

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

Also present were Mr. Frank McCrady, Ms. Kelley Mattlage, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza and Ms. Kaye Townley.

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 Wetz.

As the first order of business, Chairperson Webb distributed a check to Coal's Smokehouse. The Board deferred comments from members of the audience after Chairperson Webb reported that 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 July 14, 2016, and July 20, 2016. After review and discussion, Director Persson made a motion to approve the minutes of the Board of Directors meetings held on July 14, 2016, and July 20, 2016, as written. Director Wetz seconded the motion, which carried, with Director Carlisle abstaining.

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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. 12481 and 13342 through 13407, inclusive, with check no. 12481 previously issued being voided, one (1) wire transfer and debits for payroll, and on the Special Events Fund, being check nos. 2489 through 2492, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the approval of modifications to the Community Grant Application Forms (the "Forms"). Mr. McCrady reviewed the attached Application for Community Development Mini-Grant Funding and the Application for Community Development Grant Funding and noted that the changes relate to the Form 1295 requirements. After discussion on the matter, Director Persson moved to approved the revised Forms. Director Hesson seconded the motion, which carried, with Director Wetz abstaining.

The Board next considered the following announcements:

- Mr. McCrady discussed the Certificate of Appreciation and thank you note received from the American Legion Auxiliary for the grant.
- Mr. McCrady stated that he wrote a letter of recommendation for Lowell Shipley, as he is a finalist to paint a mural at the new Kroger in the Valley Ranch development.

The Board next recessed to Executive Session at 6:46 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 8:11 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. McCrady reported that TxDOT will be installing a chain link fence around its portion of the detention pond. He further stated that the Building Committee has met and that he

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anticipates a report by the next meeting.

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 he has one (1) potential customer to purchase the dirt.

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 that the contractor is waiting on the drainage project to be completed.

The Board next considered the approval of plans and specifications and authorization to advertise for bids for the construction of roads to serve Section 4. Mr. Costanza noted that the plans have been approved by the TCEQ and Montgomery County. He stated that the project will be advertised for bid in late August.

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 that the contractor is waiting on the drainage project to be completed.

The Board next considered the status of contract with National Sign Co. for installation of Industrial Park signage on FM 1485. Mr. Costanza reported that the contract will be executed tomorrow.

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 considered the status of an Incentive Agreement and Lease Agreement with General Ballistics, Inc., (“GB”) or assignees. Mr. McCrady reported that he expects to receive the executed Lease Agreement from GB today.

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The Board next considered the status of building design, review of bids and award of a contract for construction of same relative to General Ballistics project. Mr. Costanza reported that building design is complete, but noted has been very complicated due to the storage of gun powder. He stated the project will be ready to bid in approximately 3 weeks.

The Board next considered the status of preparation of plans, review of bids and award of contract for construction of range for use by police within the District. Mr. Costanza reported that the plans are almost complete and that the project will advertise for bid once Mr. McCrady releases it to bid.

The Board next deferred the approval of an incentive agreement with Dunn Welding (“Dunn”) or assignees and authorization of preparation of a Purchase and Sale Agreement relative to the purchase of a site in the Industrial Park, after Mr. McCrady noted that Dunn has not submitted the executed Form 1295.

The Board next considered the status of construction of the splash pad in the City of Splendor. Mr. Costanza reported that the splash pad is under construction and is projected to be complete on September 1, 2016.

The Board next considered the approval of an Agreement for the splash pad site between the District and the City of Roman Forest and the status of purchasing through BuyBoard for the construction of the splash pad. After discussion, Director Persson moved to approve the Agreement with the City of Roman Forest. Director Hesson seconded the motion, which unanimously carried. Mr. Costanza reported that the project should start in approximately ten (10) days.

The Board next considered the status of an Incentive Agreement with RREI LP relative to a new service center in the District. Mr. McCrady reported that the new service center is currently under construction.

The Board next considered the status of an Incentive Agreement with Coal’s Smokehouse or assignees. Mr. McCrady reported that he has received the executed Incentive Agreement and that construction of the expansion should start soon.

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The Board next considered the approval of the destruction of notes of Board of Directors meetings from January 8, 2015 to April 4, 2016, in accordance with the District's Records Retention Schedule for General Records. Mr. Marks presented the attached list of records and advised that the time limitations for retention had passed for all records listed, that, to the best of his knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Carlisle made a motion to authorize the destruction of said notes as requested and in accordance with the provisions of the District's Records Management Program and said Schedule. Director Rogers seconded said motion, which unanimously carried.

The Board next considered the status of the application relative to the grant request with the Governor's office. Mr. McCrady advised that the application is pending his review and approval.

The Board next considered the approval of a Resolution relative to the grant application process with the Texas Parks and Wildlife. Mr. McCrady discussed the grant request process with the Board. After discussion, Director Carlisle moved to approve the grant application and to adopt the attached Resolution in connection therewith. Director Wetz seconded the motion, which unanimously carried.

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)



A handwritten signature in cursive script, appearing to read "Stephen Carlisle", written over a horizontal line.

Stephen Carlisle
Secretary, Board of Directors