

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 11th day of November, 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. 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, Clark Wilson, representing Kyle 150, LP, the current owner and developer of the land within the District, was in attendance as well as Prabin Basnet and Ken Heroy of Jones-Heroy & Associates, Inc., special engineers for the District as relates to potential bond matters.

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 insure 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 and notice provided that the meeting would be recorded.

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 14, 2020 regular meeting were presented for review and approval. Following a motion by Director Jacobs, seconded by Director Weber and unanimously carried, said Minutes were approved as written.

3. The Board was then asked to approve and ratify the Amended District Information Form presented at the October 14, 2020 meeting and confirm filings thereof. Upon motion by Director Brydson, seconded by Director Jacobs, the Board unanimously approved and ratified said Amended District Information Form.

4. With regard to a report from the developer, Clark Wilson noted that onsite development continues to come along smoothly on both the 50' and 60' lots within the Anthem Subdivision. Mr. Wilson noted the water storage tank is well underway and that the development is looking great and coming together really well. It was noted that current builders who intend to build in the early phases of the development are doing a great job generating interest for the potential sale of such homes and that inquiries from additional builders to buy additional lots indicate that the market remains strong. With regard to the amenity center, Mr. Wilson noted paving should be finished by the middle of next month and that construction of the initial amenities should commence shortly after that.

5. Next the Board reviewed Atwell's November 11, 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 Brydson, 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. 10 (\$394,414.74).

Anthem Phase 1-B contract with Joe Bland:
Pay Application No. 3 (\$31,518.05); and
Pay Application No. 4 (\$255,650.82).

Anthem Hoover Drive Station – Onsite Water contract with CC Carlton:
Pay Application No. 7 (\$160,020.00).

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

Mr. Smith noted that there would also be a Change Order, most likely to be presented at the next Board meeting, for the Anthem Phase 1B contract with Joe Bland as relates to the removal of an old pipeline owned by Exxon Mobile ("Exxon"). Mr. Smith noted that Exxon required an additional insurance policy prior to removal of said pipeline and that the District would need to reimburse Joe Bland for the costs of the pipeline removal and the required insurance coverage. Mr. Smith then 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.

In addition, Hank Smith noted that as the District nears the development phase, there are certain items the District will be required to maintain 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. Atwell is currently working on support information to provide to Inframark that will detail the location of such improvements and additional infrastructure components that it is anticipated Inframark will maintain for the District. It was noted that a proposed contract for such services will be presented at a future board meeting for review, recommendation and Board approval.

Mr. Smith then noted an entry sign identifying the District, as required by the Texas Commission on Environmental Quality ("TCEQ"), will be posted on the entry road into the District prior to model homes opening.

Lastly, Clark Wilson confirmed that all offsite sewer plans have been accepted by the City of Kyle, and Mr. Atwell confirmed no additional action was needed by the Board at this time. Mr. Atwell noted the biggest issue currently is obtaining offsite electricity. Mr. Wilson confirmed the same, noting the developer will need to plat an electric line and bury it along FM 150. They are currently working with neighboring businesses in buying in and sharing their pro-rata portion of burying said line.

6. 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 confirmed there was nothing needed at this time. 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 continues to be in contact with Mary Bott of Bott & Douthitt regarding same.

7. With regard to a potential Professional Services Agreement with Inframark, LLC with respect to operational services to be provided to the District, Ms. McAngus noted such contract would likely be ready for review at the Board's regularly scheduled November meeting.

8. Justin Taack with Bott & Douthitt presented and reviewed a November 11, 2020 Accounting Report to the Board. It was noted that expenditures approved at the last meeting totaled a little over \$1,900 and that check numbers 5027-5033 to cover those expenditures were written out of the District's bookkeeper's account as discussed. Mr. Taack noted that the only action needed by the Board at this meeting was related to payment of directors' fees for the November 11, 2020 meeting as well as payment of accounting fees for October 2020. Following a motion by Director Weber, seconded by Director Storm and unanimously carried, the Board approved the report and payments listed thereon. A copy of such report is attached hereto as **EXHIBIT "C"**.

Additionally, Ms. McAngus noted that the District's Annual Financial Report, as required by the TCEQ, was due on November 16, 2020 and that Clark Wilson had worked very closely with Mary Bott with regard to funds advanced to or paid on behalf of the District for inclusion in such report for the District's fiscal year ended September 30, 2020. It was noted that over \$10 million has been advanced by the developer to date, and Ms. McAngus confirmed the Annual Financial Report for fiscal year ended September 30, 2020 had been timely filed with the TCEQ.

9. The Board then confirmed their next proposed regular meeting date as Wednesday, December 9, 2020 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 Brydson moved that the meeting be adjourned, which motion was seconded by Director Storm and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 9th day of December, 2020.



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