

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 Regular Session, on February 18, 2025 at 12:00 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 |
| Michael Lacy         | Vice Chairman       | Position 1 |
| Zach Dehghanpoor     | Secretary           | Position 2 |
| Erik Armstrong       | Assistant Secretary | Position 4 |
| Freddy Villalobos    | Assistant Secretary | Position 5 |

All members of the Board participated in the meeting except Director Villalobos and Director Armstrong. In addition, Matt McPhail and Justin Cox, attorneys and Vicki Hahn, paralegal, with Winstead PC, General Counsel and Bond Counsel for the District, Lynda Fuqua and Chasity Mazucca with FDR Consulting, LLC, the District’s engineer, Tiffany Loggins with L&S District Services, the Districts’ bookkeepers, Juan M. Rojas and Manny Vadhar with Precision Utility, LLC., the Districts’ facilities operator; Joe Fogarty, Kerry Ready, John Speer and Grant Speer, developers of the District. Also attending, in person, was Pablo Bribiesca with Aquos One, LLC dba BClear and via telephone conference, Cindy Chen and Remy Cipriano with Legalist.

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. Minutes: The Board reviewed the Meeting Minutes for the January 7, 2025 Board Meeting. Upon motion by Director Lacy, seconded by Director Dehghanpoor and unanimously carried, the Board approved such Meeting Minutes.
3. Developer Reports: Mr. Fogarty and Mr. Speer noted that they had no updates that would not be covered in the Engineering Report. Mr. Fogarty mentioned that he spoke to Mr. Rosenberg who has confirmed that he has all the information he needs to draft the Assessment Plan for Crosby Terrace. Mr. Speer noted that he believes Rosenberg has all of the information he needs on Heron Lakes as well. Mr. McPhail informed the Board

that he received an update from the Financial Advisor with respect to the special assessment financing. He sent the Trust Indenture to the working team for review. All of the remaining subdivisions will be similar and follow the same steps as Crosby Terrace and Heron Lakes.

4. Aquos One, LLC dba Bclear ("Bclear"): Mr. Cox reviewed the Equipment Lease Agreement Summary in detail. He noted that negotiations are ongoing. The provision requiring that rental payments begin 6 months after substantial completion of the water and wastewater treatment facilities is still being negotiated. He mentioned that Bclear owns the facilities until the District exercises the option or 15 years have elapsed. However, even though Bclear may own the facilities in the beginning, the District will be responsible for operations of the water and wastewater treatment facilities. Mr. McPhail stated that after this agreement is fully negotiated, it will be the form used for each subdivision. Bids are required for each individual subdivision. Mr. McPhail noted that no authorization from the Board is needed at this time. He and Mr. Cox just wanted to ensure that the Board is comfortable with how the negotiations are progressing. Mr. Fogarty added that the amounts will be different for each subdivision and that a cash flow will be run to make sure he knows it will work financially. When asked, Mr. McPhail confirmed that the terms of the Equipment Lease Agreement is substantially the same and functionality is basically the same as the standard AUC agreements. With respect to Bclear's warranty of 18 months from Substantial Completion or 24 months from the delivery date, Director Woodson asked for clarification on who would be responsible for repairs considering that the District will begin maintaining the facility immediately. Mr. Fogarty responded that the operator of the facilities would bring any issues to the District and that the operator would work with Bclear to repair. Mr. Cox wanted to clarify that he and Mr. McPhail are negotiating these agreements with Bclear on the District's behalf, not the developers. Mr. Cox also mentioned that this agreement will become the form agreement for used for each subdivision. The only changes will be the specific details for each subdivision.

5. Engineering Report: Ms. Fuqua reviewed the Engineering Report.

Crosby Pines Bid: Ms. Fuqua would like to advertise for bidding for Clearing & Grubbing, Water, Sanitary Sewer, Drainage, Pavement & Earthwork.

