MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

JULY 11, 2025

THE STATE OF TEXAS §

COUNTY OF HARRIS §

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537 §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 537 (the "District"), noticed a regular session open to the public, to be held at 8:30 a.m., on Monday, July 11, 2025, at 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056, a designated meeting place located outside the boundaries of the District. Whereupon, at 8:33 a.m., the meeting was called to order and the roll was called of the members of the Board, to wit:

Jim Balock	-	President
Nancy Turner	-	Vice President
Francine Stefan	-	Secretary
David Kahn	-	Assistant Secretary
William Sherwood	-	Assistant Secretary

All Directors were present, except Director Turner, thus constituting a quorum. Copies of the notices of the meeting are attached hereto.

Also attending the meeting were Debra Loggins of L & S District Services ("L & S"), Bookkeeper for the District (via Zoom); Brenda McLaughlin of Bob Leared Interests, Tax Assessor/Collector for the District; James Lott, P.E. of BGE, Engineers for the District; Jaison Sanwald of SiEnvironmental, LLC ("SiEnviro"), Operator for the District; Jenna Craig of Touchstone, Website Consultant for the District; Joshua J. Kahn and Deidra Daniels (Paralegal) of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District; and Kimberly Spaw and Neville Henry, members of the public

Some Agenda Items were taken out of order.

HEAR FROM PUBLIC

The Board noted that no public wished to address the Board.

HOA REPORT

The Board recognized Mr. Henry, who provided an update on the HOA's potential purchase of a residential lot for construction of an amenity center. Mr. Henry also advised that the HOA had deferred applying for tax exempt status at this time until further information could be obtained.

The Board recognized Mr. Kahn, who discussed with the Board the District entering into a contract with LMC Landscape and Tree Care and a Payment and Indemnity Agreement with the HOA for reimbursement of landscape/maintenance costs, noting that the District is tax exempt and it would save the residents approximately $20,000 per year in sales tax. Mr. Kahn noted that the Payment and IndemnityAgreement provides that the District's responsibility shall be strictly limited to the administration of payments pursuant to the LMC contract and that the HOA shall be solely responsible for vendor selection, contract negotiations, contract performance, dispute resolution, service level oversight, amendments to the LMC contract, and invoice review. Further, Mr. Kahn advised that the HOA will review and approve all invoices, the District will pay the invoices, and then the District's bookkeeper will invoice the HOA, less the District's prorata share of the costs.

Mr. Kahn next discussed with the Board the District entering into a contract with Allied Universal for patrol services and a Payment and Indemnity Agreement with the HOA for reimbursement of the patrol services costs, noting that the District is tax exempt and it would save the residents approximately $24,000 per year in sales tax. Mr. Kahn noted that the Payment and Indemnity Agreement provides that the District's responsibility shall be strictly limited to the administration of payments pursuant to the Allied Universal contract and that the HOA shall be solely responsible for vendor selection, contract negotiations, contract performance, dispute resolution, service level oversight, amendments to the Allied Universal contract, and invoice review. Further, Mr. Kahn advised that the HOA will review and approve all invoices, the District will pay the invoices, and then the District's bookkeeper will invoice the HOA, less the District's prorata share of the costs.

Mr. Kahn noted that, at this time, the District does not contribute any moneys toward patrol services. Director D. Kahn noted that he would recommend that both Payment and Indemnity Agreements include a late payment penalty.

Upon motion by Director D. Kahn, seconded by Director Stefan, and after full discussion, the Board voted unanimously as follows: (1) approve the contract with LMC Landscape and Tree Care, as presented; (2) approve the Payment and Indemnity Agreement For Landscape and Maintenance Service, as amended; (3) approve the contract with Allied Universal, as presented; (4) approve the Payment and Indemnity Agreement for Peace Officer and Patrol Services, as amended; and (5) approve payment of $10,000 for patrol services for fiscal year ending May 31, 2026.

APPROVE MINUTES OF MEETING MAY 12, 2025

The Board reviewed the proposed minutes of the meeting of the Board held May 12, 2025, copies of which were previously distributed to the Board.

Upon motion by Director D. Kahn, seconded by Director Stefan, and after full discussion, the Board voted unanimously to approve such Minutes, as presented.

FINANCIAL ADVISOR'S REPORT

No Report was offered.

