

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
June 10, 2021

THE STATE OF TEXAS §
 §
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 June, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Conference Room, Room 200A, 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 Mattlage, Mr. Ryan Bonifas, Mr. Greg Phipps, Ms. Kaye Townley, Mr. Josh Rambo, Mr. David Marks, Mr. Blake Ellis and others 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 Chair Webb.

As the first order of business, the Board presented a check to the Greater EMC Chamber of Commerce in the amount of \$100,000 in accordance with its grant agreement with the District. The Board also presented a check to VR Porter Realty, LLC in the amount of \$50,000 in accordance with its incentive agreement with the District.

Director Persson next made a motion for the Board to re-consider its action relative to the award of Community Development Grants. Director Zepeda seconded the motion, which passed unanimously.

East Montgomery County Improvement District meeting of June 10, 2021

Director Persson next made a motion to approve the \$3,625 grant funding as requested by the Catholic Daughters of America, to deny the grant funding requests of The New Kings Colony POA Inc. and Heaven's Army-Home of Amazing Grace, as the organizations failed to meet the grant guidelines, and to approve the \$5,000 grant funding as requested for the following five (5) applicants: East Montgomery County Fair BBQ Pit Building Scholarship, East Montgomery County Sports Organization, Friends of the R.B. Tullis Library, Knights of Columbus Council #13166, and The Woodlands Dog Park Club DBA Lone Star Animal Welfare League. Director Zepeda seconded the motion, which passed unanimously.

Director Wetz stated that the grant applicants must follow the grant rules, or the Board must deny the request. Director Persson requested that the staff follow up with the applicants that were denied the requested funds.

The Board next considered the execution of Community Development Grant Agreements and the presentation of Community Development Grants. Chairperson Webb executed the Community Development Grant Agreements and presented the grant checks to the applicants, as set out above.

The Board deferred receiving 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 May 13, 2021 and May 27, 2021. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meeting held on May 27, 2021, as written, and to approve the minutes from the meeting held on May 13, 2021, as corrected. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending June 30, 2021. Mr. Rambo presented to the Board an engagement letter from McCall Gibson Swedlund Barfoot PLLC ("McCall") and stated that the projected fees to prepare the District's audit are estimated at \$17,500 to \$18,500. He then stated that the projected fees to prepare the audit reports for the East Montgomery County Improvement District Economic Development Zone Nos. 1, 2, 3, and 4 (the "Zones") are estimated at \$2,000 to \$2,500 for each Zone and presented the executed Form 1295 for the Board's review. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Persson, which passed unanimously, that the Board engage McCall to prepare the District's audit report and the audit reports for the Zones for the fiscal year ending June 30, 2021.

East Montgomery County Improvement District meeting of June 10, 2021

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 remediation is ongoing and that the ceiling tiles are in the process of being replaced. He stated that the project should be complete around October 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. Ms. Townley 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, debits for payroll, wire transfers, on the EDA Grant Account and on the Special Events Account, as set forth on the attached reports. Director Persson seconded the motion, which passed unanimously.

The Board next deferred the adoption of an operating budget for the fiscal year ending June 30, 2022, until later in the meeting.

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.

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 once all the 2020 tax certificates are available.

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 to ensure the drainage project is included in the Gene Campbell Boulevard widening project.

The Board next considered authorizing the preparation of plans and specifications for construction of The Pallet Guys ("Pallet Guys") building. Mr. Phipps stated that JAC is currently working with Pallet Guys on the site layout and building. After discussion, Director Persson moved that JAC be authorized to prepare the plans and specifications for the site preparation and the building. Director Wetz seconded the motion, which passed unanimously.

