

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 12, 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 12th day of November, 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, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kelly Mattlage, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley, Mr. Eric Gonzalez 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 Rogers led in prayer followed by the pledge of allegiance led by Director Zepeda.

As the first order of business, the Board deferred comments from members of the audience after Chairperson Webb stated 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 October 14, 2015, and October 29, 2015. After review and discussion, Director Ybarra made a motion that the minutes of the Board of Directors meetings held on October 14, 2015, and October 29, 2015, be approved as written. Director Zepeda seconded said motion, which unanimously carried.

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The Board next considered the approval of Community Development Grants.

Mr. McCrady then reviewed the request of Splendora Youth Baseball Association relative to funding \$39,529.38 of a total project cost of \$59,893.00 to purchase playground equipment for the baseball themed playground at the Sports Complex. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Hesson, which unanimously carried, to award the grant in the amount of \$39,529.38, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of Splendora ISD Elementary Robotics Program relative to funding \$4,665.09 of a total project cost of \$6,962.82 to purchase Lego EV3 kits and software to be used in education and competition. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Carlisle, to award the grant in the amount of \$4,665.09, in accordance with the staff recommendation. Director Rogers then made a motion to amend the previous motion to award the grant in the amount of the total project cost of \$6,962.82. Director Carlisle seconded said motion, which amendment and motion as amended passed unanimously.

Mr. McCrady then reviewed the request of the New Caney ISD White Oak Middle School relative to funding \$2,381.77 of a total project cost of \$3,543.74 to purchase educational materials in Reading, Science, Social Studies, and Math, hands-on manipulative and functional skills material necessary to equip the Applied Skills classroom for the future. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Webb and seconded by Director Ybarra, which unanimously carried, to award the grant in the full amount of \$3,543.74, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the Splendora ISD Police Department relative to funding \$4,891.00 of a total project cost of \$7,300.00 to create and purchase handbooks and posters for Handbook for Success program. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Hesson, which unanimously carried, to award the grant in the amount of \$4,891.00, in accordance with the staff recommendation.

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Mr. McCrady then reviewed the request of the Roman Forest Special Events Committee relative to funding \$9,032.94 of a total project cost of \$13,482.00 to purchase an automatic firing system for staging and firing fireworks. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Hesson, which unanimously carried, to award the grant in the amount of \$9,032.94, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the Friends of RB Tullis Library ("Library") relative to funding \$6,000.00 of a total project cost of \$9,000.00 to purchase books, e-books, books on CD and video for the Library. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Rogers, which unanimously carried, to award the grant in the amount of \$6,000.00, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the Boy Scouts of America – Cub Scout Pack 911 relative to funding \$1,303.00 of a total project cost of \$1,945.00 to purchase a Pinewood Derby Track and software to be used for the Pinewood Derby race. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Carlisle and seconded by Director Ybarra, which unanimously carried, to award the grant in the amount of \$1,303.00, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of the Woodbranch Police Department relative to funding \$17,222.35 of a total project cost of \$25,705.00 to purchase an In-Car-Camera System for three (3) vehicles. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Rogers and seconded by Director Hesson, which unanimously carried, to award the grant in the amount of \$17,222.35, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of the VFW Piney Woods #4816 relative to funding \$39,362.50 of a total project cost of \$58,750.00 to repair and resurface the existing parking lot. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Ybarra and seconded by Director Zepeda, which unanimously carried, to award the grant in the amount of \$39,362.50, in accordance with the staff recommendation.

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Mr. McCrady next reviewed the request of the Roman Forest Police Department relative to funding \$680.05 of a total project cost of \$1,015.00 for the purchase of a Marijuana Simulation Kit to be added to the existing DWI and Distracted Driver Simulation kit previously funded by EMCID. He noted that the staff recommended funding the request as submitted. After discussion on the matter, a motion was made by Director Hesson and seconded by Director Rogers, which carried, with Director Carlisle abstaining, to award the grant in the amount of \$680.05, in accordance with the staff recommendation.

Mr. McCrady then stated that the request of the Montgomery County Constable Precinct 4 had been withdrawn.

Mr. McCrady next reviewed the request of the New Caney ISD Education Foundation relative to funding \$50,000.00 to provide supplemental teacher grants. He noted that the staff recommended funding \$25,000.00 of the \$50,000.00 request as submitted. After discussion on the matter, a motion was made by Director Persson and seconded by Director Ybarra, which unanimously carried, to award the grant in the amount of \$25,000.00, in accordance with the staff recommendation.

Mr. McCrady then reviewed the request of Splendor Project Graduation relative to funding \$2,000.00 of a total project cost of \$22,000.00 to be used toward the venue cost for project graduation. Mr. McCrady noted that the District already contributes to Project Graduation and the expense is accounted for in the EMCID budget. After discussion, a motion was made by Director Carlisle and seconded by Director Hesson, which unanimously carried, to deny the grant request.

Mr. McCrady then reviewed the request of Motivation Education & Training, Inc. ("MET") relative to funding \$20,173.57 of a total project cost of \$30,109.81 to purchase computers and tablets for students and teachers at the Grangerland Head Start Center and the Grangerland Child Care Partnership Center. He noted that the staff recommended declining the request as MET did not provide follow-up information. After discussion, a motion was made by Director Carlisle and seconded by Director Hesson, to deny the grant request. Director Persson requested that the matter be deferred as MET does benefit children in East Montgomery County. The motion to deny the grant was withdrawn with consent of the Board. Director Rogers then moved to defer the request to the Spring round of funding. Director Persson seconded said motion, which unanimously carried.

