



# CITY OF CONROE

## **CIDC MEETING**

**May 21<sup>st</sup>, 2020 @ 4:00 pm  
via Zoom**

**NOTICE OF REGULAR MEETING  
BOARD OF DIRECTORS  
CONROE INDUSTRIAL DEVELOPMENT CORPORATION**

**CITY COUNCIL CHAMBERS – CONROE CITY HALL – 300 WEST DAVIS, CONROE  
THURSDAY, May 21, 2020 – 4:00 p.m.**

**DUE TO THE COVID-19 PANDEMIC EMERGENCY AND THE NEED TO IMPLEMENT SOCIAL DISTANCING THE GOVERNOR OF TEXAS HAS SUSPENDED THE APPLICATION OF CERTAIN LAWS RELATED TO THE PHYSICAL ASSEMBLY OF A QUORUM OF BOARD MEMBERS AND PERMITTING GOVERNMENTAL BODIES TO CONDUCT MEETINGS TELEPHONICALLY OR BY VIDEO CONFERENCING. MEMBERS OF THE CITY COUNCIL MAY ATTEND AND PARTICIPATE IN THIS MEETING BY TELEPHONE, VIDEO CONFERENCING OR BY THEIR PHYSICAL ATTENDANCE AT THE POSTED MEETING LOCATION.**

**MEMBERS OF THE PUBLIC MAY VIEW THE OPEN MEETING ONLINE AT [www.CityofConroe.org/OurCityTV](http://www.CityofConroe.org/OurCityTV)**

**PROVISION WILL BE MADE VIA TOLL FREE PHONE NUMBER FOR CITIZEN COMMENT DURING ANY PUBLIC HEARING OR CITIZENS INQUIRY TIME DESIGNATED ON THE MEETING AGENDA: 888-475-4499 (Toll Free) or 877-853-5257 (Toll Free) Webinar ID: 840 4522 6993.**

**IN ACCORDANCE WITH GUIDELINES AND DIRECTIVES RELATED TO PUBLIC ASSEMBLIES DURING THE PRESENT EMERGENCY THE PHYSICAL ASSEMBLY OF PERSONS IN THE COUNCIL CHAMBERS WILL BE LIMITED TO NO MORE THAN TEN (10) PERSONS. CITIZENS WHO DESIRE TO VIEW THE MEETING OR MAKE PUBLIC COMMENT ARE ENCOURAGED TO USE THE WEB LINK.**

**CONROE CITY COUNCIL MEETING NOTICE**

*A quorum of the Conroe City Council may attend this meeting, including any executive session that is closed to the general public. This notice shall also serve as notice of a meeting of the City Council as required by the Texas Open Meetings Act. No action shall be taken by the City Council during this meeting and any deliberations between a quorum of the City Council shall be limited to the items posted below and shall be incidental to the meeting of the development corporation.*

**CALL TO ORDER - CALL OF ROLL**

- 1. Minutes of prior meeting(s)**
- 2. Monthly Financial Report**
- 3. Right of First Refusal Purchase Agreement with Supra America Real Estate, LLC for Restricted Reserve C in Conroe Park North Section 7**
- 4. Discussion of City of Conroe request for capital improvement funding for:**
  - a. Traffic signal on Seven Coves Road at Farrell Road - \$370,000**
  - b. Water line extension Wally Wilkerson Road to FM 1484 - \$3,066,000**

**It is the policy of the Board of Directors to afford disabled persons maximum access to all public meetings. The Board of Directors will make reasonable accommodations to address the needs of persons with vision or hearing impairments or other disabilities, including the provision of readers or sign language interpreters when requested reasonably in advance.**

- c. Water well and storage at Tom Stinson Rd and Technology Park Dr - \$6,147,000
- 5. Closed session deliberation(s) concerning:
  - a) the offer of a financial incentive – Gov. Code § 551.087
  - b) purchase, exchange or value of real property § 551.072
- 6. Contract(s)/Offer(s) for sale and purchase of land
- 7. Executive Director’s Report
  - a. Marketing and promotional activities
  - b. New business prospects, expansion and relocation activities
  - c. Industrial and Technology park development activities
  - d. Land sales
- 8. Payment of Invoices
- 9. ADJOURN

**EXECUTIVE SESSION:** At any time during the meeting the Board may announce it will go into closed session pursuant to Chapter 551 of the Texas Government Code to receive advice from legal counsel, to discuss the offer of a financial incentive for economic development purposes, to discuss matters of land acquisition, personnel matters or other lawful matters that are specifically related to items listed on this agenda. Prior to any such closed session the presiding officer, in open session, will identify the agenda item to be discussed and the section or sections of Chapter 551 under which the closed discussion is authorized.

**ORDER OF BUSINESS:** The Board may vote and/or act upon each of the items listed in this agenda in an order considered to be convenient to the public and the Board. One agenda item will be discussed at a time unless logic and practical consideration allow similar topics to be considered together for efficiency.

**ACTION:** The Board may vote on and authorize any action reasonably related to an agenda item and neither the use nor omission of words such as “discuss”, “consider”, “approve” or “act” shall be deemed to limit the authority of the Board to act with respect to an agenda item.



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Marcus L. Winberry, Board Secretary

I certify that the above notice of meeting was posted on bulletin board in the City Hall, 300 West Davis, and in other places accessible to the public on the 14 day of May, 2020.



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Marcus L. Winberry, Board Secretary

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# **ITEM 1**

**MINUTES OF PRIOR MEETING(S)**

**MINUTES OF THE BOARD OF DIRECTORS  
CONROE INDUSTRIAL DEVELOPMENT CORPORATION  
REGULAR BOARD MEETING OF APRIL 16, 2020**

On April 16, 2020 the Board of Directors of the Corporation did meet via Zoom teleconference due to the COVID-19 pandemic, written notice of the time, place and subject of said public meeting having been previously given in accordance with Texas Government Code, Chapter 551 and the pandemic emergency procedures authorized by the Governor and Attorney General of the State of Texas, and to each Director of the Corporation in the manner provided by law.

All of the following members were present:

Keaton Hineman - presided at the meeting  
Chip VanSteenberg  
Seth Gibson  
Toby Powell  
Raymond McDonald  
Duke Coon

Members absent were:

George Waggoner

Other persons in attendance included:

Paul Virgadamo, President  
Steve Williams, Treasurer  
Marcus Winberry, Secretary  
Danielle Scheiner, Executive Director CEDC  
Laura Lea Palmer, Deputy Director CEDC  
Jennifer Matthews, Associate Director CEDC

A quorum of the Board was present and the Vice Chairman convened the meeting.

Item 1. A Motion by **Director Powell** seconded by **Director VanSteenberg** to:

APPROVE AS SUBMITTED THE MINUTES OF THE MEETING OF  
FEBRUARY 27, 2020

For

Against

Abstained

Absent

George Waggoner

Chip VanSteenberg  
Seth Gibson  
Keaton Hineman  
Duke Coon  
Raymond McDonald  
Toby Powell

The motion was passed and adopted.

Item 2. PUBLIC HEARING - PROPOSED CARL BARTON SEWER SYSTEM PROJECT

The Vice Chairman opened the Public Hearing at 4:02 pm to discuss the City of Conroe request for funding of the Carl Barton Sewer Project that provides additional service to the Conroe Park North Industrial Park. The Executive Director explained that the City was requesting to transfer excess funds previously approved for Conroe Park North infrastructure to the sewer project that would also benefit and serve the industrial park. The sum of \$2,129,082 is available for transfer to the sewer project. No members of the public offered comment and the Vice Chairman closed this portion of the public hearing at 4:03 pm and moved to Item 3.

Item 3. A Motion by **Director McDonald** seconded by **Director Gibson** to:

APPROVE FUNDING TO THE CITY OF CONROE IN THE AMOUNT OF \$2,129,082 FOR CARL BARTON SEWER SYSTEM PROJECT TO BE PAID FROM CIDC FUNDS PREVIOUSLY AUTHORIZED FOR CONROE PARK NORTH STREET REHABILITATION PROJECT

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Chip VanSteenberg Seth Gibson Keaton Hineman Duke Coon Raymond McDonald Toby Powell			George Waggoner

The motion was passed and adopted.

Item 4. A Motion by **Director Gibson** seconded by **Director McDonald** to:

APPROVE THE MONTHLY FINANCIAL REPORT FOR JANUARY 2020 & FEBRUARY 2020 AS PRESENTED

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Chip VanSteenberg Seth Gibson Keaton Hineman Duke Coon Raymond McDonald Toby Powell			George Waggoner

The motion was passed and adopted.

Item 5. A Motion by **Director Powell** seconded by **Director Gibson** to:

APPROVE THE ANNUAL PERFORMANCE REVIEW OF ECONOMIC DEVELOPMENT AGREEMENTS AND AUTHORIZE PAYMENT OF INCENTIVE PAYMENTS EARNED FOR 2019 AS PER THE ATTACHED LIST OF APPROVED PAYMENTS

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Chip VanSteenberg Seth Gibson Keaton Hineman Duke Coon Raymond McDonald Toby Powell			George Waggoner

The motion was passed and adopted.

Item 6. A Motion by **Director VanSteenberg** seconded by **Director McDonald** to:

GRANT ARCHITECTURAL REVIEW COMMITTEE APPROVAL FOR TEXAS TISSUE CONVERTING, LLC PROJECT AS PER THE PLANS ON FILE WITH THE EXECUTIVE DIRECTOR

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Chip VanSteenberg Seth Gibson Keaton Hineman Duke Coon Raymond McDonald Toby Powell			George Waggoner

The motion was passed and adopted.

Item 7. At 4:18 pm the Chairman recessed the regular meeting for an Executive Session to deliberate the offer of financial incentive and deliberate concerning the sale, purchase, exchange or value of real property.

