

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 14, 2019

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 14th day of November, 2019, at 5:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the following officers and members of the Board of Directors were present:

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

with all of said persons being present, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley and several 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 Rogers led in prayer followed by the pledges of allegiance led by Director Tramm.

As the first order of business, the Board deferred receiving questions and 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 October 15, 2019. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on October 15, 2019, as written. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred the election of officers of the Board of Directors.

The Board next considered the Community Development Grant funding requests and the taking of action to award or deny the grant requests. Mr. McCrady presented and reviewed the attached grant scoring, overall ranking and backup scores given by the grant applicants and the attached grant application summary. He noted that two (2) grant applicants were not present at

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the previous meeting and were therefore disqualified. Chair Webb then called roll to ensure all fifteen (15) applicants were present. After discussion, Director Rogers moved to approve the grant funding as requested for the following fifteen (15) applicants: Roman Forest Police Department, City of Splendora Police Department, EMC Swim Team, Family Time Crisis and Counseling Center, Friends of the R.B. Tullis Library, Heaven's Army of Resources, EMC Senior Center, New Caney High School Cheer Booster Club, New Caney New Horizons, Piney Woods Elementary PTO, Piney Woods Veterans of Foreign Wars, Porter Spartans Women's Basketball Booster Club, Splendora High School Project Graduation, Splendora Youth Baseball Association and Mission Northeast. Director Tramm seconded the motion, which unanimously carried.

The Board next considered authorizing the 2019 constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that the patrol will begin this evening and continue through January 15, 2020. He stated the District has budgeted \$70,000 for the patrol program. After discussion, Director Carlisle moved to proceed with the 2019 constable patrol security program within the established budget set out for the program. Director Tramm 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 the Montgomery County Constable Pct. 4 detectives have moved into their lease space in the building.

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, the utility usage and expense report and discussed the invoices presented for payment. Following review, Director Carlisle made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 16853 through 16934, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2680, 2704 and 2706 through 2711, as set forth on the attached reports. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a related Resolution. Mr. Marks advised that he has no changes to the Order to recommend at this time. After discussion, Director Rogers made a motion to adopt the attached Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, and to authorize the Chair to sign and the Secretary to attest the Resolution on

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behalf of the Board and District. Director Wetz seconded the motion, which carried unanimously.

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 project is 96% complete and presented pay application no. 9, in the amount of \$318,918.96 and recommended the Board approve the payment of same. After discussion, Director Carlisle moved that the Board approve the payment of pay application no. 9, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred the status of the sale of dirt excavated from the future detention pond site, including the termination of the contract with TDG for excavation and delivery of dirt and approval of a contract for the sale of dirt to Grand Parkway Infrastructure, LLC.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza stated that the Section 3 plat is awaiting payment of all taxes, penalties and interest from the landowners and noted that the plat recordation cannot be completed until all taxes, penalties and interest are paid. Mr. Costanza stated that the Section 4 plat was submitted to Montgomery County for recordation in July 2019. He reported that the County Attorney’s office inadvertently overlooked preparing the plat for recordation and that the 2019 property tax bills have now been sent out and must be paid before the County will record the plat. Mr. Costanza stated that he is working with the landowners to pay the taxes as soon as possible.

The Board next considered the status of receipt of the Special Warranty Deed (“Deed”) for the detention pond site and the related easements relative to Kingwood Parc project. Mr. Marks reported that MRPC has received the executed Deed and related easements from A-S 140 Kingwood Parc City Center, LP.

The Board next considered the status of the contract with Solid Bridge Construction for the construction of a detention pond and storm sewer trunk lines to serve the Kingwood Parc project. Mr. Costanza stated that the contracts are complete and have been reviewed by MRPC. He stated that a Notice to Proceed was issued on November 12, 2019.

The Board next deferred the approval of a contract with J.A. Costanza & Associates relative to the design and construction of the Economic Development Administration (“EDA”) Business Center grant building in the Industrial Park.

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The Board next considered a report on the EDA Business Center Building in the Industrial Park. Mr. Costanza reviewed the project procedures with the Board. The Board next deferred the following a) approval of contract with J.A. Costanza & Associates Engineering, Inc. relative to program management and/or engineering services related to the project; b) authorizing Request for Qualifications (RFQ) for Architectural/Engineering Services, including publishing and review of RFQ's received; c) authorizing Request for Proposal (RFP) for Architectural/Engineering Services, including negotiations and contract with best qualified candidates from RFQ process; d) authorizing Agreement for Architectural/Engineering Services and preparation of plans, specifications and construction documents; e) approval of plans, specifications and construction documents and authorize Project Bidding Phase; f) review of bids, consider architect's/engineer's recommendations, and consider award of project for construction; g) review pay applications, change orders and construction recommendations and consider approval of same; h) consider final project documents, accept architect's and engineer's certification of completion, and accept project; and i) other items that may arise from time to time;

The Board next considered the following announcements:

- Mr. McCrady distributed and discussed the attached Calendar of Events;
- Chair Webb noted that for the last 3-4 weeks, Hometown Chef has been delivering meals to the community, which have been paid for by EMCID;
- Mr. Butzelar stated that NC Customs, LLC will celebrate its 2nd anniversary with an Open House on Saturday from 10:00 am to 3:30 pm.
- Mr. McCrady next reported that the District received Foreign Direct Investment certification by the Transatlantic Business Investment Council as a company to deal with when looking to expand business in the US. He noted that EMCID is one (1) of six (6) companies in the US to receive the certification.
- Mr. Wetz next stated that the couple he sponsored were recently sworn in as American citizens.

