

MINUTES OF SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, July 20, 2022

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, July 20, 2022, 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, thus constituting a quorum. Directors Roark and Covington attended the meeting by video/telephone conference call.

Also present were Ronald J. Freeman and Cyndi Ferris of the Law Offices of Ronald J. Freeman (by video/telephone conference call); Erika Duran of Inframark; Nur Labardini of Municipal Accounts & Consulting, L.P.; Joel Guzman, Franklin Stubbs and Jose Lares of Hunt Communities (by video/telephone conference call); John Jansing, Nadia Ganser and Adrian Rosas of TRE & Associates, LLC; Margaret Livingston of Franklin Mountain Land Services; Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call); and Michael G. McLean 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 May 25, 2022, and June 22, 2022, meetings. Director Holford made a motion to approve the minutes. Director Mellenbruch 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 Holford and a second by Director Mills, the Board unanimously approved write-offs and collections as listed in the Executive Summary.

3. The Board then considered Inframark's Fuel Surcharge Agreement Letter. After discussion, upon a motion by Director Mills and a second by Director Holford, the Board unanimously (i) approved the fuel surcharge subject to general counsel's review and discussion of

the terms of the surcharge with Inframark and (ii) authorized the President to approve and execute the agreement with General Counsel's approval.

4. The Board next considered the Intergovernmental Coordinator's Report. Ms. Livingston presented the following items for consideration:

- **Interim Field Office.** El Paso County must approve the site plan before the temporary building can be moved onto the site. Pad site, grading and temporary parking lot need to be completed. Building should be in place within 60 days.
- **Five-Year Plan.** Accent Maintenance Company's ("Accent") failure to maintain landscaping throughout the District was discussed. General Counsel was asked to review the District's contract with Accent and assist Ms. Livingston and engineers regarding how to proceed to remedy the situation. Upon a motion by Director Holford and a second by Director Mellenbruch, the Board unanimously authorized Ms. Livingston to represent the Board in discussions with Accent regarding its contract and authorized the bookkeeper to hold Accent's check until Ms. Livingston notifies Municipal Accounts & Consulting that it can be released.
- **Landscape Maintenance.** Ms. Livingston summarized work going on in Landscape Area 1 to finish landscaping that was accepted by the District, but was not completed due to ongoing construction in the area. Landscaping was part of Hunt Communities' ("Hunt") infrastructure plan. Ms. Livingston reported that Hunt will help to pay for completion of landscaping in the medians and two parks.

5. The Board then considered the payment of bills and invoices. Ms. Labardini presented the financial reports for the District along with bills and invoices. After discussion, upon a motion by Director Holford and a second by Director Mills, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 7264-7293), except Check No. 7264 in the amount of \$30,098.85 payable to Accent Maintenance Co, Inc. Municipal Accounts & Consulting was authorized to hold Check No. 7264 until instructed to release it (see Item No. 4 above) (ii) Supplemental Check Nos. 7294 in the amount of \$66,950.00 payable to El Paso Underground Construction for pond rehabilitation, Check No. 7295 in the amount of \$118,550.00 payable to Infrastructure Rehabilitation USA, Inc. for manhole rehabilitation, and Check No. 7296 in the amount of \$1,442.75 payable to River Oaks Properties for review fee deposit and (iii) a transfer in the amount of \$40,000.00 to cover the Supplemental Checks. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

6. As its next item of business, the Board considered the engagement of Hilltop Securities, Inc. to assist with tax rate matters for Paseo del Este MUDs 1-11. After discussion, upon a motion by Director Roark and a second by Director Covington, the Board unanimously approved the engagement letter with the understanding that costs would be shared among the eleven (11) Districts. A copy of the engagement letter is attached as an exhibit to these minutes.

7. No Developer's Report was presented. Director Mills stepped out of the meeting for five minutes and returned during discussion of Item No. 8.

8. The Board then considered the Engineer's Report. Mr. Jansing presented the following items for consideration:

Emerald Estates Units Four and Five

Grading Improvements

TRE No.: 1519-12040-35

- Pay Estimate No. 12 - \$47,700.00

Emerald Estates Unit Five

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11763-35

- Pay Estimate No. 4 - \$223,681.50

Paseo del Este Municipal Utility District No. 1

Pond Rehabilitation 7.3, 9.4, 9.6 and 9.7

TRE No.: 1451-11303-35

- Pay Estimate No. 1 (Final) - \$139,000.00

Paseo del Este Municipal Utility District No. 1

Pond Rehabilitation 10.2, 10.7 and 10.10

TRE No.: 1451-11303-35

- Pay Estimate No. 1 - \$31,950.00
- Pay Estimate No. 2 (Final) - \$66,950.00

Infrastructure Rehabilitation USA, Inc.

Manhole Rehabilitation Nos. 1, 3, 6, 7

- Invoice PDEM1121 - \$118,550.00

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

Next, Mr. Jansing presented the following project for consideration:

Hillside Park at Mission Ridge Unit 6

TRE No.: 1502-11809-32

Upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously authorized the President to approve the foregoing project before the next Board meeting with engineer's approval and recommendation.

Mr. Freeman updated the Board regarding the driveway easement for EP Interstate to access Lot 4, Project William. Mr. Freeman requested that Mr. Ballard, representative of EP Interstate, provide the District with plans and specifications, as well as a Letter of Intent, for review. No action was taken on that item.

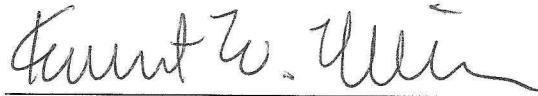
TRE Engineers then discussed water pressure issues experienced throughout the Paseo del Este MUDs and notified the Board they are working on a third pressure plain to address pressure problems.

9. As its last item of business, the Board considered wholesale water and sewer charges to the District from El Paso Water Utilities. Mr. Freeman reminded the Board that mediation is scheduled for Wednesday, July 27, 2022. No action was taken by the Board.

10. No public comments were received.

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

Approved September 21, 2022.

A handwritten signature in cursive script, appearing to read "Kenneth W. Miller", written over a horizontal line.

Secretary, Board of Directors

A faint, circular embossed or stamped mark, possibly a corporate seal, located to the left of the [SEAL] text.

[SEAL]