

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
January 13, 2022

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 January, 2022, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Board Room, 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
Martin Zepeda	Assistant Treasurer
Richard Tramm	Director
Ronald Willingham	Director

and all of said persons were present, except Directors Carlisle and Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Jennifer Green, Mr. Greg Phipps, Ms. Kaye Townley, Mr. Will Fuller, Mr. David Marks and Mr. Blake Ellis.

Chair Webb called the meeting to order, announced that a quorum was present.

Director Rogers led in prayer followed by the pledges of allegiance led by Director Willingham.

As the first order of business, Chair Webb presented a grant check in the amount of \$685,205.05 to Montgomery County ESD No. 6.

Mr. Fuller, the CEO of Acacia, next addressed the Board and expressed his interest in acquiring a 10-acre site in the Industrial Park and noted he would like to break ground in January 2023.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on December 13, 2021. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on December 13, 2021, as written. Director Zepeda seconded the motion, which passed unanimously.

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The Board next considered the status of construction of improvements and the leasing of space in the District's office building. Mr. McCrady stated that the mechanical systems will be installed in the next 30-60 days. He stated that the building is hosting events again.

The Board next deferred a request for a grant for the Veterans Memorial located on Hwy. 45 and Hwy 105 in Conroe.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Ms. Townley presented the attached financial and investments reports and discussed the invoices presented for payment. Following review, Director Wetz made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund, Plains EDA Grant Account, Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Zepeda seconded the motion, which passed unanimously.

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. Mr. Marks advised that he has no changes to the Order to recommend at this time and recommended that the current Order remain in effect. After discussion, Director Wetz 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 Persson seconded the motion, which passed unanimously.

Mr. Marks next advised the Board 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. He reviewed with the Board 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." Mr. Marks 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 Willingham seconded the motion, which passed unanimously.

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The Board next considered 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. Mr. Phipps stated that no dirt sales occurred during the month, but that he is working with a contractor in the Industrial Park that needs material for two sites.

The Board next considered the status of the drainage improvements along Gene Campbell Boulevard. Mr. Phipps stated that he will continue to monitor the project to ensure that Montgomery County Pct. 4 will install the drainage pipes, as a change order, in connection with the Gene Campbell Boulevard widening project.

The Board next considered the status of the contract with Frost Construction Company, Inc. ("Frost") for construction of the building to be leased to The Pallet Guys in the Industrial Park. Mr. Phipps stated that Frost made a substantial error on its bid approved last and cannot perform and therefore has requested to withdraw its bid. He recommended the Board rescind the award of the contract to Frost. After discussion, Director Wetz moved to consent to the withdrawal of the bid submitted by Frost and to rescind the award of the contract to Frost, as set out above. Director Persson seconded the motion, which passed unanimously. The Board then deferred authorizing re-advertisement for bids for the project after Mr. McCrady reported that The Pallet Guys are no longer negotiating a site in the Industrial Park.

The Board next deferred the review of bids and authorization of an award of a contract for the construction of the building to be leased to Titan Environmental USA ("Titan building") after Mr. Phipps stated that the bid opening date has been extended to January 19, 2022, at 3:00 p.m. to allow additional time for bidders to get materials and subcontractor quotes.

The Board next considered the status of the contract with BSC Management, Ltd., ("BSC") for the clearing and grubbing of 6 acres out of Reserve B, EMCID Industrial Park, Section 4 to serve the Titan building. Mr. Phipps stated that the project is substantially complete and that a final inspection is being scheduled. He then presented pay application no. 2 (final) in the amount of \$2,164.00 and recommended that the Board approve the payment of same. Mr. Phipps also presented change order no. 1-Final Quantities, a decrease in the contract amount of \$17,010.00 and presented the executed Form 1295 from BSC. After discussion, Director Persson moved to approve the payment of pay application no. 2 (final) and approval of change order no. 1-Final Quantities, based on a finding by the board that said change order was necessary and beneficial to the district, and to accept the project as complete, as set out above. Director Wetz seconded the motion, which passed unanimously.

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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 Comex Corporation (“Comex”) for construction of the EDA building. Mr. Phipps stated that a Notice to Proceed was issued on January 10, 2022. He noted that Comex mobilized on site Monday and has started construction.

The Board next deferred the approval of final project documents, acceptance of project and other matters relating to the EDA Business Center Building.

The Board next deferred announcements after Mr. McCrady stated there were none to discuss.

The Board next recessed to Executive Session at 5:50 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 returned from Executive Session at 8:20 p.m.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the status of an IA with Lowe’s relative to the construction of a distribution center in the Industrial Park-North. Mr. McCrady stated that he and Mr. Marks are working on same.

