

MINUTES OF MEETING  
OF THE BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF BURNET §

HIGHWAY 71 MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board" or the "Board of Directors") of Highway 71 Municipal Utility District (also sometimes referred to herein as the "District") met in special session, open to the public, at 401 Congress Avenue, Suite 2100, Austin, Texas, a designated office of the District outside the boundaries of the District on January 30, 2020, and the roll was called of the members of the Board to-wit:

Jeffrey McDowell	President
Matt D. Zukauckas	Vice President
Allan Brandt	Secretary
Terry Michael Franks	Treasurer/Asst. Secretary

All members of the Board were present at the commencement of the meeting except Matt D. Zukauckas. All directors present at the time the following votes were taken voted on all matters. Also present were Andy Barrett of Andy Barrett & Associates, PLLC ("Barrett"), Judy McAngus, paralegal and Kimberly Studdard, legal assistant with Winstead PC ("Winstead"), Darlene Louk, representative of Hines Hwy 71 Limited Partnership ("Hines"), the developer of lands within the District, and Justin Taack of Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District.

The record shall reflect that former Director John H. Gurasich was no longer qualified to serve on the Board of Directors of the District since his taking an Oath of Office for a permanent director position on a separate municipal utility district. It was noted that his position (term ending in May 2020) would remain open until a replacement was appointed by the Board.

1. The Board called for public comments. Hearing none, they continued on to the next item of business.

2. The Board acknowledged receipt of the Minutes of Meeting of the Board of Directors conducted on September 5, 2019 and following a full review and upon motion by Director Brandt, seconded by Director McDowell and unanimously carried, the Board approved such Minutes as written.

3. Darlene Louk updated the board with respect to development activity noting that they are currently working with the two builders previously discussed, Lennar and Dream Finders, for Phase 1A and will be securing amendments to the original builder contracts to reflect a new substantial completion date of October 31, 2020. She also noted they're hoping to close on their development loan by March of 2020. Lastly, Ms. Louk discussed progress being made with the Texas Commission on Environmental Quality ("TCEQ") with regard to design and permit matters.

Additionally, Ms. Louk stated negotiations with the Texas Department of Transportation (TxDOT") are going well and that Hines is currently speaking with a neighboring development about possibly sharing in some of the costs related to same.

4. The Board was briefed on its eminent domain powers as granted in the Legislation that created the District and the Board was notified that the attorneys for the District would be handling the required 2020 update to the State Comptroller's website reconfirming such powers.

5. 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 confirmed the two directors up for re-election in May of 2020 as Matt D. Zukauckas and Terry Michael Franks. The Board next considered an Order Calling Director Election ("Order"), a copy of which is attached hereto as **EXHIBIT "A"**. Upon motion by Director Brandt, seconded by Director McDowell and unanimously carried, the Board approved said Order.

6. Justin Taack then presented the Board with a Cash Activity Report, attached hereto as **EXHIBIT "B"**. Mr. Taack noted that he would void both Director Zukauckas' and Director Gurasich's checks for the current meeting since neither were in attendance and would withhold all accounting fees until the next deposit from Hines had cleared. Mr. Taack also noted that future cash activity reports will begin showing a small amount in tax revenues since adoption of Order Setting Tax Rate for 2019 at September 5, 2019 meeting. Upon motion by Director Franks and seconded by Director McDowell, the Cash Activity Report and disbursement of funds in accordance therewith was unanimously approved.

7. Justin Taack then confirmed completion and filing of the Annual Financial Report for fiscal year ending September 30, 2019. It was noted that, upon receipt of the final Report, Winstead would handle filing with the State Comptroller. Judy McAngus further confirmed all necessary transparency compliance and reporting through the State Comptroller's office would be taken care of by Winstead prior to the February meeting date.

8. The Board then discussed and confirmed the next meeting date as February 27, 2020 as 1:30 p.m. at their regular meeting location.

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

APPROVED AND ADOPTED this 27<sup>th</sup> day of February, 2020.



Allan Brandt, Secretary

Board of Directors

Highway 71 Municipal Utility District

