

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §  
COUNTY OF HARRIS §  
EAST LAKE HOUSTON MANAGEMENT DISTRICT §

The Board of Directors (the “Board”) of EAST LAKE HOUSTON MANAGEMENT DISTRICT (sometimes referred to herein as the “District”) met in Special Session, on the 24<sup>th</sup> day of January, 2024 at 3:00 p.m. at 340 N. Sam Houston Parkway, Suite 140, Houston, Texas 77060, a designated meeting location outside the District. The roll was called of the members of the Board, to-wit:

William Glen Woodson	Chairman	Position 3
Vacant		Position 1
Zach Dehghanpoor	Secretary	Position 2
Erik Armstrong	Term Expired. Waiting for Re-appointment by City of Houston	Position 4
Freddy Villalobos	Term Expired. Waiting for Re-appointment by City of Houston	Position 5

All members of the Board participated in the meeting except for Director Villalobos whose term expired. Both Director Villalobos and Director Armstrong are waiting to be re-appointed by the City of Houston. Also present were Matt McPhail, attorney, and Vicki Hahn, paralegal, with Winstead PC, General Counsel and Bond Counsel for the District, Shawn Pachlhover of R.G. Miller, engineer for the District, Yaneth Cooper with Municipal Accounts & Consulting, the District’s bookkeepers, Joe Fogarty and John Speer, developers of the District. In addition, members of the public included Zach Dehghanpoor (potential Director), Chasity Mazucca, Kim Ryan with AUC, Harris Pratka with KB Homes and Sean Chichowski with Akerman LLC.

1. Public Comment: The Board called for public communications and comments however, none being heard, the Board moved on to the next item of business.
2. Resignation of Director/Appoint New Director: The Board reviewed Director Robinson’s resignation which was effective as of October 19, 2024 and discussed the qualifications of Zachary Dehghanpoor. After a brief discussion, upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board accepted Director Robinson’s resignation and appointed Mr. Dehghanpoor.

3. Order Accepting Resignation and Appointing Director: The Board reviewed the Order Accepting Resignation and Appointing Director. Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved the Order Accepting Resignation and Appointing Director.
4. Re-Appointment of Directors: Mr. McPhail informed the Board that Winstead has requested, in December, that the re-appointment of Director Armstrong and Director Villalobos be added to the City of Houston's agenda as soon as possible. We were told that they would try to put the re-appointment on the agenda in the first quarter. There has been a change in staff at City of Houston but Winstead will continue to follow-up.
5. Election of Officers: The Board discussed the election of officer in light of Director Dehghanpoor's election. Upon motion by Director Luce, seconded by Director Woodson and unanimously carried, the Board elected Director Woodson as Chairman, Director Luce as Vice Chairman and Director Dehghanpoor as Secretary.
6. Hawes Hill Resignation: The Board discussed the resignation of Hawes Hill as District Manager. Mr. Fogarty informed the Board that he had a conversation with Hawes Hill and that they may be willing to return as General Manager. Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board accepted Hawes Hill's resignation submitted October 19, 2023.
7. Minutes: The Board reviewed the Meeting Minutes for the October 18, 2023 Board Meeting. Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved such Meeting Minutes.
8. Orders Adding Lands and Redefining Boundaries: Mr. McPhail reviewed eight Petitions for Addition of Lands Into The District. Seven of the tracts of land are located in Harris County (Tennessee Township, Crosby Terrace, Highland Shores, Crosby Pines, Eagles Cove, Heron Lakes and Villa Robles) and one tract of land is located in Montgomery County (Lone Stag).

Director Luce requested that the developer give a timeline for when development will start. Mr. Fogarty mentioned that the two properties that were in bankruptcy have been financed by Legalist. He mentioned that the other 6 properties are in bankruptcy and he expects them to follow the same path as the first two properties. He has spoken to Legalist about financing and expects that they will finance those properties as well. Mr. Fogarty informed the Directors that he has a Term Sheet with Legalist. He also mentioned that Ms. Fuqua, his consultant, has been working on the time frames and the budgets for development of the District. Mr. Fogarty believes the funding will be adequate to fund the development of the District and that there will be some cushion to complete the District. He discussed the amount of money being funded for both Heron Lakes and Villa Robles as well as the other six properties.

Mr. Chichowski, who represents Zandur Real Estate/Ricardo San Roman asked if the properties can be added to the District without Bankruptcy Court approval. Mr. Fogarty responded that his bankruptcy attorney told him that he did not need to have the

Bankruptcy Court's approval. He noted that it is beneficial to the properties to be added to the District. Director Luce asked to confirm that there is an influx of capital coming which will allow the District to move forward. Mr. Fogarty assured Director Luce that Legalist is a large financier and is willing to fund the District.

