

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
September 16, 2015

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 16th day of September, 2015, 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 roll was called of the duly elected officers and members of the Board of Directors, to-wit:

Brenda Webb	Chairperson
Dale Martin	Vice Chair
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Isidor Ybarra, Jr.	Director

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

Also present were Mr. Frank McCrady, Ms. Kelly Matlage, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley, Ms. Kim Courte 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.

In absence of the Secretary and Assistant Secretary, Director Rogers was appointed Secretary Pro-Tem and authorized to sign the minutes of the meeting.

Director Rogers led in prayer followed by the pledge of allegiance led by Director Zepeda.

As the first order of business, Chairperson Webb presented a check to Montgomery County Emergency Services District No. 6 in the amount of \$234,169.65 and to Montgomery County Emergency Services District No. 7 in the amount of \$77,324.53.

The Board next deferred comments from members of the audience after noting no one had signed up to speak.

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The Board next considered the review and approval of the minutes of the Board of Directors meeting held on August 26, 2015. After review and discussion, Director Rogers made a motion that the minutes of the Board of Directors meeting held on August 26, 2015, be approved as written. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented or as reflected in said reports. In connection therewith, Ms. Townley presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Hesson made a motion that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 12275 through 12341, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2424 and 2426 through 2428, as set forth on the attached reports. Director Zepeda seconded said motion, which unanimously carried.

The Board next considered the review and approval of an insurance proposal for cyber theft. Ms. Courte reviewed the attached proposal for Cyber Liability Insurance with the Board. She stated it is a very broad policy that covers credit monitoring, defense costs, forensics investigations and crisis response. Ms. Courte noted that the premium for a \$1,000,000 policy is \$2,668 per year or \$3,469 per year for a \$2,000,000 policy. After discussion, Director Ybarra made a motion to approve the \$2,000,000 cyber liability insurance policy, with term expiring March 31, 2016. Director Rogers seconded said motion, which unanimously carried.

The Board next considered the following announcements:

Mr. McCrady reported that he will be doing a presentation on October 17th to the Silver Tails community.

Director Zepeda stated that the Chili & Bean Cook-off will be held on October 17th at Bull Salas Park.

The Board next recessed to Executive Session at 6:54 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

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returned from Executive Session at 7:59 p.m.

The Board next deferred the status of modifications to the Development Agreement and the status of preparation of a Second Amended and Restated Economic Development Agreement ("Second Agreement") by and among Sig-Valley Ranch, Ltd., Valley Ranch Town Center, Ltd., East Montgomery County Improvement District Economic Development Zone No. 1 and the District after Mr. Marks reported that he is working on issues related to the proposed Zone annexation with the State Comptroller and Mr. Signorelli's attorney.

The Board next considered the status of development of the District's 12.85 acre site, including the construction of improvements, the leasing of space in the District's office building and the status of the possible condemnation of District property by TxDOT for the Grand Parkway development. In that regard, Mr. McCrady stated that he had nothing new to report.

The Board next considered a report on activities within the Industrial Park, including the status of sale of dirt out of future detention pond and the status of the contract with TDG for excavation and delivery of said dirt. Mr. McCrady stated that there are no buyers at this time.

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 contractor has not yet started the project.

The Board next deferred the approval of plans and specifications and authorization to advertise for bids for the construction of roads to serve Section 4.

The Board next deferred the status of a plat of Section 3 and 4.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the contractor has not yet started the project.

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 contractor has not yet started the project.

Mr. Costanza next reported that the signage for the Industrial Park will be advertised next week.

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.

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The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the Keysteel expansion project.

The Board next deferred the status of an Incentive Agreement and Purchase and Sale Agreement relative to the sale of a 3 acre site to a nutraceutical company.

The Board next deferred the status of an Incentive Agreement with E-Controls.

The Board next considered the approval of a lien subordination or release of lien relative to Gates Engineered Lubricants ("Gates") property. Mr. McCrady recommended that the District release the lien. After discussion, Director Rogers made a motion to approve the Full Release of Lien with Lighthouse Industrial Properties, LLC (formerly Gates) and to authorize the Chair or President to execute same. Director Zepeda seconded said motion, which unanimously carried.

The Board next deferred designating sites for the splashpad projects and authorizing the preparation of agreements for the conveyance of sites to the District.

The Board next deferred the status of an Incentive Agreement with Royal Purple, Saints and Sinners Brewing Company, Splendor 2090 Property, LLC, or its assignees, Porter Kwik Kar Car Wash LLC or Porter Kwik Kar LLC, or its assignees, and the approval of an Incentive Agreement with RREI LP relative to a new service center in the District.


The Board next considered the acceptance of nominations for outstanding citizen recognition award. Mr. McCrady stated that the District received one (1) nomination for the award. After discussion, the Board concurred to defer action on the matter at this time.

The Board next considered matters for possible placement on future agendas, including improvements to the Board Room sound system.

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

(SEAL)




Leonard Rogers
Secretary Pro Tem, Board of Directors