

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

THE STATE OF TEXAS §

COUNTY OF HOOD §

CRESSON CROSSROADS MUNICIPAL UTILITY DISTRICT NO. 2 §

The Board of Directors (the “Board” or the “Board of Directors”) of Cresson Crossroads Municipal Utility District No. 2 (also sometimes referred to herein as the “District”) met in special session, open to the public, at 5189 E. I-20 Service Road, North, Suite 104, Willow Park, Texas 76087 on May 15, 2023, and the roll was called of the members of the Board to-wit:

Bill Cherry	President
Mike Barrett	Vice President
Rodney Mays	Secretary
VACANT	Assistant Secretary
Doug Johnston	Assistant Secretary

All members of the Board were present at the commencement of the meeting with the exception of Director Johnston, thus constituting a quorum. Also present were Mr. Grant Read, Mr. Ryan Voorhees, Mr. Jim Martin, and Mr. Ike Thomas, developers of lands within the District; Ms. Amy Bieber, paralegal, Winstead PC; Mr. Glenn Breisch of Wasteline Engineering, Inc.; Mr. Derek Turner of Jacob & Martin Engineering; Mr. Harold Sandel, proposed General Manager for the District; and Mr. Draz Lawliss, a resident of the District. Ms. Jennifer Watts of Dye & Toverly LLC, Ms. Sarah Landiak, attorney, of Winstead PC, and Mr. Dave Yanke and Ms. Celeste Esquivel of NewGen Strategies & Solutions joined the meeting by Microsoft Teams audio/video conference.

The meeting was called to order at 1:15 p.m.

1. The Board first called for public communications or comment. Hearing none, the Board closed the public comment session of the meeting.

2. The Board next acknowledged receipt of the Minutes from the August 17, 2022; January 18, 2023; and February 13, 2023, Board of Directors meetings. Following a discussion, Director Cherry moved that the Board approve all Minutes as presented. Director Mays seconded said motion, which carried unanimously.

3. The Board next considered additional District insurance coverages and recognized Mr. Read, who explained that the railroad permit acquired by the developer required an increase in the related insurance coverages, a copy of the invoice for which is attached hereto as Exhibit “A”. Following a discussion, Director Cherry moved that the Board authorize the developer to obtain and

approve such additional insurance coverages. Director Mays seconded said motion, which carried unanimously.

4. The Board next recognized Ms. Landiak, who presented to and reviewed with the Board the results of the Defined Area #1 Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, and Road Refunding Bond Election held on May 6, 2023, a copy of which is attached hereto as Exhibit “B”, and the results of the Defined Area #2 Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, and Road Refunding Bond Election held on May 6, 2023, a copy of which is attached hereto as Exhibit “C”, noting that all propositions passed for both elections. In connection with said election results, the Board next reviewed an Order Canvassing and Declaring Results Defined Area #1 Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, and Road Refunding Bond Election, a copy of which is attached hereto as Exhibit “D”, and an Canvassing and Declaring Results Defined Area #1 Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, and Road Refunding Bond Election, a copy of which is attached hereto as Exhibit “E”. Following a discussion, Director Mays moved that the Board adopt said Orders as presented. Director Barrett seconded said motion, which carried unanimously.

5. The Board next recognized Mr. Read, who announced that Mr. Draz Lawliss, a resident of the District, has expressed his desire to serve in the vacant position on the Board of Directors. Following a discussion, Director Cherry moved that the Board (i) appoint Mr. Lawliss to the Board of Directors to serve as Assistant Secretary for the remainder of the term expiring on May 4, 2024; and (ii) adopt an Order declaring the same. Director Mays seconded said motion, which carried unanimously.

6. The Board next considered adoption of an Amended District Information Form to reflect the District’s redefined boundaries, a copy of which is attached hereto as Exhibit “F”. Ms. Landiak noted that the form is being updated to reflect the bond capacities for the defined areas. Following a discussion, Director Mays moved that the Board (i) approve the Amended District Information Form as presented; and (ii) authorize the District’s legal counsel to record same with all counties in which the District lies and the Texas Commission on Environmental Quality. Director Lawliss seconded said motion, which carried unanimously.

