

MINUTES OF MEETING  
OF THE BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

DRIFTWOOD CONSERVATION DISTRICT §

The Board of Directors (the "Board" or the "Board of Directors") of Driftwood Conservation District (also sometimes referred to herein as the "District") met in regular session, open to the public, at 1101 Capital of Texas Hwy. South, Building D, Suite 110, Austin, Texas, an office of the District outside the boundaries of the District, on January 19, 2022 at 11:30 a.m., and the roll was called of the members of the Board to-wit:

Stephen C. Dickman	President
Sam Siddons	Vice President
Danette R. Koebele	Secretary
Jett Garner	Treasurer/Asst. Secretary
Royce Wachsmann	Asst. Secretary

All members of the Board were present at the commencement of the meeting. All members present 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, paralegal, with Winstead PC; Robert Ferguson and John Blake of Murfee Engineering Company, Inc. ("Murfee Engineering"), engineers for the District; Justin Taack with Bott & Douthitt PLLC ("Bott & Douthitt"), bookkeepers for the District; and Kristi Hester with Inframark, LLC ("Inframark"), a prospective operations firm for the District, whom attending via video conference. In addition, Tony Kimball of Spitzer & Associates, Inc. ("Spitzer"), right of way consultants for the District, and David Rhoades and Don Bosse (via teleconference) representing Driftwood DLC Austin II, LLC and Driftwood Golf Club Development, Inc., owner and developer of the majority of lands within the District (collectively, the "Developer") were present as well.

1. The Board called for public communications and comments, hearing none, they proceeded with the regular agenda.

2. The Minutes from the Board's December 15, 2021 regular meeting were presented for review and approval. Following a motion by Director Dickman, seconded by Director Wachsmann and unanimously carried, said Minutes were approved as written.

3. With regard to development related matters in the District, Mr. Rhoades reviewed with the Board an Investor Presentation which discussed the various projects underway as well as those planned for future development. Mr. Rhoades discussed with the Board certain factors which affected the need for the Developer to forego various Board approvals related to construction projects in order to make up for time lost due to COVID and the recapitalization of the project which previously took place.

It was noted that the project will include, among other things, a creek side overlook, activity barn, singer/songwriter studio, and a resort-style pool, all of which are currently in the permitting phase. Additionally, Mr. Rhoades discussed the rainwater collection system throughout the District, as required under the Development Agreement, as well as the farm and garden area where food will be harvested and served throughout the various restaurants within the community.

It was noted that over 30 custom homes are in the design-review phase, and of that 30, 6 homes are currently under construction. Additionally, it is projected that approximately 30 homes on the Creek Parcel will be constructed within the year with the first resident likely moving in in June of 2022.

4. Robert Ferguson with Murfee Engineering briefly reviewed an Engineer's Report dated January 19, 2022, noting Murfee Engineering did not receive any updates or materials from the development entities, and as is such, there were no action items for consideration by the Board at such time. It was noted that John Blake with Murfee Engineering would be attending the meetings moving forward.

Don Bosse noted that the front nine of the golf course is open and that the Developer has purchased Thurman's Mansion, which is currently being used as a club house for members. With regard to Ranch Phase 3, it was noted that the plat is to be recorded within the week, and for Creek Phase 2, or the "fish camp" area, the final fiscal posting has been approved. It was noted that both of the aforementioned phases are out for bidding. There was a brief discussion with regard to demand, noting there are currently 42 lots available but that 100 lots are needed by the end of 2022. Additionally, it was noted that the Retrofit Phase, Creek Phase 1 Section 2 and Ranch Phase 1 are completed with Ranch Phase 2 and the Wastewater Extension Project to be complete by February 2022.

It was noted that new projects currently underway include Ranch Phase 3, the "fish camp" neighborhood, as well as several offsite efforts. It was noted that those projects would likely be ready for bidding in the fourth quarter of 2022. Additionally, it was noted that heavy lifting is going into the golf amenity stations and that the back nine of the golf course will likely be open in March of this year.

5. With regard to any additional water and sewer related agreements, easements and conveyances to the City, Andy Barrett noted he had nothing to add at this time.

