

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

LASALLE MUNICIPAL UTILITY DISTRICT NO. 1 §

The Board of Directors (the "Board" or the "Board of Directors") of LaSalle Municipal Utility District No. 1 (also sometimes referred to herein as the "District") met in special session, open to the public, at 7401 B. Hwy. 71 West, Suite 160, Austin, Texas, at a designated office of the District on January 29, 2020, and the roll was called of the members of the Board to-wit:

Kristi LaRue	President
Eric Willis	Vice President
Chuck Kaufman	Secretary
Douglas J. Goss	Treasurer/Asst. Secretary
John Christopher Gee	Asst. Secretary

All members of the Board were present at the commencement of the meeting, except John Christopher Gee. The record shall reflect that Director Gee entered the meeting during item 10 hereunder. 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"); Keith Young of Doucet & Associates, Inc. ("Doucet & Associates"), engineers for the District; Justin Taack of Bott & Douthitt PLLC ("Bott & Douthitt"); and Blake Reed with TACK Development, Ltd. and Mike Schroeder with LaSalle Holdings, Ltd., representing the owners and developer of the lands within the District.

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. Andy Barrett confirmed receipt from Tack Development Ltd. of a Petition for LaSalle Municipal Utility District No. 1 to Implement Assessments to Finance Certain Improvements and Recreational Facilities ("Petition for Assessments"), a copy of which is attached hereto as **EXHIBIT "A"**, it being noted that the ability for a majority landowner to petition for assessments of this type was granted in the legislation creating the District. Blake Reed representing TACK then noted, on behalf of the landowner, that TACK was not asking the District to levy the \$120 per residential lot per year assessment requested in the Petition at this time, but wanted to file such Petition with the Board to insure the District had the ability to formally levy such assessments at a later date.

The Board then acknowledged receipt of the Petition for Assessments and upon motion by Director LaRue, seconded by Director Kaufman and unanimously carried, the Board called a public hearing on said Petition for Assessments. No persons present addressed the Board on the subject. Shortly thereafter, upon motion by Director LaRue, seconded by Director Kaufman and unanimously approved, said hearing was closed.

Following completion of the public hearing on the Petition for Assessments, upon motion by Director LaRue and seconded by Director Kaufman, the Board unanimously approved such Petition for Assessments and noted that it would formally consider the levy of assessments contemplated thereunder at a later date.

3. The Board confirmed receipt of the Minutes from the March 13, 2019 special Board meeting and upon motion by Director LaRue, seconded by Director Willis, said minutes were unanimously approved.

4. With regard to the status of development in the District, Blake Reed noted plans have been submitted to the City of San Marcos and that they are hoping to receive written comments within the week. Mr. Reed also noted the District would be the first to be developed of all of the LaSalle districts and that they are currently in talks with several homebuilders for lots in the Phase One proposed within the District. In addition, Mike Schroeder provided additional overall development related details pertaining to the overall LaSalle project.

5. Next the Board reviewed an Assignment of Assumption of Agreement to Oversize Cool Springs Wastewater Interceptor between City of Kyle and TACK Development, Ltd. ("Assignment"), a copy of which is attached hereto as **EXHIBIT "B"**. Andy Barrett then reminded the Board of its prior authorization for the preparation of the Assignment, if needed, and noted that the Oversize Agreement contemplated in the Assignment has since been executed by both the City of Kyle and TACK Development, Ltd.. Mr. Barrett then noted the effective date of the Assignment would be January 29, 2020. Upon motion by Director LaRue, seconded by Director Willis and unanimously approved, said Assignment was approved by the Board. It was additionally confirmed that the District would need to notify the City of Kyle within 30 days' of the execution of such Assignment. Judy McAngus confirmed Winstead would handle such notification by providing the City with a fully executed copy of such Assignment.

6. Keith Young then discussed engineering matters with the Board and provided updates with regard to same, noting that the wastewater line is 100% complete and is undergoing final testing. He additionally reported that the reclaimed water line is nearing completion and that those contracts (under the above Oversize Agreement) have been awarded by Lennar on behalf of the City of Kyle and that the City most likely will be requesting payment from the developer, on behalf of the District, in the near future for the District's share of such costs under the Oversize Agreement. Mr. Young also noted progress is being made with regard to roadway / I-35 access.

7. 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.

