

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
July 13, 2017

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 13th day of July, 2017, at 6:00 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
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Fred Wetz	Director

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

Also present were Mr. Frank McCrady, Ms. Kelley Mattlage, 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.

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

Director Rogers led in prayer followed by the pledges of allegiance led by Director Carlisle.

As the first order of business, the Board presented economic grant checks to East Montgomery County Emergency Services District No. 6 and East Montgomery County Emergency Services District No. 7.

The Board next considered comments from members of the audience. Ms. Mullane next addressed the Board and expressed her appreciation for the splashpad the District built in Roman Forest. Mr. Bush addressed the Board and stated that he has been a resident of East Montgomery County since 1965 and has seen a lot of improvements in the area, but is upset with the Rock the Ranch Festival as he believes it was a waste of the taxpayer's money. Ms. Shorten next addressed the Board and stated that she believes that East Montgomery County needs more infrastructure to support entrepreneurial efforts in older parts of the District and that existing infrastructure needs

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to be improved and expanded.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on June 20, 2017. After review and discussion, Director Carlisle moved to approve the minutes of the Board of Directors meeting held on June 20, 2017, as written. Director Zepeda seconded the motion, which carried, with Director Persson abstaining.

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 Rogers made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 14233, 14281, 14308 and 14311 through 14365, inclusive, with check nos. 14233, 14281 and 14308 being voided, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2532 through 2536, inclusive, as set forth on the attached reports. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the status of award of an economic development grant to Jacques Verron d/b/a Rocking Horse Daycare ("Rocking Horse"). Mr. McCrady reported that at the last meeting the Board approved an economic grant in the amount of \$15,000 for the installation of new signage at the Rocking Horse Porter location at Partners Way and FM 1314. He stated that the \$15,000 grant did not cover the cost of the sign, as the bid came in at \$28,340.00. After discussion, Director Hesson moved to amend the economic grant with Rocking Horse to \$28,340.00 and to authorize MRPC to prepare the necessary Amended Grant Agreement. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of award of an economic grant to Speedsportz Racing Park, LLC at Grand Texas ("Speedsportz"). Mr. McCrady reported that the grant will close next week.

The Board next deferred the approval of an economic development grant to Crystal Inn, or its assignees.

The Board next considered the following announcements:

- Back to School Bash on September 12, 2017.

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The Board next recessed to Executive Session at 6:21 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 7:46 p.m.

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. Costanza reviewed two (2) separate specification books relative to the mowing and grounds maintenance and building and facilities maintenance, copies of which are attached. After discussion, Director Carlisle authorized the engineer to advertise for bids for the maintenance of the building and grounds in accordance with the specification books. Director Hesson seconded the motion, which unanimously carried.

The Board next considered the status of design of the new District building. Mr. McCrady stated he had nothing new to report.

The Board next considered a report on activities within the Industrial Park, including 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 the contract with Texas Dirt LLC ("TD") for construction of the second phase of the regional detention basin. Mr. Constanza reported that the weather has placed the project behind schedule by approximately 2 weeks. He then presented pay application no. 2, in the amount of \$202,527.00, and recommended that the Board approve the payment of same. After discussion, Director Wetz moved that the Board approve the payment of pay application no. 2 to TD, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3. Mr. Costanza reported that the final ditch grading has begun along with the final clean-up.

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The Board next considered the status of the contract with Clearwater Utilities, Inc. ("Clearwater") for the construction of water and sanitary sewer facilities to serve Industrial Park, Section 4). Mr. Costanza reported that A&S is scheduling an inspection of the lift station interior coating which appears to be defective. He stated the inspection will occur once the area around the lift station is accessible and noted that the project completion is on hold until the detention pond dirt removal is complete.

The Board next considered the status of the contract with Angel Brothers for the construction of roads to serve Industrial Park, Section 4. Mr. Costanza reported that the project completion is on hold until the detention pond dirt removal is complete.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza reported that the plat is on temporary hold until a prospective landowner makes a decision.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that Entergy will install the meter on July 14, 2017. He noted that once the meter is installed, the pumps can be started, the lift station can be activated and the project can be finalized.

The Board next considered the status of contract with E&S Construction ("E&S") for construction of the warehouse building project. Mr. Costanza reported that the project is 60% complete. He noted that the parking lot has been poured and the interior work along with the exterior brick work is being performed. He then presented pay estimate no. 8 in the amount of \$206,991.00, and recommended that the Board approve the payment of the pay estimate. After discussion, Director Persson moved to approve the payment of pay estimate no. 8 to E&S, as set out above. Director Carlisle seconded the motion, which unanimously carried.

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.

The Board next considered the status of construction of the splash pad site in the City of Roman Forest. Mr. Costanza reported that the splash pad work appears to be complete. He noted that there have been a few minor issues with trash clogs and general operation, but nothing major, and recommended that the Board accept the project as complete and release the check for the final payment to the contractor. The Board unanimously concurred with Mr. Costanza's recommendation.

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The Board next considered the status of construction of the splash pad in the City of Splendora. Mr. Costanza reported that there is still an issue with the splash pad coating. He noted that the contractor will repair once the swim season is over.

The Board next deferred the approval of a Purchase and Sale Agreement with WFP New Caney Properties LLC, as Mr. McCrady stated that he has not yet received the required Form 1295. He reported that the Architectural Control Committee has approved the proposed building and that the transaction is expected to close in approximately 2 weeks.

The Board next deferred the status of a Purchase and Sale Agreement with Metal Specialties or assignees relative to the purchase of a site in the Industrial Park.

The Board next deferred the approval of an incentive agreement with Youtrients, Inc., to authorize the preparation of a Purchase and Sale Agreement relative to the purchase of a site in the Industrial Park, and to authorize the President and Chair to take all action and to execute all required documents in connection with the purchase and sale of the property after Mr. McCrady stated he has not received the required Form 1295 from Youtrients.

The Board next considered the status of a Purchase and Sale Agreement ("Agreement") with Kro Energy Products, LLC and James and Betty Edwards Family Partnership LLP ("Kro, et al.") relative to the purchase of a site in the Industrial Park. Mr. McCrady reported that Kro, et al. is deferring the approval of the Agreement for 6 months to one year and stated that the item can be removed from the agenda.

The Board next considered the status of an incentive agreement with JRA Services LLC dba Hometown Chef Catering Co. ("Hometown Chef") and/or assignees relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that the transaction has closed.

The Board next deferred the status of a Purchase and Sale Agreement with Gulf Coast Apparatus Services ("Gulf Coast") relative to purchase of a site in the Industrial Park.


The Board next deferred the approval of an incentive agreement with New Directions Aeromatics, Inc. and/or assignees, to authorize the preparation of a Purchase and Sale Agreement relative to the purchase of a site in the Industrial Park, and to authorize the President and Chair to take all action and to execute all required documents in connection with the purchase and sale of the property.

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The Board next discussed the feasibility of raising scholarship amounts. After discussion, Director Carlisle moved to increase the funding of scholarship amounts beginning with the 2018 graduating class to \$1,600 per student, subject to approval of the increase by the Scholarship Foundation. Director Rogers seconded the motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas. The Board noted that a special meeting will be held on July 17, 2017, to discuss the Fire & Ice Festival and that the Scholarship Foundation will be having a meeting on July 20, 2017, at 5:30 p.m.

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



Stephen Carlisle
Secretary, Board of Directors

(SEAL)

