

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

CROSSWINDS MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board" or "Board of Directors") of Crosswinds Municipal Utility District (the "District") met in special session, open to the public, on December 16, 2021 at 5701 West William Cannon Drive, Austin, Texas, an office of the District outside the boundaries of the District, and the roll was called of the members of the Board to-wit:

Amy Laine	President
Lee Weber	Vice President
Elizabeth P. Edwards	Secretary
Anthony Dell'Abate	Assistant Secretary
Michael Gideon	Assistant Secretary

All members of the Board were present in person at the commencement of the meeting, except Director Weber and Director Dell'Abate whom joined the meeting by video/telephone conference. All members participating in person at the time a vote was taken voted on all matters that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the District; Kimberly Studdard, legal assistant, with Winstead PC; Ronnie Moore with Carlson, Brigrance & Doering, Inc. ("CB&D"), engineer for the District; Ronja Keyes with Inframark, LLC ("Inframark"), the District's operations firm; Justin Taack with Bott and Douthitt, PLLC ("Bott & Douthitt"), the District's bookkeeping firm; and Ken Heroy with Jones-Heroy, special engineers for the District as relate to bond matters. Additionally, Terry Howe, representing Development Solutions CW, LLC ("Dev Sol"), the current developer of lands within the District, was in attendance as well as John Zinsmeyer with KB Home ("KB Home").

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

2. The Board acknowledged receipt of a copy of the Minutes of the Board's November 4, 2021 special meeting, and following a review and motion by Director Edwards, seconded by Director Laine and unanimous approval, said Minutes were approved as written.

3. With regard to development related matters, Terry Howe noted there are a total of 229 homes in Phase 1 and 227 homes in Phase 2. Of the 227 homes in Phase 2, Mr. Howe stated 169 of those homes are occupied with 58 homes under construction and already sold. It was noted there are no spec homes available at this time. In Phase 3A, Mr. Howe noted lime stabilization is currently underway and that surveying has begun and soil boring samples have been retrieved for subsequent phases within the District.

4. With regard to potential amendment or assignments of existing developer reimbursement agreements and related sales of property by the developer, Mr. Barrett reminded the Board of the sale of property by Dev Sol and related Assignment and Acceptance of Agreement for the Construction and Purchase Facilities and Reimbursement for Costs and Consent to Assignment ("Consent to Assignment") as well as the Estoppel Letter ("Estoppel Letter") related to same that the Board approved at its November 2021 meeting. Mr. Barrett expanded on the aforementioned, noting the developer is bringing on a new financial partner, CF CSLK LLC, which is affiliated with Fortress Investment Group. After a brief discussion, Mr. Barrett noted the transaction was slated to close the following Monday, and as is such, he would like the Board to consider approving any additional assignments of contracts, consents or related documents outside of the Consent to Assignment and Estoppel Letter previously approved by the Board, if necessary, in order to effectuate closing of the Fortress Investment Group transaction. Upon motion by Director Gideon, seconded by Director Edwards, the Board unanimously approved any additional assignments of contracts, consents or related documents, and execution and filing thereof, as might be required related to the aforementioned closing and sale of property by Dev Sol.

The Board then heard from John Zinsmeyer with KB Home as relates to the "Marshall Tract" and potential annexation of said tract into the District. Mr. Zinsmeyer briefly discussed the location of the tract, noting the issue they are coming across is related to the lack of water and wastewater service in that area. Mr. Zinsmeyer noted they would need the District to service their water and wastewater needs, and that they've had some preliminary conversations with the City of Kyle ("City") related to same. Mr. Zinsmeyer noted KB Home would like to annex the Marshall Tract into the District, noting KB Home would develop and build out their own property, there would not be much additional infrastructure needed and that CB&D is fairly confident the two existing lift stations along the boundaries between the District and said tract would service the property with no issues. Because of that, Mr. Zinsmeyer feels the development of that property would not come at a significant cost to the District. Mr. Barrett posed the question as to what the projected lot sizes would be, and Mr. Zinsmeyer noted they would be a mix of 40, 50 and 60-foot lots, all in accordance with the District's current Development Agreement with the City. It was noted the projected buildout would include 220 total homes, which ad valorem tax revenue would support any additional infrastructure costs incurred by the District. Mr. Zinsmeyer noted KB Home would build one phase at a time and would like to be open for sale within two years' time. Mr. Barrett noted the District's consultants and Board would need to review preliminary numbers and discuss in more detail prior to consideration of any petition for addition of lands.