8. Blake Reed then expanded on Keith Young's prior statements providing a further update with regard to the acquisition of property for public use (roadway access in and to the

District) and any necessary steps that must be taken to prepare for potential eminent domain (condemnation) proceedings, noting the developer is hoping to purchase the land via contract. Mr. Reed also confirmed the existing engagement with special counsel, the appraiser and the land agent with regard to eminent domain matters.

In addition, Mr. Reed discussed with the Board a proposal to amend the existing Professional Services Agreement with LJA Engineering, Inc. ("LJA"), as relates to the right of way acquisition, to add an additional \$12,500 in additional time and materials, if needed. A copy of such amendment is attached hereto as **EXHIBIT "C"**. Mr. Reed also indicated that Lory Johnson with Atrium Real Estate Services had provided the appraisal backup for the right of way acquisition. Upon motion by Director LaRue, seconded by Director Kaufman and unanimously carried, the Board authorized Atrium Real Estate Services to formally provide such appraisal services. In addition, and upon motion by Director LaRue, seconded by Director Kaufman and unanimously carried, the Board approved the proposal to amend the existing agreement with LJA as reflected in said amendment.

9. 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 two directors up for re-election in May of 2020 as Eric Willis and Douglas J. Goss. The Board then considered a joint election contract and/or election services agreement ("Election Contract") with Hays County ("County") related to the May 2, 2020 directors' election and authorized execution of the final version by the Board's officers should the election move forward. Ms. McAngus noted the final version is not yet available from the County but that these are very standard contracts and she doesn't expect to see anything out of the ordinary, but that the final version would be reviewed by attorneys for the District prior to execution by the Board in the event the election moves forward. Upon motion by Director Willis, seconded by Director Kaufman, authorization of the final Election Contract was unanimously approved.

As also relates to the May 2, 2020 directors' election, the Board next considered an Order Calling Directors Election ("Order Calling"), a copy of which is attached hereto as **EXHIBIT "D"**. Upon motion by Director Willis, seconded by Director Kaufman and unanimously carried, said Order Calling was adopted.

10. Justin Taack then presented the Board with a Cash Activity Report, attached hereto as **EXHIBIT "E"**. Blake Reed presented Mr. Taack with an additional developer advance for the District's operating account. Mr. Taack noted that he would withhold all accounting fees until deposit of the check received at the meeting. Upon motion by Director LaRue and seconded by Director Willis, the Cash Activity Report and disbursement of funds in accordance therewith was unanimously approved. The record shall reflect that Director Gee entered the meeting at this point.

11. Mr. Taack then recommended to the Board they authorize Bott & Douthitt to open a manager's account in addition to the existing District operating account, noting it allows for ease in maintaining available funds and allows for the timely payment of recurring expenses, such as payroll taxes, in between meeting dates. It was noted that any checks written on the manager's account would be reflected on the next Cash Activity Report presented at the following Board meeting. Upon motion by Director LaRue, seconded by Director Kaufman and unanimously carried, the Board authorized the opening of a manager's account.

12. Ms. McAngus then reminded the Board of deadlines surrounding the governmental training courses and confirmed completion certificates received to date.

13. Judy McAngus then discussed with the Board annual filings with the Texas Commission on Environmental Quality ("TCEQ") and State Comptroller as relate to the District's financial reports and related transparency reporting. Justin Taack then confirmed Bott & Douthitt will prepare those reports and file with the TCEQ, and upon receipt, Winstead will upload the reports to the State Comptroller's website.

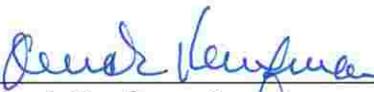
14. The Board was presented with a Resolution Adopting Change in Fiscal Year ("Resolution"), a copy of which is attached hereto as **EXHIBIT "F"**. Judy McAngus then discussed with the Board a recommendation from Allen Douthitt to adopt a September 30 fiscal year end to conform to the other LaSalle districts and for ease in ensuring timely filing of all reports. Upon motion by Director LaRue, seconded by Director Kaufman and unanimously carried, said Resolution was approved.

15. The Board then discussed and confirmed the next meeting date as February 26, 2020 as 9:00 a.m.at their regular meeting location.

There being no further business to conduct, Director Willis moved that the meeting be adjourned, which motion was seconded by Director LaRue, and unanimously approved, and the Board adjourned until the next scheduled meeting date.

APPROVED AND ADOPTED this 26<sup>th</sup> day of February, 2020.



  
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Chuck Kaufman, Secretary  
Board of Directors  
LaSalle Municipal Utility District No. 1