The Board next considered the status of an IA with American Realty Group or its assigns (La Marketa de Porter, LLC). Mr. McCrady stated that he has received the executed IA from American Realty Group.

The Board next considered the status of an IA with Smoke Stack Bar-B-Q (“Smoke Stack”). Mr. McCrady stated that the IA has been forwarded to Smoke Stake for execution.

The Board next considered the status of an IA with Husteel USA (“Husteel”). Mr. McCrady stated that the IA has been forwarded to Husteel for execution.

The Board next considered the status of an IA with JL Texas Pallets & Logistics, LLC. Mr. McCrady stated that the entity is no longer part of the development and requested the item be removed from the agenda.

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

The Board next considered the status of the Real Estate Agreement (“Agreement”) with Gromax Development, LLC (“Gromax”) relative to the purchase of a 2.29-acre tract, including the status of an assignment from Gromax to GroGro, LLC (“GroGro”) relative to the two option tracts, the status of an assignment of the Agreement from Gromax to The Centre on Gene Campbell, LLC, and the status of a Real Estate Agreement with GroGro relative to the purchase of the 2.838-acre option tract. Mr. McCrady informed the Board that these transactions were closed and completed.

The Board next considered authorizing the sale of a portion of the 2.840-acre tract adjacent to the 2.29-acre tract owned by The Centre on Gene Campbell, LLC and the execution of a Cross Access Easement Agreement (“Access Easement”) by and among the District, SAZL, LLC and The Centre on Gene Campbell, LLC, relative to Unrestricted Reserve “C” in the Industrial Park, Section 2, which consists of the aforementioned 2.29-acre tract, 2.838-acre tract, and 2.840-acre tract. After discussion, Director Persson moved to authorize the sale of the portion of the 2.840-acre tract and execution of the Access Easement, and to authorize the President/CEO and Chair to take all actions in connection therewith. Director Willingham seconded the motion, passed unanimously.

The Board next considered the status of Lease Agreement with The Pallet Guys relative to the lease of a site and improvements to be constructed thereon in the Industrial Park. Mr. McCrady stated that after recent discussions with The Pallet Guys, it no longer was in the interest of the District to enter into a Lease Agreement with The Pallet Guys. The Board concurred in this assessment and agreed to take no further action regarding the Lease Agreement.

The Board next considered the status of a Lease Agreement with Titan Environmental USA (“Titan”) relative to the lease of land and improvements to be constructed thereon in the Industrial Park. Mr. Mr. McCrady stated that he has received the executed Lease Agreement from Titan and that the item can be removed from the agenda.

The Board next considered the approval of the Purchase and Sale Agreement with Acacia, LLC (“Acacia”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that he will offer Acacia an 8.2-acre site in the Industrial Park.

The Board next deferred the status of contracts relative to the purchase of land for expansion in the Industrial Park.

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The Board deferred the approval of a Resolution of Authority relative to the purchase and financing of tracts located near the Industrial Park.

The Board next considered the status of the sale of a 127-acre tract of land in the North Industrial Park. Mr. McCrady stated that an option is pending.

The Board next deferred the approval of a Purchase and Sale Agreement relative to the purchase of additional land for expansion of the Industrial Park and authorize negotiations for financing in connection therewith.

The Board next considered the status of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres of land for park development, including securing a financing agreement. Mr. McCrady stated that is waiting to receive contract revisions from the Seller's attorney.

The Board next considered the status of the Purchase and Sale Agreement with Prime Helium Supply Co. ("Prime"), or its assignees relative to the purchase of a 5-acre site in the Industrial Park, including authorizing the President and Chair to take all actions necessary to close on the transaction. Mr. McCrady stated that the Agreement will be forwarded to Prime on Monday for review and execution. After discussion, Director Wetz moved that the President and Chair be authorized to take all actions necessary to close on the transaction and to approve a Resolution of Authority in connection therewith. Director Zepeda seconded the motion, which passed unanimously.

The Board next deferred the status of a modification of the lease with YMER Technology and approval of a sublease of a portion of the building to a fan manufacturing company.

The Board next considered the status of a petition to annex 112.022 acres of land owned by the District into East Montgomery County MUD No. 3 ("No. 3"). Mr. Marks stated that No. 3 approved a Strategic Partnership Agreement ("SPA") with the City of Conroe ("City") at its meeting earlier today and that the SPA will be forwarded to the City for approval.


The Board next deferred authorizing a request for annexation of a 29.1-acre tract of land into No. 3.

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