

**MINUTES OF THE ORGANIZATIONAL MEETING
OF THE
BOARD OF DIRECTORS**

THE STATE OF TEXAS §

COUNTY OF DENTON §

PRAIRIE OAKS MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY §

The temporary Board of Directors (the “Board”) of Prairie Oaks Municipal Utility District of Denton County (the “District”) met in organizational session, open to the public, on the 25th day of May, 2021, by telephone conference.

Mr. Scott Eidman of Winstead PC announced that the Meeting would be conducted by telephone conference to mitigate the spread of COVID-19. Mr. Eidman confirmed that Meeting participants would observe guidance provided by the Texas Attorney General’s office to suspend certain requirements of the Texas Open Meetings Act. Mr. Eidman next stated that (i) Notice of the Meeting was given in accordance with Chapter 551, Government Code, and Chapter 49, Texas Water Code, as amended by the Governor’s order and Attorney General’s guidance; (ii) the Meeting was being conducted in a transparent and accessible manner; (iii) Meeting packets were distributed to all participants and made available to the public; and (iv) the Meeting would be recorded and made available for electronic distribution upon request.

The roll was called of the members of the Board, to-wit:

Lindsey Welch
Justin McGinnity
Nathan Mantz
Kelly Maloney

All members of the Board were present at the commencement of the meeting. Also present were Mr. Paul McCracken, P.E. of Kimley-Horn & Associates, Inc. (“Kimley-Horn”); Ms. Debra Loggins, and Ms. Tiffany Loggins of L&S District Services, LLC (“L&S”); Mr. Andre Ayala of Hilltop Securities Inc. (“Hilltop Securities”); Mr. John Dowdall, developer of lands within the District; Mr. Scott Eidman, attorney, and Ms. Genny Lutzel, paralegal, each of Winstead PC.

The meeting was called to order at 5:31 p.m.

1. Consideration was first given to the review of the Order of the Texas Commission on Environmental Quality (“TCEQ”) creating the District, a copy which is attached hereto as Exhibit “A”. The Board recognized Mr. Scott Eidman of Winstead PC. Mr. Eidman stated that the Board of Directors was conducting its first meeting since the creation of the District known as Prairie Oaks Municipal Utility District No. 1 of Denton County (the “District”). Next, Mr. Eidman noted that the temporary Directors present have expressed an interest in serving on the Board. Finally, Mr. Eidman summarized the purpose and provisions of the District, including a brief overview of laws governing the District.

2. Consideration was next given to election of officers. Following a discussion and motion by Director Welch, seconded by Director McGinnity and unanimously carried, the following slate of officers was elected:

Kelly Maloney	President
Lindsey Welch	Vice President
Justin McGinnity	Secretary/Treasurer
Nathan Mantz	Assistant Secretary
Vacant	Assistant Secretary

4. Consideration was next given to the administration of Statement of Officer Forms, and Oaths of Office to Directors. Mr. Eidman confirmed that the temporary Directors in attendance have executed their respective Statement of Officer and Oath of Office forms. Next, Mr. Eidman reviewed the Conflict of Interest Questionnaire form for Local Government Officials, noting the purpose of said questionnaire, and instructions for completion of same, if applicable, to comply with Chapter 176 of the Texas Government Code. Following a discussion, Director Welch moved that the Board acknowledge the administration of statement of officer forms and oaths of office. Director Mantz seconded said motion, which carried unanimously.

5. Consideration was next given to government training requirements pursuant to Chapter 551 of the Texas Government Code. Mr. Eidman stated that members of the Board are subject to the Open Meetings Act; the Public Information Act; and Cyber Security, and will be required to participate in an educational training session provided through the Texas Attorney General's office. Mr. Eidman stated that instructions for completion of same would be distributed to all members of the Board. No formal action was taken by the Board.

6. Consideration was next given to an insurance proposal, approval of placement of Directors and Officers liability insurance, bonds, and other insurance. Mr. Eidman informed the Board that they had secured a proposal for the bonds for the directors and public employees (consultants of the District), general liability, and directors and officers liability insurance from McDonald & Wessendorff Insurance. A copy of the insurance proposal summary is attached hereto as Exhibit "B". Following a discussion, Director Maloney moved that the Board approve and accept the insurance proposals as discussed. Director Welch seconded said motion, which carried unanimously.

