

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §
COUNTY OF HAYS §
ANTHEM MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board" or the "Board of Directors") of Anthem Municipal Utility District (also sometimes referred to herein as the "District") met in regular session, at 3815 S. Capital of Texas Highway, Suite 300, Austin, Texas, a designated office of the District outside the boundaries of the District on February 12, 2020, and the roll was called of the members of the Board to-wit:

Brandon Brydson	President
Matt Jacobs	Vice President
Nichole H. Scott	Secretary
Tammy Weber	Treasurer/Asst. Secretary

All members of the Board were present at the commencement of the meeting except Nichole H. Scott. All directors present at the time the vote was taken voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Judy McAngus and Kimberly Studdard, legal assistants of Winstead PC ("Winstead"); Hank Smith and David Fusilier with Atwell, LLC (formerly Texas Engineering Solutions, LLC ("Atwell"), engineers for the District; and Kristi Hester with Inframark, LLC, bookkeeper for the District. In addition, Clark Wilson, representing Kyle 150, LP, the current owner and developer of the land within the District was in attendance.

The meeting was called to order, and evidence was presented that public notice of such meeting had been given as required by law.

1. The Board called for public communications and comments however, none being heard, the Board moved on to the next item of business.
2. The Minutes from the Board's October 23, 2019 meeting were presented for review and approval. Following a motion by Director Brydson, seconded by Director Weber and unanimously carried, said Minutes were approved as written.
3. Judy McAngus briefly discussed a vacancy on the Board due to Travis Waldrop moving out of state, thus disqualifying him for service on the Board, and noted no action was needed at this time.

4. With regard to a report from the developer, Clark Wilson noted that they've broken ground on off-site development projects and that off-site water and wastewater plans have both been approved by the City of Kyle ("City"). Mr. Clark also noted they're expecting approval from the City on the Hoover Drive Station the following week.

As relates to the addition of new partners on the development side and the formation of a new development entity, an Assigned and Amended Agreement for the Construction and Purchase of Facilities and Reimbursement for Costs ("Assigned and Amended Reimbursement Agreement"), a copy of which is attached hereto as **EXHIBIT "A"**, by and between Kyle 150, LP, Mountain City – 150, LP, Anthem Hays Development, LLC ("Former Developer") and the District was presented to the Board to reflect said change to the development entity and assignment of original reimbursement agreement related to same. Upon motion by Director Brydson, seconded by Director Jacobs and unanimously carried, said Assigned and Amended Reimbursement Agreement was approved.

5. The Board next reviewed pending pay applications as had been provided by Atwell for the Board's review and approval with regard to construction contracts awarded at the October 23, 2019 meeting. Hank Smith, in capacity as engineer for the District, confirmed Atwell was recommending approval of such items by the Board and that such items were previously approved and executed by the developer. Copies of separate Atwell recommendation letters are attached to each of the following pay applications.

With respect to the Anthem Offsite Wastewater Line Project, Pay Application No. 1, a copy of which is attached hereto as **EXHIBIT "B"**, was presented for approval. Following a motion by Director Jacobs, seconded by Director Weber and unanimously carried, the Board approved said pay application. In addition, with respect to the Anthem Hoover Drive Station – Onsite Water Improvements Project, Pay Application No. 2, a copy of which is attached hereto as **EXHIBIT "C"**, was presented for approval. Following a motion by Director Brydson, seconded by Director Jacobs and unanimously carried, the Board approved said pay application.

Next, with respect to the Anthem RM 150 Station – Offsite Water Improvements Project, Pay Application No. 3, a copy of which is attached hereto as **EXHIBIT "D"**, was presented for approval. Following a motion by Director Jacobs, seconded by Director Weber and unanimously carried, the Board approved said pay application.

