

**Board of Directors Meeting Minutes
Rowlett Housing Financial Corporation
Friday, February 21, 2025, at 1:00 PM
5702 Rowlett rd, Rowlett, Tx 75089**

1. Call to Order:

President Winget called the meeting to order at 1:04 PM with a quorum present (Directors Winget, Dunnican, Schupp, Holston and Kull). Also present was Ryan Bowen with Chapman and Cutler. Tim Nelson with Hilltop Securities attended by phone.

President Winget read into the record the rules for conducting an Executive Session.

2. Public Input:

There were no members of the public present, therefore there was no public input.

3. Approval of Minutes:

Consider and take action to approve the minutes of the January 16, 2025 Rowlett Housing Finance Corporation minutes. Director Holston made a motion to approve the minutes as submitted. Director Schupp seconded the motion and it passed unanimously.

4. Legal Update:

Attorney Bowen said he had an up date on the Savannah project. He said he received an email from Savannah's insurance company's attorney indicating the elevator lawsuit is where we want it; the elevator electrical issue that caused an injury is being handled by Rise's Attorneys and they will respond when served.

Director Kull asked if there was a chance the injury lawsuit caused by the elevator malfunction might be settled before going to trial, and Attorney Bowen said that is a possibility depending on the dollar amount requested.

President Winget asked about overdue subcontractor invoices that Melissa Fisher mentioned at our last meeting. He said Ms Fisher maintained that is a normal part of the construction business. Attorney Bowen said this is not a normal situation in his opinion. Director Holston said in his experience subcontractors get paid part of total owed, and the remainder is paid when the work is satisfactorily completed, could this be the situation at Savannah? President Winget said this seems different, if this was common practice there wouldn't be lawsuits pending, and this will keep coming up until settled. He said fortunately we have good representation, because when Savannah gets sued, we get sued. Attorney Bowen said this issue will likely

be settled when Savannah receives their bond funds.

Executive Director Urrutia asked Tim Nelson with Hilltop Securities, who was participating on the phone, if we could renegotiate our Savannah deal? Mr. Nelson said the deal we have with Savannah is typical of what was done at the time this was arranged, but now a better, more solid cash flow contract would be more common. President Winget said we can't properly discuss this today, but if the Board could get more information on this, it would be helpful. He asked Mr. Nelson what leverage does the HFC have to get Savannah to agree to a new deal. Mr. Nelson said the Bonds; they need us more than we need them. Attorney Bowen said the lease payment would still be payable from cash flow, so it would be desirable to have a more definable way to know what the HFC payment would be. President Winget said if the Board could get this information quickly, we can have this on our next meeting agenda.

There being no further discussion on Agenda Item 4, President Winget said we would move on.

No action was taken on Agenda Item 4.

President Winget then said before we look at Agenda Item 5, the Proposed 2025 RHFC Budget, it seems appropriate to first consider Agenda Item 6, Review Contract with RHFC Executive Director, which will be in Executive Session. He then read the rules for conducting Executive Sessions as relates to Employment Contracts.

The RHFC went into Executive Session at 1:20 PM.

The RHFC Board agreed to take a recess from Executive Session at 1:52 PM.

The RHFC Board returned to Executive Session at 2:08 PM.

President Winget asked if there was any further discussion in the Executive Session, there being none, he adjourned the Executive Session at 2:14 PM.

No action was taken during the Executive Session.

6. Review of Employment Contract With RHFC Executive Director:

President Widget called the regular session of the HFC Board of Directors to order at 2:15 PM.

He asked the HFC Board members if there is a motion someone would like to make as a result of deliberations in the Executive Session. Director Dunnican made a motion to approve the separation agreement with Executive Director Urrutia that was discussed in Executive Session, and authorize President Winget to sign the agreement on behalf of the HFC Board of Directors. Director Holston seconded the motion and it passed unanimously.

5. 2025 Proposed Budget:

President Winget asked the Board if they would like to table this discussion until the next meeting. Director Holston said the budget provided in the Board Packet did not appear complete, so he recommended whoever prepared this version go back and make it complete before we deal with it. The Board agreed with this recommendation. President Winget said this item will go to another agenda. President Winget asked Executive Director Urrutia and Attorney Bowen if it would be appropriate to wait the seven days for the legal council review we agreed to before asking the Executive Director to participate in any Board Business, such as addressing the budget. It was decided that would be appropriate.

No action was taken on Agenda Item 5.

6. Items of Community Interest, Items for Future Agenda:

The next HFC Board of Directors meeting will be February 27, 2025 at 3:00 PM in the Community Room at One90 Main. The next Agenda to be determined.

A short discussion clarified a few office close out issues, and the Board thanked the Executive Director for service to the community, and regretted the financial situation requiring the separation.

7. Adjournment:

The HFC Board of Directors Meeting was adjourned at 2:24 PM.

Approved on March 17, 2025



Jeff Winget, President



Richard Kull, Secretary