

MINUTES OF THE SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, November 19, 2025

STATE OF TEXAS §
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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 Hunt Companies, 601 N. Mesa, Suite 1900, El Paso, Texas 79901, a meeting place of the Board of Directors of the District (the "Board"), and by video/telephone conference call at 11:30 a.m. MT on Wednesday, November 19, 2025, and the roll was called of the directors of the Board, to-wit:

Dan Roark	President
Sid Covington	Vice President
Ken Mills	Secretary
L. Gus Haddad	Assistant Secretary
Doug Borrett	Assistant Secretary

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

Also present were Geoffrey Kirshbaum and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, District General Manager; Erika Duran, District Office Manager; Lexi Kolmodin of Municipal Accounts & Consulting, L.P. (by video/telephone conference call); Bob West of West, Davis & Company, LLP (by video/telephone conference call); Shane Mercer of Hunt Companies; Adrian Rosas and Frank Ortiz of TRE & Associates; Nadia Ganser of TRE & Associates (by video/telephone conference call); Lorena Quezada of El Paso Disposal LP; and Roussel Acosta of BARCO Recycling.

1. As its first item of business, the Board considered the October 22, 2025, Board meeting minutes. Upon a motion by Director Mills and a second by Director Borrett, the Board unanimously approved the minutes.

2. As its next item of business, the Board considered the General Manager's Report. Ms. Duran presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. No action was taken by the Board.

Ms. Livingston reported on the following items:

- **Other.** Residential meter replacement has slowed down. Approximately 3,500 meters need to be replaced with smart meters. The District orders approximately 500 smart meters per month. The estimated completion date for meter replacement is August 2026. Old meters are used during new residential construction and are replaced with smart meters when homes are purchased.

- **District facility site.**
 - Plumbing was completed.
 - Pad work and construction of slab footings are in progress.
- **Pond maintenance.** Pond maintenance is ongoing as scheduled.
- **Landscape Maintenance and Landscape Maintenance Acceptances.** Landscape maintenance is ongoing as scheduled.
 - **Acceptance of Pine Valley Park.** After discussion, upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously approved acceptance of Pine Valley Park for maintenance and landscaping.
- **Personnel.** No changes were made.

3. The Board then considered Securitas Security Services USA, Inc.'s Security Guard & Peace Officer Services and Consultation Agreement for evening security during construction of the District facility site. The contract is for a term of eight months with a not to exceed amount of \$75,000. Upon a motion by Director Mills and a second by Director Borrett, the Board unanimously ratified the agreement.

4. The Board next considered bills and invoices, investments and other financial management matters. Lexi Kolmodin presented the financial reports for the District along with bills and invoices. She noted that consultants continue to work on reconciling accounts receivable and that she blocked out a month of time to resolve the issue. Director Haddad stepped out of the room for a few minutes so the Board moved on to the next agenda item.

5. As its next item of business, the Board considered distribution of Surplus Funds, Series 2025. Mr. West noted that Surplus Funds are to reimburse developer for administrative advances and developer interest. After discussion, upon a motion by Director Haddad and a second by Director Mills, the Board unanimously approved the Report on the Application of Certain Agreed Procedures relating to Paseo del Este Municipal Utility District No. 1's Use of \$325,000 Surplus Bond Funds.

6. The Board then returned to the Bookkeeper's Report. Upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 8988-9030), and (ii) a transfer to the litigation escrow account in the amount of \$72,151.42.

7. Under the Developer's Report, Mr. Mercer noted that Hunt's primary focus is on development in Paseo del Este MUD No. 11. Studies show that the housing market in El Paso is consistent and strong.

8. As its next item of business, the Board considered the Engineer's Report. Mr. Ortiz presented the following item for consideration:

Emerald Estates Unit Six
 Drainage, Water & Wastewater Improvements
 TRE No.: 1502-12122-35

- Pay Estimate No. 3 - \$735,402.60

Upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously approved the foregoing pay estimate.

Mr. Rosas noted that the long-awaited easement language for the Discount Tire project was finally drafted and he was waiting on the recorded easement. He then notified the Board that Ms. Ganser was leaving TRE & Associates after 13 years of working on District projects. Ms. Ganser bid farewell to the Board.

9. The Board then considered the transition of District responsibilities from Austin to El Paso. The Board's next meeting is scheduled for Wednesday, December 17, 2025, at TRE & Associates in Austin, Texas. The Board's January meeting is scheduled for Wednesday, January 28, 2026, in El Paso, Texas.

10. The President announced through General Counsel that the Board would go into executive session for consultation with legal counsel regarding the following agenda items:

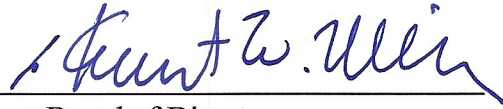
- a. Agenda Item 8 – Water line break along Mission Ridge Boulevard;
- b. Agenda Item 9 - Wholesale water and sewer charges to District from El Paso Water Utilities;
- c. Agenda Item 10 – Dispute with Inframark, LLC.; and
- d. Agenda Item 11 – Lawsuit filed by Daddy O's Car Wash.

The Board recessed into executive session at 12:51 p.m. MT. The Board concluded the executive session and returned to the open meeting at 1:24 p.m. MT. No action was taken by the Board.

11. The Board provided time for public comments but received none.

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

Approved December 17, 2025.

A handwritten signature in blue ink, appearing to read "Stuart W. Ulin", written over a horizontal line.

Secretary, Board of Directors

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