Lastly, with respect to the Anthem Phase 1A Subdivision Improvement Project, Pay Application No. 4, a copy of which is attached hereto as **EXHIBIT "E"**, was presented for approval. Following a motion by Director Brydson, seconded by Director Jacobs and unanimously carried, the Board approved said pay application.

With regard to removal of the foundation/slab for an existing home and workshop/storage areas around the home site within the District, Hank. Smith noted there would be a change order related to one of the existing contracts though the amount was not known at this time to cover the foundation and building removal but that such costs would not be reimbursable to the developer under the contract. Upon motion by Director Brydson, seconded by Director Jacobs and unanimously carried, said change order was authorized by the Board and confirmed by the Board that the District would not be responsible for any related costs.

In addition, Mr. Smith confirmed recordation of various easements previously discussed that were needed for the current projects. As relates to Geotech Reports and related contracts for such reports as necessary for the on-going construction projects, Hank Smith noted the developer would execute four separate proposals on behalf of the District related to same, and though the District is not a signatory to any of the proposals, he noted that he would provide copies of said proposals for the District's files upon execution by all parties. Upon motion by Director Weber, seconded by Director Brydson, the Board unanimously approved execution by the developer of any Geotech engagement letters on behalf of the District covering such services.

6. Andy Barrett then confirmed there were no real updates at this time as relate to any additional water and sewer related agreements, easements or conveyances to the City of Kyle or City of Mountain City except he would be reviewing agreements with the City of Kyle and the City of Mountain City with the engineers to ensure all required easements under such agreements and the Texas Commission on Environmental Quality ("TCEQ") rules were in place.

Hank Smith then noted TCEQ approval on Anthem Phase 1B Subdivision Improvement Project ("Phase 1B Improvements") has been obtained, and upon motion by Director Jacobs, seconded by Director Brydson and unanimously carried, the Board authorized bidding on Phase 1B Improvements.

7. Judy McAngus then discussed with the Board the need for a directors' election every two years of even-numbered years, as required by the law and legislation creating the District, and confirmed the three directors up for re-election in May of 2020 as Nichole H. Scott and Tammy Weber as well as Travis Waldrop, whom was previously disqualified from the Board after moving out of state. It was noted that Winstead was in receipt of Applications for a Place on the General Election Ballot, from both Directors Scott and Weber and additionally from Eric Storm. Ms. McAngus stated that Mr. Storm had expressed an interest in filling the vacancy on the Board for the remainder of former Director Waldrop's existing term of office as well as seeking election to such office and would be attending the Board's March regular Board meeting. It was discussed that should the election move forward, it would be conducted by Hays County ("County") under a proposed Contract for Election Services ("Election Contract"). Ms. McAngus noted the final version of the Elections Contract is not yet available from the County. Ms. McAngus also noted these are very standard contracts and she would not expect to see anything out of the ordinary, but that the final version would be reviewed and approved by attorneys for the District prior to requesting execution of such Elections Contract. In addition, the Board reviewed an Order Calling Directors Election ("Order Calling"), a copy of which is attached hereto as **EXHIBIT "F"**. Upon motion by Director Weber, seconded by Director Jacobs and unanimously carried, said Order Calling was adopted and the Board's officers were authorized to execute the final Elections Contract should the election move forward.

8. In addition, Kristi Hester presented a Financial and Bookkeeper's Report to the Board. Following a motion by Director Brydson, seconded by Director Jacobs and unanimously carried, the Board approved the report and payments listed there on with the exception of Operating Check to Directors Waldrop and Scott, due to their absence from said meeting. A copy of such report is attached hereto as **EXHIBIT "G"**.

9. The Board then confirmed their next regular meeting date as Wednesday, March 11, 2020 at 11:30 a.m. at their regular meeting place.

There being no further business to conduct, Director Jacobs moved that the meeting be adjourned, which motion was seconded by Director Weber, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 11th day of March, 2020.



Tammy Weber

Tammy Weber, Assistant Secretary
Board of Directors
Anthem Municipal Utility District