ORGANIZATIONAL MINUTES OF MEETING
OF THE BOARD OF DIRECORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

LA CIMA MUNICIPAL MANAGEMENT DISTRICT NO. 1 §

The Board of Temporary Directors (the "Board" or the “Board of Directors”) of La Cima Municipal Management District No. 1 (also sometimes referred to herein as the "District") met in special session, open to the public, at 712 ½ Central Park Loop, San Marcos, Texas inside the boundaries of the District on February 2, 2026, and the roll was called of the members of the Board to-wit:

Kevin Pogue
Douglass “Doug” Botts
Adam Van Ackeren
John Gurasich
James Schellhase

All members of the Board were present at the commencement of the meeting, except Director Botts. All directors present at the time the vote was taken, voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC (“Barrett & Associates”), attorney for the district; Justin Cox, bond counsel and Eliza Martinez, paralegal, of Winstead PC (“Winstead”) of Winstead; Ken Heroy and Victoria Haynes of Jones-Heroy & Associates, Inc. (“Jones-Heroy”) engineer for the District; and Eric Willis and Doug Goss of La Cima San Marcos, LLC representing the owner and developer of lands within the District.

1. The Board called for public communications and comments however, none being heard, the Board moved on to the next item of business.

2. The record shall reflect that the Board of Directors was conducting its first meeting since the passage of Senate Bill No. 3037, 89^{th} Regular Session of the Texas Legislature, which created the District and appointed the above-referenced temporary directors. A copy of such legislation is hereto as **EXHIBIT "A"**. It was noted that the temporary directors had executed Statements of Appointed/Elected Officer forms and Oaths of Office.

3. Mr. Barrett 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. Following a review of the proposals pertaining to the required Director’s bond, the blanket public employee bond and the directors and officers liability policy and following a full discussion, a motion was made by Director Pogue, seconded by Director Shellhase and unanimously carried that the insurance proposals for such coverage be approved and accepted.

4. The next business to be addressed was the election of a President, Vice President, Secretary, Assistant Secretary and an additional Assistant Secretary for the Board of Directors as

provided by law. Following a full discussion and motion by Director Pogue seconded by Director Gurasich and unanimously carried, the following slate of officers was elected:

Kevin Pogue	President
Doug Botts	Vice President
James Shellhase	Secretary
John Gurasich	Assistant. Secretary
Adam Van Ackeren	Assistant Secretary

5. Mr. Barrett then explained to the Board how the District was Legislatively created and requested the Board's acknowledgement of such and upon motion by Director Gurasich, seconded by Director Shellhase and unanimously carried, the Board acknowledged S.B. 3037 of the 89^{th} Session of the Texas Legislature Regular Session.

6. With regard to any additional water and sewer-related agreements, easements, assignments, related cost sharing agreements, or other related matters, Mr. Barrett noted there was nothing to discuss at such time.

7. Mr. Goss then presented an Order Dividing La Cima Municipal Management District No. 1into Two Districts for their review and consideration. He reviewed the map of the district with the Board. After a brief discussion, and upon motion by Director Pogue, seconded by Director Gurasich and unanimously carried, the Board approved said Order.

8. There being no further business to conduct, Director Pogue moved that the meeting be adjourned, which motion was seconded by Director Gurasich, and unanimously approved, and the Board adjourned until further call.

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Kevin Pogue
Doug Botts
James Shellhase
John Gurasich
Adam Van Ackeren

All members of the Board were present at the commencement of the meeting, except Director Botts. All directors present at the time the vote was taken, voted on all items that came before the Board. Also present were Andy Barrett of Barrett & Associates, PLLC ("Barrett & Associates"), attorney for the district; Justin Cox, bond counsel and Eliza Martinez, paralegal, of Winstead PC ("Winstead") of Winstead; Ken Heroy and Victoria Haynes of Jones-Heroy & Associates, Inc. ("Jones-Heroy") engineer for the District; and Eric Willis and Doug Goss of La Cima San Marcos, LLC representing the owner and developer of lands within the District.

1. The Board called for public communications and comments however, none being heard, the Board moved on to the next item of business.

2. The record shall reflect that the Board of Directors was conducting its first meeting since the passage of Senate Bill No. 3037, 89th Regular Session of the Texas Legislature, which created the District and appointed the above-referenced temporary directors. A copy of such legislation is hereto as **EXHIBIT "A"**.

3. Mr. Barrett then presented an Order Dividing La Cima Municipal Management District No. 1into Two Districts for their review and consideration. After a brief discussion, and upon motion by Director Pogue, seconded by Director Gurasich and unanimously carried, the Board approved said Order.

