

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 14, 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 14th day of November, 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:

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| Brenda Webb | Chairperson |
| Stephen Carlisle | Vice Chair |
| Katherine Persson | Secretary |
| Leonard Rogers | Assistant Secretary |
| Fred Wetz | Treasurer/Investment Officer |
| Ronald Willingham | Assistant Treasurer |
| Crystal Moore | Director |
| Elizabeth Mullane | Director |

and all of said persons were present, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kaye Townley, Mr. Greg Phipps, Mr. Bill Erwin, Mr. Joe O’Connell, Ms. Jennifer Summer Green, Mr. Timothy Underwood, Mr. David Marks, and others from the community, as shown on the attached sign in sheet.

The Chair 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 Wetz.

As the first order of business, Mr. Timothy Underwood, the new Roman Forest City administrator, introduced himself to the Board.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on September 30, 2022, October 10, 2022 (4:00 p.m.), October 10, 2022 (5:30 p.m.) and October 25, 2022. After review and discussion, Director Willingham moved to approve the minutes of the Board of Directors meetings held on September 30, 2022, October 10, 2022 (4:00 p.m.) and October 30, 2022, as written and the October 10, 2022 (5:30 p.m.) minutes, as corrected. Director Wetz seconded the motion, which passed unanimously.

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The Board next considered the Community Development Grant funding requests and the taking of action to award or deny the grant requests. Chair Webb called roll to confirm that all of the applicant representatives were present and noted that all were present except Splendor Countryside United Methodist Church. Director Persson moved to approve the grant funding as requested on the attached spreadsheet for the following applicants: City of Patton Village, Crisis Assistance Center DBA Community Assistance Center, Dogwood Elementary, East Texas Dream Center, Montgomery County Precinct 4 Citizen Academy Alumni, New Caney New Horizons, Porter Spartan Women Basketball Boosters Inc., Splendor Athletics Booster Club, Splendor Project Graduation, The Woodlands Dog Park Club dba Lone Star Animal Welfare League and VFW Post 4816 Porter, Texas. Director Rogers seconded the motion, which passed unanimously. Director Persson then moved to deny the funding request of Splendor Countryside United Methodist Church as they were not present at the grant meetings as required by the District grant policy. Director Rogers seconded the motion, which passed unanimously.

Mr. Wetz next recommended that in the future, the applicants be required to utilize the funds and file a report within 90 days of grant receipt. Director Carlisle recommended that the applicants be required to file a report within 120 days of grant receipt. After discussion, Director Mullane made a motion to amend the grant policy to change the reporting period to 120 days, effective with the March 2023 grant cycle. Director Willingham seconded the motion, which passed unanimously.

The Board next considered approval of an Attorney Engagement Agreement with Andrews Myers, P.C. (“AM”) for representation of the District in connection with legal issues related to construction contracting and administration. Mr. Marks introduced Mr. Bill Erwin to the Board, and Mr. Erwin discussed his qualifications. Mr. Marks reviewed the proposed AM agreement with the Board and noted that AM agreed to waive the retainer requirement. After discussion, Director Rogers made a motion to approve the agreement with AM for representation of the District in connection with legal issues related to construction, as set out above. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred consideration of review and approval of an updated 2022 EMCID Sales Tax Calculations to Comply with Agreements with Montgomery County Emergency Services District No. 6 and No. 7.

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The Board next considered the status of the 2022 Constable patrol security program at shopping centers located within the District during the holiday season. Chief Deputy Welch and Lt. Looza discussed the yearly program and distributed a proposal for security and patrol to be provided beginning November 15, 2022 through January 15, 2023. Mr. McCrady stated that the patrol program is ready to begin and that the District has budgeted \$80,000 for the patrol program. After discussion, the Chair Webb noted that the Board previously approved the 2022 Constable patrol security program at its last meeting at the requested budgeted amount.

The Board next considered the status of construction of improvements and the leasing of space in The Atrium Center, including approval of lease agreement for space within The Atrium Building to Sam Houston Small Business Development Center. Mr. McCrady stated that he is waiting on delivery of the air handlers to complete the building rehabilitation. After discussion, Director Carlisle made a motion to rent the space to Sam Houston Small Business Development Center at a rental rate of \$1.00 per year. Director Persson seconded the motion, which passed unanimously.

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, EDA Grant Account, Special Events Account, debits for payroll and wire transfers, as set forth on the attached reports. Director Willingham seconded the motion, which passed unanimously.

The Board next considered the status of 2022 Holiday to Remember Ice Rink and Winter Festival. Mr. McCrady reported that the planning is going well, set-up is starting, and he is working on booth sales.

The Board next deferred approval of an Agreement with East Montgomery County MUD No. 3 (“No. 3”) for reimbursement of costs relative to constable patrol program to serve the Industrial Park until later in the meeting.

Mr. Phipps next presented 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. He stated that no dirt sales occurred during the month.

