

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD ON THE 10TH DAY OF JUNE, 1975 AT 4:00 P.M.

The call of the roll disclosed the presence or absence
of Directors as follows:

| <u>PRESENT</u> | <u>ABSENT</u> |
|--------------------|---------------|
| Wayne E. Newton | Paul W. Mason |
| Clyde A. Penry | |
| J. Oliver Shannon | |
| C. Victor Thornton | |

Also present were Messrs. Joe B. Hogsett, Honorary Chairman of
the Board of Directors and Ben Hickey, General Manager of the
District.

Director Newton acted in his capacity as President and
Director Shannon acted in his capacity as Secretary, whereupon pro-
ceedings were had and done as follows:

1.

On motion duly made and seconded, the minutes of the
meeting held May 5, 1975 were read and approved by the Directors
and it was accordingly ordered that such minutes be placed in the
permanent files of the District.

2.

On motion of Director Penry, seconded by Director Shannon,
voucher-checks #16068 thru #16222 inclusive, Maintenance Fund, in
the amount of \$197,140.15; voucher-checks #4299 thru #4359 inclusive,
Revenue Fund, in the amount of \$220,919.64; voucher-checks #3392 thru
#3411 inclusive, Construction Fund, in the amount of \$144,523.18;

voucher-checks #4172 thru #4174 inclusive, Cedar Creek Construction Fund, in the amount of \$10,139.81 and voucher-checks #483 thru #487 inclusive, Interest and Sinking Fund, in the amount of \$1,231.25 were approved and ordered paid. All Directors voted aye thereon.

3.

A copy of the following instrument, as recorded in the District Court of Henderson County, Texas, was presented to the Directors for their consideration, to wit:

NO. 75-2

| | | |
|--------------------------------|---|--------------------------|
| SENTRY DEVELOPMENT CORPORATION | Y | IN THE DISTRICT COURT OF |
| | Y | |
| VS. | Y | |
| | Y | HENDERSON COUNTY, TEXAS |
| TARRANT COUNTY WATER CONTROL | Y | |
| AND IMPROVEMENT DISTRICT NO. | Y | |
| ONE | Y | THIRD JUDICIAL DISTRICT |

TO THE HONORABLE JUDGE R. W. LAWRENCE:

At a conference here in the courthouse at Athens, today, January 15, 1975, attended by Mr. Alan D. Whatley, President of Sentry Development Corporation, his Attorney, William Perkins of Lufkin and Mr. Patterson, all representing Sentry Development Corporation and Jack Life, Athens, Texas, John M. Scott, Fort Worth, W. M. Brown, Fort Worth, attorneys for defendent in the above case, Tarrant County Water Control and Improvement District Number One and Mr. Ben Hickey, General Manager of the District, entered the following agreement:

The Sentry Development Corporation agrees to pay to Tarrant County Water Control and Improvement District Number One the sum of \$25,000.00 in cash to apply on the obligation involved in this suit. If it has not made such payment by February 1, 1975, then this

C Court is requested to dismiss the above styled suit with prejudice, so that it may not be refiled.

However, in the event such payment is made to said District by February 1, 1975, then the District agrees that it will not make any future foreclosure efforts on the lien and Deed of Trust involved in this suit pending June 1, 1975. On that date Sentry Development Corporation agrees to pay to the said District all of the accrued interest on the above obligation, less the credit for sums paid February 1, 1975, and if such accrued interest is not paid by June 1, 1975, then this suit is to be dismissed with prejudice and the Court it so requested by the parties.

C If said sum is paid on June 1, 1975, Mr. Ben Hickey and the attorneys for said District agree that they will recommend to the Board of said District the refinancing of the principal of the obligation involved in this suit on a basis of principal payments for 7 years, computed at an amortization period of 15 years, and the payment for the 8 years shall be an amount sufficient to retire the unpaid principal. The refinanced obligation is to bear interest at the same rate as now borne by the note involved in this suit.

Interest on the refinanced obligation shall be payable within and in addition to the installments of principal and all other terms and conditions of the note and Deed of Trust evidencing the obligation involved in this suit shall remain unchanged.

C The parties so stipulate and request the Court to record this Agreement as a part of the papers in this suit to become and be binding upon them according to its terms.

It is further agreed that the Defendant District and Trustee John M. Scott may post foreclosure notices under the Deed of Trust for sale on the first Tuesday in June but that such sale will be canceled and will not be held if the refinancing agreements provided hereinabove are carried out.

/s/ Alan D. Whatley

SENTRY DEVELOPMENT CORPORATION,
ALAN D. WHATLEY, PRESIDENT

By /s/ William Perkins
Attorney of Record

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE

By /s/ Jack T. Life
Jack T. Life

/s/ John M. Scott
John M. Scott

/s/ W. M. Brown
W. M. Brown

/s/ Ben Hickey
Ben Hickey, General Manager

A lengthy discussion of the matter was held and in the general review given by Mr. Ben Hickey, General Manager, it was pointed out that all of the conditions outlined in the above listed instrument had been fulfilled by Sentry and that management of the District recommended that the refinancing plan as hereinabove outlined be accepted on the following schedule of payment, to wit:

