

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

February 12, 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 12th day of February, 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
Dale Martin	Vice Chair
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, except Director Rogers, 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 and announced that a quorum was present.

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

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 January 15, 2019. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on January 15, 2019, as written. Director Martin seconded the motion, which unanimously carried.

The Board next considered a report on the 2018 constable patrol security program at shopping centers located within the District during the holiday season. Chief Deputy Welch presented and reviewed the attached report and discussed the 10-week program. He stated that week 2 and week 7 were the busiest weeks and requested that the District retain the program for 2019-2020 holiday season. He noted that there is no change in the \$70,000 budget for the 2019-2020 program.

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The Board next presented checks to Back Pew Brewing and Montgomery County ESD No. 7.

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 had nothing new to report.

The Board next reviewed the calculations and authorization of payment to Montgomery County ESD No. 11 ("ESD 11") pursuant to the terms of the Contract between the District and ESD 11. After discussion, Director Zepeda made a motion to approve the calculations and authorize payment to ESD 11 as set out above. Director Wetz seconded the motion, which unanimously carried.

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 Operating Fund being check nos. 16023, 16082, 16123 and 16147 through 16242, inclusive, with check nos. 16023, 16082 and 16123 being voided, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2641 and 2653, inclusive, as set forth on the attached reports. Director Persson seconded the motion, which unanimously carried.

The Board next considered a report on engineering and construction projects within the Industrial Park, including the status of contract with Drymalla Construction Co., Inc. ("Drymalla") for construction of building #2 for YMER Technology. Mr. Costanza stated that the notice to proceed was issued on February 4, 2019 and that Drymalla has started with the clearing and grubbing of the site.

The Board next considered the status of the sale of dirt excavated from the future detention pond site and the status of the contract with TDG for excavation and delivery of said dirt. Mr. Costanza reported that there were no new dirt sales this month.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza stated that JAC received comment from the County relative to the Section 3 & 4 plats and has responded.

The Board next considered the following announcements:

- Director Persson reported that the EMC Leadership Program is tonight and that the Lonestar College-Kingwood re-opening program is February 15th.

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- Mr. McCrady stated he has received a lot of positive feedback on the Ice Skating Rink event.

The Board next recessed to Executive Session at 6:01 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, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 7:00 p.m.

Director Persson exited the meeting during executive session.

The Board next considered the status of an Incentive Agreement with JHarp Land Management LLC (“JHarp”). Mr. McCrady stated that the Agreement is complete and has been executed by JHarp.

The Board next deferred the status of an Incentive Agreement with Royal Dough Bakers LLC. Mr. McCrady stated that the project is currently on hold and recommended removing the item from the agenda.

The Board next considered the status of an Incentive Agreement with Accurate Order Solutions, LLC dba Porter Family Pharmacy (“Accurate”). Mr. McCrady stated the Agreement is currently with Accurate for execution.

The Board next deferred the approval of an Incentive Agreement with HEB after Mr. McCrady stated he has not received the required Form 1295.

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

The Board next considered a report on the activities within the Industrial Park, including the status of an Incentive Agreement and approval of a Purchase and Sale Agreement with Salt Technologies dba Agent Security relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that the company had a change in plans and is not planning to move this year. He stated the company might be back next year and recommended removing the item from the agenda.

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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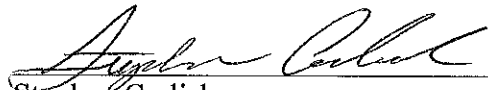
The Board next deferred the approval of a Conveyance of Utility Facilities for wastewater lift station and force main improvements to serve Industrial Park, Section 3 (Quadvest) to EMC 3, as the plat has not yet been recorded.

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 review of proposals relative to renewal of the District's insurance coverage for term expiring March 31, 2019, until the next meeting.

The Board next considered matters for possible placement on future agendas, including holding a special Board meeting on February 20, 2019, at 12:00 noon.

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



Stephen Carlisle
Secretary, Board of Directors

(SEAL)

