

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
December 12, 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 12th day of December, 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
Elizabeth Mullane	Treasurer/Investment Officer
Ronald Willingham	Assistant Treasurer
Crystal Moore	Director
Fred Wetz	Director

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

Also present were Mr. Frank McCrady, Mr. Chris Bontrager, Ms. Kelley Mattlage, Ms. Jennifer Green, Mr. Greg Phipps, Mr. Garrett Tabor, Ms. Kara Richardson, Ms. Brandi Eckersley and several others as shown 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 presented a check in the amount of \$77,351.00 to the EMC Fair Association.

The Board next considered the execution of the Community Development Grant Funding Agreements and the presentation of checks to the Community Development Grant Funding recipients.

The Board next considered questions and comments from members of the audience. Mr. Holger addressed the Board and requested that the Board members act as judges for the car show on Sunday at the Holiday to Remember event.

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The Board next considered the review and approval of the minutes of the Board of Directors meetings held on November 4, 2024, November 7, 2024, November 22, 2024, and November 25, 2024. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on November 4, 2024, as written, approve the minutes of the meeting held on November 7, 2024, as revised to reflect the correct grant amount awarded to OnPoint Rescue, and defer the minutes from the meetings on November 22, 2024, and November 25, 2024. Director Wetz seconded the motion, which passed unanimously.

The Board next considered matters related to the District's Series 2024 Sales Tax Revenue Bonds (the "Bonds"), including the approval and authorizing the filing of the Internal Revenue Service reporting form 8038-G relative to the District's Bonds. After discussion, Director Rogers moved to approve the reporting form and to authorize the Chair of the Board to execute same on behalf of the Board and District. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the approval and execution of various closing documents and the authorization for MRPC, in its capacity as Bond Counsel, to approve the closing on the sale of the Bonds on behalf of the District. Ms. Richardson reviewed various closing documents including the No-Litigation Certificate, Closing Certificate, District Receipt, and Federal Tax Certificate and advised that the closing is scheduled for Thursday, December 19, 2024, at 10:00 a.m. After discussion, Director Rogers made a motion to approve the above-referenced documents, to authorize the District officers, consultants and/or President/CEO to act on behalf of the Board and District to execute all documents and take all actions necessary to effect the closing on the Bonds. 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 the District staff is marketing the building well. He reported that the District budgeted \$125,000 in leasing revenue for the fiscal year and will have \$68,000 in gross leasing revenue half-way through the fiscal year.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in the reports. Mr. Tabor presented the attached financial and investments reports and discussed the invoices presented for payment. Following review of the reports, Director Willingham made a motion to approve the reports as presented and to authorize payment of invoices on the General Operating Fund, the Special Events Account, debits for payroll and wire transfers, all as set forth on the attached reports. Director Carlisle 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. Ms. Richardson advised that MRPC has no changes to the Order to recommend at this time and recommended that the current Order remain in effect. After discussion, Director Persson 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 Moore seconded the motion, which passed unanimously.

The Board next deferred the review of grant requests for the Façade Improvement Grant Program (the "Program") after Mr. McCrady stated that the District has not received any applications to participate in the Program. The Board instructed MRPC to remove the item from the agenda until the District receives an application for same.

The Board next considered that status of the Holiday to Remember Ice Rink and Winter Festival ("Festival"). Mr. McCrady stated that the Festival opens tomorrow and will be held under tents in the Sam's Club parking lot.

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 the status of the contract with Ameripride Construction, LLC ("Ameripride") for the clearing and grubbing of the GCP Paper USA ("GCP") site. Mr. Phipps stated that MRPC has reviewed the bonds and insurance relative to the construction contract, and the contract has been executed by all parties. He stated that JAC issued the Notice to Proceed on December 4, 2024. Mr. Phipps then presented pay application no. 1 in the amount of \$39,330.00 to Ameripride and recommended approval of same. After discussion, Director Rogers moved to approve pay application no. 1, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the status of the annexation of 55.55 acres (consisting of a 34.2964-acre tract (McClarren), 18.92-acre tract (Pak), 1.3383-acre tract (Quinn), and a 1-acre tract (Nichols)) of land owned by the District into the East Montgomery County Municipal Utility District No. 3. Ms. Richardson stated that MRPC will submit the annexation package to the City of Conroe in the coming weeks for review and approval.

