

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

THE STATE OF TEXAS §

COUNTY OF HUNT §

CADDO MILLS MUNICIPAL MANAGEMENT DISTRICT NO. 2 §

The temporary Board of Directors (the “Board”) of Caddo Mills Municipal Management District No. 2 (the “District”) met in organizational session, open to the public, at 3925 CR 2628, Caddo Mills, Texas 75135, within the boundaries of the District, on August 11, 2025, and the roll was called of the members of the Board to-wit:

John King
Dana A. Nollette
Logan Pruitt
Christopher Hillis

All members of the Board were present at the commencement of the meeting with the exception of Director Nolette, thus constituting a quorum. Also present were: Mr. Rob McClain, developer representative; Ms. Debbie Trautmann of Dye & Toverly LLC; Ms. Mackenzie Lesnansky of Kimley-Horn; Mr. Victor Cristales, attorney, and Ms. Amy Bieber, paralegal, each of Winstead PC.

1. The meeting was called to order at 12:28 p.m.
2. Consideration was first given to the creation of the District by Order of the Texas Commission on Environmental Quality on July 3, 2025. The Board recognized Mr. Victor Cristales of Winstead PC. Mr. Cristales stated that the Board of Directors was conducting its first meeting since the creation of the District known as Caddo Mills Municipal Management District No. 2. Next, Mr. Cristales noted the above slate of temporary Directors have expressed an interest in serving on the Board. Finally, Mr. Cristales summarized the purpose and provisions of the District, including a brief overview of laws governing the District. No formal action was taken by the Board.
3. Consideration was next given to qualification of Directors and the administration of Statement of Officer Forms, and Oaths of Office to Directors. Mr. Cristales confirmed that the temporary Directors in attendance have executed their respective Statement of Officer and Oath of Office forms. Consideration was next given to the review of Conflict of Interest Questionnaire form for Local Government Officials. Mr. Cristales discussed the purpose of said questionnaire, noting instructions for completion of same, if applicable, to comply with Chapter 176 of the Texas Government Code. Next, consideration was given to government training requirements pursuant to Chapter 551 of the Texas Government Code. Mr. Cristales stated that members of the Board are subject to the Open Meetings Act, and the Public Information Act, and will be required to participate in an educational training session provided through the Texas Attorney General’s office. Finally,

Mr. Cristales stated that instructions for completion of same would be distributed to all members of the Board. No formal action was taken by the Board.

4. Consideration was next given to a Consent Agreement. The Board deferred action on the matter.

5. Next, consideration was given to the election of officers. Following a discussion and motion by Director King, seconded by Director Pruitt and unanimously carried, the Board elect the following slate of officers:

John King	President
Dana A. Nollette	Vice President
Logan Pruitt	Secretary
Christopher Hillis	Assistant Secretary

6. Consideration was next given to the developer's report on proposed development and overview of District. The Board heard a report from Mr. McClain who stated that plans are underway to request rezoning of lots within the development. Next, Mr. McClain provided an overview of amenities for future residents. No formal action was taken by the Board.

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

8. 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. Cristales presented to and reviewed with the Board copies of a proposed engagement letter with Winstead PC. Mr. Cristales reviewed the scope of services and fees related to same. The Board next reviewed a Resolution Approving Contingent Fee Contract related the engagement of Winstead PC, a copy of which is attached hereto as Exhibit "B". Following a discussion, Director King moved that the Board (i) approve the engagement letter with Winstead PC to serve as the District's general and bond counsel; and (ii) adopt the Resolution as presented. Director Pruitt seconded said motion, which carried unanimously.

9. Consideration was next given to the engagement of Kimley-Horn and Associates, Inc. ("Kimley-Horn") to serve as the District's engineer. The Board recognized Ms. Lesnansky, who presented to and reviewed with the Board copies of a proposed Master Agreement by and between the District and Kimley-Horn, a copy of which is attached hereto as Exhibit "C". Following a discussion, Director King moved that the Board (i) approve the engagement of Kimley-Horn for engineering services; and (ii) authorize the Board President to execute same. Director Pruitt seconded said motion, which carried unanimously.

10. Consideration was next given to the engagement of Dye & Toverly, LLC (“D&T”) to serve as the District’s bookkeeper, and the Board recognized Ms. Trautmann, who reviewed with the Board a proposed engagement letter for bookkeeping services, a copy of which is attached hereto as Exhibit “D”, and a proposed engagement letter for preparation and filing of the District’s annual financial report, a copy of which is attached hereto as Exhibit “E”. Following a discussion, Director King moved that the Board (i) approve the engagement of D&T for bookkeeping services; and (ii) approve the engagement of D&T for preparation and filing of the District’s annual financial report. Director Pruitt seconded said motion, which carried unanimously.

11. Consideration was next given to the review and approval of an engagement letter of a financial advisor on behalf of the District.

12. 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, and the Board reviewed a Resolution Designating Depositories and Establishing District Investment Accounts for Deposit of District Funds, a copy of which is attached hereto as Exhibit “F”. Following a discussion, Director King moved that the Board (i) authorize the Bookkeeper to designate PlainsCapital Bank as a 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 Pruitt seconded said motion, which carried unanimously.

13. The Board next recognized Ms. Trautmann, who presented to and reviewed with the Board a bookkeeping report dated August 11, 2025, a copy of which is attached hereto as Exhibit “G”. Following a discussion, Director King moved that the Board (i) approve the bookkeeping report; and (ii) authorize the payment of bills listed thereon. Director Pruitt seconded said motion, which carried unanimously.

