

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
September 8, 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 8th day of September, 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, 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 Hesson led in prayer followed by the pledge of allegiance led by Director Persson.

As the first order of business, Chairperson Webb presented a check in the amount of \$11,725.39, to Brewingz for fulfilling its hiring obligations in accordance with its Incentive Agreement with the District. She noted that Brewingz has hired 41% of its employees from within the boundaries of the District. 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 meeting held on August 11, 2016. After review and discussion, Director Persson made a motion to approve the minutes of the Board of Directors meeting held on August 11, 2016, as

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written. Director Rogers seconded the motion, which unanimously carried.

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. 13408 through 13465, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2492 through 2494, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the appointment of a person to fill the vacancy in Position 2 on the Board of Directors of the East Montgomery County Economic Development Corporation. After discussion on the matter, Director Webb moved to appoint Director Zepeda to Position 2 on the Board of Directors of the East Montgomery County Economic Development Corporation. Director Rogers seconded the motion, which unanimously carried.

The Board next considered the following announcements:

- October 5th at 6:30 p.m. speaker regarding Rachel's Challenge at Splendora High School
- September 12th at 7:00 p.m. Community Unity at Lone Star College regarding community policing to be held in the Student Conference Center
- September 17th at 7:30 p.m. Music Facility performance in the Music Hall at Lone Star College
- September 22nd Academy ribbon cutting with the grand opening scheduled for September 30th

The Board next recessed to Executive Session at 6:49 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 7:51 p.m.

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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 he has been discussing the sustainability of the building with the building committee and stated that he plans to hold a community meeting relative to the building project.

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 stated that he had nothing new to report.

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 and anticipates a start in late October.

The Board next considered the approval of plans and specifications, review of bids and award of contract for the construction of water and sanitary sewer facilities to serve Industrial Park, Section 4. Mr. Costanza stated that JAC received bids and that the low bid was submitted by Clearwater Utilities, Inc. ("Clearwater"), in the amount of \$721,322.65, and recommended that the Board award the project to Clearwater. After discussion, the Board deferred award of the contract to Clearwater, as the District has not yet received the required Form 1295 from Clearwater.

The Board next considered the approval of plans and specifications, review of bids and award of contract for the construction of roads to serve Industrial Park, Section 4. Mr. Costanza stated that JAC received bids and that the low bid was submitted by Angel Brothers ("Angel"), in the amount of \$792,909.00, and recommended that the Board defer award of the project to allow time to work out a joint deal with Montgomery County to build the roads. The Board concurred with Mr. Costanza's recommendation.

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 presented change order no. 1 in the amount of \$0. After discussion, the Board deferred approval of the change order, as the District has not yet received the required Form 1295 from Quadvest.

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The Board next considered the status of the contract with Quadvest for construction of the sanitary sewer and water facilities to serve Industrial Park, Section 3. Mr. Costanza reported that the project is approximately 90% complete and presented pay estimate no. 1 in the amount of \$184,109.02, and recommended that the Board approve the payment of same. After discussion, Director Carlisle moved to approve the payment of pay estimate no. 1 to Quadvest, as set out above. Director Persson seconded said motion, which unanimously carried.

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

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, and that the plans are under review.

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 after the building construction begins.

The Board next considered the status of construction of the splash pad in the City of Splendora. Mr. Costanza reported that the splash pad is under construction.

The Board next considered the status of construction of the splash pad site in the City of Roman Forest. Mr. Costanza reported that the contractor has been issued the notice to proceed.

The Board next considered the approval of an Incentive Agreement with La Casita Mexican Restaurant SA ("La Casita"). Mr. McCrady reported that the company is planning to expand and that under the proposed Incentive Agreement, the District will provide a \$12,000 grant to repair the existing parking lot plus offer a \$10,000 loan from the Economic Development Corporation. He noted that La Casita will hire one (1) new employee from within the District over the next year and make a \$500 contribution per year to the Scholarship Fund for six (6) years. Mr. McCrady noted that he has received the executed Form 1295 from La Casita. After discussion, Director Carlisle moved to approve the Incentive Agreement with La Casita, as set out above. Director Wetz seconded said motion, which unanimously carried.

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The Board next considered the approval of a revised Incentive Agreement with Back Pew Brewing (“Back Pew”), formerly Saints and Sinners Brewing Company, LLC (“Saints”). Mr. McCrady reported that Saints had not pursued the incentive agreement previously offered by the District, but has come as Back Pew and is requesting a grant in the amount of \$15,000 per year for 3 years to pay certain operating expenses and to expand in the District. He stated that Back Pew will contribute \$1,000 per year for 5 years to the Scholarship Fund and hire one (1) additional employee from within the District. Mr. McCrady noted that he has received the executed Form 1295 from Back Pew. After discussion, Director Persson moved to approve the revised Incentive Agreement with Back Pew, as set out above. Director Hesson seconded the motion, which unanimously carried.

The Board next considered the approval of a Lease Agreement with General Ballistics, Inc. (“BG”), or assignees. Mr. McCray reported that he has received the executed Lease Agreement and Form 1295 from GB. After discussion, Director Carlisle moved to approve the Lease Agreement with GB, as set out above. Director Martin seconded the motion, which unanimously carried.

The Board next deferred the approval of an incentive agreement with Dunn Welding or assignees and authorization of 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 actions and execute all required documents in connection with the purchase and sale of the property.

The Board next considered the approval of an incentive agreement with NC Customs LLC (“NC”) and authorization of 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 actions and execute all required documents in connection with the purchase and sale of the property. Mr. McCrady reported that he has received the executed Form 1295 from NC. After discussion on the matter, Director Wetz moved to approve an incentive agreement, authorize the preparation of a Purchase and Sale Agreement and authorize the President and Chair to take all actions and execute all required documents in connection with the purchase and sale of the property to NC. Director Zepada seconded the motion, which unanimously carried.

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The Board next considered the status of the application relative to the grant request with the Governor's office. Mr. McCrady reported that he has selected 3 dates to conduct sessions informing local business owners on the programs available to expand business.

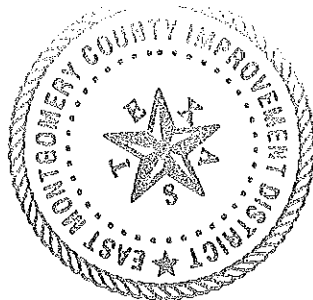
The Board next considered the status of application with the Texas Parks and Wildlife. Mr. McCrady stated that the District has completed the application process and noted that the District is proposing to construct elevated walking paths along the natural vegetation along White Oak Creek.

The Board next considered casting a ballot for election of Places 6-9 of the Board of Trustees for the Texas Municipal League Intergovernmental Risk Pool. After discussion, Director Rogers moved that the District not participate in the election process. Director Webb seconded the motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas, including presentations by the Northpark Mobility Steering Committee, the TIRZ 10 and the City of Houston.

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".

Stephen Carlisle
Secretary, Board of Directors