

Homeowner Questions from the Annual Meeting

Question: Status of the Phase 1 turnover and whether it is close to completion; also, when Phase 2 is expected to begin and how the overall transition from developer control to homeowner control works.

Answer: Texas Property Code Section 209.00591(c) - Until such time as 75% of the total lots in the association are conveyed to homeowners, the Declarant retains HOA board control. On or before the 120th day after the date that 75% of the lots are conveyed to homeowners, at least 1/3 of the board must be elected by owners other than the Declarant. For Monterra, there are 311 lots in Phase 1 and 327 lots in Phase 2, for a total of 638 lots in Monterra. At the time of 478.5 total homes owned by homeowners, the Declarant is statutorily required to make sure 1/3 of the board seats are elected by owners. As of today's date, there are 257 homes owned by Homeowners in Monterra. The Declarant holds 3 board seats and has already appointed 1 homeowner as a full board member. Further, the Declarant plans to appoint another homeowner to the board within the next 6 months. With continued interest from homeowners, the Declarant hopes to reach a total of 4 appointed homeowner board members within the next few years and desires to transition the board to homeowner control much sooner than statutory guidelines. The Declarant will retain control of the New Construction Committee until the completion of the final home in Monterra.

Question: Inquiry regarding the pool and landscaping items being over budget for 2025.

Answer: Pool expenses were over budget because of the pool monitor contract, that was not originally considered until determined necessary by the board. Insurance costs were over budget because the property/liability coverage premiums for the pool came in significantly higher than anticipated due to the lazy river section of the pool. These items were taken into consideration when preparing the 2026 budget.

Question: Concerns about Grand Homes completion of their lots in Phase 1.

Answer: Grand Homes is historically a slow builder and holds on to inventory to achieve desired home pricing. There is no indication they will not fulfill their obligations to completion of homes on all their Phase 1 lots.

Question: Complaints specifically regarding delays in landscape warranty replacements and the perception that some original trees planted were not thriving.

Answer: Any dead common area trees need to be reported to Ivori, please send locations and pictures. The board has not been made aware recently of any specific dead trees in common areas. Homeowners are responsible for the trees that are required by the City of the Fate located within the parkways (the area of grass located between a sidewalk and the

street). If there are trees dying after builder installation, the homeowners need to be diligent to report these warranty issues to their builder and stay on top of them to replace. The homeowner is responsible for any dead parkway trees, not the HOA. The board will reach out to the builders and advise them they need to take care when planting new home landscaping. The Board also proposed forming a Landscape Committee in response to concerns about the Community's curb appeal. The Committee will provide the board with recommendations and understand the specific budget options available to enhance these items.

Question: Request to explore lighting options in the detention pond area and obtain pricing.

Answer: The board will seek out options for solar lighting in the common areas and obtain pricing for feasibility and consideration.

Question: Concern about trash along the trails, specifically on the Western side of the community.

Answer: The board will obtain quotes for weekly porter service in addition to pricing of trash cans and including the emptying of these in the porter service contract.

Question: Request for a picnic table along the trail area near the lift station

Answer: The board will obtain pricing for this.

Question: What is the status of the sports court.

Answer: The rough electric work has been done to power access control at the gate. The current gate will not accommodate the new system, and a new one will need to be fabricated and installed in advance of the fob system hardware. The board priced 8' fencing replacement at this location and it was not cost effective. The board is also looking into the option of adding thorny plants around the sports court to deter unwanted guests from hopping over the fence.

Question: Inquiry about the possibility of a future community center and would there be a possibility of a one-time assessment to build one.

Answer: The cost of an enclosed community center is not feasible for an association of this size. There will be a reserve account left for the association for homeowners to decide if there were other amenities they would like to construct in the future. There is a shade structure planned adjacent to the sports courts in the Phase 2 common area. The roof of the structure measures 30' x 12'.

Question: Request for an audit of the Association's financials and question about the reserve account integrity.

Answer: The board stated this is not typical practice and is generally not cost effective. The financials are managed fully by the management company, who has contractual fiduciary duty to the association. Further, no one on the board has access to any of the banking accounts.

Question: Request for the statement of value for the amenities to be made available on the HOA website.

Answer: The board will pull this together and have it added to the HOA website.

Question: What is the pool occupancy limit and will Phase 2 include an additional pool.

Answer: The maximum occupancy of the pool is 447 people per Fate fire department. Phase 2 will not include an additional pool.

Question: Notification that the entrance signage lighting was not functioning and needs attention.

Answer: The board will have an electrician look at this and get fixed.

Pre-submitted questions prior to the meeting (we did not have time to address these at the meeting as it ran long and some of these were duplicated, see above):

Question: We would like to formally request the installation of one of more streetlamps in the large green space along the trail at Rimini/Sorrento.

Answer: The board is working on obtaining quotes and reviewing the feasibility for the installation of solar light posts in common areas.

Question: We have ongoing issues with speeding on Monterra and throughout the neighborhood. Possible speed bumps might help slow traffic.

Answer: The board has addressed this matter with Fate. Streets are public and owned by the city. They did provide a study of speeding in Monterra and cell phone data they generated did not indicate speeding to be an overall problem. They indicated that speed bumps are not a viable option. They did commit to increased police patrol on Monterra Way to serve as a deterrent for speeding.

Question: Several residents have expressed concerns regarding the current locking of the pickleball courts, would like clarification on why they are locked and what steps the HOA plans to prevent further vandalism.

Answer: The board has been in communication with owners about this matter and it was discussed at the meeting. The board is having a fob reader installed at the facility and looking at options for thorny plants to be installed around the facility.

Question: In addition, there have been ongoing issues with teenagers riding electric motorbikes through the amenity center, using grass areas as ramps and causing safety risks and potential property damage.

Answer: The board has ordered “No Trespassing” signage for these locations and encourages all owners to address these matters with their own children. If you see children vandalizing property, please call the police.

Question: Residents have also observed small children riding electric scooters on community streets without parental supervision, creating hazardous situations for both children and drivers. We request discussion on whether a designated area exists or will be created as well as clear community guidelines to help prevent accidents and maintain safety for all residents.

Answer: There are no designated areas for electric scooters and none are planned under the Developer’s remaining scope. Electric scooters are considered personal motor assisted devices and are not regulated beyond what a bicycle would be. If children are operating in an unsafe manner this becomes a traffic enforcement issue with the police.

Question: Would like to request extended pool availability beyond school break period, as many adults in the community also enjoy the pool and utilize throughout the season.

Answer: The pool is generally open from mid-May to mid-September. Current budget accommodation for the pool maintenance and pool monitoring companies is approved for this length of active use (approx. 4 months). The board would need to review the cost efficiency of keeping the pool open for a longer season and make that a consideration for 2027.