7. Consideration was next given to the approval of an engagement letter with Winstead PC to serve as the District's general counsel and bond counsel. At this time, Mr. Eidman presented to and reviewed with the Board copies of a proposed engagement letter with Winstead PC. Mr. Eidman reviewed the scope of services and fees related to same, and presented to and reviewed with the Board a Resolution Approving Contingent Fee Contract, a copy of which is attached hereto as Exhibit "C". Following a discussion, Director Maloney moved that the Board approve the engagement letter with Winstead PC to serve as the District's general and bond counsel. Director Welch seconded said motion, which carried unanimously. Next, Director Maloney moved that the Board adopt the Resolution Approving Contingent Fee Contract as presented. Director Welch seconded said motion, which carried unanimously.

8. Consideration was next given to the engagement of Kimley-Horn to serve as the District's engineer. The Board recognized Mr. McCracken, who presented to and reviewed with

the Board copies of a proposed Engineering Services Agreement, a copy of which is attached hereto as Exhibit “D”. Following a discussion, Director Welch moved that the Board (i) approve the engagement letter for engineering services from Kimley-Horn; and (ii) authorize the Board President to execute same. Director McGinnity seconded said motion, which carried unanimously.

9. The Board next recognized Mr. Ayala who presented to and reviewed with the Board a Municipal Advisory Agreement from Hilltop Securities, a copy of which is attached hereto as Exhibit “E”. Following a discussion, Director Maloney moved that the Board approve the Municipal Advisory Agreement as presented. Director McGinnity seconded said motion, which carried unanimously.

10. Consideration was next given to the engagement of L&S to serve as the District’s bookkeeper. Ms. Tiffany Loggins presented to and reviewed with the Board copies of the proposed engagement letter prepared by L&S for bookkeeping services, a copy of which is attached hereto as Exhibit “F”. Following a discussion, Director Maloney moved that the Board approve the engagement letter for bookkeeping services. Director McGinnity seconded said motion, which carried unanimously.

11. Consideration was next given to designating a depository bank and authorize opening of District operating accounts, and execution of required account documents, including signature cards and related bank resolutions. Ms. Debra Loggins discussed the matter with the Board and reviewed a Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit “G”. Following a discussion, Director Welch moved that the Board (i) authorize L&S to designate the depository bank for the District’s operating account; (ii) secure all required signature cards and related banking institution resolutions as may be required; and (iii) approve the Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds as presented. Director McGinnity seconded said motion, which carried unanimously.

12. The Board next recognized Ms. Tiffany Loggins who noted the Directors present and requested authorization to prepare per diems for each Director in attendance. Following a discussion, Director Welch moved that the Board authorize payment of per diems for all Directors in attendance. Director Maloney seconded said motion, which carried unanimously.

13. Mr. Eidman next discussed with the Board the authorization of the Treasurer to sign disbursements, noting that pursuant to Section 49.151(a) Texas Water Code, the Board of Directors typically disburses funds by checks, draft, order, or other instruments signed by a majority of the Directors. Mr. Eidman stated that due to the current suspension of in-person meetings of political subdivisions such as the District, the Board may elect to authorize the Treasurer to sign disbursements. Following a discussion, Director Welch moved that the Board adopt a Resolution Appointing Treasurer and Designating Signatory for Disbursements on Behalf of the District during the Covid-19 Declared Disaster, a copy of which is attached hereto as Exhibit “H”. Director Maloney seconded said motion, which carried unanimously.

14. Consideration was next given to the review and approval of an Agreement for the Construction and Purchase of Facilities and Reimbursement of Costs, a copy of which is attached hereto as Exhibit “I”. Following a discussion, Director Maloney moved that the Board approve said Agreement. Director Welch seconded said motion, which carried unanimously.

15. Consideration was next given to a developer's report. The Board next recognized Mr. Dowdall, who introduced himself and discussed with the Board current plans for development and construction of 180 single-family homes within the District, noting that the District is located within the extra territorial jurisdiction of the City of Oak Point. No formal action was taken by the Board.

16. Consideration was next given to the adoption of a District Seal. Mr. Eidman discussed the matter with the Board, noting that it was necessary to adopt a District Seal, circular in shape with the name of the District around a five-point star. Following a discussion, Director Maloney moved that the Board (i) adopt the seal of the District, an impression of which is reflected on Exhibit "J" attached hereto; and (ii) authorize the Board Secretary, Assistant Secretary or records manager to affix said Seal to a District instrument as required. Director Maloney seconded said motion, which carried unanimously.