The Board next recessed to Executive Session at 6:05 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

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Executive Session at 7:57 p.m. Director Persson entered the meeting during Executive Session.

The Board next considered the approval of modifications to the agreement with East Montgomery County Municipal Utility District No. 3 ("EMC 3") to advance funds for security services in the Industrial Park ("IP"). Mr. McCrady stated that the total cost per year for two (2) full time Montgomery County Pct. 4 Constable's to patrol all of EMC 3, including the IP, and including the patrol vehicles is projected to be \$219,022 the first year and \$164,815 the second year. He recommended that the District advance funds to the EMC 3 Operating Fund to pay for the Constable patrol program in the amount not to exceed 100% of the total contract price. After discussion, Director Carlisle moved to approve a modification to the agreement to provide an advance to the EMC 3 operating account for the Constable patrol program in an amount not to exceed 100% of the contract price. Director Rogers seconded the motion, which unanimously carried.

The Board next deferred the approval of an Incentive Agreement with Lighthouse Industrial Properties, LLC.

The Board next considered the approval of an Incentive Agreement with Pit Row Pit Stop or its assignees ("Pit Row"). Mr. McCrady recommended offering a \$40,000 grant for construction costs and stated that 50% of the employees will be hired from within the boundaries of the District. He also presented the executed Form 1295 from Pit Row. After discussion, Director Wetz moved that the Board approve the Incentive Agreement with Pit Row, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred the status of an Incentive Agreement with Weiz LLC.

The Board next considered the status of a Second Amendment to Incentive Agreement ("Second Amendment") with VR Porter Healthcare ("VR"). Mr. McCrady stated he received the executed Second Amendment with VR and that the item can be removed from the agenda.

The Board next deferred the status of an Incentive Agreement with Keysteel Corp.

The Board next deferred the status of an Incentive Agreement with EXP Controls or its assignees (Stanchi).

The Board next deferred the status of an Incentive Agreement with YMER Technology.

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.

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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 Conveyance of Utility Facilities for water and sanitary sewer facilities to serve Industrial Park, Section 4 (Clearwater) to EMC 3, as the plat has not yet been recorded.

The Board next deferred the approval of a Purchase and Sale Agreement with Sigma Fasteners or its assigns, relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the Incentive Letter and preparation of a Purchase and Sale Agreement with BSD Transport relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement and Option Agreement with Pearson Construction relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement with Performance Drywall LLC relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of an Incentive Letter and preparation of a Purchase and Sale Agreement with Levitated Metals Real Estate Holdings, LLC relative to the purchase of a site in the Industrial.

The Board next deferred the status of an Option Agreement with Stanchi relative to the sale of a 3 acre tract in the Industrial Park.

The Board next deferred the approval of the re-purchase of land previously conveyed to Catalyst Trading Services, Ltd. by the District.

The Board next considered the approval of the re-purchase of land previously conveyed to JRA Services LLC d/b/a Hometown Chef Catering Co ("Hometown Chef"). After discussion, Director Persson moved to approve the re-purchase of land previously conveyed to Hometown Chef at the same price as Hometown Chef paid for the property. Director Carlisle seconded the motion, which unanimously carried.

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

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The Board next considered the approval of an Event Agreement relative to the Fire and Ice Festival in May 2020. Ms. Matlage reviewed the plans for the event and the provisions of the Event Agreement. After discussion, Director Carlisle moved to approve the Event Agreement for the Fire and Ice Festival and to authorize Mr. McCrady to execute the Agreement on behalf of the Board and the District. Director Rogers seconded the motion, which unanimously carried.

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

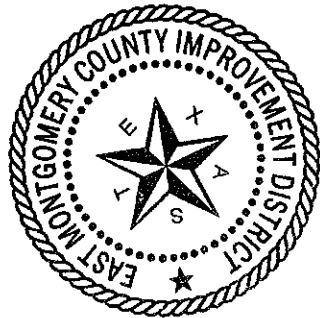
The Board next deferred the appointment of a Director to fill the vacancy created by the passing of Director Martin.

The Board next deferred the acceptance of a Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for an appointed director.

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)



A handwritten signature in cursive script, appearing to read "Stephen Carlisle", written over a horizontal line.

Stephen Carlisle
Secretary, Board of Directors