

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
March 24, 2016

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 24th day of March, 2016, 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, except Director Martin, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kelly Matlage, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza, 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 Rogers led in prayer followed by the pledge of allegiance led by Director Ybarra.

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 meetings held on February 25, 2016, March 11, 2016 and March 21, 2016. After review and discussion, Director Ybarra made a motion that the minutes of the Board of Directors meetings held on February 25, 2016 and March 11, 2016, be approved as written. Director Hesson seconded said motion, which unanimously carried. The Board further deferred approval of the minutes from the March 21, 2016, meeting.

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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 presented for payment. Following review, Director Hesson made a motion that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 13008 through 13070, inclusive, with previously approved check no. 12540, and check no. 2932 being voided, one (1) wire transfer and debits for payroll, and on the Special Events Fund, being check nos. 2446 and 2447, as set forth on the attached reports. Director Persson seconded said motion, which unanimously carried.

The Board next considered authorizing the District's bookkeeper to prepare the 2016 Unclaimed Property Reports and to file same with the Comptroller prior to the July 1, 2016, deadline. After discussion on the matter, Director Carlisle moved that the bookkeeper be authorized to prepare the 2016 Unclaimed Property Reports and to file same with the Comptroller prior to the July 1, 2016, deadline. Director Zepeda seconded said motion, which unanimously carried

The Board next considered authorizing up to \$15,000 to sponsor a high school fishing tournament. Mr. McCrady stated that the tournament is tentatively scheduled for May 8, 2017, and that the tournament sponsorship will be reflected in the District's 2017 budget. After discussion, Director Rogers moved that the District be authorized to donate up to \$15,000 to sponsor a future fishing tournament, as set out above. Director Carlisle seconded said motion, which unanimously carried.

The Board next considered the status of request from Montgomery County Emergency Services District No. 7 ("ESD 7") to amend its existing funding agreements. Director Webb discussed the attached proposal with the Board. After discussion, Director Webb moved to authorize the District's attorney to prepare a Grant contract reflecting the terms set forth on the attached proposals and Mr. McCrady to forward same to ESD 7 for review, approval and execution. Director Persson seconded said motion. Director Hesson then made a motion to amend the motion to extend the funding through the year 2019. Director Carlisle seconded said motion. After discussion, Director Hesson and Director Carlisle, with the unanimous consent of the Board, withdrew the amendment. After further discussion, the original motion was unanimously approved. Chief Taylor expressed his appreciation for everything that the District has done for the

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ESD's.

The Board next considered the following announcements:

- March 26th – Project Safer Child (Cole's Smokehouse Fundraiser)
- April 8th & April 9th – Kingwood Book Festival
- April 13th – Pat's Donuts Long Forum with guests from Cambodia government
- April 16th – Lone Star College Dinner
- April 18th – VFW certificate presentation
- May 7th – Shred event at EMCID Complex
- May 18th – Leadership MC Graduation
- U of H Law School Dean reception to be held in the next sixty (60) days.

The Board next considered the status of preparation of agreements for splash pad sites, preparation of plans for construction of splash pads, status of Lease, Installation, Operation and Management Agreements between the District and the City of Splendora ("Splendora") and between the District and the City of Roman Forest ("RF") relative to the splash pads, and status of award of contract to Kraftsman for construction of splash pads. Mr. McCrady stated that he spoke with the Mayors of Splendora and RF and that both are willing to fund \$30,000, at \$5,000 per year, to help with the costs of the water re-use system for the splash pad projects. A representative of Kraftsman then addressed the Board and noted that he will work on the design and once complete will get a purchase order for the BuyBoard. He stated that he will order the equipment within the next 2-4 weeks, as the equipment could take 6-8 weeks to arrive. He further stated the project will require a minimum of 90 days to complete, with a projected opening in July 2016.

The Board next recessed to Executive Session at 7:22 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 8:24 p.m.

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The Board next deferred the status of modifications to the Development Agreement and the status of preparation of a Second Amended and Restated Economic Development Agreement by and among Sig-Valley Ranch, Ltd., Valley Ranch Town Center, Ltd., East Montgomery County Improvement District Economic Development Zone No. 1 and the District.

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. Mr. McCrady stated that the trial relative to the condemnation by TxDOT in connection with the Grand Parkway construction is scheduled for May 2016.

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. Mr. Costanza reported that he is working with one (1) customer.

The Board next deferred the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3 after Mr. Costanza noted the contractor is waiting on the drainage project to be completed.

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.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza reported that the Section 3 preliminary plat is complete and that JAC is working on Section 4.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the contractor is progressing.

The Board next deferred the status of the contract with Quadvest for construction of the sanitary sewer and water facilities to serve Industrial Park, Section 3 after Mr. Costanza noted the contractor is waiting on the drainage project to be completed.

The Board next considered the status of the contract with National Sign Co. for installation of signage on FM 1314. Mr. Costanza stated that the sign has been installed and that the installation of electrical wiring for lighting and landscaping is in progress.

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The Board next deferred the review of bids and authorization of award of contract for installation of IP signage on FM 1485. Mr. Costanza reported that the project is on hold pending completion of the installation of the signage on FM 1314 and that he should have a proposal by the April meeting.

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 the Keysteel expansion project.

The Board next deferred the status of an Incentive Agreement and Purchase and Sale Agreement with Tiro, Inc., or assignees, relative to the purchase of an approximate 4 acre site.

The Board next deferred the status of an Incentive Agreement and Purchase and Sale Agreement with Newberry's Foods/Coastal Foods or its assignees, relative to the purchase of a 14 acre site.

The Board next considered the status of an Incentive Agreement and Purchase and Sale Agreement with Stanchi Interests LLC (formerly E-Controls) relative to the purchase of a 5 acre site, including approval of changes thereto. Mr. McCrady reported that the transaction is scheduled to close on April 4, 2016.

The Board next deferred the approval of a Purchase and Sale Agreement with Pioneer Molded Products, Inc., or assignee, relative to the purchase of 12.7 acre site.

The Board next considered the status of the Purchase and Sale Agreement with Janista Holdings, LLC. Mr. McCrady reported that the transaction is scheduled to close in a couple of weeks.

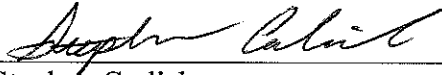
The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and consideration of authorizing a survey of wages. Mr. Marks presented a spreadsheet reflecting Prevailing Wage Rates for Construction Projects for the US Department of Labor and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

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The Board next deferred the status of an Incentive Agreement with Royal Purple. Mr. McCrady reported that Splendor 2090 Property, LLC, or its assignees is close to opening. He stated RREI LP is in the process of platting the site of its new service center in the District and that Pollo Loco is scheduled to open by June 1, 2016.

The Board next considered matters for possible placement on future agenda, including conducting a workshop meeting on March 31, 2016, 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)