Mr. Barrett briefly discussed the possibility of adding an additional office outside of the District for future Board meetings, noting in light of Thurman's Mansion being purchased by the Developer as a club house for members, and in an effort to better illustrate development progress within the District, Mr. Barrett thought it might be beneficial to hold a Board meeting at Thurman's Mansion on occasion so that the Board can see the status of various projects underway. Upon motion by Director Garner, seconded by Director Siddons, the Board unanimously approved adding Thurman's Mansion as a designated office of the District and publishing Notice of same.

6. With regard to proposed addition of lands and related matters, Mr. Barrett noted he had nothing to add at this time.

7. Ms. Studdard then discussed with the Board the need for a directors' election every two years of even-numbered years, as required by the District's legislation and noted that there were



three (3) positions up for election in May of 2022. It was noted that the Board then discussed the form of joint election contract and election services agreement ("Election Contract") with Hays County ("County") related to the May 7, 2022 directors' election and authorized execution of the final form by the Board's officers should the election move forward. As also relates to the May 7, 2022 directors' election, the Board next considered an Order Calling Directors' Election ("Order Calling"). Upon motion by Director Wachsmann, seconded by Director Dickman and unanimously carried, said Order Calling was adopted and authorization of execution of the final Election Contract, if needed, was approved.

8. With regard to a potential Professional Services Agreement ("Agreement") with Inframark, LLC with respect to operational services to be provided to the District, Kristi Hester with Inframark briefly discussed their qualifications and terms of the Agreement, noting that should the Board choose to engage Inframark, they would handle erosion control, pond inspections, street light and sidewalk maintenance for the District. It was noted that the Agreement would need to be reviewed by both Inframark's attorneys as well as Mr. Barrett, and as is such, it would be ready for review and action by the Board at a future meeting.

9. Mr. Barrett then discussed with the Board the need to install entry signs identifying the District at the two main entrances into the District, as required by the Texas Commission on Environmental Quality ("TCEQ") and under Chapter 49 of the Texas Water Code, noting as soon as specification homes are up and streets are paved, the TCEQ signage would need to be in place. Upon motion by Director Siddons, seconded by Director Dickman and unanimously carried, the Board authorized placement of the TCEQ signs at the two main entrances into the District.

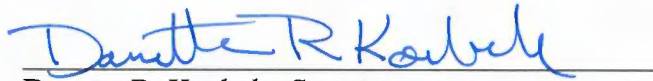
10. The Board was then presented with an Order Adopting Rules and Regulations for system operations as relates to the rules and regulations of the District surrounding, among other things, rules and violations for stormwater management, erosion control measures and maintenance of detention ponds for which a future operations firm will be responsible for enforcing. After a brief discussion and upon motion by Director Dickman, seconded by Director Garner, said Order Adopting Rules and Regulations was approved and the Board authorized the publication of same as is required by law.

11. Justin Taack with Bott & Douthitt then discussed the Accounting Report, including a Cash Activity Report, dated January 19, 2022 with the Board, noting he would need the Board's approval on disbursement of checks related to director and vendor payments reflected in said Report. It was noted that an additional invoice from Spitzer was received, and pending receipt of the developer advance for same, the invoice would be paid. Additionally, Mr. Taack noted roughly \$65,000 in taxes was collected in December alone. Upon motion by Director Koebele, seconded by Director Siddons, said Accounting Report and the disbursement of funds in accordance therewith was unanimously approved.

12. The Board next reviewed a MSRB Form G-10 disclosure confirmation letter prepared by The GMS Group, L.L.C., the Board's financial advisor, and it was noted that such letter was an annual requirement for financial advisors to send out for Districts whom have issued debt. Upon motion by Director Wachsmann, seconded by Director Siddons, the Board acknowledged receipt of the MSRB Rulemaking Board Form G-10 disclosure confirmation letter.

13. The next regular meeting date of Wednesday, February 16, 2022 at 11:30 a.m. was confirmed by the Board, and there being no further business to conduct, Director Dickman moved that the meeting be adjourned, which motion was seconded by Director Wachsmann, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 16<sup>th</sup> day of February 2022.



Danette R. Koebele, Secretary  
Board of Directors  
Driftwood Conservation District