Crosby Terrace: Ms. Fuqua presented, discussed and recommended the following Change Orders as reflected in the Engineering Report and summarized below:

Change Order No. 1 - Icon GC LLC decreasing the original contract price by \$127,412. Ms. Fuqua explained that the change order is required because the contractor removed 15" sanitary sewer lines, 16" water lines and the sanitary force main.

Change Order No. 2 for Icon GC LLC increasing the original contract price by \$54,561.24 to include demolition of a house, capping an existing water well and removing an existing septic tank.

Heron Lakes: Ms. Fuqua reviewed Change Order No. 1 from Andco LLC decreasing the original contract price by \$20,056.75. Ms. Fuqua explained that Harris County came out and put in the line so the contractor removed the storm sewer connection from the original contract price.

Lone Wolf: Ms. Fuqua would like to advertise for bidding for Clearing & Grubbing, Water, Sanitary Sewer, Drainage, Pavement & Earthwork.

Upon motion by Director Woodson, seconded by Director Dehghanpoor unanimously carried, the Board approved the requests for the advertisement and solicitation of bids, approval of the above Change Orders recommended for approval by Ms. Fuqua as set forth in her Engineering Report and accepted the Engineering Report.

Mr. Fogarty mentioned that the City of Houston has developer participation contracts and asked if he needs approval from the Board to pursue participation contracts. The City of Houston would possibly pay 20% of the water and sewer costs. Mr. McPhail replied that Mr. Fogarty can pursue the contract without Board approval because it is a developer participation contract and not a contract with the District.

6. Bookkeeping Report: Ms. Loggins reviewed the Bookkeeping Report. She noted that she received a check from Prosperity closing the District's old account. She mentioned that going forward, L&S will only process payment for those disbursements listed in the draw. The old bookkeeper already disbursed some of the payments that were listed in the current draw. She will audit and find the funds that have been provided by each developer and will split among the subdivisions. Going forward all subdivisions will be kept separately. The District will have a bank account dedicated to each developer. All of Joe Fogarty's subdivisions will be paid for from one account and all of John Speer's subdivisions will be paid for from another account. Ms. Loggins also noted that the previous bookkeeper had the fiscal year end listed as December 31<sup>st</sup> which was incorrect. The actual fiscal year end for the District is September 30<sup>th</sup>. Ms. Loggins then reviewed the Profit and Loss statement and the proposed budget noting that the proposed budget is a working tool and can be amended at any time. She has entered all of the expenses she anticipates the District to incur. Mr. Fogarty interjected that when the District receives tap fees, it will open an operations account. That account will only be used for water and sewer fees and to pay lease payments for the facilities. Ms. Loggins explained that the operations fees are normally handled through the general account and should flow the same way as she previously mentioned. The money received for water and sewer fees can be set aside to pay lease payments for the facilities.

Upon motion by Director Dehghanpoor, seconded by Director Lacy and unanimously carried, the Board approved the Bookkeeper's Report and authorized the disbursements as set forth therein.

7. Order Designating Office Locations: The Board reviewed the Amended Order Designating Offices Outside the District. Ms. Hahn explained that the Amended Order is necessary in order to add L&S District Services' address as an office location. Mr. Speers asked that Vestalia Homes, 16427 Telge Road, Cypress, Texas 77429 be added as

a District office as well. Upon motion by Director Woodson, seconded by Director Dehghanpoor and unanimously carried, the Board adopted the Amended Order Designating Offices Outside the District and approved the addition of Vestalia Homes as a District office as well. In addition, the Board authorized the necessary publication.

8. Calendaring: It was noted the next Board meeting is tentatively scheduled for March 18, 2025.
9. Adjournment: There being no further business to conduct, upon motion by Director Woodson, seconded by Director Armstrong and unanimously carried, the Board adjourned until further call.

APPROVED AND ADOPTED this 18<sup>th</sup> day of March, 2025.

EAST LAKE HOUSTON MANAGEMENT  
DISTRICT



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Zach Dehghanpoor, Secretary

(DISTRICT SEAL)

