

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
October 14, 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 14th day of October, 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 Rogers, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kelly Matlage, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza, Ms. Katherine Turner 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 Martin.

As the first order of business, the Board considered comments from members of the audience. Ms. Mullane addressed the Board and noted that she is grateful for the Board considering Roman Forest for a location of one of the new splash pads.

Ms. Bihm with the Montgomery County Community Foundation next addressed the Board and stated that the Foundation is using earnings to provide energy assistance to people in need. She noted that she is also a candidate for Montgomery County judge.

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The Board next considered the review and approval of the minutes of the Board of Directors meetings held on September 16, 2015 (5:30 p.m. and 6:30 p.m.) and September 28, 2015. After review and discussion, Director Ybarra made a motion that the minutes of the Board of Directors meeting held on September 16, 2015 (5:30 p.m. and 6:30 p.m.), be approved as written. Director Hesson seconded said motion, which carried, with Director Carlisle abstaining. Director Ybarra then made a motion that the minutes of the September 28, 2015 minutes be approved, as corrected on the attached draft minutes. Director Hesson seconded said motion, which unanimously carried.

The Board next deferred the approval of an audit report for the fiscal year ended June 30, 2015.

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. Turner presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Carlisle made a motion that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 12342 through 12403, inclusive, one (1) wire transfer and debits for payroll, and on the Special Events Fund, being check nos. 2429 through 2431, as set forth on the attached reports. Director Persson seconded said motion, which unanimously carried.

The Board next considered authorizing funding for constable patrol security program at shopping centers within the District during the holiday season. Mr. McCrady discussed the program and noted he would like to expand the patrol to include the Northpark shopping area. He requested funding to purchase two (2) bikes for Constable use at a cost of approximately \$2,000 and recommended a patrol budget of \$50,000. Mr. McCrady noted that the program will run from October 15, 2015 to January 15, 2015. After discussion, Director Carlisle made a motion to approve the purchase of two (2) bikes and confirm the budgeted cost of \$50,000 for the program. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the following announcements:

Director Zepeda stated that the Go Texan Festival will be held on October 17th.

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The Board next recessed to Executive Session at 6:47 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, personnel matters pursuant to §551.074, Texas Government Code and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 8:18 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 the condemnation trial has been deferred until May 2016.

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 deferred the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3.

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 deferred the status of the contract with Quadvest for construction of wastewater lift station.

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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.

The Board next considered the review of bids and authorization of award of contract for installation of signage. Mr. Costanza reported that the bids were to be received last Wednesday. He noted that three (3) contractors picked up plans, but that no bids were submitted. Mr. Costanza stated JAC re-advertised the project in the Conroe Courier and in two (2) other local papers with bids scheduled to be taken next Wednesday.

The Board next considered the approval of conveyance of easements and sites to East Montgomery County MUD No. 3 relative to the construction of utilities in the Industrial Park. Mr. Marks discussed six (6) drainage and detention easements required to serve the Industrial Park with the Board. After discussion, Director Persson made a motion to approve the easements and to authorize the President/Chairman to execute the drainage and detention easements on behalf of the Board and the District. Director Carlisle seconded said motion, which unanimously carried.

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 considered the status of an Incentive Agreement relative to the Keysteel expansion project. Mr. McCrady reported that Keysteel is ready to begin the expansion of its facility and is requesting that the District provide \$40,000 upon completion. He noted that Keysteel is scheduled to begin the expansion construction by December 15, 2015. After discussion, Director Persson made a motion to approve the Incentive Agreement with Keysteel. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the review and approval of an Incentive Agreement with Tiro, Inc., ("Tiro") or assignees, and to authorize preparation of a Purchase and Sale Agreement relative to the purchase of an approximate 4 acre site. Mr. McCrady reviewed same with the Board. After discussion, Director Ybarra made a motion to approve the Incentive Agreement with Tiro and to authorize the preparation of a Purchase and Sale Agreement. Director Zepeda seconded said motion, which unanimously carried.

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The Board next considered the review and approval of an Incentive Agreement with Coastal Foods ("Coastal") or its assignees, and to authorize preparation of a Purchase and Sale Agreement relative to the purchase of a site. Mr. McCrady reviewed same with the Board. After discussion, Director Carlisle made a motion to approve the Incentive Agreement with Coastal and to authorize the preparation of a Purchase and Sale Agreement. Director Persson seconded said motion, which unanimously carried.

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

The Board considered designating sites for the splashpad projects and authorizing the preparation of agreements for the conveyance of sites to the District. After discussion, Director Persson made a motion to authorize the President to negotiate for sites and to authorize the engineer to begin preparation of plans and specifications for the Roman Forest and Splendora sites. Director Carlisle seconded said motion, which unanimously carried.

The Board next deferred the status of an Incentive Agreement with Royal Purple, Saints and Sinners Brewing Company, Splendora 2090 Property, LLC, or its assignees.

The Board next considered the status of an Incentive Agreement with Porter Kwik Kar Car Wash LLC or Porter Kwik Kar LLC, or its assignees. Mr. McCrady reported that that the loans have closed and that he has received the executed Incentive Agreement.

The Board next considered the approval of an Incentive Agreement with RREI LP relative to a new service center in the District. Mr. McCrady reviewed same with the Board. After discussion, Director Carlisle made a motion to approve the Incentive Agreement with RREI LP. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the approval of an Incentive Agreement with Wellspring Midwifery Care and Birth Center ("Wellspring") relative to a new facility in the District. Mr. McCrady reviewed same with the Board. After discussion, Director Persson made a motion to approve the Incentive Agreement with Wellspring. Director Martin seconded said motion, which unanimously carried.

The Board next considered the adoption of a policy regarding advertising in District publications. Mr. McCrady discussed same with the Board. After discussion, Director Carlisle made a motion that the District establish a policy of not accepting advertising in District publications. Director Persson seconded said motion, which unanimously carried.

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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 and that no new nominations have been received.

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