

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
October 11, 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 11th day of October, 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, except Directors Martin and Wetz, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O'Connell, Ms. Kelley Mattlage, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley 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.

Chair Webb led in prayer followed by the pledges of allegiance led by Director Tramm.

As the first order of business, the Board considered comments from members of the audience, including a presentation by Students Helping Veterans Organization consisting of students from Humble ISD that build tiny homes for Veterans.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on September 13, 2018. After review and discussion, Director Zepeda moved to approve the minutes of the Board of Directors meeting held on September 13, 2018, as presented. Director Carlisle seconded the motion, which unanimously carried.

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The Board next considered the appointment of four EMCID board members to the East Montgomery County Scholarship Foundation (“EMCSF”) Board. After discussion, Director Webb made a motion to appoint the following to the EMCSF Board: Director Webb, as EMCID Chair, to Position 1, re-appoint Director Martin to Position 2 and Director Persson to Position 3 and appoint Director Wetz to Position 4. Director Persson seconded the motion, which unanimously carried.

The Board next considered the status of the Grant Agreement (“Agreement”) with Montgomery County ESD No. 7 (“MC ESD 7”), relative to the purchase of a ladder truck. Mr. McCrady stated that the MC ESD No. 7 Board has approved the Agreement and that he is waiting on receipt of the executed document. He noted that the ladder truck has been ordered.

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 stated that building is undergoing minor repairs and maintenance.

The Board next considered the approval of an audit report for the fiscal year ended June 30, 2018. Ms. McCain presented and reviewed the draft audit with the Board. After discussion, Director Persson moved that the attached audit report for the fiscal year ended June 30, 2018, be approved, that the Chairman be authorized to execute the Annual Filing Affidavit on behalf of the Board and District, and that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality. Director Rogers 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 as reflected in said reports. Ms. Townley presented the attached financial and investments reports, and discussed the invoices presented for payment. Following review, Director Zepeda made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 15609 through 15728, inclusive, with check no. 15613 being voided, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2618, 2619 and 2621 through 2624, inclusive, as set forth on the attached reports. Director Rogers seconded the motion, which unanimously carried.

The Board next considered a report on engineering and construction projects within the Industrial Park, including the review of bids and authorizing award of a contract for construction building #2 for YMER Technology. Mr. Costanza stated that JAC received seven (7) bids and one (1) late bid on October 11, 2018, with the low bid being submitted by CBuilders, LLC

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("CBuilders") in the amount of \$2,572,000.00 and recommended award of the contract to CBuilders. After discussion, the Board deferred award of the contract to CBuilders at this time.

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 that JAC sent information to the bonding company for the Section 4 road bond, but that JAC has not yet received the bond.

The Board next considered the following announcements: None.

The Board next recessed to Executive Session at 6:00 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, Economic Development negotiations pursuant to §551.087, Texas Government Code and personnel matters pursuant to §551.074, Texas Government Code. The Board returned from Executive Session at 7:34 p.m.

The Board next considered the status of an economic development grants, 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 the Lease Agreement is pending.

The Board next considered the status of an Incentive Agreement with Olive Garden Holdings, LLC. Mr. McCrady stated that the Incentive Agreement and the Addendum to Incentive Agreement are pending execution by Olive Garden.

The Board next considered the status of an Incentive Agreement with Feel Better Consulting, LLC, dba Cumberland Health Center ("Cumberland"). Mr. McCrady stated that the Agreement is with Cumberland for review and execution.

The Board next considered the approval of an Incentive Agreement with IB/New Caney Investors, Ltd. ("IB") (Brookshire Bros. Center). Mr. McCrady stated that Agreement is complete and has been executed by IB.

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The Board next deferred the status of an Incentive Agreement with La Casita Mexican Restaurant.

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 deferred the approval of an Incentive Agreement with JHarp Land Management LLC.

The Board next considered a report on the status of the Entergy Grant Projects relative to the Hurricane Harvey rebuilding. Mr. McCrady stated that Entergy, Mission Northeast and EMCID will have a grant check signing within the next thirty (30) days. The Board deferred action.

The Board next considered a report on the activities within the Industrial Park, including 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 considered the status of a Purchase and Sale Agreement (“Agreement”) with Novo Mexican Food Products (“Novo”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that Novo is requesting that the Agreement be revised to reflect a decrease in the building size to 2,000 square feet and a reduction in the number of employees initially hired from within the boundaries of the District from 5 to 3. After discussion, Director Carlisle moved that the Board approve the requested changes to the Agreement. Director Persson 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 (“EMC 3”), as the plat has not yet been recorded.


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, as the plat has not yet been recorded.

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, as the plat has not yet been recorded.

The Board next considered matters for possible placement on future agendas.

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



Stephen Carlisle
Secretary, Board of Directors

(SEAL)