17. The Board next considered an Order Designating Offices Outside the District, a copy of which is attached hereto as Exhibit "K". Mr. Eidman noted that the District is required to designate office and meeting locations pursuant to Texas Water Code Section 49.062. Following a discussion, Director Maloney moved that the Board (i) authorize office locations on behalf of the District as described in the Order; (ii) adopt Order as presented; and (iii) authorize publication of said Notice, as required. Director McGinnity seconded said motion, which carried unanimously.

18. Consideration was next given to an Order Adopting Code of Ethics, Travel Expense Policy, and Procedures for Selection and Review of Consultants, Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, Selection of a Fiscal Year-End and Certain Other Matters, a copy of which is attached hereto as Exhibit "L". Mr. Eidman reviewed said Order and related policies with the Board, and recommended that the Board adopt a fiscal year end at this time. Following a discussion, Director Maloney moved that the Board (i) adopt the Order as presented; and (ii) adopt September 30 as the District's fiscal year end. Director McGinnity seconded said motion, which carried unanimously.

19. Consideration was next given to an Order Establishing a Records Management Program and Appointing Records Management Officer, a copy of which is attached hereto as Exhibit "M". Mr. Eidman discussed the matter with the Board, noting that Winstead PC will be responsible for the storage and maintenance of all District records, and further proposed that the Board appoint a paralegal with Winstead PC to serve as the records management officer. Following a discussion, Director Maloney moved that the Board (i) adopt the Order as presented; (ii) appoint a paralegal with Winstead PC as records management officer; and (iii) authorize the filing of said Order with the Texas State Library and Archives Commission. Director McGinnity seconded said motion, which carried unanimously.

20. The Board next considered an Order Adopting an Investment Policy and Appointing an Investment Officer, a copy of which is attached hereto as Exhibit "N". Mr. Eidman discussed the matter with the Board and proposed that the Board appoint Ms. Debi Loggins, and Ms. Tiffany Loggins, bookkeepers for the District, to serve as investment officers. Following a discussion, Director Maloney moved that the Board (i) approve the Order as presented; and (ii) appoint Ms. Debi Loggins, and Ms. Tiffany Loggins the investment officers for the District. Director McGinnity seconded said motion, which carried unanimously.

21. Consideration was next given to a Resolution Designating Posting Location of Meeting Notices, noting that the District is required to specify such location within the boundaries of the District pursuant to Texas Water Code Section 49.063. A copy of said Resolution is attached hereto as Exhibit “O”. Following a discussion, Director Maloney moved that the Board adopt the Resolution as presented. Director McGinnity seconded said motion, which carried unanimously.

22. Consideration was next given to the review and approval of a District Information Form, a copy of which is attached hereto as Exhibit “P”. Mr. Eidman discussed the matter with the Board, noting that pursuant to Texas Water Code Section 49.455, the District is required to prepare and submit same for filing with Denton County, Texas, and the TCEQ. Following a discussion, Director Maloney moved that the Board (i) adopt the District Information Form, subject to final review by District counsel; and (ii) authorize District counsel to file same with the property records of Denton County, Texas, and the TCEQ. Director McGinnity seconded said motion, which carried unanimously.

23. The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as Exhibit “Q”. Ms. Landiak explained that the District is required to adopt minimum wage rates in compliance with the Department of Labor, and the proposed wage rates match those of Denton County. Following a discussion, Director Maloney moved that the Board approve the Resolution as presented. Director McGinnity seconded said motion, which carried unanimously.

There being no further business to conduct, Director Maloney moved that the meeting be adjourned at 5:57 p.m. Director McGinnity seconded said motion, which carried unanimously. The Board adjourned until further call.

APPROVED AND ADOPTED this 12th day of August, 2021.

PRAIRIE OAKS MUNICIPAL UTILITY
DISTRICT OF DENTON COUNTY

/s/ Justin McGinnity

Justin McGinnity
Secretary, Board of Directors



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I, the undersigned Secretary of the temporary Board of Directors of Prairie Oaks Municipal Utility District of Denton County, certify that the attached and foregoing is a true and correct copy of the MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS of the District; the original of which is on file in the District's office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE DISTRICT this 12th day of August, 2021.

/s/ Justin McGinnity

Justin McGinnity
Secretary, Board of Directors