At 4:35 pm the Chairman reconvened the regular meeting.

Item 8. CONTRACT(S)/OFFER(S) FOR SALE AND PURCHASE OF LAND

No action.

Item 9. A Motion by **Director VanSteenberg** seconded by **Director Coon** to:

ECONOMIC DEVELOPMENT GRANT TO HOME DEPOT USA, INC. AND CONROE LOGISTICS CENTER, LLC FOR IMPROVEMENTS TO PORTER ROAD IN CONNECTION WITH PROPOSED WAREHOUSE PROJECT

Grant Agreement approved in the amount not to exceed \$6,114,151.92.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Chip VanSteenberg Seth Gibson Keaton Hineman Duke Coon Raymond McDonald Toby Powell			George Waggoner

The motion was passed and adopted.

Item 10. Executive Director's Report - Danielle Scheiner gave an updated activity and status report.

Item 11. Payment of Invoices - no invoices were presented for payment.

Item 12. With no further items for discussion, the meeting was adjourned at 4:45 pm.

#### CERTIFICATE OF CORPORATE SECRETARY

I hereby certify that the above and foregoing minutes were approved and adopted by majority vote of the Board of Directors on the \_\_\_\_ day of May, 2020.

Signed this \_\_\_\_ day of May, 2020.

\_\_\_\_\_  
Board Secretary

## Incentives for Approval

April 16, 2020

**Ball Metal (Year 4)**

\$140,970.00

(Qualified for full amount.)

**Bauer Equipment America (Year 2)**

\$42,103.93

(Did not qualify for the full amount of \$52,683.00. The amount of taxes paid was less than the maximum.)

**Borden (Year 6)**

\$13,777.00

(Qualified for full amount.)

**Energy Alloys (Year 7)**

\$105,672.00

(Qualified for full amount.)

**Galdisa USA, Inc. (Year 1)**

\$16,990.00

(Qualified for full amount)

**General Packaging (Year 3)**

\$19,135.00

(Qualified for full amount)

**Hempel USA, Inc. (Year 5)**

\$29,882.70

(Did not qualify for the full amount of \$45,728.00. The amount of taxes paid was less than the maximum.)

**ICOTEX (Year 2)**

\$14,721.00

(Qualified for full amount.)

**LUC Urethanes, Inc. (Year 4)**

\$27,476.70

(Did not qualify for the full amount of \$28,263.00. The amount of taxes paid was less than the maximum.)

**McKesson (Year 4)**

\$264,435.00

(Qualified for full amount.)

**NEORIG (Year 1)**

\$45,991.70

(Did not qualify for the full amount of \$172,271.00. The amount of taxes paid was less than the maximum.)

**Newpark Drilling Fluids, LLC (Year 4)**

\$44,671.00

(Qualified for full amount.)

**NOV Texas Oil Tools (Year 7)**

\$106,959.00

(Qualified for full Amount)

**Professional Directional – (Year 5)**

\$348,600.00

(Qualified for full amount.)

**Protect Controls Inc. (Year 7)**

\$93,267.62

(Did not qualify for the full amount of \$104,378.00. The amount of taxes paid was less than the maximum)

**Sooner Container (Year 7)**

\$56,477.33

(Did not qualify for the full amount of \$58,512.00. The amount of taxes paid was less than the maximum)

**Stainless Structural (Year 7)**

\$75,071.00

(Qualified for full amount)

**Supra America (Year 3)**

\$68,837.69

(Did not qualify for the full amount of \$88,193.00. The amount of taxes paid was less than the maximum)

**Teligistics (Year 3)**

\$38,857.00

(Qualified for full amount)

# **ITEM 2**

## **MONTHLY FINANCIAL REPORT**

**CIDC Monthly Treasurer's Report**  
**Annual Funding Schedule and Cash Flows**  
 March 2020

CIDC Fund								
	FY 19/20 Budget	FY 19/20 Estimate	Current Period	Encum- brances	YTD @ 3/31/20 (Incl. Enc.)	Over/ (Under) Budget	YTD as % of Budget	
<b>BEGINNING FUND BALANCE</b>	<b>\$ 34,657,669</b>	<b>\$ 34,657,669</b>			<b>\$ 34,657,669</b>			
<b>REVENUES</b>								
4040 Sales Tax	\$ 11,681,425	\$ 11,575,923	\$ 955,304	\$ -	\$ 6,272,000	\$ (5,409,425)	53.7%	
6010 Interest	585,547	485,547	49,677	-	313,688	(271,859)	53.6%	
6035 Land Sales	-	5,061,256	-	-	5,061,256	5,061,256	N/A	
<b>TOTAL REVENUE</b>	<b>\$ 12,266,972</b>	<b>\$ 17,122,726</b>	<b>\$ 1,004,982</b>	<b>\$ -</b>	<b>\$ 11,646,944</b>	<b>\$ (620,028)</b>	<b>94.9%</b>	
<b>EXPENDITURES</b>								
7010 Salaries	\$ 391,703	\$ 391,703	\$ 26,598	\$ -	\$ 181,464	\$ (210,239)	46.3%	
7012 Salaries Part-time	14,549	14,549	-	-	554	(13,995)	3.8%	
7020 Overtime	-	5	-	-	5	5	N/A	
7025 Social Security	31,212	31,212	1,993	-	12,592	(18,620)	40.3%	
7030 Retirement & Pension	63,616	63,616	4,320	-	29,592	(34,024)	46.5%	
7035 Workers' Comp	1,101	1,101	-	-	636	(465)	57.8%	
7040 Insurance	93,750	93,750	7,813	-	46,875	(46,875)	50.0%	
<b>Total Personnel Services</b>	<b>\$ 595,931</b>	<b>\$ 595,936</b>	<b>\$ 40,723</b>	<b>\$ -</b>	<b>\$ 271,719</b>	<b>\$ (324,212)</b>	<b>45.6%</b>	
7110 Office Supplies	\$ 8,000	\$ 5,140	\$ 1,621	\$ -	\$ 4,206	\$ (3,794)	52.6%	
7180 Equipment Repairs	1,500	500	-	-	-	(1,500)	0.0%	
7200 Other Oper. Supplies	900	350	-	-	80	(820)	8.9%	
7253 Furn & Fixtures <\$5,000	1,000	5,271	-	-	5,271	4,271	527.1%	
7254 Mach & Equip <\$5,000	-	2,968	-	-	2,968	2,968	N/A	
<b>Total Supplies</b>	<b>\$ 11,400</b>	<b>\$ 14,229</b>	<b>\$ 1,621</b>	<b>\$ -</b>	<b>\$ 12,525</b>	<b>\$ 1,125</b>	<b>109.9%</b>	
8010 Utilities	\$ 22,000	\$ 12,847	\$ 1,767	\$ -	\$ 8,920	\$ (13,080)	40.5%	
8030 Legal Services	3,000	3,000	-	-	-	(3,000)	0.0%	
8050 Travel & Training	120,454	104,494	7,718	-	64,143	(56,311)	53.3%	
8060 Contract Svcs (CIDC Debt Service)	5,500	5,500	-	-	-	(5,500)	0.0%	
8060 Contract Svcs (CIDC General Fund)	492,027	492,027	16,880	108,708	303,263	(188,764)	61.6%	
8063 Incentives	1,654,604	1,628,575	-	-	-	(1,654,604)	0.0%	
8350 Legal Newspaper Notices	2,000	2,000	-	-	428	(1,572)	21.4%	
8520 Transfer Out	14,034,430	11,330,198	29,311	-	2,922,794	(11,111,636)	20.8%	
<b>Total Contractual</b>	<b>\$ 16,334,015</b>	<b>\$ 13,578,641</b>	<b>\$ 55,675</b>	<b>\$ 108,708</b>	<b>\$ 3,299,547</b>	<b>\$ (13,034,468)</b>	<b>20.2%</b>	
9600 Principal	\$ 3,690,000	\$ 3,655,000	\$ -	\$ -	\$ -	\$ (3,690,000)	0.0%	
9610 Interest	2,992,673	2,881,926	-	-	1,427,297	(1,565,376)	47.7%	
9615 Handling Charges	1,391	1,391	750	-	750	(641)	53.9%	
<b>Total Debt Service</b>	<b>\$ 6,684,064</b>	<b>\$ 6,538,317</b>	<b>\$ 750</b>	<b>\$ -</b>	<b>\$ 1,428,047</b>	<b>\$ (5,256,017)</b>	<b>21.4%</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 23,625,410</b>	<b>\$ 20,727,123</b>	<b>\$ 98,770</b>	<b>\$ 108,708</b>	<b>\$ 5,011,839</b>	<b>\$ (18,613,571)</b>	<b>21.2%</b>	
Debt Service Reserve	\$ 6,215,879	\$ 6,215,879			\$ 6,215,879			
Land Sales (574 acre portion) (Fund 047)	\$ 7,214,904	\$ 3,828,134			\$ 3,428,533			
<b>ENDING FUND BALANCE</b>	<b>\$ 24,298,256</b>	<b>\$ 28,665,527</b>			<b>\$ 38,505,428</b>			

Notes:

- Incentives updated as of 3/31/2020.