4. It was noted that the temporary directors had executed Statements of Appointed/Elected Officer forms and Oaths of Office.

5. Mr. Barrett 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. Following a review of the proposals pertaining to the required Director's bond, the blanket public employee bond and the directors and officers liability policy and following a full discussion, a motion was made by Director Pogue, seconded by Director Shellhase and unanimously carried that the insurance proposals for such coverage be approved and accepted.

6. The next business to be addressed was the election of a President, Vice President, Secretary, Assistant Secretary and an additional Assistant Secretary for the Board of Directors as provided by law. Following a full discussion and motion by Director Pogue seconded by Director Gurasich and unanimously carried, the following slate of officers was elected:

Kevin Pogue	President
Doug Botts	Vice President
James Shellhase	Secretary
John Gurasich	Assistant. Secretary
Adam Van Ackeren	Assistant Secretary

7. Doug Goss and Eric Willis as owners/developers briefly summarized plans for the development of the District, noting that they currently have 170 lots under construction and should be ready in a couple of months.

8. The Board next reviewed and considered a proposal for legal services with the firm of Barrett & Associates, PLLC. Andy Barrett reviewed the terms of such fee agreement with the Board and upon motion by Director Pogue, seconded by Director John and unanimously carried, the Board approved said agreement and retained Barrett and Associates as district counsel.

9. Next, Mr. Barrett of Winstead PC reviewed the terms of a proposal for legal services with the firm of Winstead and upon motion by Director Van Ackeren, seconded by Director Gurasich and unanimously carried, the Board approved said agreement and retained Winstead to provide paralegal services, assist with certain general services and serve as the District's bond counsel..

10. The Board recognized Ken Heroy and Victoria Haynes with Jones-Heroy and Associates, Inc. ("Jones-Heroy") who reviewed a proposal with such company to serve as the District's engineer. Following a review of such proposal and discussion thereof and upon motion by Director Gurasich, seconded by Director Van Ackeren and unanimously carried, the Board approved such Consultant Agreement for Professional Services with Jones-Heroy.

11. The Board reviewed a proposal from the GMS Group, L.L.C. ("GMS") to serve as the District's financial advisor. Andy Barrett explained such firms qualifications and reviewed such proposal with the Board noting that John Howell and Corey Howell would be handling the services for GMS. Following a review of the proposal and discussion thereof, upon motion by Director Gurasich, seconded by Director Van Ackeren and unanimously carried, the Board approved such Financial Advisory Contract with GMS.

12. The Board reviewed a proposal from Bott & Douthitt, PLLC, to serve as bookkeeper for the District. Qualifications for Bott & Douthitt were outlined and discussed with the Board.

Following such review and discussion, upon motion by Director Gurasich, seconded by Director Van Ackeren and unanimously carried, the Board approved such engagement letter for bookkeeping services dated February 2, 2026.

13. Upon motion by Director Van Ackeren, seconded by Director Gurasich and unanimously carried, the Board authorized the opening of a District operating account at ABC Bank and the opening of a District investment account with TexPool.

14. The Board recognized John Doucet, Keith Young and Rick Coneway with Doucet & Associates, Inc. Texas who reviewed a proposal with such company to serve as the District's engineer. Following a review of such proposal and discussion thereof and upon motion by Director Kaufman, seconded by Director LaRue and unanimously carried, the Board approved such Consultant Agreement for Professional Services with Doucet.

15. In addition, Mr. Barrett requested Board's approval to work on negotiations of various joint facilities and cost sharing agreements as will be needed between the District and other parties. It was noted that Mr. Willis handles majority of these negotiations. Upon motion by Director Van Ackeren, seconded by Director Gurasich and unanimously carried, the Board authorized the negotiations and preparation of such documents for presentation and approval by the Board at a later date.

16. Mr. Barrett then discussed with the Board the purchase and installation of district signs at the entrances to the district. After a brief discussion, and upon motion of Director Van Ackeren, seconded by Director Gurasich and unanimously carried, the Board approved the purchase and installation of district signs.

17. Mr. Barrett then presented the Board with a Resolution Adopting Prevailing Wage Rate Scale for Construction Workers for their review and consideration. After a full discussion, and upon motion of Director Pogue, seconded by Director Schellhase and unanimously carried, the Board approved said Order.

18. Mr. Barrett then presented the Board with an Order Adopting Electronic Bidding Rules for their review and consideration. After a full discussion, and upon motion of Director Pogue, seconded by Director Gurasich and unanimously carried, the Board approved said Order.

