

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
June 13, 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 13th day of June, 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, except Director Wetz, 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. John Howell, Mr. Marty Murray, 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 Rogers led in prayer followed by the pledges of allegiance led by Director Mullane.

As the first order of business, the Board considered the execution of the Community Development Grant Agreements and the presentation of the Community Development Grants. Chairperson Webb executed the Community Development Grant Agreements and presented the grant checks to the applicants.

The Board next deferred questions and comments from members of the audience after Chair Webb stated that no one had signed up to speak.

East Montgomery County Improvement District meeting of June 13, 2024

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on May 7, 2024, May 14, 2024 (11:00 a.m.), and May 14, 2024 (11:15 a.m.). After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on May 7, 2024, May 14, 2024 (11:00 a.m.), and May 14, 2024 (11:15 a.m.), as written. Director Persson seconded the motion, which passed unanimously.

The Board next deferred the engagement of an auditor to prepare the District's audit report for the fiscal year ending June 30, 2024, until later in the meeting.

The Board next considered the review and approval of an updated 2022 EMCID Sales Tax Calculations to Comply with the Agreements with Montgomery County ESD No. 6 and Montgomery County ESD No. 7. After discussion, Director Willingham moved that the attached report for 2022 be approved as presented. Director Moore 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 reported that the carpet installation is scheduled to begin tomorrow.

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 Mullane made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund, with check nos. 21104 being voided, the Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Carlisle seconded the motion, which passed unanimously.

The Board next deferred the adoption of an operating budget for the fiscal year ending June 30, 2025.

Mr. McCrady next presented and discussed a report, on behalf of Mr. Phipps, 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 Mr. Phipps had nothing new to report this month.

East Montgomery County Improvement District meeting of June 13, 2024

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 Bey Commercial Construction (“Bey”) for the build-out of Suite B (1,529 SF) in the EDA Building. Mr. McCrady stated that the final deficiencies have been addressed by the contractor and that the final pay application will be presented upon the inspection by the Fire Marshall.

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

The Board next deferred 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).

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. McCrady 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 deferred the approval of a Purchase Agreement for the middle tract of the park property after Mr. McCrady stated that Mr. Phipps is in the process of preparing a land survey for the property.

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

The Board next recessed at 5:58 p.m. The Board convened in Executive Session at 6:25 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 reconvened in Open Session at 10:02 p.m.

The Board next considered the engagement of an auditor to prepare the District’s audit report for the fiscal year ending June 30, 2024. Mr. McCrady reviewed with the Board an engagement letter from McCall Gibson Swedlund Barfoot PLLC (“McCall”) and stated that the projected fees to prepare the District’s audit are estimated at \$38,000. He then stated that the projected fees to prepare the audit reports for the East Montgomery County Improvement District Economic Development Zone Nos. 1, 2, 3, and 4 (the “Zones”) are estimated at \$8,500

East Montgomery County Improvement District meeting of June 13, 2024

and presented the executed Form 1295 for the Board's review. After discussion on the matter, Director Mullane made a motion to approve the engagement of McCall to prepare the District's audit report and the audit reports for the Zones for the fiscal year ending June 30, 2024. Director Carlisle seconded the motion, which passed unanimously.

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.

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. Mr. McCrady stated that he had nothing new to report

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 the company is finalizing its equipment purchase to determine the size of building it will require.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to B6 Industries or its assignees. Mr. McCrady stated that Mr. Phipps is working 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 or assignees, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction, 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 Catalyst Trading Co., or assignees, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction, after Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to P&S Properties LLC or its assignees. Mr. McCrady stated that company is no longer proceeding with the land purchase and that the item can be removed from the agenda.

East Montgomery County Improvement District meeting of June 13, 2024

The Board next considered the status of the issuance of a letter of intent (“LOI”) to A.J. Mechanical. Mr. McCrady stated that he has sent the LOI to A.J. Mechanical.

The Board next deferred the status of modifications to the agreement and related documents with Gates Lubricants after Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of an amendment to the Lease Agreement with Hydra Specma (formerly YMER Building). Mr. McCrady stated that he is meeting with the company’s attorney tomorrow.

The Board next deferred a report on the status of design and construction of proposed conference center, including a report on the status of design of the building.