**CIDC Monthly Treasurer's Report**  
**Annual Funding Schedule and Cash Flows**  
 March 2020

	FY 20/21 Budget	FY 21/22 Budget	FY 22/23 Budget	FY 23/24 Budget	FY 24/25 Budget	FY 25/26 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 28,665,527	\$ 21,335,088	\$ 22,482,181	\$ 23,952,065	\$ 24,765,865	\$ 21,568,517
<b>REVENUES</b>						
4040 Sales Tax	\$ 11,172,129	\$ 11,283,850	\$ 11,396,689	\$ 11,510,656	\$ 11,625,762	\$ 11,742,020
6010 Interest	490,402	495,306	500,260	505,262	510,315	515,418
6035 Land Sales	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 11,662,531</b>	<b>\$ 11,779,157</b>	<b>\$ 11,896,948</b>	<b>\$ 12,015,918</b>	<b>\$ 12,136,077</b>	<b>\$ 12,257,438</b>
<b>EXPENDITURES</b>						
7010 Salaries	\$ 403,454	\$ 415,558	\$ 428,024	\$ 440,865	\$ 454,091	\$ 467,714
7012 Salaries Part-time	14,985	15,435	15,898	16,375	16,866	17,372
7020 Overtime	-	-	-	-	-	-
7025 Social Security	32,148	33,113	34,106	35,129	36,183	37,269
7030 Retirement & Pension	65,524	67,490	69,515	71,600	73,748	75,961
7035 Workers' Comp	1,134	1,168	1,203	1,239	1,276	1,315
7040 Insurance	96,563	99,459	102,443	105,516	108,682	111,942
<b>Total Personnel Services</b>	<b>\$ 613,809</b>	<b>\$ 632,223</b>	<b>\$ 651,190</b>	<b>\$ 670,726</b>	<b>\$ 690,847</b>	<b>\$ 711,573</b>
7110 Office Supplies	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274	\$ 9,552
7180 Equipment Repairs	1,545	1,591	1,639	1,688	1,739	1,791
7200 Other Oper. Supplies	927	955	983	1,013	1,043	1,075
7253 Furn & Fixtures <\$5,000	1,030	1,061	1,093	1,126	1,159	1,194
7254 Mach & Equip <\$5,000	-	-	-	-	-	-
<b>Total Supplies</b>	<b>\$ 11,742</b>	<b>\$ 12,094</b>	<b>\$ 12,457</b>	<b>\$ 12,831</b>	<b>\$ 13,216</b>	<b>\$ 13,612</b>
8010 Utilities	22,660	\$ 23,340	\$ 24,040	\$ 24,761	\$ 25,504	\$ 26,269
8030 Legal Services	3,090	3,183	3,278	3,377	3,478	3,582
8050 Travel & Training	124,068	127,790	131,623	135,572	139,639	143,828
8060 Contract Svcs (CIDC Debt Service)	5,665	5,835	6,010	6,190	6,376	6,567
8060 Contract Svcs (CIDC General Fund)	506,788	521,991	537,651	553,781	570,394	587,506
8063 Incentives	1,558,616	2,148,491	1,902,313	1,546,389	1,490,930	1,381,418
8350 Legal Newspaper Notices	2,060	2,122	2,185	2,251	2,319	2,388
8520 Transfer Out	9,719,074	537,407	538,431	1,628,682	5,775,774	628,718
<b>Total Contractual</b>	<b>\$ 11,942,020</b>	<b>\$ 3,370,158</b>	<b>\$ 3,145,532</b>	<b>\$ 3,901,003</b>	<b>\$ 8,014,414</b>	<b>\$ 2,780,277</b>
9600 Principal	\$ 3,820,000	\$ 3,970,000	\$ 4,155,000	\$ 4,315,000	\$ 4,480,000	\$ 4,660,000
9610 Interest	2,603,966	2,646,113	2,461,365	2,300,994	2,133,336	1,958,124
9615 Handling Charges	1,433	1,476	1,520	1,566	1,613	1,661
<b>Total Debt Service</b>	<b>\$ 6,425,399</b>	<b>\$ 6,617,588</b>	<b>\$ 6,617,885</b>	<b>\$ 6,617,559</b>	<b>\$ 6,614,948</b>	<b>\$ 6,619,785</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,992,970</b>	<b>\$ 10,632,064</b>	<b>\$ 10,427,064</b>	<b>\$ 11,202,119</b>	<b>\$ 15,333,425</b>	<b>\$ 10,125,247</b>
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
<b>ENDING FUND BALANCE</b>	<b>\$ 21,335,088</b>	<b>\$ 22,482,181</b>	<b>\$ 23,952,065</b>	<b>\$ 24,765,865</b>	<b>\$ 21,568,517</b>	<b>\$ 23,700,708</b>

On 9/1/2021, the Conroe IDC will redeem \$8,360,000 of outstanding 2012 Sales Tax Revenue Bonds. The figures above include taxable refunding in July 2021. See e-mail from J.Robuck on 12/5/2017.

Notes:

- Incentives updated as of 3/31/2020.

**CIDC Monthly Treasurer's Report**  
**Annual Funding Schedule and Cash Flows**  
 March 2020

	FY 26/27 Budget	FY 27/28 Budget	FY 28/29 Budget	FY 29/30 Budget	FY 30/31 Budget	FY 31/32 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 23,700,708	\$ 26,111,620	\$ 28,585,590	\$ 31,125,213	\$ 33,847,484	\$ 37,710,185
<b>REVENUES</b>						
4040 Sales Tax	\$ 11,859,440	\$ 11,978,034	\$ 12,097,815	\$ 12,218,793	\$ 12,340,981	\$ 12,464,391
6010 Interest	520,572	525,778	531,036	536,346	541,709	547,127
6035 Land Sales	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 12,380,012</b>	<b>\$ 12,503,812</b>	<b>\$ 12,628,850</b>	<b>\$ 12,755,139</b>	<b>\$ 12,882,690</b>	<b>\$ 13,011,517</b>
<b>EXPENDITURES</b>						
7010 Salaries	\$ 481,745	\$ 496,198	\$ 511,084	\$ 526,416	\$ 542,209	\$ 558,475
7012 Salaries Part-time	17,893	18,430	18,983	19,553	20,139	20,743
7020 Overtime	-	-	-	-	-	-
7025 Social Security	38,387	39,538	40,725	41,946	43,205	44,501
7030 Retirement & Pension	78,240	80,587	83,004	85,495	88,059	90,701
7035 Workers' Comp	1,354	1,395	1,437	1,480	1,524	1,570
7040 Insurance	115,301	118,760	122,322	125,992	129,772	133,665
<b>Total Personnel Services</b>	<b>\$ 732,920</b>	<b>\$ 754,908</b>	<b>\$ 777,555</b>	<b>\$ 800,881</b>	<b>\$ 824,908</b>	<b>\$ 849,655</b>
7110 Office Supplies	\$ 9,839	\$ 10,134	\$ 10,438	\$ 10,751	\$ 11,074	\$ 11,406
7180 Equipment Repairs	1,845	1,900	1,957	2,016	2,076	2,139
7200 Other Oper. Supplies	1,107	1,140	1,174	1,210	1,246	1,283
7253 Furn & Fixtures <\$5,000	1,230	1,267	1,305	1,344	1,384	1,426
7254 Mach & Equip <\$5,000	-	-	-	-	-	-
<b>Total Supplies</b>	<b>\$ 14,021</b>	<b>\$ 14,441</b>	<b>\$ 14,874</b>	<b>\$ 15,321</b>	<b>\$ 15,780</b>	<b>\$ 16,254</b>
8010 Utilities	\$ 27,057	\$ 27,869	\$ 28,705	\$ 29,566	\$ 30,453	\$ 31,367
8030 Legal Services	3,690	3,800	3,914	4,032	4,153	4,277
8050 Travel & Training	148,143	152,588	157,165	161,880	166,737	171,739
8060 Contract Svcs (CIDC Debt Service)	6,764	6,967	7,176	7,392	7,613	7,842
8060 Contract Svcs (CIDC General Fund)	605,131	623,285	641,984	661,243	681,080	701,513
8063 Incentives	1,185,944	1,197,803	1,209,781	1,221,879	1,234,098	1,246,439
8350 Legal Newspaper Notices	2,460	2,534	2,610	2,688	2,768	2,852
8520 Transfer Out	628,484	628,569	629,085	514,153	-	-
<b>Total Contractual</b>	<b>\$ 2,607,673</b>	<b>\$ 2,643,415</b>	<b>\$ 2,680,420</b>	<b>\$ 2,602,833</b>	<b>\$ 2,126,903</b>	<b>\$ 2,166,028</b>
9600 Principal	\$ 4,830,000	\$ 5,015,000	\$ 5,205,000	\$ 5,410,000	\$ 5,065,000	\$ 5,285,000
9610 Interest	1,782,775	1,600,318	1,409,563	1,201,965	985,473	763,296
9615 Handling Charges	1,711	1,762	1,815	1,869	1,925	1,983
<b>Total Debt Service</b>	<b>\$ 6,614,486</b>	<b>\$ 6,617,080</b>	<b>\$ 6,616,378</b>	<b>\$ 6,613,834</b>	<b>\$ 6,052,398</b>	<b>\$ 6,050,279</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,969,099</b>	<b>\$ 10,029,843</b>	<b>\$ 10,089,227</b>	<b>\$ 10,032,868</b>	<b>\$ 9,019,989</b>	<b>\$ 9,082,216</b>
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
<b>ENDING FUND BALANCE</b>	<b>\$ 26,111,620</b>	<b>\$ 28,585,590</b>	<b>\$ 31,125,213</b>	<b>\$ 33,847,484</b>	<b>\$ 37,710,185</b>	<b>\$ 41,639,486</b>

Notes:

