

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
December 12, 2022

THE STATE OF TEXAS §
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COUNTY OF MONTGOMERY §

The Board of Directors of East Montgomery County Improvement District (the “District”) met in Regular Session, open to the public, on the 12th day of December, 2022, at 5:30 p.m., at The Atrium Center, Room 105, 21575 US Hwy. 59 North, New Caney, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted member of said Board of Directors, as follows:

Brenda Webb	Chairperson
Stephen Carlisle	Vice Chair
Katherine Persson	Secretary
Leonard Rogers	Assistant Secretary
Fred Wetz	Treasurer/Investment Officer
Ronald Willingham	Assistant Treasurer
Crystal Moore	Director
Elizabeth Mullane	Director

and all of said persons were present, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Matlage, Ms. Jennifer Summer Green, Ms. Kaye Townley, Mr. Greg Phipps, Mr. John Howell, Mr. David Marks, and others from the community, as shown on the attached sign in sheet.

The Chair called the meeting to order, announced that a quorum was present.

Chair Webb led in prayer followed by the pledges of allegiance led by Director Mullane.

As the first order of business, the Board deferred receiving questions and comments from members of the audience after Chair Webb stated that no one had signed up to speak.

The Board next considered the execution of Grant Agreements and the presentation of checks to the Community Development Grant recipients. The Board also presented checks to the Montgomery County Emergency Services District No. 6 (“MC ESD No. 6”) and Montgomery County Emergency Services District No. 7 (“MC ESD No. 7”) in connection with their respective agreements with the District.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on November 4, 2022, November 14, 2022, and November 21, 2022. After discussion, the Board deferred approval of the minutes of the Board of Directors meetings held on November 4, 2022, November 14, 2022, and November 21, 2022.

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The Board next considered the status of the 2022 Constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that Chief Deputy Welch will present a full report on the patrol program at the January 2023 meeting.

The Board next deferred consideration of review and approval of an updated 2022 EMCID Sales Tax Calculations to Comply with Agreements with MC ESD No. 6 and MC ESD No. 7. Mr. McCrady stated that there was no action to be taken on the matter and requested that the item be removed from the agenda.

The Board next considered the award of a grant to MC ESD No. 6 for the purchase of rescue shore trenching equipment. Mr. McCrady stated that neither MC ESD No. 6 nor MC ESD No. 7 currently have this equipment. He then presented the attached quote from Metro Fire in the total amount of \$30,173.00 and recommended that the District, MC ESD No. 6 and MC ESD No. 7 split the total cost between the three (3) entities. Mr. McCrady stated that MC ESD No. 6 will order the equipment and bill the District for 1/3 of the total cost. After discussion, Director Carlisle moved to approve the purchase of the rescue shore trenching equipment by MC ESD No. 6 and the payment of 1/3 of the total cost to MC ESD No. 6. Director Moore seconded the motion, which passed unanimously.

The Board next considered the status of construction of improvements and the leasing of space in The Atrium Center. Mr. McCrady stated that the Sam Houston Small Business Development Center space should be complete and ready for move in by January. He further stated that the rehabilitation of the building stairs should be complete in January.

The Board next considered the status of 2022 Holiday to Remember Ice Rink and Winter Festival ("Festival"). Mr. McCrady stated that the Festival is scheduled to open on December 16, 2022, and will be located in the old Sam's Warehouse in Valley Ranch.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Ms. Townley presented the attached financial and investments reports and discussed the invoices presented for payment. Following review, Director Wetz made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund, EDA Grant Account, Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Mullane seconded the motion, which passed unanimously.

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The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (“Order”) and the adoption of a related Resolution. Mr. Marks advised that he has no changes to the Order to recommend at this time and recommended that the current Order remain in effect. After discussion, Director Carlisle made a motion to adopt the attached Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, and to authorize the Chair to sign and the Secretary to attest the Resolution on behalf of the Board and District. Director Willingham seconded the motion, which passed unanimously.

The Board next deferred approval of an Agreement with East Montgomery County MUD No. 3 for reimbursement of costs relative to constable patrol program to serve the Industrial Park.

Mr. Phipps next presented a report on engineering and construction projects within the Industrial Park, including the status of the sale of dirt excavated from the future detention pond site. He stated that no dirt sales occurred during the month.

The Board next considered the status of the contract with Bey Commercial (“Bey”) for the construction of the building to be leased to Titan Environmental USA in the Industrial Park. Mr. Phipps presented pay application no. 9 in the amount of \$275,179.81. He stated that JAC recommended that the Board approve the payment of pay application no. 9 to Bey. After discussion, Director Persson made a motion to approve pay application no. 9, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the status of the contract with Comex Corporation (“Comex”) for construction of the EDA building. Mr. Phipps presented pay application no. 11 in the amount of \$157,839.04 and recommended that the Board approve the payment of pay application no. 11 to Comex. After discussion, Director Wetz moved to approve pay application no. 11, as set out above. Director Persson seconded the motion, which passed unanimously.

