

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
August 8, 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 8th day of August, 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. Chris Bontrager, Ms. Kelley Matlage, Ms. Jennifer Summer Green, Ms. Dawn Humphries, Mr. Greg Phipps, Mr. Garrett Tabor, Mr. John Howell, Mr. Marty Murray, Ms. Kara Richardson and Ms. Brandi Eckersley.

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 Rogers.

As the first order of business, the Board deferred 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 July 18, 2024. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on July 18, 2024, as written. Director Rogers 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 the new carpet has been well received by the community. He reported that the pavers have been re-installed upstairs.

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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 Mullane made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund, with check nos. 21262, 21293, 21300, 21301 and 21302 being voided, the Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Moore seconded the motion, which passed unanimously.

Mr. Howell entered the meeting.

Mr. Tabor next presented and reviewed with the Board the attached Quarterly Investment Report (“QIR”), which had been prepared by MA&C, for the reporting period ending June 30, 2024. After review, Director Mullane moved to approve the District’s QIR and to authorize the Investment Officer to execute same on behalf of the Board and District. Director Moore seconded the motion, which passed unanimously.

The Board next considered the status of the District’s proposed Series 2024 Sales Tax Revenue Bonds (“Bonds”). Mr. Howell discussed the District’s revenue pledge for the proposed Bonds and stated that he is working on a new financing structure that will accommodate the District’s statutory limitation requiring that any pledge of the District’s sales and use tax revenue to the payment of the Bonds be capped at 75% of such revenues. He noted that he would like to wait until the District has the re-bid construction costs from Spaw-Glass Construction Corporation (“Spaw-Glass”) before asking for the Board’s approval to sell the Bonds since the costs will likely have increased. He stated that the District’s engineer has stated that such costs should be finalized by the beginning of October.

Mr. Howell exited the meeting.

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.

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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, Ltd. (“Bey”) for the build-out of Suite B (1,529 SF) in the EDA Building. Mr. Phipps stated that all work is complete and JAC is waiting on the inspection by the Fire Marshall. He then presented pay application no. 4-Final in the amount of \$10,446.08 and recommended that the Board approve the payment of same. He also presented change order no. 1-final quantities, a decrease of \$28,127.20 to the final contract amount, the executed Form 1295 from Bey, and recommended the Board approve same and accept the project as complete, contingent upon receipt of the Fire Marshall’s Certificate of Compliance. After discussion, Director Carlisle moved to approve the payment of pay application no. 4-Final and change order no. 1, based on a finding by the Board that said change order was necessary and beneficial to the District, and contingent upon receipt of the Fire Marshall’s Certificate of Compliance, as set out above. Director Willingham seconded the motion, which passed unanimously.

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. 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 approval of a Purchase Agreement for the middle tract of the park property. Mr. McCrady stated that the tract is currently under contract. After discussion, Director Carlisle moved to approve a Purchase Agreement for the middle tract of the park property and to authorize the Chair and President/CEO to take all actions necessary to close on the transaction. Director Mullane seconded the motion, which passed unanimously.

The Board next considered authorizing Mr. McCrady, in his capacity as the President/CEO of the District, to execute certain vendor contracts on behalf of the Board and District without seeking Board approval for same. In that regard, Mr. McCrady noted that it would increase efficiency in event planning and vendor coordination if the Board granted him some limited authority to execute contracts with vendors in between Board meetings. After discussion Director Mullane moved to authorize the President/CEO to execute, on behalf of the

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Board and District, contracts related to the Fall Festival and Holiday to remember Festival. Director Wetz seconded the motion. Ms. Richardson noted that the agenda item contemplates a broader grant of authority which would also include vendor contracts related to other community events and operational business transactions of the District. She further noted that the Board could place a limitation on contract amounts for which Mr. McCrady has authority to execute. After discussion, Director Carlisle amended the motion made by Director Mullane to authorize the President/CEO of the District to execute, on behalf of the Board and District, vendor contracts with values below \$100,000 which fall under budget items included on the District's approved 2025 Operating Budget and related to a) the annual Fall Festival and Holiday to Remember Festival; b) items relating to events and community support; and c) operational business transactions of the District. Director Mullane seconded the amended motion, which passed unanimously.

The Board next considered announcements. Mr. McCrady reviewed the attached Calendar of Events. Director Persson thanked Mr. Murray for his assistance at the Back to School Bash.

The Board next recessed at 6:11 p.m. The Board convened in Executive Session at 6:37 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 7:49 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 deferred the approval of an IA with Tractor Supply.

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 he is considering withdrawing the IA offer with BCS Capital Group to enable the District to incentivize the individual tenants.

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

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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 Purchase and Sale Agreement (“PSA”) with incentives relative to the sale of land in the Industrial Park to B6 Industries (“B6”) or its assignees. Mr. McCrady stated that the PSA is with B6 for execution.

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 the issuance of a letter of intent (“LOI”) to A.J. Mechanical. Mr. McCrady stated that the LOI has been sent to A.J. Mechanical, but that he has not yet received a response.

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 (“Agreement”) with Hydra Specma (“Hydra”) (formerly YMER Building). Mr. McCrady stated that he has received comments from Hydra and is addressing same.

The Board next deferred the status of a Contract for the purchase of land for the conference center, parking garage, hotel and the extension of infrastructure after Mr. McCrady stated he had nothing new to report.

The Board next deferred the status of preparation of the Declarations and the Development Agreement relative to the purchase of land for the conference center, parking garage, hotel and the extension of infrastructure.

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The Board next considered the status of the contract with Spaw-Glass for the construction of the conference center. Mr. Phipps stated that he meets with Spaw-Glass and the architect every two weeks. He stated that the final plans for the conference center and garage should be received from the architect by the end of August. Mr. Phipps stated that Spaw-Glass will then send the plans back out to three (3) or four (4) subcontractors to re-bid the project. He stated that the District will have a more accurate cost of the project by October. Ms. Richardson reminded the Board that Mr. Howell recommended that the Board defer the sale of the Bonds until the District has received the final number for the construction costs of the project.

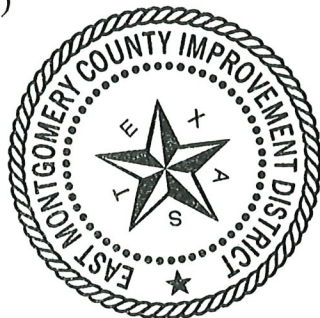
The Board next considered authorizing EMMA filings relating to District bank loans. Ms. Richardson discussed the outstanding EMMA filings with the Board. After discussion, Director Persson moved to authorize the District's Financial Advisor to work with Norton Rose Fulbright, the District's continuing disclosure counsel, to file the appropriate documents with EMMA. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred approval of the Second Amendment to Second Amended and Restated Economic Development agreement by and among Sig-Valley Ranch, Ltd., Valley Ranch Town Center Holdings, Ltd., EMCID Economic Development Zone No. 1 and the District.

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)



A handwritten signature in blue ink that reads "Katherine Persson".

Katherine Persson
Secretary, Board of Directors