1. Incentives updated as of 3/31/2020.

**CIDC Monthly Treasurer's Report**  
**Annual Funding Schedule and Cash Flows**  
 March 2020

	FY 32/33 Budget	FY 33/34 Budget	FY 34/35 Budget	FY 35/36 Budget	FY 36/37 Budget	FY 37/38 Budget
<b>BEGINNING FUND BALANCE</b>	\$ 41,639,486	\$ 46,682,110	\$ 55,093,633	\$ 63,566,944	\$ 72,103,739	\$ 80,700,673
<b>REVENUES</b>						
4040 Sales Tax	\$ 12,589,035	\$ 12,714,925	\$ 12,842,074	\$ 12,970,495	\$ 13,100,200	\$ 13,231,202
6010 Interest	552,598	558,124	563,705	569,342	575,035	580,786
6035 Land Sales	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>\$ 13,141,632</b>	<b>\$ 13,273,049</b>	<b>\$ 13,405,779</b>	<b>\$ 13,539,837</b>	<b>\$ 13,675,235</b>	<b>\$ 13,811,988</b>
<b>EXPENDITURES</b>						
7010 Salaries	\$ 575,229	\$ 592,486	\$ 610,261	\$ 628,568	\$ 647,425	\$ 666,848
7012 Salaries Part-time	21,366	22,007	22,667	23,347	24,047	24,769
7020 Overtime	-	-	-	-	-	-
7025 Social Security	45,836	47,211	48,627	50,086	51,589	53,136
7030 Retirement & Pension	93,422	96,225	99,112	102,085	105,148	108,302
7035 Workers' Comp	1,617	1,665	1,715	1,767	1,820	1,874
7040 Insurance	137,675	141,805	146,059	150,441	154,954	159,603
<b>Total Personnel Services</b>	<b>\$ 875,145</b>	<b>\$ 901,399</b>	<b>\$ 928,441</b>	<b>\$ 956,294</b>	<b>\$ 984,983</b>	<b>\$ 1,014,533</b>
7110 Office Supplies	\$ 11,748	\$ 12,101	\$ 12,464	\$ 12,838	\$ 13,223	\$ 13,619
7180 Equipment Repairs	2,203	2,269	2,337	2,407	2,479	2,554
7200 Other Oper. Supplies	1,322	1,361	1,402	1,444	1,488	1,532
7253 Furn & Fixtures <\$5,000	1,469	1,513	1,558	1,605	1,653	1,702
7254 Mach & Equip <\$5,000	-	-	-	-	-	-
<b>Total Supplies</b>	<b>\$ 16,741</b>	<b>\$ 17,244</b>	<b>\$ 17,761</b>	<b>\$ 18,294</b>	<b>\$ 18,842</b>	<b>\$ 19,408</b>
8010 Utilities	\$ 32,308	\$ 33,277	\$ 34,275	\$ 35,304	\$ 36,363	\$ 37,454
8030 Legal Services	4,406	4,538	4,674	4,814	4,959	5,107
8050 Travel & Training	176,891	182,197	187,663	193,293	199,092	205,065
8060 Contract Svcs (CIDC Debt Service)	8,077	8,319	8,569	8,826	9,091	9,363
8060 Contract Svcs (CIDC General Fund)	722,558	744,235	766,562	789,559	813,246	837,643
8063 Incentives	1,258,903	1,271,492	1,284,207	1,297,049	1,310,020	1,323,120
8350 Legal Newspaper Notices	2,937	3,025	3,116	3,209	3,306	3,405
8520 Transfer Out	-	-	-	-	-	-
<b>Total Contractual</b>	<b>\$ 2,206,079</b>	<b>\$ 2,247,084</b>	<b>\$ 2,289,066</b>	<b>\$ 2,332,054</b>	<b>\$ 2,376,075</b>	<b>\$ 2,421,157</b>
9600 Principal	\$ 4,455,000	\$ 1,340,000	\$ 1,395,000	\$ 1,450,000	\$ 1,510,000	\$ 1,570,000
9610 Interest	544,000	355,800	302,200	246,400	188,400	128,000
9615 Handling Charges	2,043	-	-	-	-	-
<b>Total Debt Service</b>	<b>\$ 5,001,043</b>	<b>\$ 1,695,800</b>	<b>\$ 1,697,200</b>	<b>\$ 1,696,400</b>	<b>\$ 1,698,400</b>	<b>\$ 1,698,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,099,008</b>	<b>\$ 4,861,526</b>	<b>\$ 4,932,468</b>	<b>\$ 5,003,042</b>	<b>\$ 5,078,301</b>	<b>\$ 5,153,097</b>
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
<b>ENDING FUND BALANCE</b>	<b>\$ 46,682,110</b>	<b>\$ 55,093,633</b>	<b>\$ 63,566,944</b>	<b>\$ 72,103,739</b>	<b>\$ 80,700,673</b>	<b>\$ 89,359,563</b>

Notes:

- Incentives updated as of 3/31/2020.

**CIDC Monthly Treasurer's Report**  
**Annual Funding Schedule and Cash Flows**  
 March 2020

	FY 38/39			
	Budget	FY 39/40 Budget	FY 40/41 Budget	
<b>BEGINNING FUND BALANCE</b>	\$ 89,359,563	\$ 98,082,183	\$ 108,560,262	
<b>REVENUES</b>				
4040 Sales Tax	\$ 13,363,514	\$ 13,497,149	\$ 13,632,121	
6010 Interest	586,594	592,460	598,384	
6035 Land Sales	-	-	-	
<b>TOTAL REVENUE</b>	<b>\$ 13,950,108</b>	<b>\$ 14,089,609</b>	<b>\$ 14,230,505</b>	
<b>EXPENDITURES</b>				
7010 Salaries	\$ 686,854	\$ 707,459	\$ 728,683	
7012 Salaries Part-time	25,512	26,277	27,065	
7020 Overtime	-	-	-	
7025 Social Security	54,730	56,372	58,064	
7030 Retirement & Pension	111,551	114,898	118,344	
7035 Workers' Comp	1,931	1,989	2,048	
7040 Insurance	164,391	169,323	174,403	
<b>Total Personnel Services</b>	<b>\$ 1,044,969</b>	<b>\$ 1,076,318</b>	<b>\$ 1,108,607</b>	
7110 Office Supplies	\$ 14,028	\$ 14,449	\$ 14,882	
7180 Equipment Repairs	2,630	2,709	2,790	
7200 Other Oper. Supplies	1,578	1,626	1,674	
7253 Furn & Fixtures <\$5,000	1,754	1,806	1,860	
7254 Mach & Equip <\$5,000	-	-	-	
<b>Total Supplies</b>	<b>\$ 19,990</b>	<b>\$ 20,590</b>	<b>\$ 21,207</b>	
8010 Utilities	\$ 38,577	\$ 39,734	\$ 40,926	
8030 Legal Services	5,261	5,418	5,581	
8050 Travel & Training	211,217	217,553	224,080	
8060 Contract Svcs (CIDC Debt Service)	9,644	9,934	10,232	
8060 Contract Svcs (CIDC General Fund)	862,772	888,655	915,315	
8063 Incentives	1,336,351	1,349,715	1,363,212	
8350 Legal Newspaper Notices	3,507	3,612	3,721	
8520 Transfer Out	-	-	-	
<b>Total Contractual</b>	<b>\$ 2,467,329</b>	<b>\$ 2,514,622</b>	<b>\$ 2,563,067</b>	
9600 Principal	\$ 1,630,000	\$ -	\$ -	
9610 Interest	65,200	-	-	
9615 Handling Charges	-	-	-	
<b>Total Debt Service</b>	<b>\$ 1,695,200</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,227,488</b>	<b>\$ 3,611,530</b>	<b>\$ 3,692,881</b>	
Debt Service Reserve				
Land Sales (574 acre portion) (Fund 047)				
<b>ENDING FUND BALANCE</b>	<b>\$ 98,082,183</b>	<b>\$ 108,560,262</b>	<b>\$ 119,097,886</b>	

Notes:

- Incentives updated as of 3/31/2020.

## **ITEM 3**

**RIGHT OF FIRST REFUSAL  
PURCHASE AGREEMENT WITH  
SUPRA AMERICA REAL ESTATE, LLC  
FOR RESTRICTED RESERVE C IN  
CONROE PARK NORTH SECTION 7**

## RIGHT OF FIRST REFUSAL TO PURCHASE AGREEMENT

This Right of First Refusal to Purchase Agreement (this "**Agreement**") is made and entered into to be effective as of ~~August~~ \_\_\_\_\_, ~~2019~~2020 (the "**Effective Date**"), between Conroe Industrial Development Corporation, a Texas non-profit corporation ("**Seller**"), and Supra America Real Estate LLC, a Texas limited liability company ("**Buyer**").

### RECITALS:

A. Seller and Buyer previously entered into that certain Commercial Contract – Unimproved Property dated January 22, 2013 ~~(the "**Purchase Contract**")~~, pursuant to which Buyer acquired approximately 13.987 acres (the "**Property**").

B. Seller and Buyer now desire to enter into this ~~agreement~~ Agreement to evidence Seller's grant to Buyer of a right of first refusal to purchase a parcel of property contiguous with the Property, ~~consisting of approximately of 9.59 acres~~ which parcel is described as Restricted Commercial Reserve "C." of Conroe Park North Section 7, as per the plat recorded in Cabinet 2, Sheet 2591 of the map records of Montgomery County, Texas, and being also depicted on Exhibit A attached to this Agreement (the "**ROFR Property**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby specifically acknowledged, the parties hereto agree as follows:

1. Grant of Right of First Refusal. Subject to the terms hereof, Seller hereby grants to Buyer the exclusive right of first refusal to purchase the ROFR Property (the "**Right of First Refusal**"). The Right of First Refusal shall be in effect for a period commencing on the Effective Date and continuing until the date that is three (3) years following the Effective Date (the "**ROFR Period**"), unless otherwise terminated earlier in accordance with this Agreement. If Seller should, at any time after the Effective Date, receive a written, executed offer to purchase or sell, all or any portion of the ROFR Property (the "**Offer**") from an independent and unrelated third party (a "**Bonafide Purchaser**"), and Seller desires to accept such offer, Seller shall deliver to Buyer a written notice together with a copy of such Offer (the "**Acquisition Notice**").