East Montgomery County Improvement District meeting of June 10, 2021

The Board next considered authorizing the preparation of plans and specifications for construction of the Titan Environmental USA (“Titan”) building. Mr. Phipps stated that JAC is currently working with Titan on the site layout and building. After discussion, Director Rogers moved that JAC be authorized to prepare the plans and specifications for the site preparation and the building. Director Willingham 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 approval of plans, specifications and construction documents and authorizing the Project Bidding Phase. Mr. Phipps stated that the architect’s plans are complete and have been submitted to the Montgomery County Permit office for the issuance of a Development Permit and a Faire Code Permit. He stated that once the permits have been issued, the project will be ready to advertise for bids. After discussion, Director Wetz moved to authorize the Project Bidding Phase. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the approval of a dirt contract for the site fill and rough grading to serve the Industrial Park building. Mr. Phipps stated that fifteen (15) bids were received with the low bid being submitted by Meridian ML, LLC (“Meridian”) with a base bid of \$119,681.47. He presented the Form 1295 from Meridian and recommended the Board award the contract to Meridian. After discussion, Director Carlisle moved that the contract be awarded to Meridian, as set out above, contingent upon receipt of the Corp. of Engineers wetlands determination letter. Director Wetz seconded the motion, which passed unanimously.

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 deferred announcements after Mr. McCrady stated he had none.

The Board next recessed to Executive Session at 6:25 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 8:58 p.m.

East Montgomery County Improvement District meeting of June 10, 2021

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 had nothing new to report.

The Board next considered the adoption of an operating budget for the fiscal year ending June 30, 2022. Mr. McCrady presented and reviewed the attached proposed budget with the Board. After discussion, Director Rogers moved that the attached budget for the fiscal year ending June 30, 2022, be approved as presented. Director Carlisle seconded the motion, which passed unanimously.

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

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 re-purchase of the 4.286-acre tract and the 10.4668-acre tract owned by Powerhouse Industries (“Powerhouse”) (formerly World Fab). Mr. McCrady stated that the re-purchase transaction should close next week.

The Board next considered the status of the re-purchase of the 12.33-acre tract owned by Catalyst Trading. Mr. McCrady stated that the re-purchase transaction has closed.

The Board next considered the status of the Purchase and Sale Agreement with LAW Investment Holdings, LLP relative to the purchase of an 8.874-acre tract in the Industrial Park. Mr. McCrady stated that the transaction has closed.

The Board next deferred the status of an Incentive Letter and a Lease Agreement with The Pallet Guys relative to the lease of a drill site and improvements to be constructed thereon in the Industrial Park.

The Board next deferred the status of an Incentive Letter and a Purchase and Sale Agreement with Electronic Technical Services Corporation relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of an Incentive Letter and a Lease Agreement with Titan Environmental USA relative to the lease of land and improvements to be constructed thereon in the Industrial Park.

East Montgomery County Improvement District meeting of June 10, 2021

The Board next considered the status of an Incentive Letter and a Purchase and Sale Agreement with Acacia, LLC relative to the purchase of a site in the Industrial Park. Mr. McCrady stated the company has notified him of its intent to move to the Industrial Park.

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

The Board next deferred the approval of a Resolution of Authority relative to the purchase of land for expansion of 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 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 the petition has been submitted by No. 3 to the City of Conroe for review and approval.

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, entering into a maintenance agreement relative to the detention pond, receipt of funds from TxDOT and payment thereof to New Quest in accordance with the terms of the Developer Reimbursement Agreement, after Mr. Marks noted that he is working with TxDOT to obtain the necessary conveyance and easement documents and funds.

The Board next considered the approval of the destruction of notes of Board of Directors meetings from February 2020 through February 2021, in accordance with the District’s Records Retention Schedule for General Records. Mr. Marks presented the attached list of records and advised that the time limitations for retention had passed for all records listed, that, to the best of his knowledge and belief, none of the records’ subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Wetz made a motion to authorize the destruction of said notes as requested and in accordance with the provisions of the District’s Records Management Program and said Schedule. Director Carlisle seconded the motion, which passed unanimously.

The Board next considered the review and approval of the Eighth Amendment to Third Amended and Restated Contract of Employment between the District and Frank McCrady (the “Eighth Amendment”). After discussion, Director Persson made a motion to approve the Eighth Amendment to Third Amended and Restated Contract of Employment between the District and Mr. McCrady, as amended by the First, Second, Third, Fourth, Fifth, Sixth and Seventh Amendment to such Contract (collectively, the “Contract”) to extend Mr. McCrady’s term of

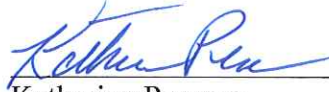
East Montgomery County Improvement District meeting of June 10, 2021

employment by one (1) year, include a 3% salary raise and a \$40,000 bonus. Director Carlisle 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

