

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
March 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 March, 2022, 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
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. Kelley Mattlage, Ms. Jennifer Green, Ms. Talina Gilbert, Mr. Greg Phipps, Ms. Kaye Townley, Mr. Will Fuller, 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 Rogers led in prayer followed by the pledges of allegiance led by Director Carlisle.

As the first order of business, Mr. Fuller, the CEO of Acacia, addressed the Board and thanked the Board members for all the progress during the past month.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on February 10, 2022. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on February 10, 2022, as written. Director Persson seconded the motion, which passed unanimously.

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 cooling system replacement is scheduled to occur in June or July.

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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 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 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 Hallmark Mitigation & Construction, LLC has agreed to purchase dirt for development of its site in the Industrial Park. He noted that approximately 6,400 cubic yards of material will be excavated and hauled by the general contractor for the development.

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.

The Board next considered the status of the contract with Bey Commercial for the construction of the building to be leased to Titan Environmental USA in the Industrial Park. Mr. Phipps stated that a pre-construction meeting was held on March 1, 2022, and that the Notice to Proceed was issued with a start date of March 14, 2022.

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 the dirt pad and foundation drill piers for the building have been completed and the grade beam has been started. He stated that the onsite water, sanitary sewer and storm sewer systems have been completed. Mr. Phipps then presented pay application no. 2 in the amount of \$242,955.05 and a correction to pay application no. 1 in the amount of \$0.12 for a discrepancy in payment requested and approved at the February meeting and recommended that the Board approve the payment of same to Comex. After discussion, Director Persson moved to approve pay application no. 2 and a corrected pay application no. 1, as set out above. Director Wetz seconded the motion, which

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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 status of contracts relative to the purchase of land for expansion in the Industrial Park. Mr. Phipps stated that in accordance with the Exchange Agreement for the land acquired from DeLeon, et al., clearing & grubbing was publicly bid, with eight bids being received on February 15, 2022. He noted that the apparent low bidder was Nolley Construction ("Nolley") with a base bid of \$124,750.00 and additional clearing site work in the amount of \$37,500. Mr. Phipps stated that the second lowest bidder was ATZ Environmental Solutions, LLC ("ATZ") with a base bid of \$140,200.00 and additional clearing site work in the amount of \$33,500.00. He noted that the additional clearing site work is to clear and grub 5-acres of land at the future detention pond to allow for dirt sales. Mr. Phipps stated that Nolley was non-responsive in several requests for information for consideration of award. He stated that ATZ was responsive and provided the requested information to JAC. Mr. Phipps then recommended that the Board award the contract to ATZ, based on the factors stated above. After discussion, Director Wetz moved that the Board award the contract to ATZ in the total amount of \$173,700.00, as set out above. Director Persson seconded the motion, which passed unanimously.

Mr. McCrady next presented and reviewed the attached announcements with the Board.

The Board next recessed to Executive Session at 5:45 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 7:06 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 the IA with Lowe's is currently on hold.

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 executed by Smoke Stake and that the item can be removed from the agenda.

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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, after Mr. McCrady stated that he is waiting on the closing documents to be forwarded to the title company.

The Board next considered the status 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 stated that the Agreement is with Acacia for review.

The Board next considered the status of the purchase of a 1.608-acre tract near the Industrial Park. Mr. McCrady stated that the closing documents are at the title company.

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, including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

The Board next considered the status of a Purchase Agreement relative to the purchase of a 64-acre tract of land for park development. Mr. McCrady stated that closing documents are at the title company.

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 closing documents are at the title company.

The Board next considered 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. Mr. McCrady stated that the lease agreements are with YMER for execution.

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2022. Mr. McCrady presented the proposals and recommended that the Board renew its coverage with TML for property and comprehensive boiler and machinery and renew its coverage with Gallagher for commercial general liability and hired car and non-ownership automobile liability, pollution liability, directors and officer's liability, cyber liability, cyber security, umbrella, public employee blanket crime, directors position bond, worker's

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compensation, and business travel accident coverage scheduled to expire on March 31, 2023. After discussion, Director Wetz moved to renew the existing coverages provided by TML and Gallagher and authorize Mr. McCrady to execute the various coverage proposals. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the status of annexation of 112.022 acres of land owned by the District into East Montgomery County MUD No. 3 (“EMC MUD No. 3”), including the approval of and execution of a Supplemental Declaration to The Declaration of Covenants, Conditions and Restrictions and Easements (“Covenants”) and a Waiver Agreement (“Waiver) relative to such tract. Mr. Marks stated that EMC MUD No. 3 has received the executed Consent Resolution from the City of Conroe. After discussion, Director Carlisle moved that EMC MUD No. 3 be authorized to proceed with the annexation of the subject tract, that the Board approve the Covenants and the Waiver and authorize Mr. McCrady to execute same on behalf of the Board and the District. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the approval of an Amended Utility Development Agreement (“UDA”) by and between the District and EMC MUD No. 3 relative to the 112-acre annexation. Mr. Marks reviewed the Amended UDA with the Board. After discussion, Director Willingham moved that the Board approve the UDA and authorize Mr. McCrady to execute same on behalf of the Board and the District. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of petition to annex 29.1 acres of land owned by the District into EMC MUD No. 3. Mr. Marks stated that the petition will be filed with The City of Conroe for approval in the coming weeks.


The Board next considered the review and approval of a fee increase by MRPC. Mr. Marks reviewed the attached MRPC Rates spreadsheet with the Board and noted that the increase will become effective March 1, 2022. After discussion, Director Persson made a motion to approve the fee increases from MRPC as set out above, effective March 1, 2022. Director Willingham 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)




Katherine Persson
Secretary, Board of Directors