(a) Exercise of Right of First Refusal. Buyer shall have thirty (30) days from receipt of the Acquisition Notice to exercise its Right of First Refusal by delivering written notice of such exercise to Seller. Delivery of such written notice shall obligate Buyer, or its designee, to purchase the ROFR Property on the same terms and conditions set forth in the Offer. In the event Buyer elects to not exercise its Right of First Refusal or fails to deliver notice within the 30 day period, Buyer shall be deemed to have waived its Right of First Refusal ~~as to the transaction described in the Offer. Seller may thereupon proceed to sell the ROFR Property on the terms and conditions and to the party specified in the Offer; such sale may contain minor modifications to the Offer provided that the purchase price is not reduced by two percent (2%) or more, the payment terms are not otherwise changed, and provided that the closing date in the Offer is not extended for a period in excess of 180 days.~~ Notwithstanding anything to the contrary contained herein, this Right of First Refusal shall be null and void once the Property has been sold to a Bonafide Purchaser.

(b) ROFR Fee. As consideration for the Right of First Refusal, concurrently with the execution of this Agreement, Buyer has delivered to Seller a one-time payment in an amount equal to One Thousand and no/100 Dollars (\$1,000.00) (the “**ROFR Fee**”). In the event that Buyer acquires the ROFR Property, the ROFR Fee shall not be applied to the purchase price of the ROFR Property.

(c) Purchase and Sale Agreement. ~~At Buyer's option, the~~ The purchase and sale contract for the ROFR Property shall be in substantially the form ~~of the Purchase Contract attached as Exhibit~~, except as follows (the “**ROFR Contract**”):

- (i) The term “Property” shall mean the “ROFR Property”;
- (ii) The earnest money shall be Ten Thousand and no/100 Dollars (\$10,000.00);
- (iii) The feasibility period shall be at least ~~60~~90 days; and
- (iv) The closing date shall occur on or before the 30<sup>th</sup> day after the expiration of the feasibility period for the ROFR Contract.

(d) Memorandum of ROFR; Release. Promptly following the Effective Date, Buyer and Seller shall execute and record, in the real property records of Montgomery County, a (i) memorandum of the Right of First Refusal in the form attached to this Agreement of **Exhibit B** (the “**Memorandum of ROFR**”). In addition, upon the expiration of the ROFR Period or a sale of the Property to a Bonafide Purchaser that acquires the Property following Seller’s compliance with the terms of this Agreement, Buyer shall execute a release of the Memorandum of ROFR in a form reasonably satisfactory to Buyer and Seller.

~~(e) — Management of ROFR Property. During the ROFR Period, Seller shall generally manage the operations of, and perform routine maintenance relating to, the ROFR Property in the same manner it currently manages and performs such maintenance on the ROFR Property.~~

~~(f) — Transfer in Violation of Right of First Refusal. In the event of a conveyance, sale, encumbrance, mortgage or transfer of any portion of the ROFR Property in violation of this Section 1, which is not released, terminated or otherwise rectified by Seller within 30 days after receipt by Seller of a written notice from Buyer demanding such release or termination, then both Seller and the transferee or beneficiary, as applicable, shall be jointly and severally liable for the repayment to Buyer of the ROFR Fee, plus an additional amount equal to the sum of (i) the amount of Buyer’s out of pocket expenses, including attorney’s fees, incurred by Buyer in connection with the Right of First Refusal and (ii) the amount of \$50,000.00.~~

2. Brokerage Commissions. In the event Buyer exercises its right under this Agreement to acquire the ROFR Property and then acquires the ROFR Property, Seller shall pay to Commercial Assets Ltd., pursuant to a separate written agreement, a brokerage commission in an amount equal to 3% of the purchase price for the ROFR Property. Seller shall defend, indemnify, and hold harmless Buyer, and Buyer shall defend, indemnify and hold harmless Seller, from and against all claims by other third parties claiming representation for brokerage, commission, finders, or other fees relative to this Agreement or the sale of the ROFR Property, and all court costs, attorneys’ fees, and other costs or expenses arising therefrom, and alleged to be due by authorization or agreement of the indemnifying party.

3. Authority. The party executing this Agreement on behalf of Seller represents that he/she has the authority to bind Seller to the terms of this Agreement.

4. Facsimiles/E-mails. For the purposes of negotiating and finalizing this Agreement, any signed document transmitted by facsimile or electronic transmission ("*E-mail*") shall be treated in all manner and respects as an original document. The signature of any party shall be considered to have the same binding legal effect as an original document and any such document transmitted by facsimile or e-mail shall be considered to have the same binding legal effect as an original document. At the request of either party, any document transmitted by facsimile or e-mail shall be re-executed by both parties in the original form. Buyer and Seller agree that neither shall raise the use of facsimile or e-mail transmission as a defense to this Agreement and forever waive such defense.

5. Written Notice. All notices, demands and requests which may be given or which are required to be given by either party to the other party under this Agreement must be in writing and sent by (a) certified or registered mail, postage fully prepaid, return receipt requested, in which case notice shall be deemed given and received three (3) business days after deposit in the U.S. mail, (b) a nationally recognized overnight courier service, in which case notice shall be deemed given and received one (1) business day after deposit with such courier for next business day delivery, (c) electronic mail (followed with "hard copy" sent by a nationally recognized overnight courier or mail as aforesaid), in which case notice shall be deemed given and received when the email is received, provided such receipt occurs before 5:00 p.m. Houston, Texas time on a business day or (d) personal delivery with receipt acknowledged in writing, in which case notice shall be deemed given and received upon delivery. Notices may be served as herein provided upon the parties by either a party or its attorneys, with notice sent from either one of them being sufficient. The addresses for proper notice under this Contract are set forth the parties respective signatures. Either party may from time to time by written notice designate a different address to the other party.

6. Counterparts. This Agreement may be executed in more than one counterpart, each of which taken together shall constitute one and the same document.

7. Entire Agreement. This Agreement (which includes the exhibits and other addenda attached to this Agreement) embodies and constitutes the entire agreement between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements are merged into this Agreement.

[Remainder of page intentionally left blank.]

Seller:

**Conroe Industrial Development Corporation**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Notice Address:

505 West Davis

Conroe, Texas 77305

Attn: \_\_\_\_\_

Office: (936) 538-7103

Email: \_\_\_\_\_

Buyer:

**Supra America Real Estate LLC**, a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Notice Address:

865 Conroe Park West Drive  
Conroe, Texas 77303  
Attn: Bertrand Solliet  
Office: \_\_\_\_\_  
Email: [bertrand.solliet@supragroup.ch](mailto:bertrand.solliet@supragroup.ch)



**EXHIBIT B**

**FORM OF MEMORANDUM OF RIGHT OF FIRST REFUSAL TO PURCHASE**

THIS MEMORANDUM OF RIGHT OF FIRST REFUSAL TO PURCHASE (this "*Memorandum*") is made and entered into as of ~~August~~ \_\_\_\_\_, ~~2019~~2020, by and between Conroe Industrial Development Corporation ("*Seller*"), and Supra America Real Estate LLC, a Texas limited liability company ("*Buyer*").

Seller and Buyer have entered into that certain Right of First Refusal to Purchase Agreement (the "*Agreement*") dated ~~August~~ \_\_\_\_\_, ~~2019~~2020, which grants Buyer a right of first refusal to purchase the real property more particularly described in Exhibit A attached hereto.

The terms of the Agreement are by this reference incorporated herein as if set forth in full in this Memorandum.

IN WITNESS WHEREOF, Seller and Buyer have executed this Memorandum as of the day and year first above written.

**SELLER:**

CONROE INDUSTRIAL DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY      §

This instrument was acknowledged before me on ~~August~~ \_\_\_\_\_, ~~2019~~2020, by \_\_\_\_\_ of Conroe Industrial Development Corporation, a Texas non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**BUYER:**

SUPRA AMERICA REAL ESTATE LLC, a Texas  
limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS                    §  
  §  
COUNTY OF \_\_\_\_\_       §

This instrument was acknowledged before me on ~~August~~ \_\_\_\_\_, ~~2019~~202\_\_\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Supra America Real Estate LLC, a Texas limited liability company, on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public, State of Texas

[EXHIBIT A to be attached.]

Document comparison by Workshare 10.0 on Monday, March 2, 2020 1:51:25 PM

Input:	
Document 1 ID	iManage://imanagework.jw.com/jwdocs/23496284/4
Description	#23496284v4<imanagework.jw.com> - Supra/CIDC - Right of First Refusal Purchase Agreement
Document 2 ID	iManage://imanagework.jw.com/jwdocs/23496284/5
Description	#23496284v5<imanagework.jw.com> - Supra/CIDC - Right of First Refusal Purchase Agreement
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved-deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	21
Deletions	28
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	49



## RIGHT OF FIRST REFUSAL TO PURCHASE AGREEMENT

This Right of First Refusal to Purchase Agreement (this "**Agreement**") is made and entered into to be effective as of \_\_\_\_\_, 2020 (the "**Effective Date**"), between Conroe Industrial Development Corporation, a Texas non-profit corporation ("**Seller**"), and Supra America Real Estate LLC, a Texas limited liability company ("**Buyer**").

### RECITALS:

A. Seller and Buyer previously entered into that certain Commercial Contract – Unimproved Property dated January 22, 2013, pursuant to which Buyer acquired approximately 13.987 acres (the "**Property**").

B. Seller and Buyer now desire to enter into this Agreement to evidence Seller's grant to Buyer of a right of first refusal to purchase a parcel of property contiguous with the Property, which parcel is described as Restricted Commercial Reserve "C," of Conroe Park North Section 7, as per the plat recorded in Cabinet 2, Sheet 2591 of the map records of Montgomery County, Texas, and being also depicted on Exhibit A attached to this Agreement (the "**ROFR Property**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby specifically acknowledged, the parties hereto agree as follows:

1. Grant of Right of First Refusal. Subject to the terms hereof, Seller hereby grants to Buyer the exclusive right of first refusal to purchase the ROFR Property (the "**Right of First Refusal**"). The Right of First Refusal shall be in effect for a period commencing on the Effective Date and continuing until the date that is three (3) years following the Effective Date (the "**ROFR Period**"), unless otherwise terminated earlier in accordance with this Agreement. If Seller should, at any time after the Effective Date, receive a written, executed offer to purchase or sell, all or any portion of the ROFR Property (the "**Offer**") from an independent and unrelated third party (a "**Bonafide Purchaser**"), and Seller desires to accept such offer, Seller shall deliver to Buyer a written notice together with a copy of such Offer (the "**Acquisition Notice**").