The Board next considered the status of the contract with G.A.M. Construction, Inc. (“G.A.M.”) for construction of the buildout of Suite A in the EDA Business Center Building. Mr. Phipps stated that the construction contracts were sent to G.A.M. on November 30, 2022, for bonding and execution.

The Board next deferred the approval of final project documents, acceptance of project and other matters relating to the EDA Business Center Building.

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The Board next deferred consideration of other items that may arise from time to time.

The Board next considered the attached announcements.

The Board next recessed to Executive Session at 6:08 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code, personnel matters pursuant to §551.074, Texas Government Code, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 8:35 p.m.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the status of the IA with Citizens Bank (the “Bank”). Mr. McCrady stated that the IA is pending with the Bank.

The Board next considered the status of the IA with Reds Diesel Repair (“Reds”). Mr. McCrady stated that Reds application for a loan with the EDC was approved today and that the IA will be forwarded to Reds for execution.

The Board next deferred the status of the IA with Luna’s Case de Café Bakers.

The Board next considered approval of an amendment to the existing IA between the District and ETS Co. and the land exchange related thereto. Mr. McCrady stated that ETS has agreed to an alternate site and should have a real estate agent by January.

The Board next considered a report on the activities within the Industrial Park.

The Board next deferred the status of contracts for the purchase of land for expansion of the Industrial Park.

The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park.

The Board next deferred the approval of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres of additional land for expansion of the Industrial Park and authorize negotiations for financing in connection therewith, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

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The Board next deferred the approval of a Purchase and Sale Agreement relative to the purchase of approximately 18.92 acres of additional land for expansion of the Industrial Park North and authorize negotiations for financing in connection therewith, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction. Mr. McCrady stated that he has received a verbal commitment from the seller but noted that an agreement has not yet been executed.

The Board next deferred the approval of a Purchase and Sale Agreement with New Caney Beverage, Inc., including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

The Board next considered the status of a Purchase and Sale Agreement with incentives relative to the sale of approximately 1.7 acres of land to Arcadian Contracting Holdings, LLC (“Arcadian”). Mr. McCrady stated that the Agreement is with Arcadian for execution.

The Board next deferred the status of development of the 64-acre park, including the review and approval of proposals from Landscape Architects for design of the park.

The Board next considered a report on the status of design and construction of proposed conference center, including: a) report on the status of design of the building; b) review of status of land acquisition for the building, infrastructure, hotel, and parking garage, and financing plan for the purchase thereof; c) report on the status of agreement for construction, financing and use of the parking garage; d) status of approval of reimbursement agreement with the utility district for reimbursement of costs of water, sanitary sewer, drainage and road extensions to serve the conference center; and e) review of bids and authorize award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads. Mr. McCrady stated that the design documents are complete and have been submitted for permit review. He stated that he should receive the proposed contract for acquisition of the land for the building, infrastructure, hotel and parking garage by next Wednesday, December 14, 2022. Mr. McCrady further stated that he is currently working with the developer on the agreement for construction, financing and use of the parking garage.

The Board next deferred the status of approval of reimbursement agreement with the utility district for reimbursement of costs of water, sanitary sewer, drainage and road extensions to serve the conference center; and the review of bids and authorize award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads.

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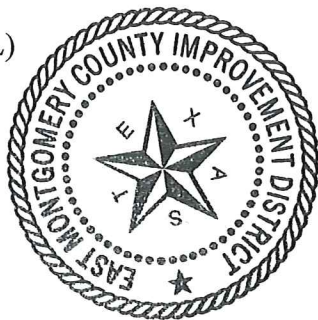
The Board next considered a report from the District's financial advisor relating to the general plan of financing the bonds required to pay the costs of design, construction and furnishing of the conference center and the costs associated therewith, including: a) the sources and uses of funds; b) the pledged revenues for bonds; c) the additional bonds test; d) the plan of financing for garage; e) the plan of financing for hotel; and f) status of discussions with Standard and Poor's ("S&P") regarding rating of the bonds. Mr. Howell reviewed the cost memo and discussed the line items with the Board. He discussed his conversations with S&P and stated that he will submit a credit package to S&P when the District is ready to proceed with the sale of the bonds.

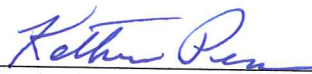
The Board next considered the approval of an Official Intent Resolution ("Resolution") to reimburse costs of the conference center project relative to the design fees, planning costs, land acquisition and construction costs associated with the construction of the Conference Center, parking garage, land, infrastructure improvements and related equipment. Mr. Howell and Mr. Marks discussed the Resolution with the Board. After discussion, Director Carlisle moved to approve the Resolution and authorize the Chair to execute same on behalf of the Board and the District. Director Mullane seconded the motion, which passed unanimously.

The Board next considered matters for possible placement on future agendas.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)




Katherine Persson
Secretary, Board of Directors