The Board next deferred a report on the status of agreement for construction, financing and use of the parking garage.

The Board next deferred 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.

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.

The Board next deferred the status of the contract with Spaw-Glass for 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 the extension of infrastructure for the purchase of a tract for the hotel to serve the conference center after Mr. McCrady stated that a special meeting will be held next week to continue discussions relative to the land purchase contract.

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 related to the District’s proposed Series 2024 Sales Tax Revenue Bonds (the “Series 2024 Bonds”). Mr. Howell, with The GMS Group, LLC (“GMS”) presented and reviewed with the Board the attached Preliminary Official Statement (“POS”) and Official Notice of Sale (“NOS”) prepared in connection with the District's Series

East Montgomery County Improvement District meeting of June 13, 2024

2024 Bonds. He also presented and discussed the attached debt service cash flow. Following discussion on the proposed Official NOS and POS, Director Persson moved that the offering documents be approved and completed, and that same be distributed to the various potential underwriters and insurance companies, in anticipation of a sale of the District's Bonds, and that such Preliminary Official Statement be deemed to be final for all purposes with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the engagement of an auditor for preparation of a stub audit report in connection with the District's Series 2024 Bonds. After discussion, Director Persson moved to engage McCall to prepare the stub audit report. Director Willingham seconded the motion, which passed unanimously.

The Board next considered authorizing the District's financial advisor, GMS, to make an application for investment grade rating on the Bonds, to make an application for insurance, and to advertise for the sale of the District's Bonds. After discussion, Director Persson made a motion to authorize GMS to advertise for the sale of the District's Bonds with bids to be received by the Board. Director Willingham seconded the motion, which passed unanimously.

The Board next considered authorizing the District's financial advisor, GMS, to work with underwriters for the sale of the District's Bonds. After discussion, Director Persson made a motion to authorize GMS to work with underwriters for the sale of the District's Bonds. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the designation of a Paying Agent/Registrar in connection with the District's Bonds. Mr. Howell recommended that the Board consider designating The Bank of New York Mellon Trust Company, N.A. ("BONY") as the Paying Agent/Registrar for the Bonds. After discussion, Director Persson made a motion to designate BONY as Paying Agent/Registrar in connection with the Bonds. Director Willingham seconded the motion, which passed unanimously.

The Board next considered approval of all other actions required in connection with the sale of the District's Series 2024 Bonds. After discussion, Director Persson moved to approve all other actions required in connection with the sale of the Series 2024 Bonds. Director Willingham seconded the motion, which passed unanimously.

East Montgomery County Improvement District meeting of June 13, 2024

The Board next considered the approval of the destruction of notes of Board of Directors meetings through February 2024, in accordance with the District's Records Retention Schedule for General Records. Director Persson, as the District's records management officer, presented the attached list of records and advised that the time limitations for retention had passed for all records listed, that, to the best of her knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Carlisle made a motion to authorize the destruction of said notes as requested and in accordance with the provisions of the District's Records Management Program and said Schedule. Director Mullane seconded the motion, which passed unanimously.

The Board next considered the review and approval of an amendment and extension of the Contract of Employment between the District and Frank McCrady. The Board discussed Mr. McCrady's performance review. After discussion, Director Persson made a motion to approve a 1-year contract extension, 3% accrued compensation, \$15,000 deferred compensation and \$45,000 incentive payment and authorize the Second Amendment to the Fourth Amended and Restated Contract of Employment resulting in a fiscal year 2024-2025 salary of \$248,952.58. Director Willingham seconded the motion, which passed unanimously.


The Board next considered the acceptance of the Oath of Office ("Oath") and Statement of Elected Officer ("Statement") for Katherine Persson, Brenda Webb and Ron Willingham. Directors Persson, Webb and Willingham took their Oaths and executed their Statements. After discussion on the matter, it was moved by Director Carlisle, seconded by Director Mullane and unanimously carried that the Board accept said Oath and Statement for Directors Persson, Webb and Willingham and declare them re-elected for a term, ending June 30, 2028.

The Board next considered matters for possible placement on future agendas, including the acceptance of the Oath and Statement for Fred Wetz.

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

(SEAL)




Katherine Persson
Secretary, Board of Directors