

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
August 9, 2018

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 9th day of August, 2018, 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:

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| 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, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kelley Mattlage, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley, Chief Howard 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 Rogers led in prayer followed by the pledges of allegiance led by Director Martin.

As the first order of business, the Board deferred 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 July 12, 2018. After review and discussion, Director Zepeda moved to approve the minutes of the Board of Directors meeting held on July 12, 2018, as presented. Director Wetz seconded the motion, which carried, with Director Persson abstaining.

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The Board next deferred the review and approval of a new Grant Agreement with Montgomery County ESD No. 7, relative to the proposed purchase of a ladder truck.

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 and the status of the Lease Agreement ("Lease") with Lone Star College-Kingwood ("LSCK") relative to the use of Room 202. Mr. McCrady stated that the Lease with LSCK has been approved.

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. 15449 through 15511, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2605 through 2610, inclusive, as set forth on the attached reports. Director Carlisle seconded the motion, which unanimously carried.

Ms. Townley next presented and reviewed with the Board the attached Quarterly Investment Report ("QIR"), which had been prepared by M&A, for the reporting period ending June 30, 2018. After review, Director Wetz moved to approve the District's QIR and to authorize the Investment Officer to execute same on behalf of the Board and District. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered a report on activities within the Industrial Park. The Board deferred the review of bids and authorizing award of a contract for the construction of a second building for YMER Technology after Mr. Costanza stated that the plans are in the process of being completed by the architect. He noted that the plans lack some of the lighting/electrical details and that JAC will be reviewing the plans with YMER next week.

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 reported that the Section 3 plat is ready for submittal but cannot be submitted until one remaining property owner pays the taxes owed. He noted that the taxpayer of record has been contacted but that the taxes still have not been paid. He then stated the section 4 plat is being prepared for submission and consideration by Montgomery County.

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The Board next considered the following announcements:

- Lone Star College-Kingwood will be open for classes on August 27, 2018

The Board next recessed to Executive Session at 5:37 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 7:52 p.m.

The Board next considered the review and approval of a new Grant Agreement with Montgomery County ESD No. 7 relative to the purchase of a ladder truck. After discussion, Director Persson moved to approve the Grant Agreement subject to changes discussed in Executive Session and subject to non-substantive changes approve by Mr. McCrady. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of an economic developments, including the status of the Incentive Agreement with YMER Technology (“YMER”) relative to its lease of a building in the Industrial Park. Mr. McCrady stated that YMER has begun receiving product at the original building and is working on the design of a second building.

The Board next considered the status of an Incentive Agreement with Olive Garden Holdings, LLC. Mr. McCrady stated that the Agreement is pending.

The Board next considered the status of an Incentive Agreement with Darst Funeral Directors, Inc. Mr. McCrady stated that the Agreement is pending.

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 considered the approval of an Incentive Agreement with Feel Better Consulting, LLC, dba Cumberland Health Center (“Cumberland Health”). Mr. McCrady stated he is proposing that the District offer \$10,000 for leasehold improvements and that one (1) employee be hired from within the District. After discussion, Director Zepeda moved to approve the foregoing terms of the Incentive Agreement with Cumberland Health and authorize MRPC to prepare and Mr. McCrady to execute same. Director Wetz seconded the motion, which unanimously carried.

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The Board next considered the status of an Incentive Agreement and approval of a Purchase and Sale Agreement with Salt Technologies dba Agient Security relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that he had nothing new to report.

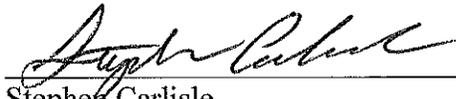
The Board next deferred the approval of a Conveyance of Utility Facilities for water distribution and wastewater collection facilities to serve Industrial Park, Section 3 (Quadvest) to East Montgomery County MUD No. 3 ("EMC 3").

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.

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.

The Board next considered matters for possible placement on future agendas, including holding a special meeting on August 15, 2018 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)

