

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
February 10, 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 10th day of February, 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 Director Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Matlage, Ms. Jennifer Green, Mr. Greg Phipps, Ms. Kaye Townley, Mr. Jim Magill, Mr. David Marks and several others 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 Willingham.

As the first order of business, Mr. Fuller, the CEO of Acacia, next addressed the Board and stated that the most recent proposed site in the Industrial Park is acceptable. He stated that there is a house on the site that will need to be removed and noted that the removal of existing property is typically the responsibility of the seller.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on January 13, 2022. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on January 13, 2022, as written. Director Rogers seconded the motion, which passed unanimously.

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The Board next considered a report on the constable patrol security program at shopping centers within the District during the 2021 holiday season. Constable Welch presented and reviewed a power point of the Safe Shopper Program with the Board. He stated that the patrol program began on November 15, 2021 and continued until January 15, 2022. He further noted that the Safe Shopper Program was within budget.

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 an Open House was held to promote The Atria building for events. He stated that several memorial services have been hosted in the building. He further noted that the cooling system has not yet been replaced.

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 a report on the 2021-2022 Holiday to Remember Festival. Mr. McCrady presented and reviewed the attached festival report with the Board.

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 deferred authorizing advertisement for bids, the review of bids and authorization of an award of a contract for the construction of the building to be leased to The Pallet Guys in the Industrial Park after Mr. Phipps stated he had nothing new to report.

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The Board next considered 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”) in the Industrial Park. Mr. Phipps stated that nine (9) bids were received on January 19, 2022, with the low bid being submitted by Bey Commercial (“Bey”) with a base bid of \$4,466,740.00. He presented the executed Form 1295 from Bey and recommended that the Board award the contract to Bey. Mr. McCrady advised the Board that the District has funds available and allocated to pay for this project. After discussion, Director Wetz moved to award the contract to Bey, as set out above. Director Zepeda seconded the motion, which passed unanimously.

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 presented pay application no. 1 in the amount of \$62,584.91 and recommended that the Board approve the payment of same to Comex. After discussion, Director Persson moved to approve pay application no. 1, as set out above. Director Willingham seconded the motion, which passed unanimously.

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 considered the following announcements:

- Director Persson stated the book she wrote entitled *Overcoming Disaster: What Colleges Learned from Catastrophe to Recovery* is scheduled to be released on February 15, 2022.

The Board next recessed to Executive Session at 6:14 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 8:42 p.m.

Director Carlisle entered the meeting during Executive Session.

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 the final IA with Lowe’s.

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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 Inc. (“Husteel”). Mr. McCrady stated that the IA has been forwarded to Husteel’s home office for execution.

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

The Board next deferred the status of sale of a portion of the 2.840-acre tract to The Centre on Gene Campbell, LLC located adjacent to the 2.29-acre tract owned by The Centre on Gene Campbell, LLC for use as a playground for a daycare center.

The Board next considered the approval of the Purchase and Sale Agreement (“Agreement”) with Acacia, LLC (“Acacia”) relative to the purchase of a 7.236-acre site in the Industrial Park. Mr. McCrady discussed the Agreement with the Board and the costs associated with the demolition and removal of the existing house on the site in the amount of \$24,850.00. After discussion, Director Persson moved to approve the Agreement, split the cost of the demolition with Acacia, and authorize the Chair and the President/CEO to take any and all actions necessary to close on the transaction. Director Wetz seconded the motion, which unanimously carried.

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

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 deferred the status of the sale of a 127-acre tract of land in the North Industrial Park.

The Board next deferred the approval of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres 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 Agreement relative to the purchase of a 64-acre tract of land for park development, including securing a financing agreement and approval of a Resolution of Authority. Mr. McCrady stated that he has executed the Agreement and that the documents should be ready to go to the title company next week. After discussion, Director Wetz moved to approve the Resolution of Authority relative to the purchase and financing of the park property. Director Zepeda seconded the motion, which passed unanimously.

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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 3.664-acre site in the Industrial Park. Mr. McCrady stated that the Agreement is under review by Prime.

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

The Board next deferred a proposal relative to the renewal of the District's insurance coverage for the term expiring March 31, 2022.

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 ("EMC MUD No. 3"). Mr. Marks stated that the City of Conroe approved the Strategic Partnership Agreement ("SPA") with EMC MUD No. 3 at the City Council meeting today. He stated that the item can be removed from the agenda.

The Board next considered authorizing a petition to annex 29.1 acres of land owned by the District into EMC MUD No. 3, including authorizing the Secretary, Chair and President/CEO, or any of them, to take all actions necessary and to execute the following documents in connection with the annexation request, including: i) Petition for Consent to Include Land in EMC MUD No. 3; ii) Petition for Addition of Certain Land to EMC MUD No. 3; iii) Certificate of Corporate Resolution; and iv) Affidavit of Ownership and Lienholders. After discussion, Director Carlisle moved to approve the documents and authorize the Secretary, Chair and President/CEO to execute and take all actions necessary to proceed with the annexation. Director Willingham seconded the motion, which passed unanimously.

The Board next considered matters for possible placement on future agendas, including amending the District budget for the purchase of new chairs for the Board Room.

The Board then recessed the meeting at 9:10 p.m. and reconvened at 9:28 p.m. with Directors Wetz and Rogers having left during the recess.

Chair Webb called the meeting back to order and noted that a quorum was present.

The Board next considered the calling of a Directors Election to be held on May 7, 2022, and determining of procedure for giving notice of same, and the adoption of an Order in connection therewith, including the appointment of an agent for the District in connection therewith, and the approval of any joint election agreements among the District, Montgomery County and other participating entities as authorized by the Texas Election Code, if necessary. There was presented the Order calling such election to be held on May 7, 2022. It was noted that the terms of office of Directors Carlisle, Rogers, Tramm and Zepeda would expire in June 2022. Mr. Marks advised the Board that notice of the election could be given by one or more of the following methods: (1)

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publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before; (2) posting the notice at a public place in the District at least twenty-one (21) days before the election; or (3) mailing the notice to each registered voter in the District at least ten (10) days before the election. Mr. Marks further advised that, in addition to the above, notice must be posted at the location used for posting notices of the meetings at least twenty-one (21) days before the election. Following discussion of the options, it was moved by Director Carlisle, seconded by Director Persson and unanimously carried that the Order Calling the election be adopted, that notice of the election be given by publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before, and that the attorneys for the District be authorized to arrange for said notice to be published and posted and, if necessary, authorize the District to enter into any joint election agreements with Montgomery County and other participating entities as authorized by the Texas Election Code.

Mr. Marks next advised the Board that an agent should be appointed to perform election duties in connection with the Directors Election. After discussion on the matter, Director Carlisle moved that the Notice of Appointed Agent appointing the law firm of Marks Richardson PC as agent be adopted, that the Chair and Secretary be authorized to execute the Notice on behalf of the Board and the District, and that the attorneys of the District be instructed to handle the mechanics of said election. Director Persson seconded said motion, which passed unanimously.

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".

Katherine Persson
Secretary, Board of Directors