(a) Exercise of Right of First Refusal. Buyer shall have thirty (30) days from receipt of the Acquisition Notice to exercise its Right of First Refusal by delivering written notice of such exercise to Seller. Delivery of such written notice shall obligate Buyer, or its designee, to purchase the ROFR Property on the same terms and conditions set forth in the Offer. In the event Buyer elects to not exercise its Right of First Refusal or fails to deliver notice within the 30 day period, Buyer shall be deemed to have waived its Right of First Refusal. Notwithstanding anything to the contrary contained herein, this Right of First Refusal shall be null and void once the Property has been sold to a Bonafide Purchaser.

(b) ROFR Fee. As consideration for the Right of First Refusal, concurrently with the execution of this Agreement, Buyer has delivered to Seller a one-time payment in an amount equal to One Thousand and no/100 Dollars (\$1,000.00) (the "**ROFR Fee**"). In the event that Buyer acquires the ROFR Property, the ROFR Fee shall not be applied to the purchase price of the ROFR Property.

(c) Purchase and Sale Agreement. The purchase and sale contract for the ROFR Property shall be in substantially the form attached as Exhibit, except as follows (the "**ROFR Contract**"):

- (i) The term "Property" shall mean the "ROFR Property";
- (ii) The earnest money shall be Ten Thousand and no/100 Dollars (\$10,000.00);
- (iii) The feasibility period shall be at least 90 days; and
- (iv) The closing date shall occur on or before the 30<sup>th</sup> day after the expiration of the feasibility period for the ROFR Contract.

(d) Memorandum of ROFR; Release. Promptly following the Effective Date, Buyer and Seller shall execute and record, in the real property records of Montgomery County, a (i) memorandum of the Right of First Refusal in the form attached to this Agreement of Exhibit B (the "**Memorandum of ROFR**"). In addition, upon the expiration of the ROFR Period or a sale of the Property to a Bonafide Purchaser that acquires the Property following Seller's compliance with the terms of this Agreement, Buyer shall execute a release of the Memorandum of ROFR in a form reasonably satisfactory to Buyer and Seller.

2. Brokerage Commissions. In the event Buyer exercises its right under this Agreement to acquire the ROFR Property and then acquires the ROFR Property, Seller shall pay to Commercial Assets Ltd., pursuant to a separate written agreement, a brokerage commission in an amount equal to 3% of the purchase price for the ROFR Property. Seller shall defend, indemnify, and hold harmless Buyer, and Buyer shall defend, indemnify and hold harmless Seller, from and against all claims by other third parties claiming representation for brokerage, commission, finders, or other fees relative to this Agreement or the sale of the ROFR Property, and all court costs, attorneys' fees, and other costs or expenses arising therefrom, and alleged to be due by authorization or agreement of the indemnifying party.

3. Authority. The party executing this Agreement on behalf of Seller represents that he/she has the authority to bind Seller to the terms of this Agreement.

4. Facsimiles/Emails. For the purposes of negotiating and finalizing this Agreement, any signed document transmitted by facsimile or electronic transmission ("**Email**") shall be treated in all manner and respects as an original document. The signature of any party shall be considered to have the same binding legal effect as an original document and any such document transmitted by facsimile or email shall be considered to have the same binding legal effect as an original document. At the request of either party, any document transmitted by facsimile or email shall be re-executed by both parties in the original form. Buyer and Seller agree that neither shall raise the use of facsimile or email transmission as a defense to this Agreement and forever waive such defense.

5. Written Notice. All notices, demands and requests which may be given or which are required to be given by either party to the other party under this Agreement must be in writing and sent by (a) certified or registered mail, postage fully prepaid, return receipt requested, in which case notice shall be deemed given and received three (3) business days after deposit in the U.S. mail, (b) a nationally recognized overnight courier service, in which case notice shall be deemed given and received one (1) business day after deposit with such courier for next business day

delivery, (c) electronic mail (followed with “hard copy” sent by a nationally recognized overnight courier or mail as aforesaid), in which case notice shall be deemed given and received when the email is received, provided such receipt occurs before 5:00 p.m. Houston, Texas time on a business day or (d) personal delivery with receipt acknowledged in writing, in which case notice shall be deemed given and received upon delivery. Notices may be served as herein provided upon the parties by either a party or its attorneys, with notice sent from either one of them being sufficient. The addresses for proper notice under this Contract are set forth the parties respective signatures. Either party may from time to time by written notice designate a different address to the other party.

6. Counterparts. This Agreement may be executed in more than one counterpart, each of which taken together shall constitute one and the same document.

7. Entire Agreement. This Agreement (which includes the exhibits and other addenda attached to this Agreement) embodies and constitutes the entire agreement between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements are merged into this Agreement.

[Remainder of page intentionally left blank.]

Seller:

**Conroe Industrial Development Corporation**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Notice Address:

505 West Davis

Conroe, Texas 77305

Attn: \_\_\_\_\_

Office: (936) 538-7103

Email: \_\_\_\_\_

Buyer:

**Supra America Real Estate LLC**, a Texas limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Notice Address:

865 Conroe Park West Drive

Conroe, Texas 77303

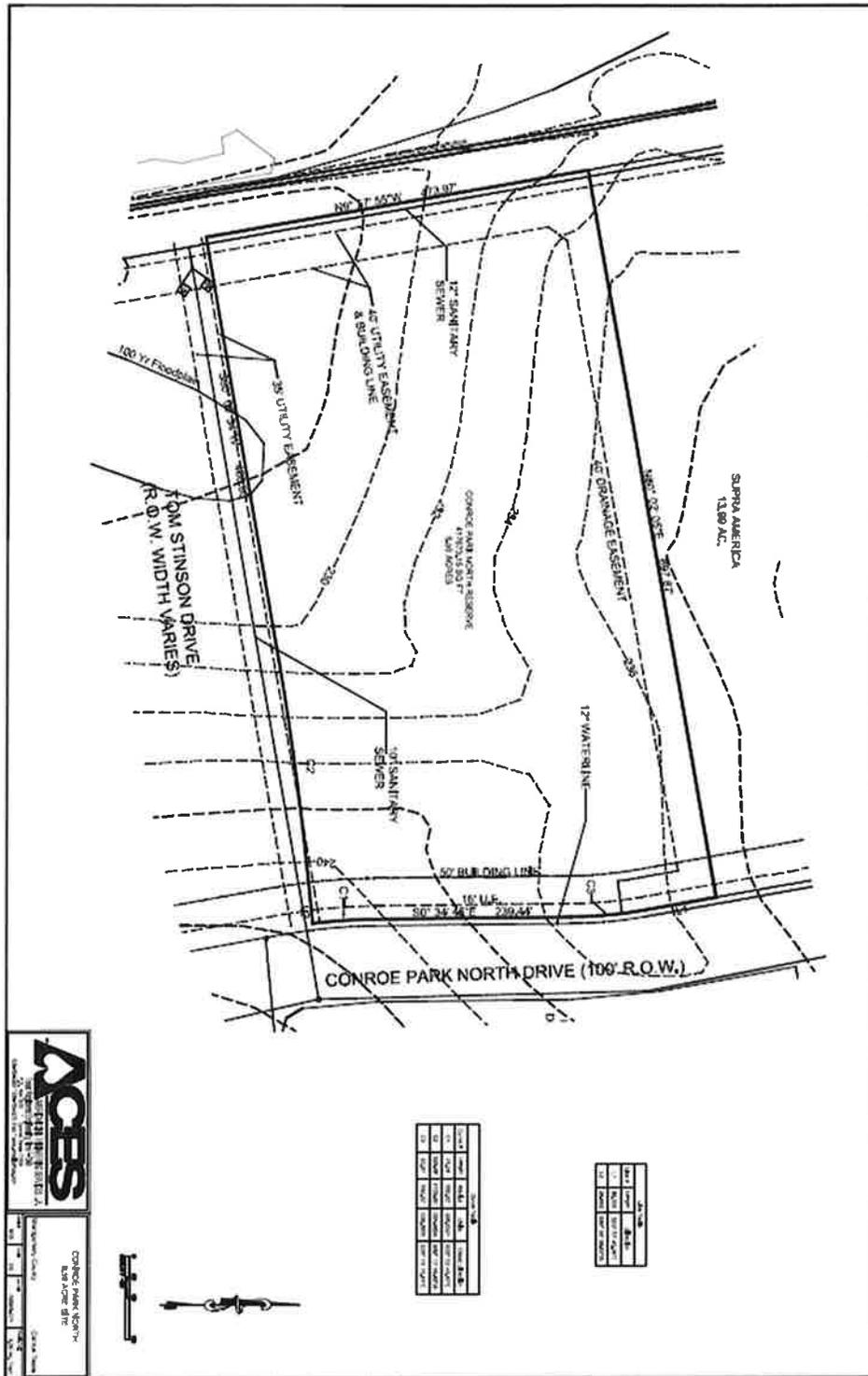
Attn: Bertrand Solliet

Office: \_\_\_\_\_

Email: [bertrand.solliet@supragroup.ch](mailto:bertrand.solliet@supragroup.ch)

# EXHIBIT A

## DEPICTION OF ROFR PROPERTY



**EXHIBIT B**

**FORM OF MEMORANDUM OF RIGHT OF FIRST REFUSAL TO PURCHASE**

THIS MEMORANDUM OF RIGHT OF FIRST REFUSAL TO PURCHASE (this “*Memorandum*”) is made and entered into as of \_\_\_\_\_, 202\_\_, by and between Conroe Industrial Development Corporation (“*Seller*”), and Supra America Real Estate LLC, a Texas limited liability company (“*Buyer*”).

