

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
March 19, 2015

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 19th day of March, 2015, at 6:30 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 roll was called of the duly elected officers and members of the Board of Directors, to-wit:

Brenda Webb	Chairperson
Dale Martin	Vice Chair
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Isidor Ybarra, Jr.	Director

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

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Ms. Tara Martin, Ms. Kelley Mattlage, Mr. David Marks, Mr. Greg Phipps, Ms. Kaye Townley and others from the community, as shown on the attached sign in sheet.

Chairperson Webb called the meeting to order and announced that a quorum was present.

Director Hesson led in prayer followed by the pledge of allegiance led by Director Rogers.

As the first order of business, the Board deferred comments from members of the audience after Chairperson Webb stated no one had signed up to address the Board.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on February 17, 2015. After review and discussion, Director Persson moved that the minutes of the Board of Directors meeting held on February 17, 2015, be approved as revised on the attached draft minutes. Director Carlisle seconded said motion, which unanimously carried.

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Chairperson Webb next presented and distributed grant checks to Montgomery County Emergency Services District No. 6, to Montgomery County Constables and to the American Legion for sponsorship of Woman's Auxiliary fund to send kids to leadership program.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented or as reflected in said reports. In connection therewith, Ms. Townley presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Ybarra moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 11744, 11788 and 11836 through 11934, inclusive, three (3) wire transfers and debits for payroll, as set forth on the attached reports. Director Zepeda seconded said motion, which unanimously carried.

The Board next considered authorizing the District's bookkeeper to prepare the 2015 Unclaimed Property Reports and to file same with the Comptroller prior to the July 1, 2015, deadline. After discussion on the matter, Director Carlisle moved that the bookkeeper be authorized to prepare the 2015 Unclaimed Property Reports and to file same with the Comptroller prior to the July 1, 2015, deadline. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the following announcements:

Director Carlisle reported on the Roman Forest police awards ceremony and noted that an award was given to the District in appreciation for the grant program.

Director Webb noted that March 24, 2015, is Montgomery County day in Austin.

Director Persson noted that Lone Star College Kingwood is conducting a dialog relative to guns on campus from 7:00pm to 9:00 pm on March 30, 2015.

Director Rogers stated that the Sammy Taylor Scholarship Shoot is scheduled for March 28, 2015.

Director Webb stated that the District will hold its annual Spring Extravaganza on March 26, 2015.

Ms. Parmer stated that the Community Development Grant Applications are due by 5:00 p.m. on March 30, 2015.

Director Webb next thanked Director Persson for hosting the EMCID town hall meeting and noted that the next town hall meeting will be on April 13, 2015, at 7:00 p.m. in Cumberland.

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The Board next recessed to Executive Session at 6:47 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 7:58 p.m.

The Board next considered the status of development of the District's 12.85 acre site, including the construction of improvements, the leasing of space in the District's office building and the status of the possible condemnation of District property by TxDOT for the Grand Parkway development. In that regard, Mr. McCrady stated he is still working with the condemning authorities and is investigating several new sites as possible relocation sites.

The Board next considered a report on activities within the Industrial Park, including the status of sale of dirt out of future detention pond and the status of the contract with TDG for excavation and delivery of said dirt. In connection therewith, Mr. Phipps reported that Mr. McCrady is currently working with landowners relative to the purchase of the dirt.

The Board next considered the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3. Mr. Phipps reported that the construction contracts are with the contractor for execution.

The Board next deferred the approval of plans and specifications and authorization to advertise for bids for the construction of roads to serve Section 4, after Mr. Phipps stated that it will take approximately 30-60 days to complete the plans.

The Board next considered the status of a plat of Section 3 and 4. Mr. Phipps reported that plat will be ready to submit to Montgomery County once the road alignment is final.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Phipps reported that the construction contracts are with the contractor for execution.

The Board next considered the status of the contract with Quadvest for construction of the sanitary sewer and water facilities to serve Industrial Park, Section 3. Mr. Phipps reported that the construction contracts are with the contractor for execution.

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The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the purchase of a 20 acre site by Command Energy.

The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the Keysteel expansion project.

The Board next deferred the status of an Incentive Agreement and Purchase and Sale Agreement relative to the sale of a 3 acre site to a nutraceutical company.

The Board next considered the approval of an Incentive Agreement with Saints and Sinners Brewing Company. Mr. McCrady discussed the project and reviewed the Agreement with the Board. After discussion, Director Persson made a motion that the Board approve an Incentive Agreement with Saints and Sinners Brewing Company. Director Carlisle seconded said motion, which unanimously carried.

The Board next considered the approval of an Incentive Agreement with Splendor 2090 Property, LLC, or its assignees. Mr. McCrady discussed the project and reviewed the Agreement with the Board. After discussion, Director Persson made a motion that the Board approve an Incentive Agreement with Splendor 2090 Property, LLC, or its assignees. Director Carlisle seconded said motion, which unanimously carried.

The Board next considered the approval of an amendment to the lease agreement with Lone Star College Academy for Lifelong Learning ("LSCALL"). Mr. McCrady reported that LSCALL is requesting that the District amend its current lease to reduce the base rent from \$4,000.00 per month to \$1,500.00 per month. After discussion, Director Carlisle made a motion that the Board reduce LSCALL's base rent, as set out above. Director Zepeda seconded said motion, which carried, with Director Persson abstaining.

The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and consideration of authorizing a survey of wages. Mr. Marks presented a spreadsheet reflecting Prevailing Wage Rates for Construction Projects for the US Department of Labor and reviewed the attached Resolution with the Board in connection with same. After discussion of said spreadsheet and resolution, Director Ybarra moved that the Board adopt the Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the US Department of Labor rates. Director Martin seconded said motion, which unanimously carried.

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The Board next deferred the status of preparation of a demographic study by LDP on the placement of a splash pad park within the District.

The Board next considered the status of an Incentive Agreement relative to the construction of Taco Cabana within the District. Mr. McCrady stated that he should be receiving the executed Incentive Agreement from Taco Cabana in approximately one (1) week. He noted that the establishment is scheduled to open in approximately 45 days.

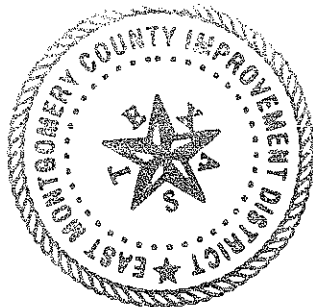
The Board next considered the status of an Incentive Agreement relative to the construction of Pollo Tropical within the District. Mr. McCrady stated that he should be receiving the executed Incentive Agreement from Pollo Tropical in approximately one (1) week. He noted that the establishment is scheduled to open in approximately 30 days.

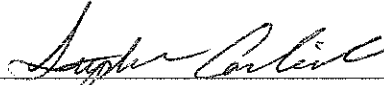
The Board next deferred the approval of a development agreement with Jefco Development Corp. and a sponsor agreement with TxDOT regarding construction of drainage and detention facilities for the retail center and expansion of Loop 494, after Mr. McCrady stated he had nothing new to report.

The Board next considered the following matters for possible placement on future agendas. Director Carlisle requested that the agenda item regarding vendor contract review from the February agenda be placed on the April agenda.

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

(SEAL)





Stephen Carlisle
Secretary, Board of Directors