

MINUTES OF SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, November 17, 2021

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

The Board of Directors of Paseo del Este Municipal Utility District No. 1 (the "District") held a special meeting, open to the public, at TRE & Associates, LLC, located at 6101 West Courtyard Drive, Building One, Suite 100, Austin, Texas 78730, a regular meeting place of the Board of Directors of the District (the "Board"), and by video/telephone conference call at 11:30 a.m. CT on Wednesday, November 17, 2021, and the roll was called of the directors of the Board, to-wit:

Jack Holford	President
Dan Roark	Vice President
Ken Mills	Secretary
Sid Covington	Assistant Secretary
Larry Mellenbruch	Assistant Secretary

and all of said persons were continuously present except Director Roark, thus constituting a quorum.

Also present were Ronald J. Freeman of the Law Offices of Ronald J. Freeman; Cyndi Ferris of the Law Offices of Ronald J. Freeman (by video/telephone conference call); Kristi Hester and Erika Duran of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; Margaret Livingston of Franklin Mountain Land Services; Joel Guzman of Hunt Communities (by video/telephone conference call); Lorena Quezada of El Paso Disposal, LP (by video/telephone conference call); and Kayla Marshall of Gordon Davis Johnson & Shane, P.C. (by video/telephone conference call).

1. The Board first considered approval of the minutes of the Board's October 27, 2021, meeting. Director Holford made a motion to approve the minutes. Director Covington seconded the motion, which the Board passed unanimously.

2. As its next item of business, the Board considered the General Manager's and Operator's Report. Ms. Duran presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. After discussion, upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved expenses over \$2,000 as shown in the report.

3. The Board then considered amending District rules, regulations and charges applicable to obtaining services from the District. No action was taken by the Board.

4. The Board next considered approving the payment of bills and invoices. Ms. Kolmodin presented the financial reports for the District along with bills and invoices. Upon a motion by Director Mellenbruch and a second by Director Holford, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 7036-7060). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

5. The Board then considered Unlimited Tax Bonds, Series, 2021, including:

- a. Receiving bids and awarding the sale of the \$7,945,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2021;
- b. "Resolution Authorizing the Issuance of \$7,945,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2021; Prescribing the Terms and Provisions Thereof; Making Provision for the Payment of the Interest Thereon and the Principal Thereof; Levying and Pledging the Proceeds of a Tax; Authorizing the Sale of the Bonds; Authorizing a Paying Agent/Registrar Agreement; and Containing Other Provisions Relating to the Subject; and
- c. Closing procedures for the issuance and delivery of \$7,945,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2021.

Mr. Freeman updated the Board on the status of the bond application. No action was taken by the Board.

6. As its next item of business, the Board considered the Developer's Report. Mr. Guzman gave a brief report. No action was taken by the Board.

7. The Board then considered provision of water and sewer service to areas adjacent to, or proposed to be annexed into, Paseo del Este MUD No. 6. Mr. Freeman gave a brief report. No action was taken by the Board.

8. The Board next considered the Engineering Report. Mr. Jansing presented the following items for consideration:

Emerald Estates Unit Five

Water, Wastewater and Drainage Improvements

TRE Job No.: 1502-11763-96

- Ratify approval of Engineer's Letter of Recommendation:
El Paso Underground Construction - \$1,452,797.90

Bill Burnett Development

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 10 - \$15,705.00

Painted Sky at Mission Ridge Unit Three

Drainage, Water & Wastewater

TRE No.: 1502-12056-35

- Pay Estimate No. 2 - \$568,115.10

Upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved the foregoing items.

Mr. Jansing then updated the Board regarding the following landscaping matters:

Paseo del Este Boulevard - Median Areas

- Hunt Communities agreed to enhance and maintain medians for at least one year.

Accent Maintenance Company, Inc. Contract

- Amendments to contract are needed.

Remedies for Landscaping Issues

- Ms. Livingston is working with Hunt Communities to map out landscaping areas District currently maintains, future areas District will be responsible for maintaining, and budget requirements needed for current and future landscaping.

Director Holford suggested that the District hire an employee to oversee parks, recreation and landscaping. Mr. Jansing agreed that the District needs to hire an employee to oversee these areas.

Next, the Board discussed pond maintenance. The Board requested that consultants be proactive in coming up with solutions to reduce costs, including: (i) hiring outside consultants for recommendations and (ii) obtaining annual bids instead of month-to-month bids. No action was taken by the Board. Ms. Quezada left the meeting during discussion of this item.

Finally, Mr. Jansing discussed leaks in the water pipe that caused a sink hole in Paseo del Este MUD No. 4, repairs completed, as well as pending repairs. Insurance claims will be filed once the District receives all bills for reimbursement.

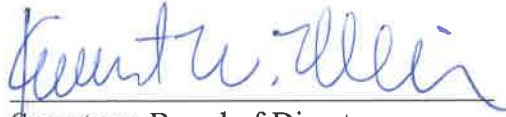
9. As its next item of business, the Board considered wholesale water and sewer charges to the District from El Paso Water Utilities. Mr. Freeman gave a brief update. No action was taken by the Board

10. No public comments were received.

11. As its final act of business, the Board considered an Interim Report on Procedures Undertaken to Analyze Apparent Water Loss. Mr. West gave a brief report. No action was taken by the Board. Directors Mills and Covington left the meeting during discussion of this item.

There being no further business to come before the Board, the meeting was adjourned.

Approved December 15, 2021.

A handwritten signature in blue ink, appearing to read "Kuntia Allen", written over a horizontal line.

Secretary, Board of Directors

[SEAL]