

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
September 19, 2023

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 19th day of September, 2023, 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, except Director Carlisle, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Matlage, Mr. Zevin Starks, Mr. Garrett Tabor, and Mr. David Marks.

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

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

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 review and approval of the minutes of the Board of Directors meeting held on August 10, 2023. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on August 10, 2023, as written. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the status of the construction of improvements and the leasing of space in the Atrium Center. Mr. McCrady stated that he had nothing new to report in connection with the Atrium Center. He noted that the District has made upgrades to the District’s fire station building.

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The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Mr. Tabor presented the attached financial and investments reports and discussed the invoices presented for payment. Following review of the reports, Director Wetz made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund, with check no. 20526 being voided; Plains Kingwood Detention Account; Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Willingham seconded the motion, which passed unanimously.

Mr. McCrady 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 the District is selling dirt to East Montgomery County MUD No. 3 (“No. 3”) for use at No. 3’s new wastewater treatment plant and that a final invoice will be presented when the job is complete.

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. McCrady stated that in order to accommodate future tenants, additional overhead doors, manway doors, concrete stabilized laydown yard and approximately thirty-one (31) concrete parking spaces have been added to the project. He noted that the additional work does not impact the contract total. Mr. McCrady further stated that no pay application was received during the month.

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. McCrady stated that the project has been completed and accepted by the District and can be removed from the agenda.

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

The Board next considered announcements, and Mr. McCrady reviewed the attached Calendar of Events.

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The Board next recessed to Executive Session at 5:45 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. The Board returned from Executive Session at 6:55 p.m.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the approval of an IA for a proposed project located near the intersection of Hwy. 59 and State Highway 242. Mr. McCrady stated that the IA is with the developer for execution.

The Board next considered the status of the IA with LB Consolidated, LLC d/b/a Popeye’s (“Popeye’s”). Mr. McCrady stated that the IA is with Popeye’s for execution.

The Board next considered the status of the IA with Saints & Sinner Brewing, LLC d/b/a Back Pew Brewing Co. (“Back Pew”). Mr. McCrady stated that he has received the executed IA from Back Pew and that the item can be removed from the agenda.

The Board next considered the approval of an IA with BurgerWorks Texas LLC d/b/a Whataburger (“Whataburger”). Mr. McCrady stated that the IA is with Whataburger for execution.

The Board next considered the approval of an IA with BCS Splendor LLC (“BCS”). Mr. McCrady stated that the IA is with BCS for execution.

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 status of a Purchase and Sale Agreement (“PSA”) relative to the purchase of approximately 40 acres of additional land for expansion of the Industrial Park.

The Board next deferred the status of a PSA relative to the purchase of approximately 18.92 acres of additional land for expansion of the Industrial Park North.

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The Board next considered the status of a PSA with incentives relative to the sale of approximately 32.27 acres of land to GCP Paper USA, Inc. Mr. McCrady stated that the sale documents are at the title company for closing.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Eagle Industries (“EI”). Mr. McCrady stated that the PSA is with EI for review and execution.

The Board next considered the status of the PSA with incentives relative to the sale of 1.98 acres of land in the Industrial Park to Tiro Machine Shop, Inc., (“Tiro”) or assignee. Mr. McCrady stated that the PSA is with Tiro’s attorney for review.

The Board next considered the status of the PSA with incentives relative to the sale of land in the Industrial Park to the Innovation Group/American Western Steel, LLC, or assignee. He stated that the sale documents have been sent to the purchaser for execution.

The Board next deferred the approval of a Lease Agreement relative to the lease of land in the Industrial Park to FAMTi, or assignee.

The Board next deferred the status of a PSA with incentives relative to the sale of land in the Industrial Park to KBC Advisors.

The Board next deferred the approval of a PSA with incentives relative to the sale of land in the Industrial Park to Specialty Petroleum Products, or assignee, after Mr. McCrady stated that the item can be removed from the agenda.

The Board next considered the status of the District’s re-purchase of a tract of land (1.25 acres) from Novo Mexican Food Products, LLC. Mr. McCrady stated that the re-purchase transaction is complete and that the item can be removed from the agenda.

The Board next deferred the approval and execution of a Letter of Intent with MTR, Inc., or its assignees.

The Board next considered the status of development of the 64-acre park, including the review and approval of a proposal from Burditt Consultants, LLC (“Burditt”) for design of the park. Mr. McCrady stated that JAC has received a proposal totaling \$56,000 for the Scope of Work and fees related to the parking planning and the initial development phase of the park and the required Form 1295 from Burditt. He recommended that the Board approve the proposal and authorize JAC to prepare an agreement for services based on the proposal. After discussion, Director Persson moved to approve the proposal for the Scope of Work with Burditt and authorize JAC to prepare a formal agreement for services. Director Mullane seconded the motion, which passed unanimously.

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The Board next considered the status of the Interlocal Agreement with Montgomery County (the "County") for the Advanced Funding and Construction of Sorters McClellan Road. Mr. McCrady stated that the Agreement is pending execution with the County.

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) report on the status of agreement for construction, financing and use of the parking garage; c) 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; d) review of bids and authorize award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads; e) review and approval of a contract with Spaw-Glass Construction Corporation ("Spaw-Glass") for construction of the conference center; f) status of land acquisition for conference center, parking garage, hotel and extension of infrastructure, including review of land appraisal; and g) status of Option Agreement for the purchase of a 3.2-acre tract for the hotel to serve the conference center. Mr. McCrady stated that the design and construction plans are being reviewed by HHCP Architects relative to the potential changes required to meet the project budget. He noted that JAC is working with the Valley Ranch Entertainment District team on the infrastructure planning to ensure the District's requirements are met.

Mr. McCrady further reported that the contract negotiations and value engineering are ongoing with Spaw-Glass for the construction of the conference center.

The Board next deferred the status of a contract for the purchase of land for the conference center, parking garage, and extension of infrastructure, and an option agreement for the purchase of a tract for the hotel to serve the conference center.

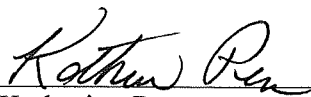
The Board next deferred a report from the District's financial advisor relating to the general plan of financing of the bonds required to pay the costs of land acquisition, design, construction and furnishing of the conference center and the costs associated therewith, including: a) the sources and uses 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 regarding rating of the bonds.

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