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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 the site topography survey is complete and that JAC received the preliminary layout today. Mr. McCrady stated that the District plans to utilize the existing water well on the site for irrigation and utilization at the future dog park. After discussion, Director Carlisle made a motion to authorize the District’s engineer to advertise the site preparation for bids to serve the Phase I Park Improvements. Director Moore seconded the motion, which passed unanimously.

The Board next considered announcements. Mr. McCrady reviewed the attached Calendar of Events. Chair Webb stated that an officer working on behalf of the Safe Shopper Program arrested several suspected car burglars who were driving her grandson’s truck that was stolen from Kingwood College four months ago. Director Willingham stated that several law enforcement agencies teamed together to conduct a round-up of suspected thieves at various retail establishments in the Districts and that several suspects were arrested.

The Board next recessed at 6:10 p.m. The Board convened in Executive Session at 6:38 p.m. to discuss real property matters pursuant to §551.072, 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, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board reconvened in Open Session at 8:05 p.m.

The Board next considered the status of economic development Incentive Agreements (individually each referred to herein as an “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 an IA with Delect Foods LLC. Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of an IA with B&B Arch Management Co., Inc. Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of an IA with TKC Land Development II, LLC, the developer of the Tractor Supply in Splendora, LLC. Mr. McCrady stated that the District received the executed IA and the item can be removed from the agenda.

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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 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.

The Board next considered the approval of a Purchase and Sale Agreement ("PSA") with incentives relative to the sale of land in the Industrial Park from New Caney Beverage ("NCB") or assignees, to the District including authorizing the Chair and/or President/CEO to take all actions and execute all documents necessary to close on the transaction. Mr. McCrady reported that the East Montgomery County Economic Development Corporation ("EDC") approved the release of lien and termination of the Loan Agreement between the EDC and NCB, contingent upon the closing of the sale of the land to the District. After discussion, Director Persson moved to approve a PSA with NCB and authorize the Chair and President/CEO to take all actions and execute all documents necessary to close on the transaction. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Jenista Holdings LLC ("Jenista") or assignees. Mr. McCrady reported that the PSA is with Jenista for execution.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Jared Smith. Mr. McCrady reported that JAC is preparing the site plan, and the PSA is with Mr. Smith for execution.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to V Steel Group Inc. ("V Steel") or assignees. Mr. McCrady reported that the PSA is with V Steel for execution.

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

The Board next considered the status of a Purchase Agreement relative to the purchase of land in the Industrial Park from New Caney Customs ("NCC"). Mr. McCrady stated that the District closed on the land purchase, and the item can be removed from the agenda.

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The Board next considered the approval of a Lease Agreement with Fastenal Company for the property formerly owned by NCC and located at 21035 Gene Campbell Blvd. After discussion, Director Moore moved to approve the lease agreement with Fastenal of its assignees, as set out above. Director Willingham seconded the motion, which passed unanimously.

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

The Board next deferred the status of an amendment to the Lease Agreement with Hydra Specma (formerly YMER Building).

The Board next considered the status of a Purchase Agreement relative to the purchase of 77 acres along the I-69 south frontage road near SH 242. Mr. McCrady reported that the land transaction is scheduled to close tomorrow and that the item can be removed from the agenda.

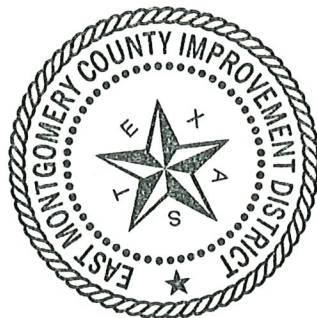
The Board next considered the status of and take appropriate action related to the contract Sale related to the purchase of land by the District from Valley Ranch Town Center Holdings, Ltd. ("VRTC") for the property related to the future conference center, parking garage, hotel and the extension of infrastructure to serve same, including approval of the Declarations and the Development Agreement related to same. Mr. McCrady stated that VRTC has requested to extend the deadline to close on the land until January 9, 2025. He stated that the Board can hold a special meeting to approve the requested extension to which the Board concurred.

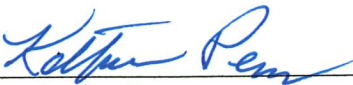
The Board next considered the status of a contract with Spaw-Glass Construction Corporation for construction of the conference center. Mr. Phipps stated that he is in the process of finalizing the contract for Board approval.

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