular meeting on July 16, 2013.


Mr. Black stated that the developers will need time to review the capital recovery fees. Mr. Lee noted that the feasibility studies for Mill Creek and Oden Hughes will be finalized and distributed for review prior to the July 16th meeting.

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

PASSED, APPROVED AND ADOPTED this 20th day of August, 2013.

(DISTRICT SEAL)




Secretary, Board of Directors