

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
February 13, 2025

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 February, 2025, 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. Joe O’Connell, Ms. Kelley Mattlage, Ms. Jennifer Green, Mr. Greg Phipps, Mr. Garrett Tabor, Mr. Marty Murray, and Kara Richardson.

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 Moore.

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 January 9, 2025. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on January 9, 2025, as written. Director Willingham seconded the motion, which passed unanimously.

The Board next considered a report on the 2025 Constable patrol holiday security program. Mr. McCrady stated that he has not yet received the final report.

The Board next considered the status of the construction of improvements and the leasing of space in the Atrium Center. Mr. McCrady stated that several events are scheduled in the coming days.

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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 the reports. Mr. Tabor presented the attached financial and investments reports and discussed the invoices presented for payment. Following review of the reports, Director Rogers made a motion to approve the reports as presented and to authorize payment of invoices on the General Operating Fund, with check nos. 21449 and 21494 being voided, 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.

Mr. Tabor next presented and reviewed the attached Quarterly Investment Report (“QIR”), which had been prepared by Municipal Accounts & Consulting, LP, for the reporting period ending December 31, 2024. After review, Director Rogers moved to approve the District's QIR and to authorize the Investment Officer to execute same on behalf of the Board and District. Director Carlisle seconded the motion, which passed unanimously.

Ms. Richardson next advised that provisions of the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. She reviewed a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District and the attached list of financial institutions, brokers and dealers attached thereto as Exhibit “A.” Ms. Richardson recommended to the Board that, if any of the directors have a relationship with any of the institutions shown on the list that could create a conflict of interest, then that institution(s) should be deleted from the list that the Board adopts. After discussion, Director Persson made a motion to approve the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred review of the final report for the Holiday to Remember Ice Rink and Winter Festival 2024 until later in 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 the status of the contract with Ameripride Construction, LLC (“Ameripride”) for the clearing and grubbing of the GCP Paper USA site. Mr. Phipps reported that the land has been cleared, and the grubbing is being completed. He then presented pay application no. 3 in the amount of \$20,740.50 to Ameripride and recommended the Board approve the payment of same. After discussion, Director Carlisle moved to approve the payment of pay application no. 3 to Ameripride, as set out above. Director Persson seconded the motion, which passed unanimously.

The Board next considered the approval of a proposal with Storm Water Solutions (“SWS”) for preparation of the District’s Waiver Application to the Texas Commission on Environmental Quality (“TCEQ”). Mr. Phipps reported that the TCEQ issued the Texas Pollutant Discharge Elimination System (“TPDES”) General Permit No. TXR040000, and the Small Municipal Separate Storm Sewer System (Phase II) General Permit on August 15, 2024, for a 5-year period. He stated that the TCEQ designated the District as a regulated Small Municipal Separate Storm Sewer System (“MS4”), and, as a result, the District is required to obtain coverage under the TPDES 2024 Permit to reduce pollutants in stormwater discharges from the MS4. He stated that the District may qualify for an exemption under certain criteria in the Permit and recommended the District submit a Waiver Application to the TCEQ. Mr. Phipps presented the attached proposal from SWS and the related Form 1295 to prepare and file the recommended Waiver Application with the TCEQ at a cost of \$1,850. After discussion, Director Carlisle moved to approve the proposal submitted by SWS, as set out above. Director Persson 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 the annexation package is with the City of Conroe for review and approval.

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 Phase I Park improvements, including design and construction services for the dog park, parking, prefabricated restrooms and landscaping of the park. Mr. Phipps stated that Burditt has updated the park layout, and the design is being finalized. He stated that the plans are scheduled for permit submittal in late February with construction scheduled to begin in March.

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

The Board next recessed at 5:47 p.m. The Board convened in Executive Session at 6:31 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 7:39 p.m.

The Board next considered the status of economic development Incentive Agreements (individually each referred to herein as an “IA”), including the status of the IA with Waffle House, Inc. Mr. McCrady stated that the IA was executed today and that the item can be removed from the agenda.

The Board next considered the status of the IA with Caney Holdings, LLC. Mr. McCrady stated that the IA was executed today and that the item can be removed from the agenda.

The Board next considered the status of the IA with Delect Foods LLC. Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of the 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 the IA with LB Consolidated, LLC d/b/a Popeye’s. Mr. McCrady stated that he received the executed IA from Popeye’s and that the item can be removed from the agenda.

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 considered the status of a Purchase and Sale Agreement (“PSA”) with incentives relative to the sale of land in the Industrial Park to Jared Smith. 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 V Steel Group Inc. or assignees. Mr. McCrady reported that the documents related to the land transaction should be with the title company in the next thirty (30) days.

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The Board next deferred the status of a PSA with incentives relative to the sale of land in the Industrial Park to Montgomery County. Mr. McCrady reported that the District closed on the land transaction, and the item can be removed from the agenda.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Milestone Metals (“MM”) or assignees. Mr. McCrady reported that MM requested to modify its PSA to reflect the purchase of an approximate 5-acre tract rather than the previously contemplated 10-acre site. After discussion, Director Carlisle moved to approve the modification of the PSA with MM, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to Master Fans de Mexico or assignees. Mr. McCrady stated that the company is in the process of changing the business name and will close once the new name is registered in the United States.

The Board next considered the status of a PSA with incentives relative to the sale of land in the Industrial Park to KT Capital Assets or assignees. Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of modifications to the agreement and related documents with Gates Lubricants. After discussion, Director Carlisle moved to authorize the Chair or President/CEO to execute all documents in connection with the partition of the lot. Director Willingham seconded the motion, which passed unanimously.

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 contract with Spaw-Glass Construction Corporation (“Spaw-Glass”) for construction of the conference center. Mr. Phipps stated that Spaw-Glass has mobilized on site. He then presented pay application no. 1 in the amount of \$4,794,867.45 to Spaw-Glass and recommended the Board approve the payment of same. After discussion, Director Persson moved to approve the payment of pay application no. 1 to Spaw-Glass, as set out above. Director Moore seconded the motion, which passed unanimously.

The Board next deferred the review and approval of proposals relative to the renewal of the District’s insurance coverage for the term expiring March 31, 2025.

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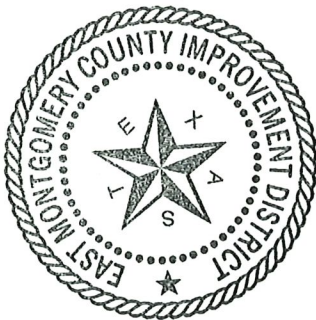
The Board next considered the approval of a Letter Agreement ("Agreement") among the District, East Montgomery County Municipal Utility District No. 4, and Marks Richardson PC. Ms. Richardson presented and reviewed the Agreement with the Board. After discussion, Director Wetz moved to approve the Agreement and authorize the Chair to execute same on behalf of the Board and the District. Director Carlisle seconded the motion, which passed unanimously.

The Board next considered the approval of a fee increase from Marks Richardson PC. Ms. Richardson presented and reviewed the attached proposed rate schedule with the Board. After discussion, Director Carlisle moved to approve the proposed rate schedule, as presented. Director Persson seconded the motion, which passed unanimously.

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, appearing to read "Katherine Persson", written over a horizontal line.

Katherine Persson
Secretary, Board of Directors