

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
April 11, 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 11th day of April, 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 Martin, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Mr. David Marks, Mr. Joe Costanza, Ms. Jennifer Green 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 Persson.

As the first order of business, the board presented a check to the East Montgomery County Chamber of Commerce (“Chamber”) for \$100,000 based on the terms of the contract with the Chamber.

The Board next 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 March 21, 2019. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on March 21, 2019, as written. Director Wetz seconded the motion, which unanimously carried.

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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 reported that the building experienced a termite invasion in the dais and that 18 gallons of extermination spray was used to treat the infestation. He noted that he will verify that that infestation is gone and will have the damaged areas restored.

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 Drymalla has completed the dirt work for the slab and is scheduled to pour the slab concrete in two weeks. He stated that JAC will be meeting with Drymalla tomorrow to discuss the change order request. He then presented pay application no. 2, in the amount of \$82,107.90 and recommended the Board approve the payment of same. Mr. Costanza further stated that Drymalla has also requested the addition of three and a half (3½) days to the contract due to the wet weather. After discussion, Director Carlisle moved that the Board approve the payment of pay application no. 2 and the three and a half (3½) additional weather related days, as set out above. Director Zepeda seconded the motion, which unanimously carried.

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 JAC is in discussions relative to a request for the sale of dirt.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza stated JAC is working with the Montgomery County Attorney's office relative to the required road bonds.

The Board next considered the following announcements:

- Lone Star College-Kingwood Grand Opening

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Director Wetz 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. 16325 and 16344 through 16402, inclusive, with check no. 16325 being voided, seven (7) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2665, 2667 and 2669, as set forth on the attached reports. Director Persson seconded the motion, which unanimously carried.

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The Board next recessed to Executive Session at 5:44 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 7:01 p.m.

The Board next considered the approval of settlement documents with Viking Fence Co. (“Viking”). After discussion, Director Persson moved to approve the settlement documents with Viking. Director Tramm seconded the motion, which unanimously carried.

The Board next deferred the approval of an Incentive Agreement with Lighthouse Industrial Properties, LLC.

The Board next deferred the approval of an Incentive Agreement with Woodmark, LP.

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

The Board next deferred the approval of an Incentive Agreement with Italianos Restaurant, or its assignees.

The Board next considered the approval of an Incentive Agreement with La Huerta Restaurants, LLC, or its assignees (“La Huerta”). Mr. McCrady recommended offering a \$25,000 grant for infrastructure improvements and equipment to serve its new location on North Park Dr. He stated the company will create 30 new jobs with 16 of those employees being hired from within the boundaries of the District. He stated that La Huerta will be applying for a \$200,000 loan from the Economic Development Corporation and he presented the executed Form 1295 from La Huerta. After discussion, Director Wetz moved that the Board approve the Incentive Agreement with La Huerta, as set out above. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of the Incentive Agreement with Speedsportz Racing Park at Grand Texas, LLC (“Speedsportz”). Mr. McCrady stated that the Agreement has been sent to Speedsportz for execution and that it is scheduled to fund next Thursday.

The Board next considered a report on the activities within the Industrial Park. 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 considered the status of an Incentive Letter and preparation of a Purchase and Sale Agreement with Gamma Holdings, LLC relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that the documents are with the title company and noted that the sale transaction is scheduled to close in approximately thirty (30) days.

The Board next deferred the approval of an Incentive Letter, authorizing preparation of a Purchase and Sale Agreement with Performance Drywall relative to the purchase of a site in the Industrial Park, and authorizing the President and Chair to take all actions and execute all required documents in connection with the sale of the property.

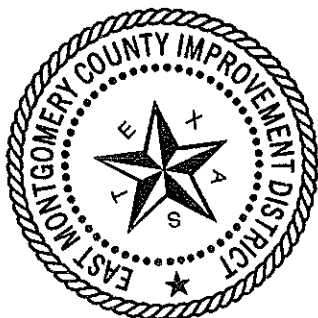
The Board next deferred the approval of an Incentive Letter, authorizing preparation of a Purchase and Sale Agreement with Pearson Construction relative to the purchase of a site in the Industrial Park, and authorizing the President and Chair to take all actions and execute all required documents in connection with the sale of the property.

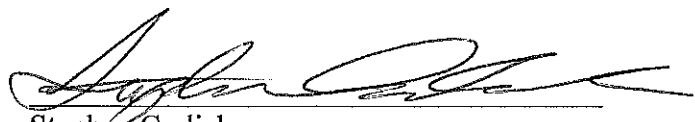
The Board next considered a proposal for use of electronic device for director information for Board of Directors meetings. Director Carlisle stated that the Board discussed the matter four (4) years ago and requested that the District obtain proposals for the electronic devices. Director Webb agreed with the request, but suggested the iPad's remain at the EMCID office to allow the information to be uploaded in advance of the meetings. After discussion, the Board requested that Mr. McCrady investigate the costs associated with the use of three (3) different kinds of devices.

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)




Stephen Carlisle
Secretary, Board of Directors