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The Board next considered the status of the contract with Bey Commercial (“Bey”) for the construction of the building to be leased to Titan Environmental USA in the Industrial Park. Mr. Phipps presented pay application no. 8 in the amount of \$207,864.00. He stated that JAC recommended that the Board approve the payment of pay application no. 8 to Bey. After discussion, Director Persson made a motion to approve pay application no. 8, as set out above. Director Rogers 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 status of the contract with Comex Corporation (“Comex”) for construction of the EDA building. Mr. Phipps presented pay application no. 10 in the amount of \$136,413.37 and recommended that the Board approve the payment of pay application no. 10 to Comex. After discussion, Director Persson moved to approve pay application no. 10, as set out above. Director Rogers seconded the motion, which 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 approval of plans and authorize advertisement for bids for buildout of Suite A in the EDA Business Center Building. After discussion, Director Persson made a motion to approve the plans and authorize the engineer to advertise for bids for buildout of Suite A. Director Wetz seconded the motion, which passed unanimously.

The Board next deferred review of bids and authorize award of contract for buildout of Suite A in the EDA Business Center Building.

The Board next deferred approval of lease of space in EDA Building to Future Frame until later in the meeting.

The Board next deferred approval of lease of space in EDA Building to Montgomery County Constable until later in the meeting.

The Board next deferred consideration of other items that may arise from time to time.

The Board next considered announcements. Director Persson reported that Splendora ISD passed a \$201 million bond issue.

The Board next recessed to Executive Session at 6:36 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,

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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 9:02 p.m.

The Board next considered approval of an Agreement with No. 3 for reimbursement of costs relative to constable patrol program to serve the Industrial Park. After discussion, Director Persson made a motion to authorize Mr. McCrady to negotiate an agreement with No. 3. Director Rogers seconded the motion, which passed unanimously.

The Board next considered approval of lease of space in EDA Building to Future Frame. Mr. McCrady discussed the terms of the lease, including that Future Frame will lease 6,480 square feet at \$9.00 per square foot and provide the framing for the next building that EMCID constructs in the IP. After discussion, Director Rogers made a motion to approve a lease of space to Future Frame on the terms set forth above. Director Wetz seconded the motion, which passed unanimously.

The Board next considered approval of lease of space in EDA Building to the Montgomery County Constable. After discussion, Director Wetz made a motion to approve a lease of space in the EDA Building to the Montgomery County Constable, in consideration of the rent and other terms. Director Carlisle seconded the motion, which passed unanimously.

The Board next considered the status of economic development Incentive Agreements (“IA”), including the status of the IA with Citizens Bank (the “Bank”). Mr. McCrady stated that the IA is pending with the Bank.

The Board next considered the status of the IA with Reds Diesel Repair (“Reds”). Mr. McCrady stated that Reds application to the EDC is not yet complete.

The Board next deferred the status of the IA with Luna’s Case de Café Bakers.

The Board next considered approval of modifications to the existing IA between the District and YMER. After discussion, Director Rogers made a motion to extend the existing IA to 2026 and to approve a sublease with Multi-Wing. Director Mullane seconded the motion, which passed unanimously.

The Board next considered authorizing the assignment of the IA between the District and Iron Bridge, the owner of the Brookshire Bros. Shopping Center (“Iron Bridge”), to Gladier, Inc. or its assignees. After discussion, Director Persson made a motion to authorize the assignment and amendment of the IA between the District and Iron Bridge to Gladier, Inc. to include its assignees. Director Willingham seconded the motion, which passed. Director Carlisle abstained from the discussion and the vote advising that his wife’s business leases space in the center.

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

The Board next deferred the status of contracts for 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 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 deferred consideration of 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.

The Board next deferred the approval of a Purchase and Sale Agreement with New Caney Beverage, Inc., including authorizing the Chair and President/CEO to take all actions necessary to close on the transaction.

The Board next deferred approval of a sublease by YMER to Multi-Wing or its assignees.

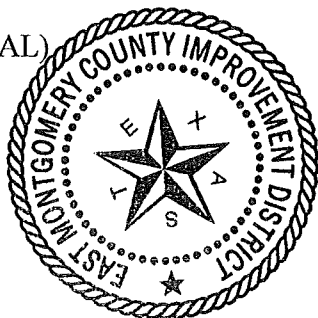
The Board next considered approval of a Purchase and Sale Agreement with incentives relative to sell of approximately 1.7 acres of land to Arcadian Contracting, LLC (“Arcadian”) and authorize the Chair and President/CEO to take all actions necessary to close the transaction. After discussion, Director Persson made a motion to approve the Purchase and Sale Agreement with incentives to Arcadian, as set out above, and authorize the Chair and President/CEO to take all actions necessary to close the transaction. Director Carlisle seconded the motion, which passed unanimously.

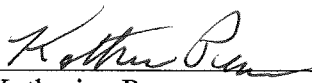
The Board next deferred the status of development of the 64-acre park, including the review and approval of proposals from Landscape Architects for design of the park.

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