

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
October 8, 2020

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 8th day of October, 2020, 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	Secretary
Katherine Persson	Asst. Secretary
Fred Wetz	Treasurer/Investment Officer
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Richard Tramm	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, Ms. Talina Gilbert, Ms. Jennifer Sumner, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley, Mr. Creg Mixon and Mr. Tosbath.

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

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

As the first order of business, the Board deferred receiving questions and comments from members of the audience, after Chair Webb noted that no members of the public signed up to speak.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on September 10, 2020, and September 25, 2020. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meetings held on September 10, 2020, and September 25, 2020, as written. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of development of the District’s 12.85-acre site, including the construction of improvements and the leasing of space in the District’s office building. Mr. McCrady stated that he had nothing new to report.

East Montgomery County Improvement District meeting of October 8, 2020

The Board next deferred the approval of an audit report for the fiscal year ended June 30, 2020.

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 Operating Fund being check nos. 17566, 17603 and 17660 through 17715, inclusive, with check nos. 17566 and 17603 being voided, nine (9) wire transfers and debits for payroll, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

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. Costanza stated that the building experienced a warranty issue with some roof leaks and wet insulation. He stated that Drymalla was contacted and that they are addressing the issue. He further stated that no pay applications were received during the month.

The Board next considered the status of the sale of dirt excavated from the future detention pond site. Mr. Costanza stated that no dirt sales occurred during the month.

The Board next considered the status of platting the Industrial Park, Section 3. Mr. Costanza stated that the plat for Section 3 was submitted to Montgomery County on August 26, 2020 and is still pending approval.

The Board next considered the status of the contract between New Quest and Solid Bridge Construction (“Solid Bridge”) for the construction of a detention pond and storm sewer trunk lines to serve the Kingwood Parc project. Mr. Costanza stated that a final inspection was held on Friday, September 11, 2020, and that minor deficiencies were found, all of which have been corrected by the contractor. He then presented pay application no. 6, in the amount of \$104,482.40 and recommended the Board concur in the developer’s payment of same. After discussion, Director Carlisle moved that the Board concur in the payment of pay application no. 6, by New Quest, as set out above. Director Wetz seconded the motion, which unanimously carried.

East Montgomery County Improvement District meeting of October 8, 2020

The Board next considered the status of the drainage improvements along West Industrial Parkway. Mr. Costanza stated that JAC spoke with Brian Smith of the Montgomery County Engineering Department regarding the project and noted that the County does not have any problems with the design. He stated that JAC will need to coordinate with the precinct's office as they are widening Gene Campbell Blvd. Mr. Costanza noted that the precinct's office agreed to allow the District's work to be performed as a change order to the County road project. After discussion, Director Wetz moved to approve proceeding with the drainage project, as discussed. Director Zepeda seconded the motion, which unanimously carried.

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. Costanza stated that Joiner Architects is 55% complete with the design plans and will have the elevations prepared for review by the Board by the November meeting.

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 the review and approval of a budget for the 2020-2021 Holiday to Remember Ice Rink and Winter Festival ("Festival"). Mr. McCrady presented and reviewed the attached budget with the Board. He noted that the District has received approximately fifty (50) vendor applications to participate in the Festival. After discussion, Director Persson moved to approve the Festival budget, as presented. Director Rogers seconded the motion, which unanimously carried.

The Board next considered the following announcements:

- Mr. McCrady presented and reviewed the attached Calendar of Events.
- Director Zepeda stated he attended the Montgomery County Fair auction and noted it was a successful event.

The Board next recessed to Executive Session at 6:00 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 9:09 p.m.

East Montgomery County Improvement District meeting of October 8, 2020

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 (“IA”). Mr. McCrady stated that he has received the executed IA’s from Italianos and DECA Beer Company.

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 deferred the approval of a Purchase and Sale Agreement with PolyWeld USA Inc. 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 the purchase and sale.

The Board next considered the status of a Purchase and Sale Agreement with E9 Capital Inc. (Gamma) for purchase of a 10-acre tract of land in the Industrial Park. Mr. McCrady stated that the transaction is at the title company.

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

The Board next considered the status of Contracts for the sale of land in the North Industrial Park. Mr. McCrady stated that a sale is scheduled to close tomorrow.

The Board next deferred the approval of a Resolution of Authority relative to the purchase and financing tracts of land for expansion of the North Industrial Park.

The Board next considered the approval of an Incentive Agreement and the Purchase and Sale Agreement with Multi Seal Corporation (“MSC”), 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. Mr. McCrady discussed the purchase with the Board. After discussion, Director Wetz moved to approve the Incentive Agreement and Purchase and Sale Agreement with MSC, and to authorize the Chair and President to take all actions necessary to close on the purchase and sale of the land. Director Carlisle seconded the motion, which unanimously carried.

East Montgomery County Improvement District meeting of October 8, 2020

The Board next deferred the approval of an Incentive Agreement and the 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 deferred the approval of a Utility Development Agreement by and between the District and the East Montgomery County Municipal Utility District No. 3 relative to land owned by the District in the Industrial Park-North.

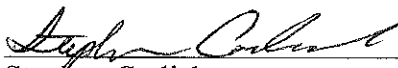
The Board next deferred the review and approval of proposals for use of electronic devices for director information for Board of Directors meetings.

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)





Stephen Carlisle
Secretary, Board of Directors