14. Consideration was next given to the review and approval of an Agreement for the Construction of Improvements and Reimbursement of Advances by and between the District and HMH Caddo Mills Land, LP, a copy of which is attached hereto as Exhibit “H”. Following a discussion, Director King moved that the Board approve said Agreement as presented. Director Pruitt seconded said motion, which carried unanimously.

15. Consideration was next given to the adoption of a District Seal. Mr. Cristales 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 King moved that the Board (i) adopt the seal of the District, an impression of which is reflected on Exhibit “I” attached hereto; and (ii) authorize the Board Secretary, Assistant Secretary or records manager to affix said Seal to a District instrument as required. Director Pruitt seconded said motion, which carried unanimously.

16. Consideration was next given to the review and approval of a District Information Form, a copy of which is attached hereto as Exhibit “J”. Mr. Cristales 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 Hunt County, Texas, and the Texas Commission on Environmental Quality (“TCEQ”). Following a discussion, Director King moved that the Board (i) adopt the District Information Form as presented; and (ii) authorize District counsel to file same with the property records of Hunt County, Texas, and the TCEQ. Director Pruitt seconded said motion, which carried unanimously.

17. The Board next considered an Order Adopting Section 49.2731 Electronic Bidding Rules, a copy of which is attached hereto as Exhibit “K”. Mr. Cristales explained that the adoption of electronic bidding rules as allowed by the Texas Water Code would allow the District’s engineers to accept electronic bids for construction projects. Following a discussion, Director King moved that the board adopt the Order as presented. Director Pruitt seconded said motion, which carried unanimously.

18. Consideration was next given to an Order Adopting an Investment Policy and Designating an Investment Officer, a copy of which is attached hereto as Exhibit “L”. Mr. Cristales discussed the matter with the Board and proposed that the Board appoint the Bookkeeper for the District to serve as the investment officer. Following a discussion, Director King moved that the Board (i) adopt the Order Adopting an Investment Policy and Designating an Investment Officer; (ii) appoint the Bookkeeper as investment officer for the District; and (iii) authorize the Board President to execute said Order and the Board Secretary to attest to same. Director Pruitt seconded said motion, which carried unanimously.

19. The Board next considered a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which is attached hereto as Exhibit “M”. Mr. Cristales 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 Hunt County. Following a discussion, Director King moved that the Board approve the Resolution as presented. Director Pruitt seconded said motion, which carried unanimously.

20. The Board next considered an Order Designating Offices Outside the District, a copy of which is attached hereto as Exhibit “N”. Mr. Cristales noted that the District is required to designate office and meeting locations pursuant to Texas Water Code Section 49.062. Following a discussion, Director King moved that the Board (a) authorize office locations on behalf of the District as described in the Order; (ii) adopt the Order as presented; and (iii) authorize publication of notice of said office locations as required by law. Director Pruitt 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 King moved that the Board adopt the Resolution as presented. Director Pruitt seconded said motion, which carried unanimously.

22. 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 “P”. Mr. Cristales 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 King moved that the Board (i) adopt the Order as presented; (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same; and (iii) adopt October 31 as the District’s fiscal year end. Director Pruitt seconded said motion, which carried unanimously.

23. 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 “Q”. Mr. Cristales 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 Ms. Genny Lutzel, Paralegal, to serve as the records management officer. Following a discussion, Director King moved that the Board (i) adopt the Order Establishing a Records Management Program and Appointing Ms. Genny Lutzel as Records Management Officer; (ii) authorize the Board President to execute said Order and the Board Secretary to attest to same; and (iii) authorize the filing of said Order with the Texas State Library and Archives Commission. Director Pruitt seconded said motion, which carried unanimously.

24. The Board deferred consideration of the review and acceptance of resignation of Director.

25. The Board deferred consideration of the appointment of Director(s) and adoption of an Order.

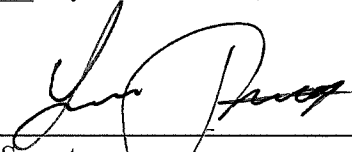
26. Consideration was next given to the review and approval of an Order Calling Confirmation and Directors Election, Utility Bond Election, Utility Bond Refunding Election, Road Bond Election, Road Bond Refunding Election, and Maintenance Tax Election for November 4, 2025. Following a discussion, Director King moved that the Board approve said Order. Director Pruitt seconded said motion, which carried unanimously.

27. Consideration was next given to authorizing Notice of Election and approval of a Contract for Election Services with Hunt County, Texas. Following a discussion, Director King moved that the Board approve said Contract. Director Pruitt seconded said motion, which carried unanimously.

There being no further business to conduct, Director King moved that the meeting be adjourned at 12:29 p.m. Director Pruitt seconded said motion, which carried unanimously. The Board adjourned until further call.

[Signature page follows]

APPROVED AND ADOPTED this 13th day of November, 2025.



Secretary
Board of Directors
Caddo Mills Municipal Management District No. 2



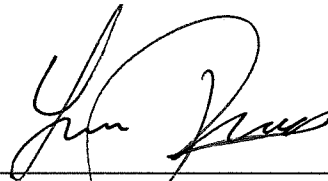
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I, the undersigned Secretary of the temporary Board of Directors of Caddo Mills Municipal Management District No. 2, certify that the attached and foregoing is a true and correct copy of the MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS 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 13th day of November, 2025



Secretary
Board of Directors
Caddo Mills Municipal Management District No. 2