Seller and Buyer have entered into that certain Right of First Refusal to Purchase Agreement (the “*Agreement*”) dated \_\_\_\_\_, 2020, which grants Buyer a right of first refusal to purchase the real property more particularly described in **Exhibit A** attached hereto.

The terms of the Agreement are by this reference incorporated herein as if set forth in full in this Memorandum.

IN WITNESS WHEREOF, Seller and Buyer have executed this Memorandum as of the day and year first above written.

**SELLER:**

CONROE INDUSTRIAL DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS                   §  
  §  
COUNTY OF MONTGOMERY   §

This instrument was acknowledged before me on \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, \_\_\_\_\_ of Conroe Industrial Development Corporation, a Texas non-profit corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**BUYER:**

SUPRA AMERICA REAL ESTATE LLC, a Texas  
limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS                   §  
  §  
COUNTY OF \_\_\_\_\_       §

This instrument was acknowledged before me on \_\_\_\_\_, 202\_\_, by  
\_\_\_\_\_, \_\_\_\_\_ of Supra America Real  
Estate LLC, a Texas limited liability company, on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public, State of Texas

[EXHIBIT A to be attached.]

## **ITEM 4**

### **DISCUSSION OF CITY OF CONROE REQUEST FOR CAPITAL IMPROVEMENT FUNDING FOR:**

**A. TRAFFIC SIGNAL ON SEVEN COVES  
ROAD AT FARRELL ROAD - \$370,000**

**B. WATER LINE EXTENSION WALLY  
WILKERSON ROAD TO FM 1484 –  
\$3,066,000**

**C. WATER WELL AND STORAGE AT  
TOM STINSON RD AND TECHNOLOGY  
PARK DR - \$6,147,000**



# Capital Improvement Program Project Sheet

<b>Project Type:</b>	Signals	<b>Project Code:</b>	TBD
<b>Project Title:</b>	Signal - Seven Coves at Farrel Road (CIDC)		
<b>Project Manager:</b>	Engineering		
<b>Location Description:</b>	Intersection of Seven Coves Road and Farrel Road		
<b>Project Summary:</b>	Install Highway Traffic Signal (mast arms) to TxDOT standards.		

<b>Start Date:</b>	10/1/2022
<b>Completion Date:</b>	9/1/2023

### Project Forecast

Object Code	2021	2022	2023	2024	2025	2026-2030	Total Cost
<b>Funding Source</b>	<hr/>						
6550 - Transfer In	-	-	370,000	-	-	-	370,000
<b>Total Funding Source</b>	-	-	<b>\$370,000</b>	-	-	-	<b>\$370,000</b>
<b>Expenditure</b>	<hr/>						
9030 - Improvements >\$5,000	-	-	370,000	-	-	-	370,000
<b>Total Expenditure</b>	-	-	<b>\$370,000</b>	-	-	-	<b>\$370,000</b>

### Budget Details

Object Codes	Comments	Object Code Subtotals	2021 Budget
<b>Expenditure</b>			
<b>90 - Capital Outlay</b>			
9030 - Improvements >\$5,000	Construction	-	
9030 - Improvements >\$5,000	Planning/Design	-	
<b>Total</b>		<hr/>	<hr/>

### Operating Impact

No data found for the selected parameters.

# Capital Improvement Program Project Sheet

Project Type:

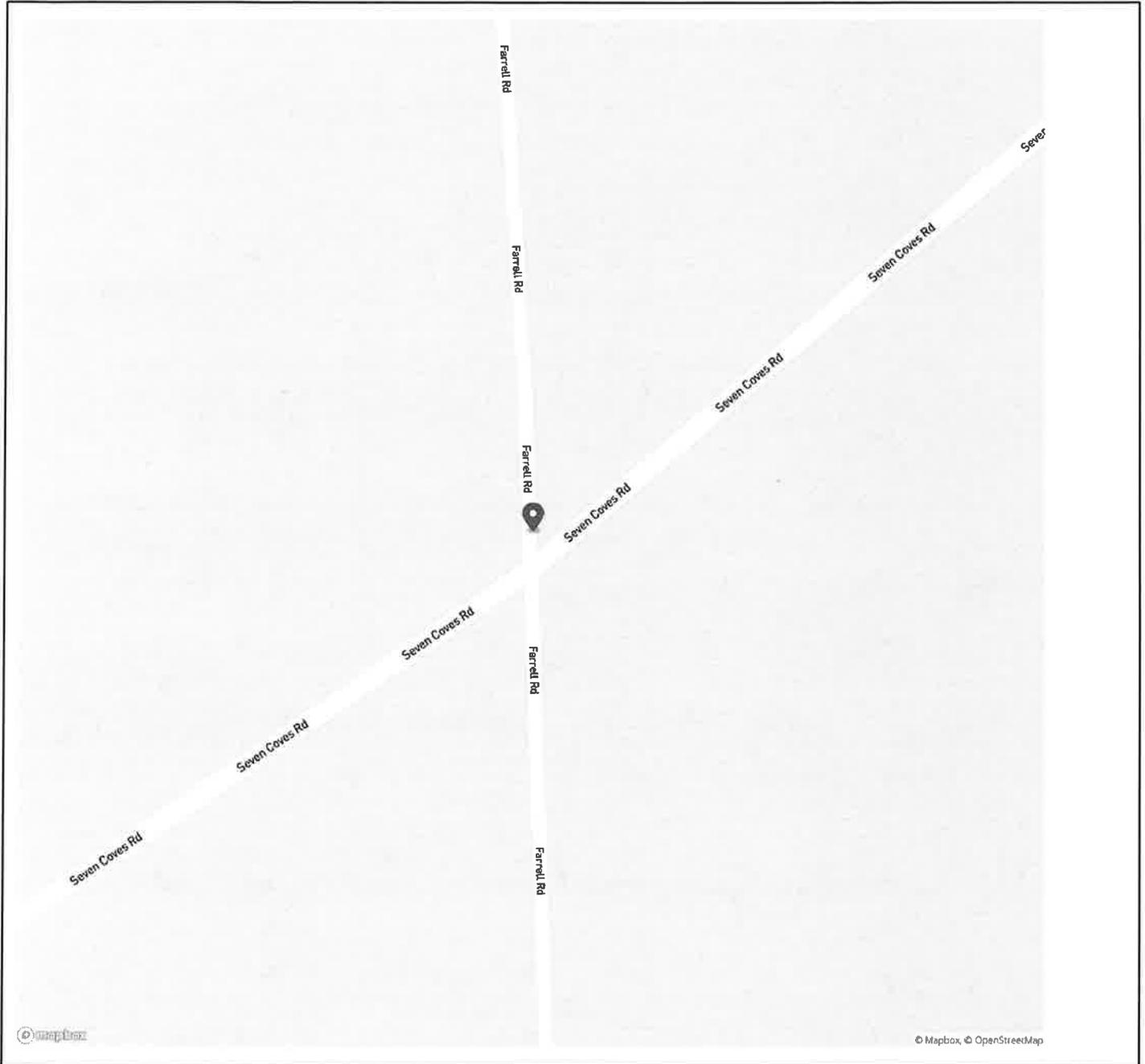
Signals

Project Code: TBD

Project Title:

Signal - Seven Coves at Farrel Road (CIDC)

Location:



# Capital Improvement Program Project Sheet

<b>Project Type:</b>	Water	<b>Project Code:</b>	TBD-024
<b>Project Title:</b>	Water Line Extension - Wally Wilkerson to FM 1484 (CIDC)		
<b>Project Manager:</b>	Engineering		
<b>Location Description:</b>	Wally Wilkerson from HWY 75 to Conroe Park West Drive & Pollok to FM 1484		
<b>Project Summary:</b>	<p>This project is to install approximately 10,200 linear feet of 12" water line along Wally Wilkerson from HWY 75 to Conroe Park West Drive. The water line extension will provide service and an interconnected loop system in the northeast area of Conroe to Conroe Park North Industrial Park and Deison Technology Park. In addition, it will extend a water line south to FM 1484 and across Deison Technology Park.</p>		

<b>Start Date:</b>	10/1/2020
<b>Completion Date:</b>	9/1/2021

**Project Forecast**

Object Code	2021	2022	2023	2024	2025	2026-2030	Total Cost
<b>Funding Source</b>							
6550 - Transfer In	3,066,000	-	-	-	-	-	3,066,000
<b>Total Funding Source</b>	<b>\$3,066,000</b>	-	-	-	-	-	<b>\$3,066,000</b>
<b>Expenditure</b>							
9030 - Improvements >\$5,000	3,066,000	-	-	-	-	-	3,066,000
<b>Total Expenditure</b>	<b>\$3,066,000</b>	-	-	-	-	-	<b>\$3,066,000</b>

**Budget Details**

Object Codes	Comments	Object Code Subtotals	2021 Budget
<b>Expenditure</b>			
<b>90 - Capital Outlay</b>			
9030 - Improvements >\$5,000		3,066,000	3,066,000
<b>Total</b>		<b>\$3,066,000</b>	

**Operating Impact**

No data found for the selected parameters.

