

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
April 11, 2024

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 11th day of April, 2024, 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 Mattlage, Ms. Jennifer Summer Green, Ms. Dawn Humphrey, Mr. Garrett Tabor, Mr. Greg Phipps, Commissioner Matt Gray, Mr. David Marks, Ms. Brandi Eckersley and others as reflected on the attached sign-in sheet.

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

Director Wetz led in prayer followed by the pledges of allegiance led by Director Persson.

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 meetings held on March 7, 2024, and March 20, 2024. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on March 20, 2024, as written, and defer approval of the March 7, 2024, minutes until the next meeting. Director Willingham seconded the motion, which passed unanimously.

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The Board next considered the status of the 2023 Constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that he has not yet received the final report for the holiday security patrol program.

The Board next considered the status of the construction of improvements and the leasing of space in the Atrium Center. Mr. McCrady stated that the carpet replacement is scheduled to occur in June.

The Board next considered the status of the Interlocal Agreement with Montgomery County (the "County") for the rehabilitation of the Bull Sallas Park Splash Pad (the "Project"). Commissioner Gray addressed the Board and expressed his appreciation for the District's partnership with the County for the purchase of the re-circulation pump at the splash pad. He stated that the Agreement has been executed, and the work is underway and is expected to be complete in three (3) months. The Board then presented a grant check in the amount of \$215,000 to Commissioner Gray, on behalf of the County, representing the District's share of the Project.

Chairman Webb next stated that a member of the audience would like to address the Board. Mr. Tom Grega addressed the Board and expressed his concerns relative to current jobs being lost to Artificial Intelligence (AI) in the future.

Director Moore entered the meeting during the above discussion.

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 nos. 20252, 20314, 20404, 20467, 20504, 20754, 21067 and 21110 being voided, the Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Mullane seconded the motion, which passed unanimously.

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 he had nothing new to report this month.

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 CBuilders, LLC for construction of a laydown yard to serve Future Frame (Suite D). Mr. Phipps reported that the work is complete, but that he did not receive a pay estimate this month.

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The Board next considered the status of the contract with Bey Commercial Construction (“Bey”) for the build-out of Suite B (1,529 SF) in the EDA Building. Mr. Phipps reported that the electrical service, floor plumbing, fire sprinkler system and wall installation are progressing. He then presented pay application no. 2, in the amount of \$98,495.10, and noted that Bey is not requesting any weather-related days and recommended that the Board approve the payment of pay application no. 2 to Bey. After discussion, Director Persson moved to approve pay application no. 2 to Bey, as set out above. Director Carlisle seconded the motion, which passed unanimously.

The Board next deferred the approval of other matters relating to the EDA Building.

The Board next considered the annual review and adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (“Resolution”). Mr. Marks presented the attached survey of the Prevailing Wage Rates for Construction Projects for Montgomery County and reviewed a Resolution with the Board approving same. After discussion, Director Mullane made a motion to adopt the Resolution based on Montgomery County labor rates. Director Wetz seconded the motion, which passed unanimously.

The Board next considered announcements. Mr. McCrady reviewed the attached Calendar of Events. The Board then discussed the BBQ Cook-Off for the Houston Livestock Show and Rodeo being held at the Fairgrounds this weekend.

The Board next recessed at 5:55 p.m. The Board convened in Executive Session at 6:30 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 7:56 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 he had nothing new to report.

The Board next considered the status of the IA with LB Consolidated, LLC d/b/a Popeye’s. Mr. McCrady stated that he is waiting on receipt of the executed IA from Popeye’s.

The Board next considered the status of the IA with BCS Capital Group. Mr. McCrady stated that the IA is with the developer for execution.

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

The Board next considered 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. Mr. McCrady requested that the item be removed from the agenda.

The Board next considered the status of a Purchase and Sale Agreement (“PSA”) with incentives relative to the sale of land in the Industrial Park to Eagle Industries (“Eagle”). Mr. McCrady stated that the documents are with Eagle 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, after Mr. McCrady stated that he is meeting with the company in a couple of weeks.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to B6 Industries (“B6”) or its assignees. Mr. McCrady stated that he is waiting on the acreage/site layout for the proposed development.

The Board next deferred the approval of a PSA with incentives relative to the sale of land in the Industrial Park to New Caney Beverage (“NCB”) or assignees, after Mr. McCrady stated that he had nothing new to report.