7. The Board next recognized Mr. Voorhees, who updated the Board with regard to development within the District, reporting that two new phases of development, Cresson Phase 2 and Avanzada Phase 1, will be underway shortly. No formal action was taken by the Board.

8. The Board next considered two Development Agreements by and between the District and Kelly Ranch Estates, LLC, related to Cresson Phase 2 and Avanzada Phase 1, copies of which are attached hereto as Exhibit “G” and Exhibit “H”, respectively. Following a discussion, Director Cherry moved that the Board approve the Development Agreements as presented. Director Lawliss seconded said motion, which carried unanimously.

9. The Board next considered the engagement of Mr. Harold Sandel as General Manager for the District and reviewed a proposed Employment Contract, a copy of which is attached hereto as Exhibit “I”. It was noted that the developers of the lands within the District highly recommend the engagement of Mr. Sandel for such services. Following a discussion, Director Cherry moved that

the Board (i) engage Mr. Sandel as General Manager for the District; and (ii) approve the Employment Contract as presented. Director Mays seconded said motion, which carried unanimously.

10. The Board next recognized Mr. Sandel, who gave an overview to the Board with regard to current projects within the District and reported that the District's consultants are working on a budget for the 2023-2024 fiscal year. No formal action was taken by the Board.

11. The Board next considered the engagement of Jacob & Martin Engineering for engineering services within the District and reviewed a proposed services agreement, a copy of which is attached hereto as Exhibit "J". Following a discussion, Director Mays moved that the Board (i) approve the engagement of Jacob & Martin Engineering for engineering services within the District; and (ii) approve the services agreement as presented. Director Lawliss seconded said motion, which carried unanimously.

12. The Board next recognized Mr. Yanke, who reviewed a rate study with the Board related to preliminary cost estimates and proposed fees and rates for District utility services. The Board discussed the scope of the rate study and requested information related to comparable rates in neighboring municipalities. No formal action was taken by the Board.

13. The Board next considered an engineering report, a copy of which is attached hereto as Exhibit "K". The Board reviewed proposals received for construction of improvements and recommended award of the contracts to the lowest qualified bidders as follows, noting that the contracts have been reviewed and approved by the District's consultants:

- Bear Creek Wastewater Treatment Plant improvements contract to serve the development to Gold Creek Homes & Development in the base bid amount of \$3,616,008.00.
- Kelly Road Water Plant and Trinity Well improvements contract to serve the development to Gold Creek Homes & Development in the base bid amount of \$1,815,710.00.
- Rio Vista off-site sanitary sewer improvements contract to GW Underground & Excavation in the base bid amount of \$517,686.00.

Following a discussion, Director Cherry moved that the Board (i) approve award of the Bear Creek Wastewater Treatment Plant improvements contract to Gold Creek Homes & Development; (ii) approve award of the Kelly Road Water Plant and Trinity Well improvements contract to Gold Creek Homes & Development; and (iii) approve award of the Rio Vista off-site sanitary sewer improvements contract to GW Underground & Excavation. Director Mays seconded said motion, which carried unanimously.

14. The Board next recognized Ms. Watts, who presented to and reviewed with the Board a bookkeeping report dated May 15, 2023, a copy of which is attached hereto as Exhibit "L". Ms. Watts also presented to the Board a draft operating budget for the fiscal year ending June 30, 2023, a copy of which is attached hereto as Exhibit "M". Following a discussion, Director Lawliss moved that the Board (i) approve the bookkeeping report as presented; (ii) authorize the payment of bills

listed thereon; (iii) approve the draft budget as presented; and (iv) authorize bookkeeper to disburse funds pursuant to Section 49.151(a) Texas Water Code. Director Mays seconded said motion, which carried unanimously.

There being no further business to conduct, upon motion by Director Cherry, seconded by Director Lawliss and unanimously carried, the Board adjourned the meeting at 2:10 p.m. until further call.

[Signature page follows]

APPROVED AND ADOPTED this 2nd day of August, 2023.



/s/ Rodney Mays
Secretary