5. The Board then recognized Ronnie Moore with CB&D who referred the Board to CB&D's Engineering Report for the current meeting. The report updated the Board with regard to a contract for Crosswinds Phase 3A with DNT Construction, LLC ("DNT"), which includes 281 lots and will extend Crosswinds Parkway to Go Forth Road, thereby providing two points of ingress and egress as well as the status of contracts for the elevated and ground storage tanks. Under said contracts, Mr. Moore noted CB&D was in receipt and had reviewed one pay application under the DNT contract and that no discrepancies were found. Upon motion by Director Edwards, seconded by Director Gideon, the following recommended pay application was unanimously approved:

Crosswinds Phase 3A contract with DNT:
Pay Application No. 7 (\$851,194.80).

It was noted there were no updates or action items for the Board with regard to the contracts for the elevated water storage tank and the ground water storage tank at this time.

6. With regard to any additional proposals, agreements or other related items as may be necessary for the Nationwide Permits and cultural resource work being performed as relates to potential pond issues within the District, Mr. Barrett noted there was nothing needed at this time.

7. As to any additional water and sewer related agreements, status of negotiations with regard to existing service rates and amendments to such agreements, status of conveyances to the City or other related matters, Mr. Barrett noted there was nothing needed at this time.

8. As relates to the potential Interlocal Agreement between the City and the District with regard to collection of builder fees as a result of erosion control violations noted by Inframark, Andy Barrett noted he had no further updates at this time but that he would continue discussions with the City on this.

9. Regarding authorization of the preparation of a bond application in connection with a proposed Series 2022 Unlimited Tax Utility Bond issue and accompanying Bond Anticipation Note, and any additional engineering service agreements related to same, Mr. Barrett noted the District's consultants were in receipt of a Certificate of Estimate of Value from the Hays Central Appraisal District of approximately \$129,000,000 in assessed value within the District. As is such, Mr. Barrett noted there would likely be an opportunity for a roughly \$6,000,000 utility bond issue in 2022. Mr. Barrett briefly discussed the prior arrangement with Jones-Heroy for special engineering services related to District bond issuances, and it was confirmed that an evergreen agreement between the District and Jones-Heroy is currently in place. Mr. Heroy further discussed the proposed bond issue with the Board, noting a bond application would need to be prepared by Jones-Heroy related to same, and upon motion by Director Gideon, seconded by Director Edwards, the Board unanimously approved preparation of a bond application related to the proposed Series 2022 Unlimited Tax Utility Bond issue by Jones-Heroy.

10. Justin Taack with Bott & Douthitt, the District's bookkeeping firm, reviewed an Accounting Report dated December 16, 2021 which included a review of the Cash Activity Report, including receipts and expenditures, a summary of action items as relate to director and vendor payments, the transfer of \$45,024.07 from the District's Bancorp Operating Account to the District's Bancorp Bookkeeper's Account, the transfer of \$3,474.77 from the District's TexPool Tax Account to the District's TexPool Operation Account, and the transfer of \$7,018.64 from the District's SR2021 Capital Projects Account to the District's TexPool Operating Account. It was noted that in light of Director Weber attending the meeting that day via video/teleconference, the mileage reimbursement would be deducted from his check. Additionally, it was noted that although the check dates for directors' fees reflected in the Cash Activity Report state December 9, 2021 as the check date, since that meeting was rescheduled to December 16, 2021, the check date would need to be updated. Upon motion by Director Edwards, seconded by Director Gideon and unanimously carried, the Board approved the Accounting Report which included the approval of director and vendor payments and the fund transfers as set out therein.

11. With regard to an Operations Report for the District, Ms. Keyes noted pond inspections were performed on November 8, 2021, and that the ponds are in good condition.

With regard to erosion control measures as relates to builder violations for same, Ms. Keyes noted there were no builder violation fees assessed in the month of November. Additionally, Ms. Keyes updated the Board with regard to a streetlight damaged at the corner of Coral Gate and Treasure Trove, noting M&C Electric assisted Inframark with capping off exposed wires to address safety issues but that a proposal had not yet been received for replacing the pole. Upon receipt of that proposal and approval by the Board, Inframark will schedule service for replacement of same.

12. It was then confirmed that an Executive Session was not needed at this time, and the Board confirmed their next regular meeting date of Thursday, January 13, 2022, at 11:00 a.m. at the new offices of CB&D.

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

APPROVED AND ADOPTED this 13th day of January, 2022.



Elizabeth P. Edwards, Secretary
Board of Directors
Crosswinds Municipal Utility District