The Board next deferred the approval of a PSA with incentives relative to the sale of land in the Industrial Park to Grupo Huerpel (“GH”) or its assignees. Mr. McCrady stated that GH is no longer pursuing a site in the Industrial Park and requested that the item be removed from the agenda.

The Board next considered the approval of a PSA with incentives relative to the sale of land in the Industrial Park to P&S Properties LLC (“P&S”) or its assignees, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction. After discussion, Director Persson moved to approve a PSA with incentives relative to the sale of land in the Industrial Park to P&S and authorize the Chair and President/CEO to take all actions necessary to close on the transaction. Director Moore seconded the motion, which passed unanimously.

The Board next deferred the status of modifications to the agreement and related documents with Gates Lubricants (“Gates”). Mr. McCrady stated that the law firm of Wilson, Cribbs & Goren is in the process of preparing the necessary documents related to the Gates lot split.

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The Board next considered the status of an amendment to the Lease Agreement with Hydra Specma (formerly YMER Building). Mr. McCrady stated that the law firm of Wilson, Cribbs & Goren is in the process of preparing the amendment.

The Board next considered the status of a Petition to East Montgomery County MUD No. 3 (“No. 3”) to annex a 34.2964-acre tract (McClarren), 18.92-acre tract (Pak), 1.3383-acre tract (Quinn), and a 1-acre tract (Nichols). Mr. Marks stated that No. 3 has authorized proceeding with the proposed annexation of the four (4) tracts, subject to receipt of a \$15,000 deposit and required documents from the District.

The Board next considered the status of development of the 64-acre park, including the status of the agreement for services with Burditt Consultants, LLC (“Burditt”) for design of the park. Mr. Phipps stated that Burditt is in the process of addressing concerns and suggestions raised by the Board during the slide show presentation of the proposed Phase I of the park development presented to the Board at the March 20, 2024, meeting.

The Board next considered the status of the Interlocal Agreement with the County for the Advanced Funding and Construction of Sorters McClellan Road. Mr. McCrady stated that the District is no longer participating in the construction project and that the item can be removed from the agenda.

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. Mr. Phipps stated that bi-weekly meetings with HHCP Architects (“HHCP”), Spaw-Glass Construction Corporation (“Spaw-Glass”) and JAC are held to discuss numerous project items, including value engineering (“VE”) items, specifications and material/equipment requirements and constructability items.

The Board next considered a report on the status of agreement for construction, financing and use of the parking garage. Mr. Phipps stated that the garage is included in the overall project scope of the conference center.

The Board next considered the status of approval of reimbursement agreement with overlapping entities for reimbursement of the costs of water, sanitary sewer, drainage and road facilities to serve the conference center. Mr. Phipps stated that the reimbursement agreement is being negotiated as part of the land purchase.

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The Board next deferred the review of bids and authorization of an award of contract for the extension of waterlines, sanitary sewer lines, drainage and roads to serve the conference center. Mr. Phipps noted that the schematic design of the roads and the utilities that will serve the conference center have been finalized by the Valley Ranch Entertainment District and that plan development is progressing.

The Board next considered the status of the contract with Spaw-Glass for construction of the conference center. Mr. Phipps stated that the contract is in the final review stage by legal counsel and the contractor.

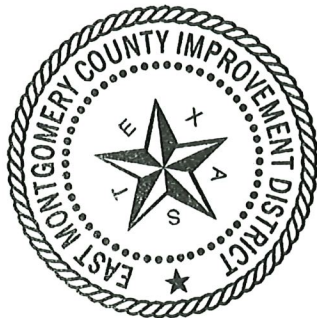
The Board next considered the status of a contract for the purchase of land for the conference center, parking garage, and the extension of infrastructure for the purchase of a tract for the hotel to serve the conference center. Mr. McCrady stated that the revised proposal for the purchase of the land required for the conference center, parking garage and future hotel is pending with Mr. Signorelli.

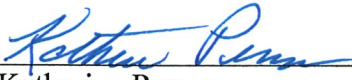
The Board next deferred a report from the District's financial advisor relating to the general plan of financing of the bonds required to pay the costs of land acquisition, design, construction and furnishing of the conference center and the costs associated therewith, including: a) the sources and uses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