GREEN FOR LIFE REPORT

Mr. Kahn noted that the GLF report was contained in the meeting packet previously distributed to the Board.

The Board noted that no action was necessary in connection with the Report.

LAKE MANAGEMENT REPORT

Mr. Kahn noted that the Lake Management report was contained in the meeting packet previously distributed to the Board.

The Board noted that no action was necessary in connection with the Report.

WEBSITE REPORT

The Board recognized Ms. Craig, who presented to and reviewed with the Board the Website Report.

The Board noted that no action was necessary in connection with the Report.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. McLaughlin, who reviewed with the Board the Tax Assessor/Collector's Report and checks presented for payment, noting that the District's 2024 taxes are 99.1% collected. Ms. McLaughlin also reviewed the delinquent tax list and noted that the District's preliminary 2025 value is $403,872,080.

Upon motion by Director Stefan, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to (1) approve the Tax Assessor/Collector's Report; and (2) authorize payment of the tax checks listed therein.

BOOKKEEPER'S REPORT

The Board recognized Ms. Loggins, who submitted to and reviewed with the Board the Bookkeeper's Report, payment of invoices, and Investment Report, copies of which are attached hereto.

Upon motion by Director Balock, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to approve (1) the Bookkeeper's Report, as amended, (2) payment of invoices, and (3) Investment Report.

OPERATOR'S REPORT

The Board recognized Mr. Sanwald, who submitted to and reviewed with the Board the Operator's Report, a copy of which is attached hereto. Mr. Sanwald also presented to and reviewed with a resident's request for refund, noting that the resident had terminated his account and had not used any water for the billing period for which he was invoiced. Mr. Sanwald also discussed with the Board a District owned property for which the irrigation line was tied to resident's meter, noting that SiEnviro would be installing an irrigation meter for the HOA on the District's property.

Upon motion by Director Stefan, seconded by Director Balock, and after full discussion, the Board voted unanimously to approve the (1) resident's refund request; and (2) Operator's Report, as presented.

ENGINEER'S REPORT

The Board recognized Mr. Lott, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto. Mr. Lott noted that for the month of May, the District had an average psi of 46.4 with 51.3 being the highest and 41.4 being the lowest reading.

The Board noted that no action was necessary in connection with the Engineer's Report.

GENERAL MANAGER WATER PRESSURE IN DISTRICT

Mr. J. Kahn updated the Board on the purchase of property from TxDOT, noting that the cost for the Title Policy of insurance showed that TxDOT is the owner in fee simple of the property; that the updated appraisal had been provided to TxDOT; and that we are waiting on TxDOT's response on how to move forward with the District's purchase of the property.

Mr. J. Kahn also advised that the City of Houston had agreed that the District did not have to reinstall the backflow preventers for at least one-year and that water testing could be reduced to twice weekly, rather than daily.

The Board noted that no action was necessary in connection with the Report.

ATTORNEY'S REPORT

Insurance

The Board recognized Mr. J. Kahn, who presented to and reviewed with the Board a proposed renewal of the District's insurance policy from the District's current insurance provider, McDonald & Wessendorff Insurance, noting that the District would need to add law enforcement liability coverage for an additional $1,000 per year premium.

Upon motion by Director Sherwood, seconded by Director Stefan, and after full discussion, the Board voted unanimously to renew the District's insurance policy with McDonald & Wessendorff Insurance and add law enforcement liability coverage.

Interlocal Agreement with Subsidence District

The Board recognized Mr. J. Kahn, who reviewed with the Board an Agreement for the WaterWise Program sponsored by the Houston Galveston Subsidence District. Mr. Kahn advised that by participating in the program and sponsoring students, the District would receive groundwater credits which may be applied against the District's total yearly water demand, if needed, or may be sold.

Upon motion by Director Balock, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to approve the WaterWise Program and authorize execution of the Interlocal Agreement with the Harris Galveston Subsidence District.

Unclaimed Property Report

The Board then considered approving the District's Unclaimed Property Report, presented with the Bookkeeper's Report.

Upon motion made by Director Stefan, seconded by Director D. Kahn, and after full discussion, the Board voted unanimously to approve the Unclaimed Property Report.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made and seconded, the Board by unanimous vote adjourned the meeting.

PASSED, APPROVED, AND ADOPTED this 12th day of September, 2025.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537 TEXAS

Francine Stef

Secretary, Board of Directors