

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") of Anthem Municipal Utility District (sometimes referred to herein as the "District") met in regular session, open to the public, on the 9th day of December, 2020, by telephone conference to mitigate the spread of COVID-19 pursuant to the guidance provided by the Office of the Attorney General of the State of Texas, and the roll was called of the members of the Board of Directors, (herein referred to as the "Board") to-wit:

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

All members of the Board were present by telephone at the commencement of the meeting, except Director Scott and Director Jacobs. The record shall reflect Director Jacobs joined the meeting under item 4 herein and before any vote was taken. All directors present at the time the vote was taken voted on all items that came before the Board. Also present by telephone were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Judy McAngus, paralegal, and Kimberly Studdard, legal assistant, of Winstead PC ("Winstead"); Hank Smith with Atwell, LLC ("Atwell"), engineers for the District; and Justin Taack with Bott & Douthitt, PLLC ("Bott & Douthitt"), bookkeepers for the District. In addition, Prabin Basnet of Jones-Heroy & Associates, Inc., special engineers for the District as relates to potential bond matters, and Kristi Hester of Inframark, LLC ("Inframark"), a prospective operations firm for the District, were in attendance.

Judy McAngus explained a few guidelines for the telephone conference meeting regarding a request that each Board member confirm their name prior to making any motion or voting on such matters to ensure that the public record of the meeting would be heard and accurately recorded. Notification to the public was given that the meeting was being recorded. The meeting was then called to order, 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 November 11, 2020 regular meeting were presented for review and approval. Following a motion by Director Brydson, seconded by Director Storm and unanimously carried, said Minutes were approved as written.

3. With regard to a report from the developer, Judy McAngus confirmed Clark Wilson of Kyle 150, LP, the current owner and developer of the land within the District, had not yet been able to join the meeting, and as is such, the Board moved on to the next item of business.

4. The record shall reflect Director Jacobs joined the meeting at this time. Next the Board reviewed Atwell's December 9, 2020 Engineer's Summary for construction and status of the four (4) separate construction projects currently underway by C.C. Carlton Industries, Ltd. ("CC Carlton") and the one (1) contract currently in progress by Joe Bland Construction L.P. ("Joe Bland") along with recommendations for related pay applications and change orders, which report is attached hereto as **EXHIBIT "A"**. By motion of Director Weber, seconded by Director Jacobs and unanimously carried, the following recommended Atwell payments under the stated construction contracts were unanimously approved:

Anthem Phase 1-A contract with CC Carlton:
Pay Application No. 11 (\$501,653.95).

Anthem Phase 1-B contract with Joe Bland:
Pay Application No. 5 (\$201,645.00).

Anthem RM 150 – Offsite Water contract with CC Carlton:
Pay Application No. 8 (\$86,287.50);
Change Order No. 1 (\$266,295.00); and
Holding Retainage of \$235,764.80.

Anthem Offsite Wastewater contract with CC Carlton:
Holding Retainage of \$153,779.26.

Anthem Hoover Drive Station – Onsite Water contract with CC Carlton:
Pay Application No. 8 (\$238,533.75); and
Change Order No. 2 (\$32,287.50).

The record shall reflect that copies of all approved pay applications are attached collectively as **EXHIBIT "B"**.

Mr. Smith noted construction is progressing really well and that paving has begun on Phase 1A. Mr. Smith also noted Phase 1B is progressing quickly, and he confirmed that the schematic land plan designs had been completed for the Anthem Amenity Center (that will be constructed by the developer at his cost), the Condo Site in Phase 1-C and the Phase 2 single-family layout, as was previously discussed.

With regard to certain items the District will be required to maintain as the District nears the development phase, such as the detention and water quality ponds as well as the drainage infrastructure that is outside the ROW and all sidewalks in the development, Mr. Smith noted that Atwell was working with Inframark to discuss the location of such improvements and additional infrastructure components that it is anticipated Inframark will maintain for the District. Additionally, Mr. Smith noted the entry sign identifying the District, as required by the Texas Commission on Environmental Quality ("TCEQ") posted on the entry road into the District, would also most likely

be handled by Inframark once they were formally under contract with the District. It was noted that a proposed contract with Inframark for such services will be presented in the near future for review, recommendation and Board approval.

Ms. McAngus then confirmed Clark Wilson had not yet been able to join the meeting, and as is such, we would continue to move on to the next item of business.

5. With regard to the FM 150 Water Facilities Service, Financing, and Construction Agreement (sometimes referred to as the "Multi-Party Agreement") previously approved by the Board and payments made under said Multi-Party Agreement, Mr. Smith noted all payments are coming in as planned and that he expects the fourth invoice to go out later this week. With regard to any additional water and sewer related agreements or, easements or conveyances to the City of Kyle or City of Mountain City or other related matters, Andy Barrett and Hank Smith each confirmed there was nothing needed at this time.

6. With regard to a potential Professional Services Agreement with Inframark, LLC with respect to operational services to be provided to the District, as noted above Ms. McAngus reiterated that most likely such contract would likely be ready for review at the Board's next meeting.

7. Ms. McAngus then discussed with the Board a proposed Contract for Municipal Solid Waste Collection and Disposal Services with Texas Disposal Systems, Inc. ("TDS"), noting negotiations with TDS are currently underway, and that the Contract for Municipal Solid Waste Collection and Disposal Services is expected to be ready for review at the Board's regularly scheduled January meeting.

8. Additionally, Ms. McAngus confirmed previous statements made with regard to the placement of an entry sign identifying the District, as required by the TCEQ, would be handled at a later date but prior to any potential residents viewing model homes.

9. Justin Taack with Bott & Douthitt presented and reviewed a December 9, 2020 Accounting Report to the Board. Mr. Taack noted that action needed by the Board at this meeting mainly relates to payment of directors' fees for the December 9, 2020 meeting as well as payment of accounting fees for November 2020 and payment of annual fees to the Hays Central Appraisal District ("HCAD") for 2020 and 2021 as relates to the collection of taxes by HCAD on behalf of the District. Additionally, Mr. Taack noted Board action and execution of a letter from Amegy Bank authorizing Bott & Douthitt to close the Amegy Bank Operating Account previously opened by the District's former bookkeeping firm would also be needed. Following a motion by Director Brydson, seconded by Director Storm and unanimously carried, the Board approved the report and payments listed thereon as well as closing of the Amegy Bank Operating Account and execution of a letter authorizing same. A copy of such report is attached hereto as **EXHIBIT "C"**.

Additionally, Ms. McAngus confirmed Director Scott had not joined the meeting and thus Check No. 5044 would be voided by Bott & Douthitt.

10. The Board then confirmed their next proposed regular meeting date as Wednesday, January 13, 2021 at 11:30 a.m., and Ms. McAngus noted the meeting would likely be in the telephonic format assuming the Governor renews the existing COVID-19 disaster Proclamation.

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

APPROVED AND ADOPTED this 13th day of January, 2021.



A handwritten signature in blue ink, appearing to read 'Nichole H. Scott', is written over a horizontal line.

Nichole H. Scott, Secretary
Board of Directors
Anthem Municipal Utility District