PAYMENTS DUE AS PER REFINANCING AGREEMENT

| | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|--------------|---------------------|----------------------|---------------------|
| June 1, 1976 | \$ 42,902.24 | \$ 54,700.36 | \$ 97,602.60 |
| June 1, 1977 | 42,902.24 | 51,053.67 | 93,955.91 |
| June 1, 1978 | 42,902.24 | 47,409.53 | 90,311.77 |
| June 1, 1979 | 42,902.24 | 43,760.28 | 86,662.52 |
| June 1, 1980 | 42,902.24 | 40,113.59 | 83,015.83 |
| June 1, 1981 | 42,902.24 | 36,466.90 | 79,369.14 |
| June 1, 1982 | 42,902.24 | 32,802.21 | 75,722.45 |
| June 1, 1983 | 343,217.98 | 29,173.52 | 372,391.50 |
| | <u>\$643,533.66</u> | <u>\$ 335,498.06</u> | <u>\$979,031.72</u> |

There was also presented to the Directors a proposal from Sentry Development Corporation that by a cash payment of \$50,000.00 to the District a release would be given on the existing golf course located on the Sentry Development Corporation's "Arrowhead" Sub-division, as described in detail by a metes and bounds description in the permanent files of the District.

Following more discussion, Director Thornton made a motion, seconded by Director Penry and unanimously approved that upon approval by General Counsel and management of the District the above refinancing plan as hereinabove described be accepted by the District; and that a release of the "golf course" as hereinabove described be released on the following terms and conditions, to wit:

- (a) payment to District of \$50,000.00 in cash to be credited on the final payment of principal due.
- (b) A reverter clause be incorporated providing that in the event of discontinuance of said golf course, during time of outstanding balance of lien held by District on Sentry Development Corporation, the release would become void.

4.

President Newton stated that prior to this meeting all Directors had been furnished information, relative to the establishing of the tax rate for 1976, reflecting a detailed breakdown of expenditures estimated to be required for the Interest and Sinking and Maintenance Funds; following a general discussion, and with the recommendation of management of the District, Director Shannon made

a motion seconded by Director Thornton and unanimously passed, that the current ad valorem tax rate of TWENTY-FIVE (25¢) cents per each \$100.00 valuation applicable to the properties within the taxing jurisdiction of the District as placed on the tax rolls of Tarrant County by its Assessor-Collector be adopted for 1976, and that the revenues produced by said rate be allocated as follows:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
PROGRAM "A", "B" AND "D"
PROJECTION OF INCOME FROM TAX COLLECTIONS FOR YEAR 1976

| | |
|--------------------------------|--------------------------|
| 1976 Tax Roll Estimated | \$ 729,833.232.00 |
| Less: 7% Estimated Delinquency | 51,088,326.00 |
| | <u>\$ 678,744,906.00</u> |

| | |
|--|------------------------|
| Tax Rate 25¢ | |
| Estimated Current Collections for the year, 1976 | \$ 1,696,862.00 |
| Delinquent Collections | <u>50,000.00</u> |
| | <u>\$ 1,746,862.00</u> |

| | <u>CURRENT COLLECTION</u> | <u>DELINQUENT TAXES</u> | <u>TOTAL</u> |
|-----------------------------|-------------------------------|-----------------------------|-----------------------|
| 15¢ Maintenance Fund | \$1,018,117.00 | \$30,000.00 | \$1,048,117.00 |
| 10¢ Interest & Sinking Fund | <u>678,745.00</u> | <u>20,000.00</u> | <u>698,745.00</u> |
| | <u>\$1,696,862.00</u> | <u>\$50,000.00</u> | <u>\$1,746,862.00</u> |

5.

President Newton stated that prior to this meeting all Directors had been presented, for their consideration, a recommended Preliminary Budget, by Management of the District, as required by the Trust Indenture, for the Cedar Creek Project and following a review Director Penry made a motion, seconded by Director Thornton, that the following preliminary budget be now adopted to wit:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
 CEDAR CREEK PROJECT
 REVENUE FUND
 PRELIMINARY BUDGET FOR THE YEAR 1976

| | | |
|--|----------------|-----------------|
| CASH & INVESTMENTS - January 1, 1976 | | \$ 2,000,000.00 |
| INCOME | | |
| Water Sales | \$3,000,000.00 | |
| Lease Rental & Concession Income | 30,000.00 | |
| Interest Income | 375,000.00 | |
| Installment on Notes | 75,000.00 | |
| Interest on Notes | 40,000.00 | |
| | 3,520,000.00 | 3,520,000.00 |
| | | 5,520,000.00 |
| EXPENDITURES | | |
| Capital Items | \$ 15,000.00 | |
| Administrative & Maintenance Expense | 275,000.00 | |
| Pumping Costs & Pipeline Maintenance | 275,000.00 | |
| Debt Service | 3,452,451.00 | |
| | 4,017,451.00 | 4,017,451.00 |
| CASH & INVESTMENTS - December 31, 1976 | | \$ 1,502,549.00 |

6.

The Directors were presented the Monthly Financial Report regarding Receipts and Disbursements for Program "A", "B" and "D" and Cedar Creek Project, for the month of April, 1975, from the Auditor of the District, which was ordered accepted and placed in the District's files.

7.

There being no further business before the Board of Directors, the meeting adjourned.

Wayne E. Newton
 President

J. P. Shannon
 Secretary