

**WORK SESSION
FEBRUARY 17, 2026
10:30 A.M.**

The Town of Pine Mountain held a work session on Tuesday, February 17, 2026, at 10:30 A.M. in the Town Hall.

OVERVIEW OF HOTEL MOTEL TAXES

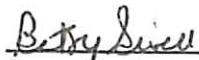
Mr. Pat Keating explained the Memorandum of Understanding regarding the Hotel Motel Tax Revenue to the Mayor and Council, the way he understands the law.

Under the current MOU (request of the Town the Development Authority of Harris County, issued \$6,990,000 in aggregate principal amount of Development Authority of Harris County Taxable Revenue Bonds Series 2007 pursuant to Trust Indenture dated as of December 1, 2007 between the Authority and Wells Fargo National Bank Association as trustee) the Hotel-Motel flow of funds is as follows:

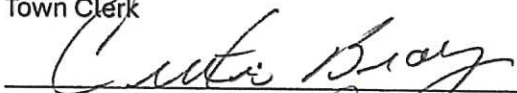
1. Amount to pay interest
2. Amount to pay principal
3. Amount to replenish Debt Service Reserve to \$275,000 (if needed)
4. Amount to pay Trustee's annual fee
5. Amount to pay Town of Pine Mountain greater of 6% of gross hotel-motel taxes collected (8% room revenue) or \$12,500
6. Amount to pay PMTA pre-2005 3% and non-Callaway post 2005 3%
7. Amount to replenish Supplemental Reserve to \$125,000
8. Amounts remaining to first cover and shortfall above, and then to Callaway to be used as specified under section 3(b) of the MOU.

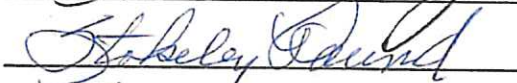
Second, all remaining amounts shall be paid to Callaway to be used by Callaway solely for the specific public purpose of promoting, attracting, stimulating and developing conventions and tourism in the Pine Mountain area, including, but not limited in, infrastructure projects which Callaway and any functionally related business in their reasonable discretion deem necessary to promote, attract, stimulate and develop conventions and tourism in the Pine Mountain area.

The work session ended at approximately 11:32 A.M.



Betsy Sivell
Town Clerk


_____, Curtis Bray


_____, Stokeley Pound


_____, Frankie Mabry

_____ not in attendance _____, Thomas E. Scott

_____ not in attendance _____, James W. Trott, Jr.