

MINUTES OF THE ANNUAL MEETING OF THE MEMBERS OF BEACHTOWN COMMUNITY FOUNDATION, CORP.

Pursuant to the Amended and Restated Bylaws of Beachtown Community Foundation, Corp., a Texas non-profit corporation (“BCFC”) and the MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BEACHTOWN GALVESTON, A SUBDIVISION IN GALVESTON, TEXAS (“Master Declaration”), the annual meeting of the members of BCFC (“Annual Meeting”) was held after proper notice at 1625 E. Beach Drive, Galveston, Texas 77550 commencing at approximately 10:11 a.m. on January 21, 2023.

2022 Financials, 2023 budget, copies of previous meetings and other related items were distributed.

Tofigh Shirazi, President of the BCFC, acted as Chairman of the Annual Meeting, Ryan Kirkpatrick, acted as Secretary, and Reza Shalchi as Vice President. Mark Knop, BCFC attorney, homeowners were in attendance in person or by proxy.

The Annual Meeting was called to order at approximately 10:11 a.m. with a motion to approve the minutes of the prior annual meeting of the members. A motion was made by Mr. Clark to accept the minutes of December 14, 2021. The motion was then seconded, and the minutes approved.

Tofigh Shirazi discussed the following activities:

- The extension of the dune walkovers to the beach as suggested by a homeowner would require the approval of a special assessment for the construction and extension of the dune walkover. The members present at the meeting overwhelmingly were against this idea.
- As a deterrent for criminals, the BCFC board had approved at its recent board meeting the installation of cameras at both Beachtown entrances that reads license plates and sends information to the Galveston police department. Also, two cameras were approved to be added to the dune walk overs. In addition, at the request of some homeowners, an additional two (2) hours was added to the patrol.
- Mr. Shirazi explained at the recent BCFC board meeting that Beachtown currently follows IBHS wind standards for home construction. As IBHS introduces new standards, BCFC currently intends to follow the new standards. IBHS increased the required wind resistance from the previous 150 MPH to 175 MPH for coastal homes. At the recent BCFC board meeting, 175 MPH wind resistance design standards were adopted. In order to qualify as an approved builder, at the recent BCFC board meeting, it was discussed and approved that each builder in addition to meeting the other requirements set forth in the Design Review and Building Polices of BCFC must have built at least five homes to the IBHS 175 MPH standard on the coast. Also, the additional cost of construction as the result of this new IBHS standards and the impact on the existing homes were discussed amongst the members. Members present overwhelmingly agreed that the adoption of this standard was

beneficial for Beachtown. It was discussed that building homes to higher standards is better for the community and probably safer for the existing neighboring homes.

- The clock tower in East Village has been used by the City of Galveston as part of the lift station and to hide its electrical facilities. After Hurricane Ike, the City of Galveston decided not to use the electrical facilities in the clock tower and installed a mobile generator and has cut the power to the clock tower. In lieu of the city's decision, the board of directors of BCFC approved to either cut down the tower portion or remove it completely since it has become useless.
- Some of the homeowners have complained that the beach reserves in East Village and owned by BCFC only benefit the homeowners in East Village and not the rest of Beachtown, and having BCFC pay for mowing of these reserves is unfair. Tofigh Shirazi, on behalf of the Beachtown developer has proposed to take back the reserves and pay for the mowing and taxes with a stipulation that no structure ever be erected on those reserves.

Tofigh Shirazi then discussed the BCFC Financials & Budget including the following:

- 2023 Budget.
- Not raising the assessment for 2023 and using the overage funds from 2022 for any shortfall.
- Having installed mosquito control throughout Beachtown.

Upon motion made and duly seconded, the Annual Meeting was adjourned.

Tofigh Shirazi, Chairman

Ryan Kirkpatrick, Secretary

Reza Shalchi, Vice President