

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
October 12, 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 12th day of October, 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 Matlage, Mr. Creg Mixon, Ms. Talina Gilbert, Ms. Jennifer Green, Mr. Ryan Bonifas, Ms. Kaye Townley, Mr. Greg Phipps, Chief Howard Rinewalt, Ms. Jan Peterson, Mr. David Marks, Mr. Blake Ellis 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 Zepeda.

As the first order of business, 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 meeting held on September 9, 2021. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on September 9, 2021, as written. Director Persson seconded the motion, which carried unanimously.

The Board next deferred the approval of the audit report for the fiscal year ended June 30, 2021.

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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 the remediation work is continuing and that the staff are back in their offices. He stated that the that installation of the fire suppression system is still on going.

The Board next considered a report from Montgomery County Emergency Services District No. 7 ("ESD 7") on its utilization of District grant funds. Chief Rinewalt and Ms. Peterson addressed the Board and stated that the District's grant agreement with ESD 7 expired in September and requested an extension of the agreement. Mr. McCrady stated that he will review the numbers and discuss the grant extension with the District's financial advisor.

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, the EDA Grant Account, the 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 the review and approval of a budget for the 2021 Holiday to Remember Ice Rink and Winter Festival. Mr. McCrady reviewed the attached proposed budget and stated that the total projected cost of the festival is \$824,372. He noted that the 2020 festival cost approximately \$900,000. After discussion, the Board noted that the estimated cost is within the District's 2021 budget for the event.

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 plat has been recorded in the real property records of Montgomery County.

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.

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The Board next deferred the review of bids and authorization of an award of a contract for construction of The Pallet Guys building after Mr. Phipps stated that the plans are being finalized and the project will be advertised for award at the December meeting.

The Board next considered the review of bids and authorization of an award of a contract for construction of the Titan Environmental USA building. Mr. Phipps stated that the bidding for the clearing and grubbing to serve 6 acres out of Reserve B, EMCID Industrial Park, Section 4 was held on October 5, 2021. He stated that seven (7) bids were received, with the low bid being submitted by BSC Management, Ltd., (“BSC”) with a base bid of \$60,290.00. Mr. Phipps stated that JAC contacted several references and recommended that the Board award the contract to BSC. After discussion, Director Carlisle moved to approve the bid and award the contract to BSC, as set out above. Director Persson seconded the motion, which passed, with Director Rogers being opposed. Mr. Phipps further stated that the building construction will be advertised for award at the December meeting.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the status of a contract with Meridian ML, LLC (“Meridian”) for the site fill and rough grading to serve the EDA Business Center building. Mr. Phipps stated that the project is complete and presented pay estimate no. 2 (final) in the amount of \$72,362.48 and recommended that the Board approve the payment of same, approve the request for nine (9) weather related days, and accept the project as complete. After discussion, Director Carlisle moved to approve the payment of pay estimate no. 2 (final), approve the request for nine (9) weather related days, and accept the project as complete, as set out above. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the review of bids, consideration of architect’s/engineer’s recommendations, authorize advertisement for bids and consideration of award of project for construction. Mr. Phipps stated that the project plans and specifications have been finalized and submitted for EDA approval to bid. He stated that the project will be advertised for award at the November meeting.

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

The Board next considered announcements. Mr. McCrady presented and reviewed the attached Calendar of Events.

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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 Code. The Board returned from Executive Session at 7:32 p.m.

The Board next considered the status of economic development Incentive Agreements (“IA”). Mr. McCrady stated that he has received the executed IA with Amazing One, LLC (Paige Orthodontics).

The Board next considered 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 received an email from Lowe’s and that he and Mr. Marks will review and complete the IA for execution by Lowe’s.

The Board next considered the status of an IA with American Realty Group or its assigns (La Marketa de Porter, LLC). Mr. McCrady stated that the IA is with the developer for execution.

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

The Board next considered 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”). Mr. Marks presented and reviewed the Conveyance with the Board. After discussion, Director Persson moved to approve the Conveyance and authorize the Chair and Secretary 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 a Conveyance of Utility Facilities for wastewater lift station and force main improvements to serve Industrial Park, Section 3 (Quadvest) to EMC 3. Mr. Marks presented and reviewed the Conveyance with the Board. After discussion, Director Persson moved to approve the Conveyance and authorize the Chair and Secretary to execute same on behalf of the Board and the District. Director Zepeda seconded the motion, which unanimously carried.

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The Board next considered the status of the Purchase and Sale Agreement with Gromax Development, LLC (“Gromax”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that all of the real estate transactions documents are with the title company. After discussion, Director Zepeda moved that the President/CEO and Chair be authorized to take all actions and execute all required documents to close on the sale of the property to Gromax. Director Wetz seconded the motion, which passed unanimously.

The Board next considered 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. Mr. McCrady stated that the building design is in process and that he is working to get the lease signed.

The Board next considered the status of the Purchase and Sale Agreement with Electronic Technical Services Corporation (“ETSC”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that all of the real estate transactions documents are with the title company. After discussion, Director Zepeda moved that the President/CEO and Chair be authorized to take all actions and execute all required documents to close on the sale of the property to ETSC. Director Wetz seconded the motion, which passed unanimously.

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 after Mr. McCrady stated that the engineer is waiting on receipt of the executed Incentive Letter and Lease Agreement to complete the plans.

The Board next considered the status of the Purchase and Sale Agreement with Acacia, LLC (“Acacia”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that all of the real estate transactions documents are with the title company. After discussion, Director Zepeda moved that the President/CEO and Chair be authorized to take all actions and execute all required documents to close on the sale of the property to Acacia. Director Wetz seconded the motion, which passed unanimously.

The Board next considered the status of contracts relative to the purchase of land for expansion in the Industrial Park, including the 29.1-acre tract. Mr. McCrady stated the purchase of the 29.1-acre tract is scheduled to close on Friday.

The Board next deferred the approval of a Resolution of Authority relative to the purchase and financing of land in the Industrial Park.

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The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next deferred the approval of a Purchase and Sale Agreement relative to the purchase of a 40-acre tract in the Industrial Park.

The Board next considered the approval of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres of land for park development and authorize the President/CEO and Chair to take all actions and executed all required documents in connection with the purchase of the property, and approval of a Resolution of Authority ("Resolution") relative to the purchase and financing of approximately 40 acres of land for park development. After discussion, Director Persson moved to approve the Purchase and Sale Agreement and the Resolution relative to the purchase of land for park development, including authorizing the President/CEO and Chair to take all actions and execute all required documents to close on the purchase of the property. Director Willingham seconded the motion, which passed unanimously.

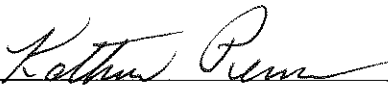
The Board next considered the status of a petition to annex 112.022 acres of land owned by the District into East Montgomery County MUD No. 3 ("No. 3"). Mr. Marks reminded the Board that the petition was approved by the City of Conroe on June 24, 2021, contingent upon No. 3 agreeing to enter into a Strategic Partnership Agreement with the City of Conroe within the next 180 days and noted that same is pending.

The Board next considered matters for possible placement on future agendas. Mr. McCrady noted that the November Board of Directors meeting will be held on November 4, 2021, at 5:30 p.m.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)




Katherine Persson
Secretary, Board of Directors