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The Board next discussed the attached correspondence received from Mission Northeast ("MNE"). Mr. McCrady stated that according to MNE, Montgomery County is funding the improvements, so MNE is returning the \$49,010.50 in funds previously given to MNE by the District under a previously awarded grant back to the District and is requesting that the District pay the \$49,010.50 directly to Montgomery County Community Development, on behalf of MNE, for construction of the detention pond, which is a significant component of the Building Grant. After discussion, Director Ybarra moved that once the District receive the funds back from MNE, the grant proceeds be paid to Montgomery County Community Development, as set out above. Director Persson seconded said motion, which unanimously carried.

Chair Webb next stated that the total amount of grants awarded by the District is \$153,527.78.

The Board next considered the approval of an audit report for the fiscal year ended June 30, 2015. Mr. Gonzalez presented and reviewed the draft audit with the Board and stated he was available for any questions the Board might have with regard to the audit. After discussion on the matter, Director Carlisle moved that the attached audit report for the fiscal year ended June 30, 2015, be approved, subject to corrections to the note section, 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 ("TCEQ"). Director Persson 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 Persson made a motion that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 12404 through 12524, inclusive, with check no. 12429 being voided; one (1) wire transfer and debits for payroll, and on the Special Events Fund, being check nos. 2432 through 2434, as set forth on the attached reports. Director Hesson seconded said motion, which unanimously carried.

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The Board next considered the status of constable patrol security program at shopping centers within the District during the holiday season. Mr. Welch addressed the Board and distributed the attached patrol statistics report. He then discussed the withdrawn grant request and noted that Montgomery County's procedure has changed, but noted that the request will be re-submitted.

The Board next considered the following announcements:

Chair Webb reported that the retail trade show was very successful.

Director Carlisle noted that Mr. McCrady serves on the Board of the SEDC and that he was elected regional director.

Chair Webb stated that the EMCID Open House is scheduled for December 7, 2015, from 11:00 a.m. to 7:00 p.m.

The Board next recessed to Executive Session at 7:20 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 8:54 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 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.

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. Mr. McCrady stated that he had nothing further to report relative to the status of condemnation by TxDOT.

The Board next deferred the approval of a lease agreement with Montgomery County Youth Services ("MCYS") after Mr. McCrady reported that he is currently in the process of negotiating the terms of the lease with MCYS.

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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 Catalyst Trading should be purchasing the dirt soon.

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.

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 IP signage on FM 1314. Mr. Costanza reported that the bids were received and that the low bid was submitted by National Sign Co. ("National") in the amount of \$40,400, but noted that the bid does not include site filling or electricity for the site. Mr. Costanza noted that the sign to be constructed at the FM 1485 site has not yet been advertised for bid, as that site needs to be cleared before it can be bid. He noted that JAC should receive the bonds and insurance next week for review by MRPC. After discussion, Director Carlisle moved that the contract for installation of signage on FM 1314 be awarded to National, as set out above. Director Persson 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 deferred the status of an Incentive Agreement relative to 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 deferred the status of an Incentive Agreement and Purchase and Sale Agreement with Newberry's Foods/Coastal Foods or its assignees, relative to the purchase of a 14 acre site.

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The Board next considered the status of an Incentive Agreement and Purchase and Sale Agreement with E-Controls relative to the purchase of a 3.3 acre site, including approval of changes thereto. Mr. McCrady reported that E-Controls is requesting to increase the site from 3.3 acres to 5 acres and to increase the amount of the incentive to \$10,000. After discussion, Director Persson moved to approve the site increase from 3.3 acres to 5 acres and to approve the incentive amount to \$10,000. Director Carlisle seconded said motion, which unanimously carried.

The Board considered the status of designating sites for the splash pad projects and authorizing the preparation of agreements for the conveyance of sites to the District. Mr. McCrady reported that he is working with the City of Splendora and the City of Roman Forest to determine the splash pad sites.

The Board next considered the approval of Lease, Installation, Operation and Maintenance Agreements (the "Agreements") between the District and the City of Splendora and between the District and the City of Roman Forest. After discussion, Director Carlisle moved to authorize the President to hire a splash pad designer to prepare a uniform set of specifications for the two (2) pads, and to authorize Mr. Costanza to survey the potential sites. Director Persson seconded said motion, which unanimously carried.

The Board next deferred the status of an Incentive Agreement with Royal Purple, Splendora 2090 Property, LLC, or its assignees, and RREI LP.

The Board next deferred approval of an amendment to the Incentive Agreement with Saints and Sinners Brewing Company, after Mr. McCrady reported that the company declined the District's offer of funding. The Board concurred to remove the item from the agenda.

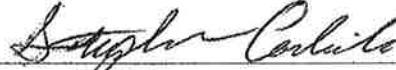
The Board next considered the status of an Incentive Agreement with Wellspring Midwifery Care and Birth Center ("Wellspring") relative to a new facility in the District. Mr. McCrady requested that said Agreement be amended to provide for an additional \$3,000 for additional infrastructure. After discussion, Director Persson made a motion to approve the amended Incentive Agreement with Wellspring. Director Webb seconded said motion, which unanimously carried.

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. He noted that the District will award the first Outstanding Citizen Recognition Award at the Fire & Ice Festival.

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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.



Stephen Carlisle
Secretary, Board of Directors

(SEAL)

