

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
January 14, 2021

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 14th day of January, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Board Room, Room, 103, 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 Director Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Matlage, Mr. Joe O’Connell, Mr. Greg Phipps, Mr. David Marks (via telephone) and one person from the community, as shown on the attached sign in sheet.

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

Director Wetz led in prayer followed by the pledges of allegiance led by Director Zepeda.

As the first order of business, the Board deferred receiving 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 meetings held on December 10, 2020, and December 17, 2020. After review and discussion, Director Carlisle moved to approve the minutes of the Board of Directors meeting held on December 10, 2020, as amended and the minutes of the meeting held December 17, 2020, as written. Director Persson seconded the motion, which unanimously carried.

The Board next considered the status of the 2020 constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that he will have a formal report to present at the next meeting.

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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 he is still in the investigation stage relative to the building and noted that the Montgomery County Youth Services will be moving out of the building, effective January 21, 2021.

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. O'Connell presented the attached financial and investments reports, prepared by Municipal Accounts & Consulting, LP, 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 and debits for payroll; on the Plains Kingwood Detention Account; on the Plains EDA Grant Account, and on the Special Events Account, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

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 Wetz seconded the motion, which carried unanimously.

The Board next considered a report on engineering and construction projects within the Industrial Park, including the status of contract with Drymalla Construction Co., Inc. ("Drymalla") for construction of building #2 for YMER Technology. Mr. Phipps presented pay application no. 13 (final), in the amount of \$197,198.41 and recommended the Board approve the payment of same and accept the project as complete. Mr. Phipps also presented change order no. 2, an increase in the contract in the amount of \$40,000, and change order no. 5 (Final Quantities), a decrease in the contract in the amount of \$30,715.00 and the executed Form 1295 from Drymalla. After discussion, Director Persson moved that the Board approve the payment of pay application no. 13 (final), change order no. 2 and change order no. 5 (Final Quantities), based on a finding by the board that said change orders were necessary and beneficial to the district, as set out above.

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Director Wetz seconded the motion, which unanimously carried.

The Board next considered 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.

The Board next considered the status of platting the Industrial Park, Section 3. Mr. Phipps stated that the tax certificates for ownerships within the plat boundary are being ordered from the Montgomery County Tax Office as the taxes are paid. He stated that the plat will be resubmitted with the 2020 tax certificates in January 2021.

The Board next considered the status of the drainage improvements along Gene Campbell Boulevard. Mr. Phipps stated that JAC is working with Montgomery County Pct. 4 for inclusion of the work into the Gene Campbell Boulevard widening project.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the approval of plans, specifications and construction documents and authorizing the Project Bidding Phase. Mr. Phipps stated that Joiner Architects is approximately 70% complete with the floor plan and site layout.

The Board next deferred the review of bids, consideration of architect’s/engineer’s recommendations, and consideration of award of project for construction.

The Board next deferred actions relating to the EDA Business Center Building.

The Board next considered a report on the 2020-2021 Holiday to Remember Ice Rink and Winter Festival (“Festival”). Ms. Matlage presented and reviewed the attached graphs and charts and stated that the Festival was very successful.

The Board next deferred announcements, after Mr. McCrady stated he had nothing new to report.

The Board next recessed to Executive Session at 5:55 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. The Board returned from Executive Session at 7:27 p.m.

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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. After discussion, Director Wetz authorized Mr. McCrady to advertise or solicit bids for repairs to the building roof at an estimated cost of \$178,000. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred a report on the status of the arbitration between Drymalla Construction Co. and the subcontractor on the YMER construction project.

The Board next considered the status of economic development incentive agreements. Mr. McCrady stated that the Incentive Agreement with New Caney Customs, LLC has been executed by the parties. He stated that Mr. Butzelar advised that construction of the expansion will begin soon.

The Board next deferred the approval of a Conveyance of Utility Facilities for water distribution and wastewater collection facilities to serve Industrial Park, Section 3 (Quadvest) to East Montgomery County MUD No. 3 ("EMC 3"), as the plat has not yet been recorded.

The Board next deferred the approval of a Conveyance of Utility Facilities for wastewater lift station and force main improvements to serve Industrial Park, Section 3 (Quadvest) to EMC 3, as the plat has not yet been recorded.

The Board next considered the status of the Purchase and Sale Agreement ("Agreement") with LAW Investment Holdings, LLP ("LAW"), or its assignee relative to the purchase of a 10.4668-acre tract of land in the Industrial Park. Mr. McCrady stated the parties are currently negotiating the terms of the Agreement and that LAW would like to close the purchase transaction in February.

The Board next deferred the approval of an Incentive Agreement and a Purchase and Sale Agreement with PolyWeld USA Inc., or its assignee, relative to the purchase of a tract of land in the Industrial Park, including authorizing the Chair and President to take all actions necessary to close on the purchase and sale of the land.

The Board next deferred the approval of an Incentive Agreement and a Purchase and Sale Agreement with JHarp Land Management LLC, or its assignee, relative to the purchase of a tract of land in the Industrial Park, including authorizing the Chair and President to take all actions necessary to close on the purchase and sale of the land.

The Board next considered the status of contracts relative to the purchase of land for expansion in the Industrial Park. Mr. McCrady reported on the status of negotiations.

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The Board next considered the approval of a Resolution of Authority relative to the purchase and financing of tracts of land for expansion of the North Industrial Park. After discussion, Director Persson moved to approve the Resolution of Authority for the Johnson tract, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred that status of the sale of 127-acre tract of land in the North Industrial Park.

The Board next considered the status of a petition to annex 71.788 acres of land owned by the District into the East Montgomery County Municipal Utility District No. 3 (“EMC No. 3”). Mr. Marks stated that EMC No. 3 filed the annexation petition and related documents with the City of Conroe on December 8, 2020, and that the annexation request is on the City of Conroe council’s meeting agenda tonight for approval.

The Board next considered the approval of a Utility Development Agreement (“UDA”) by and between the District and EMC MUD No. 3 relative to the development of 195.104 acres of land in the Industrial Park-North. Mr. Marks reviewed the UDA with the Board. After discussion, Director Carlisle moved to approve the UDA and authorize the Chair and Secretary to execute same on behalf of the Board and the District. Director Wetz seconded the motion, which unanimously carried.

The Board next deferred the approval of the final account of construction costs related to the New Quest/TxDOT detention pond, acceptance of the project as complete, granting of detention easements and entering into a maintenance agreement relative to the detention pond.

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