Public Comment: The Board re-opened public comment to allow Mr. Pratka with KB Homes to speak. Director Woodson reminded everyone that they would have a limited time to speak and that the Board cannot dialog or take any actions during Public Comment. Mr. Pratka stated that KB Homes is a lienholder in Crosby Terrace and that KB Homes understood the Lienholder Consent to pertain to creation of a PID, not including the property in the District. Mr. Pratka also mentioned that he is concerned that Aqua Texas is a temporary solution for water and he questioned their capability to operate in this market.

Orders Adding Land to the District:

- a) Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved the Order Adding Lands and Redefining Boundaries for the tracts of lands located in Harris County (Tennessee Township, Crosby Terrace, Highland Shores, Crosby Pines, Eagles Cove, Heron Lakes and Villa Robles).
  - b) Upon motion by Director Luce, seconded by Director Woodson and unanimously carried, the Board approved the Order Adding Lands and Redefining Boundaries for the tract of land located in Montgomery County (Lone Stag).
9. Amended District Information Form: Mr. McPhail noted that the District Information Form has been amended to show the inclusion of the eight tracts of land into the District and also to comply with legislative changes to the Notice of Purchaser that were enacted by the 88<sup>th</sup> Legislature. Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved the Amended District Information Form.
  10. AUC: Mr. Fogarty noted that he had no comment with respect to development and the AUC lease. He explained that AUC provide water and wastewater treatment plant leases. Mr. Speer noted that he spoke to Ross Martin, the District's attorney, and he is ready to discuss the situation with AUC.
  11. Water and Sewer Agreements for Newly Annexed Land: No update was given.
  12. Construction, Funding, and Acquisition Agreements: The Board reviewed the Construction, Funding and Acquisition Agreements for the newly annexed land. Mr. McPhail noted that all of the agreements contain the same basic language and are the same as the existing agreement for Lone Wolf. Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved all eight Construction, Funding and Acquisition Agreements.
  13. Engineering Report: No Engineering Report was given.

14. Bookkeeping Report: Ms. Cooper, the bookkeeper passed out the Bookkeeping Report. The Board discussed the proposed disbursements. Mr. Fogarty noted that he will have a budget from the first closing and he proposes that we hold the checks until the account is funded. He also recommended that the Board hold payment to Hawes Hill noting that they paid Hawes Hill \$100,000 to work on creating a PID with no success. He would like to see details of the services provided by Hawes Hill on that matter to determine if the District deserves any credit. Mr. McPhail suggested that the Board should get the details and then consider. Director Luce wanted to clarify for the record that the District is approving and paying the invoices, not Mr. Fogarty or Mr. Speer so they should not be approving the invoices. He requested that the Board be sent an analysis of the Hawes Hill services. Mr. McPhail stated that this should be an agenda item for the next Board meeting. The Board determined to hold the Hawes Hill check for \$108,006.63 until the charges have been justified. Director Luce also recommended that no checks be approved until after there is money in the account to pay for them. The Board discussed if it is common practice to write the checks and then hold them until the account is funded. Ms. Cooper confirmed that it is common practice. Mr. Fogarty and Mr. Speer mentioned that the audit for the District needs to be performed so the check to McCall Gibson for \$5,000 will need to be paid. Upon motion by Director Luce, seconded by Director Woodson and unanimously carried, the Board approved the disbursements set forth in the Bookkeeping Report with the exception of check #1066 to Hawes Hill for \$108,006.63 and authorized the Chairman to sign any necessary checks predicated on having funds in the bank to pay such checks. The Board discussed who the signatories for the checking account are and how many signatures are required on the checks. Mr. McPhail noted that normally two or three Directors are required to sign the checks.
15. Resolution Adopting Prevailing Wage: Mr. McPhail explained that adopting the prevailing wage is a statutory requirement. After a brief discussion, upon motion by Director Luce, seconded by Director Woodson and unanimously carried, the Board approved such Resolution.
16. Annual Review of Investment Policy: After a brief review of the Resolution Acknowledging Annual Review of Investment Policy, upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved such Resolution.
17. Resolution Designating Depositories and Establishing Investment Accounts: After a brief discussion, upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved such Resolution.
18. Annual Renewal of Insurance and Bonds: The Board reviewed the annual renewal of insurance and bond coverage. Upon motion by Director Woodson, seconded by Director Luce and unanimously carried, the Board approved the annual renewal of insurance and bond coverage.
19. Adjournment: There being no further business to conduct, upon motion by Director Woodson, seconded by Director Dehghanpoor and unanimously carried, the Board adjourned until further call.

APPROVED AND ADOPTED this 1st day of May, 2024.

EAST LAKE HOUSTON MANAGEMENT  
DISTRICT



---

Zach Dehghanpoor, Secretary

(DISTRICT SEAL)

