

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §
COUNTY OF EL PASO §
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 10 §

The Board of Directors of Paseo del Este Municipal Utility District No. 10 of El Paso County met in regular session, open to the public, on October 6, 2020, said regular session of the Board of Directors being conducted solely by use of the free audio conference call-in number. The roll was called of the directors of the Board, to-wit:

Luis Ortega	President
Greg Spence	Vice President
B. D. Reynolds, Jr.	Secretary
Martin N. “Teen” Lettunich	Assistant Secretary
Antonio Gallardo	Assistant Secretary

All of said persons were present via conference call thus constituting a quorum, with Director Reynolds joining the meeting in progress during the discussion of Item 6 in these minutes. Also in attendance via conference call were Lourdes Gonzalez and Kristi Hester of Inframark, LLC; Maria Urbina of Hilltop Securities Inc.; Clayton Chandler of McCall, Parkhurst & Horton LLP; Franklin Stubbs of Hunt Communities; Linda Troncoso of TRE & Associates; Mark Burton of Municipal Accounts and Consulting, L.P.; and Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of September 1, 2020. Upon a motion by Director Ortega and a second by Director Spence the minutes of said meeting were unanimously approved.

2. The next item before the Board was to consider public comments. No persons presented themselves via conference call to speak at the meeting. There was no action required by the Board on this agenda item. No action was taken by the Board.

3. The next item before the Board was to consider a presentation by Ms. Deanne Rankins regarding burrowing owl activities within the District. Ms. Rankins provided the Board with information on burrowing owl activities within the District and a proposal for installation of a second artificial burrow/habitat within the District. Upon a motion by Director Ortega and a second by Director Lettunich, the Board unanimously approved and authorized the District’s consultants to take all actions necessary and appropriate to facilitate the installation of a second artificial burrow/habitat within the District.

4. The next item before the Board was to consider and act on the renewal of the Directors' bond. Mr. Embrey reported that in September 2017, the Board considered and approved the renewal of the Directors' bond for a three-year term with Victor O. Schinnerer & Company, the bond company. Mr. Embrey reported that Victor Insurance Managers Inc. (formerly known as Victor O. Schinnerer & Company), the bond company has again offered the District the option of renewing the Directors' bond for a three-year term from November 22, 2020 through November 22, 2023. The cost for the renewal of the Directors' bond for another three-year term is \$520.00. Mr. Embrey recommended that the Board approve the renewal of the Directors' bond for a three-year term from November 22, 2020 through November 22, 2023.

Following further discussion, it was moved by Director Gallardo and seconded by Director Spence to approve the renewal of the Directors' bond for a three-year term from November 22, 2020 through November 22, 2023 for a cost of \$520, which motion carried unanimously.

5. The next item before the Board was to consider and act on the Resolution Evidencing Annual Review of the District's Investment Policy ("Resolution"). Mr. Embrey reported that the Board is required by state law to review the District's Investment Policy ("Policy") on an annual basis to make certain the Policy complies with current state law requirements and, if necessary, recommend changes that are needed to bring the Policy into compliance with those requirements.

Mr. Embrey stated that there were no recommended changes that needed to be made to the District's current Investment Policy, which was last revised and adopted on October 1, 2019. Mr. Embrey reported that Municipal Accounts and Consulting provided an updated list of qualified brokers that are authorized to engage in investment transactions with the District, and recommended approval of the updated list of qualified brokers, attached as Exhibit "A" to the Resolution.

Mr. Embrey recommended that the Board adopt the Resolution Evidencing Annual Review of the Investment Policy, reaffirm the revised written Investment Policy adopted October 1, 2019, and adopt the revised list of qualified brokers that are authorized to engage in investment transactions with the District, attached as Exhibit "A" to the Resolution

Upon review of the Resolution Evidencing Annual Review of the Investment Policy, the revised written Investment Policy adopted October 1, 2019, and the updated list of qualified brokers as incorporated therein, it was moved by Director Spence and seconded by Director Lettunich that the Resolution, the revised written Investment Policy adopted October 1, 2019, and the updated list of qualified brokers be approved, which motion carried unanimously. A copy of the Resolution and the updated list of qualified brokers is attached as **Exhibit "A"**.

6. The next item before the Board was to consider and act on the Preliminary Official Statement and the Resolution Approving the Preliminary Official Statement, and other action related to the offering of the District's Fourth Bond Issuance for sale. Ms. Urbina, as the

District's financial advisor, provided the Board with information regarding the Preliminary Official Statement. Mr. Chandler, as the District's bond counsel, provided the Board with information regarding the Resolution the Approving the Preliminary Official Statement.

Further, Ms. Urbina noted that the next Board meeting is scheduled to be held on Tuesday, November 3, 2020, which is the general election date for federal, state, and county officers. Ms. Urbina recommended that the Board consider and approve rescheduling the next Board meeting to Tuesday, October 27, 2020 in lieu of Tuesday, November 3, 2020.

Upon a motion by Director Lettunich and a second by Director Gallardo the Board unanimously approved (1) the Preliminary Official Statement, (2) the preparation and publication of the Notice of Sale of the Bonds; (3) the designation of SAMCO Capital as the underwriting firm; (4) the Resolution Approving the Preliminary Official Statement; (5) authorizing the District's Financial Advisor, General Counsel and Bond Counsel to take all actions necessary or appropriate related to the offering of the District's Fourth Bond Issuance for sale; and (6) the rescheduling of the next Board meeting to Tuesday, October 27, 2020. A copy of the Resolution Approving the Preliminary Official Statement is attached as **Exhibit "B"**.

7. The next item before the Board was to consider the operator's report. Ms. Gonzalez next presented the operator's report, a copy of which is attached as **Exhibit "C"**. Ms. Gonzalez reported that as of the end of August the District had 1,023 total connections, and that 1 new connection was added during the current month. Ms. Gonzalez reported on the following to the Board: (1) reported on the population and occupancy rates during the current month; (2) reported on the number of delinquent accounts during the current month; and, (3) reported on the latest growth trends for the Paseo del Este MUD No. 10.

8. Ms. Troncoso next presented the engineer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

Ms. Troncoso next presented the following items for the Board's consideration and approval:

Emerald Estates Unit Four
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11538-35
Pay Estimate No. 4 from El Paso Underground Construction - \$27,028.80.

Upon a motion by Director Lettunich and a second by Director Gallardo, the Board unanimously approved the processing for Pay Estimate No. 4 in the amount of \$27,028.80 from El Paso Underground Construction for construction of the Emerald Estates, Unit Four, Drainage, Water & Wastewater Improvements. A copy of the District Engineer's letter for Pay Estimate No. 4 is attached hereto as **Exhibit "D"**.

9. Mr. Stubbs next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

10. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "E"**. Mr. Burton provided the Board with a list of disbursements and balances, and presented a list of bills for payment for the Board's review and approval, including the following supplemental check: Supplemental Check No. 4655 in the amount of \$520.00 payable to Victor Insurance Managers Inc. Upon a motion by Director Gallardo and a second by Director Ortega, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment, including Supplemental Check No. 4655 in the amount of \$520.00 payable to Victor Insurance Managers Inc.

11. There was no general counsel's report.

12. There being no further business before the Board, it was moved by Director Ortega, and seconded by Director Spence, to adjourn the meeting, which motion carried unanimously.

Passed and approved this 27th day of October, 2020.



Secretary, Board of Directors

(DISTRICT SEAL)