# Capital Improvement Program Project Sheet

Project Type:

Water

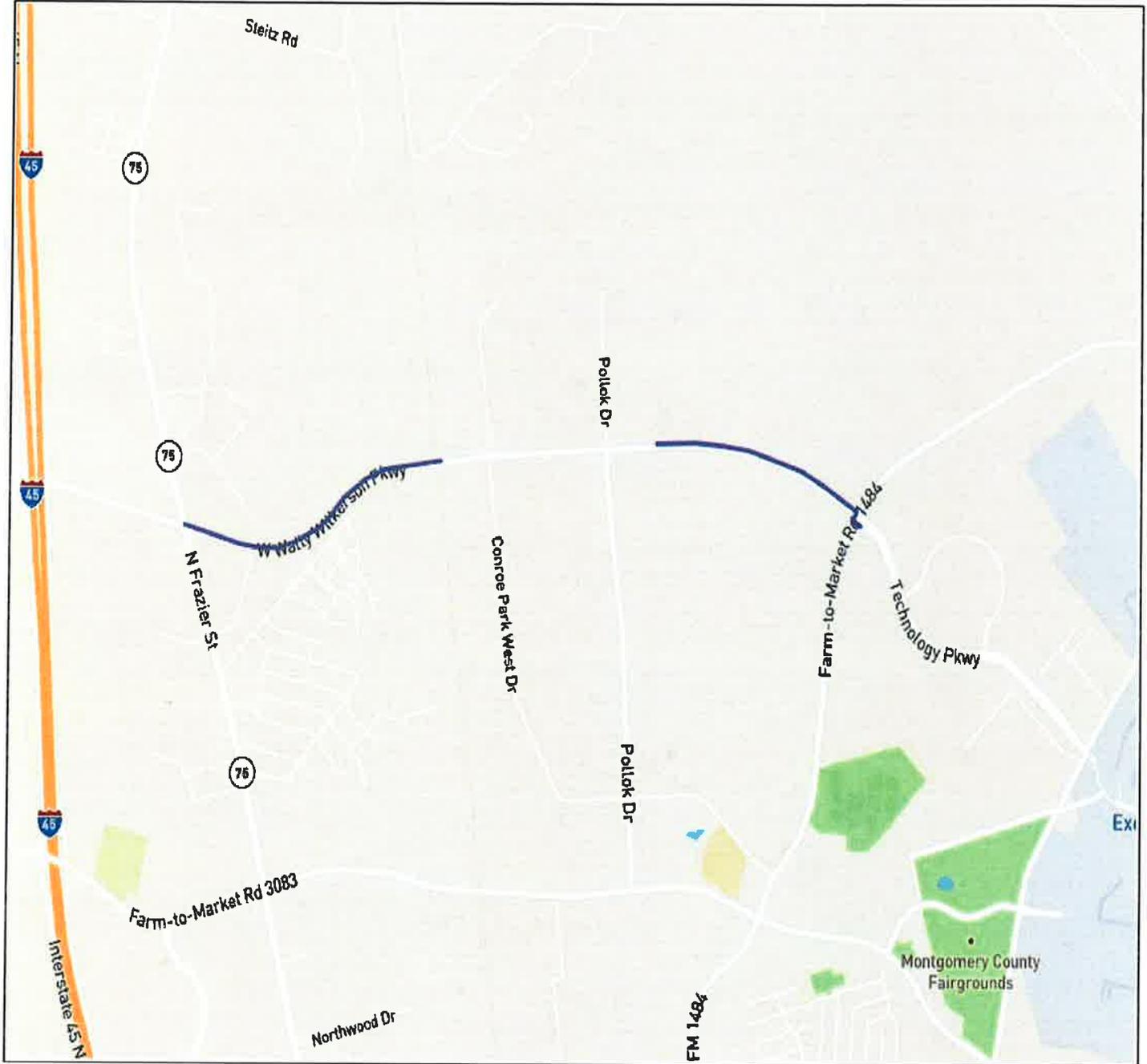
Project Code:

TBD-024

Project Title:

Water Line Extension - Wally Wilkerson to FM 1484 (CIDC)

Location:



# Capital Improvement Program Project Sheet

<b>Project Type:</b>	Water	<b>Project Code:</b>	TBD
<b>Project Title:</b>	Water Well & Plant - Tom Stinson Drive and Technology Parkway (CIDC)		
<b>Project Manager:</b>	Engineering		
<b>Location Description:</b>	Tom Stinson Drive and Technology Parkway		
<b>Project Summary:</b>	This project includes the installation of a 1.0 million gallon tank at the elevated storage tank site just north of Tom Stinson Drive and Technology Parkway Intersection.		
<b>Start Date:</b>	10/1/2020		
<b>Completion Date:</b>	9/1/2021		

### Project Forecast

Object Code	2021	2022	2023	2024	2025	2026-2030	Total Cost
<b>Funding Source</b>							
6550 - Transfer In	6,147,000	-	-	-	-	-	6,147,000
<b>Total Funding Source</b>	<b>\$6,147,000</b>	-	-	-	-	-	<b>\$6,147,000</b>
<b>Expenditure</b>							
9030 - Improvements >\$5,000	6,147,000	-	-	-	-	-	6,147,000
<b>Total Expenditure</b>	<b>\$6,147,000</b>	-	-	-	-	-	<b>\$6,147,000</b>

### Budget Details

Object Codes	Comments	Object Code Subtotals	2021 Budget
<b>Expenditure</b>			
<b>90 - Capital Outlay</b>			
9030 - Improvements >\$5,000		500,000	
9030 - Improvements >\$5,000	Construction	5,647,000	
		<u>6,147,000</u>	
<b>Total</b>			<b>\$6,147,000</b>

### Operating Impact

No data found for the selected parameters.

# Capital Improvement Program Project Sheet

Project Type:

Water

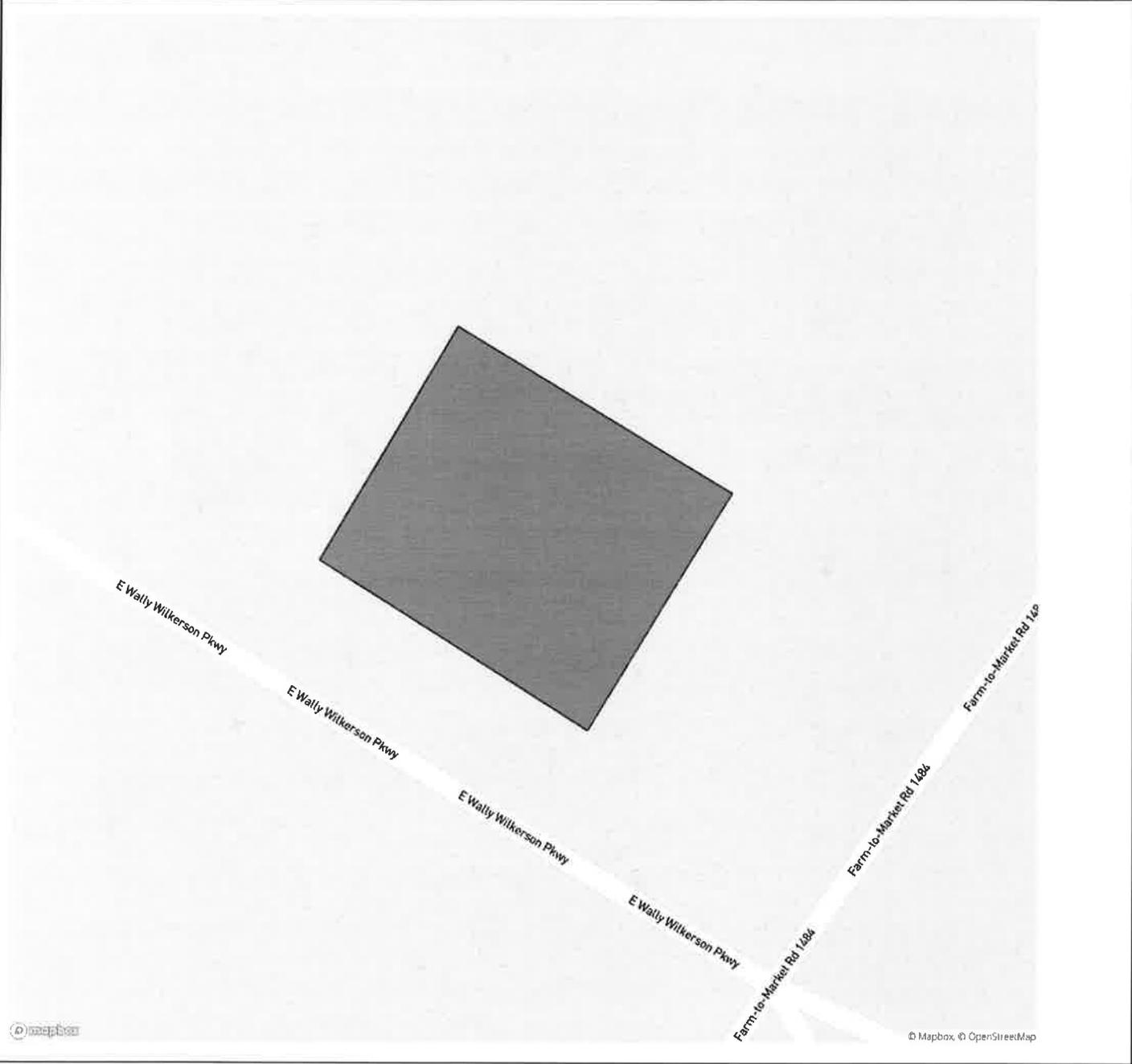
Project Code:

TBD

Project Title:

Water Well & Plant - Tom Stinson Drive and Technology Parkway (CIDC)

Location:



# **ITEM 5**

**CLOSED SESSION DELIBERATION(S)**



# **ITEM 6**

**CONTRACT(S)/OFFER(S)  
FOR SALE AND PURCHASE OF LAND**



# **ITEM 7**

## **EXECUTIVE DIRECTOR'S REPORT**



# **ITEM 8**

## **PAYMENT OF INVOICES**



**ITEM 9**

**ADJOURN**