19. Mr. Barrett presented to the Board a proposed Order Designating Offices Outside the District, which Order designates various offices of the District, declaring them to be public places, a copy of said Order being attached hereto as **EXHIBIT "B"**. After a full discussion, and upon motion of Director Pogue, seconded by Director Gurasich and unanimously carried, the Board approved said Order Designating Offices Outside the District. The officers were directed to execute said Order, and Ms. Martinez was authorized to publish notice of the designation for such offices outside the District.

20. The Board next reviewed a Resolution Designating Posting Location of Meeting Notices, a copy of which is attached hereto as **EXHIBIT "C"** and upon motion by Director Pogue, seconded by Director Gurasich and unanimously carried, the Board adopted said Resolution.

21. There was presented to the Board an impression of the proposed seal of the District, circular in shape with the name of the District around a five-point star. It was duly moved by Director Pogue, seconded by Director Gurasich and unanimously carried that said seal be adopted as the legal seal of the District, an impression of which is attached hereto as **EXHIBIT "D"** and that the Secretary or Assistant Secretary or records manager for the District be authorized to affix said seal to all instruments of the District requiring a seal.

22. The Board next reviewed a District Information Form detailing general information about the District that was required to be approved and filed of record with both the Hays County Clerk and the Texas Commission of Environmental Quality ("TCEQ"). Following a review thereof, upon motion by Director Gurasich, seconded by Director Pogue and unanimously carried, the Board approved such Form and authorized Winstead to file such items with the Hays County Clerk and the TCEQ.

23. The Board next reviewed 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 and Certain Other Matters, a copy of which is attached hereto as **EXHIBIT "G"**. In addition, it was confirmed that the Board would select December 31st at its fiscal year end. Following a full review and motion by Director Pogue, seconded by Director Gurasich and unanimously carried, the Board approved said Order.

24. The Board next reviewed and Order Establishing Records Management Program and Appointing Records Management Officer, a copy of which is attached hereto as **EXHIBIT "H"**. Following a full review and motion by Director Pogue, seconded by Director Gurasich and unanimously carried, the Board approved said Order.

25. The Board next discussed the need to call elections for the May 2, 2026 uniform election date and it was confirmed that such elections would need to be held jointly with Hays County. In connection with the calling of such elections, the Board reviewed a proposed form of a Contract for Election Services ("Election Contract") between the Elections Administrator of Hays County and the District, a copy of which is attached hereto as **EXHIBIT "I".** Upon motion by Director Van Ackeren, seconded by Director Gurasich and unanimously carried, the Board approved said Election Contract.

The Board next considered and reviewed a proposed Order Calling Confirmation and Director Election, Approving Engineering Reports, and Calling Utility Bond Election, Utility Refunding Bond Election, Road Bond Election, Road Refunding Bond Election, Recreational Bond Election, Recreational Refunding Bond Election, and Maintenance Tax Election, a copy of which is attached hereto as **EXHIBIT "J"**, and following a full discussion and motion by Director Gurasich, seconded by Director Pogue and unanimously carried, the Board approved said Order and authorized Notice of such election to be given as provided by law.

26. Mr. Barrett requested the Board's approval of Winstead creating a district website for compliance. After a brief discussion and motion from Director Pogue, seconded by Director Gurasich, and unanimously carried, the creation of a district website was approved.

27. With regard to any additional water and sewer-related agreements, easements, assignments, related cost sharing agreements, or other related matters, Mr. Barrett noted that following the election of permanent directors, that the permanent Directors would be required to complete certain on-line government training courses pursuant to Chapter 551 of the Texas Government Code

28. Mr. Martinez noted to the Board that the next proposed meeting would be after the 13^{th} of March.

29. There being no further business to conduct, Director Gurasich moved that the meeting be adjourned, which motion was seconded by Director Van Ackeren, and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 13th day of May, 2026.

John Gurasich, Assistant Secretary
Board of Directors
La Cima Municipal Management District No. 1

(DISTRICT SEAL)

THE STATE OF TEXAS §

COUNTY OF HAYS §

LA CIMA MUNICIPAL MANAGEMENT DISTRICT NO. 1 §

I, the undersigned Secretary of the Board of Directors of the La Cima Municipal Management District No. 1, certify that the attached and foregoing is a true and correct copy of the ORGANIZATIONAL MINUTES OF MEETING OF THE BOARD OF DIRECTORS of the District; the original of said Minutes of which is on file in the District's office.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE DISTRICT this 13th of May, 2026.

____

John Gurasich, Assistant Secretary

(DISTRICT SEAL)