

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
December 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 December, 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, Ms. Sandy Seelye, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley, Mr. Jack Duran 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 Wetz led in prayer followed by the pledge of allegiance led by Director Carlisle.

As the first order of business, the Board considered comments from members of the audience. Mr. Cantwell introduced Mr. Rinewalt as the new Chief of the Montgomery County Emergency Services District No. 7. Chief Rinewalt addressed the Board and discussed the status of the Morgan Cemetery Road station. He noted the repairs are behind schedule and that staffing at the station is scheduled to begin on December 26th. Chief Rinewalt stated that they will schedule a tour with the Board in early January.

The Board next recognized three (3) interns receiving \$750 scholarships, including Cindy Flores, Jordan Butler and Karoline Jones.

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The Board next considered the execution of Grant Agreements and the presentation of Community Development Grants. Chairperson Webb executed the Grant Agreements and presented the grant checks to the following organizations:

- Boy Scout Troop 1011
- Cub Scout Troop 911/ Boy Scout Troop 1011
- Cub Scout Troop 911
- City of Patton Village Police Department
- City of Splendora
- EMC Senior Center
- Friends of Splendora AG
- Friends of RB Tullis Library
- Heaven's Army
- HAAM
- Mission Northeast
- Montgomery County Pct. 4 Constable
- Splendora FFA Booster Club
- Splendora ISD

The Board next discussed the request from New Caney New Horizons for a \$30,000 grant to help fund the organization's operations. Ms. Lemley addressed the Board and stated that the money will be used to fund staff and staff support for the current fiscal year, as they are having difficulty keeping up with the growth and needs of the community. She noted that the revenue from the resale shop is down and that they will be increasing the fees for their services. After discussion, the Board concurred to defer the matter until the January meeting.

Mr. McCrady next reported that the Roman Forest Police Department has withdrawn its grant request.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on November 2, 2016 and November 10, 2016. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meetings held on November 2, 2016 and November 10, 2016, as corrected. Director Zepeda seconded the motion, which unanimously carried.

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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. Turner presented the attached financial and investments reports, and discussed the invoices presented for payment. Following review, Director Persson made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 13664 through 13781, inclusive, with check no. 13738 being voided, three (3) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2500 through 2510, as set forth on the attached reports. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a Resolution relative thereto. Mr. Marks advised that there are no proposed changes to the Order at this time and recommended that the current Order remain in effect. After discussion, Director Carlisle moved that the attached Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer be adopted, and that the Chairman be authorized to sign and the Secretary to attest said Resolution on behalf of the Board and District. Director Hesson seconded said motion, which unanimously carried.

The Board next considered the status of the constable patrol security program at shopping centers within the District during the holiday season. Constable Hayden reported they are in the 7th week of the patrol program and noted that he believes the number of incidents are down because the program is working. He stated the constables have made 76 arrests to date.

The Board next considered the following announcements:

- Roman Forest City Hall Tree Lighting – December 9th at 6:00 p.m.

The Board next recessed to Executive Session at 7:21 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 8:53 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 stated he had nothing new to report.

The Board next considered the status of proposed design of new building, including the engagement of Turner Duran Architects ("Turner Duran") for preparation of plans and specifications for the new district building. Mr. Duran addressed the Board and stated that the proposed contract covers five (5) phases of design, bidding and construction. He noted that the civil engineers and other consultants are paid outside the architectural proposal. Mr. Duran stated that the architectural proposal includes the mechanical, electrical and structural engineering. After discussion, Director Rogers moved to authorize the District's attorney to review and revise as necessary a contract with Turner Duran. Director Persson seconded the motion, which unanimously carried. Mr. Duran further stated that at the end of the Design Development, approximately six (6) months into the process, he will have better estimates that can be used to develop the plan of financing.

The Board next considered the approval of an Official Intent Resolution relative to design fees associated with the new district building. After discussion, Director Carlisle moved to approve the Resolution to utilize funds from the District's General Operating Fund to pay certain fees for the design costs, in the amount of \$800,000, associated with the construction of the District's new building. Director Wetz seconded the motion, which unanimously carried.

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 to commence work.

The Board next considered the status of the contract with Clearwater Utilities, Inc. ("Clearwater") for the construction of water and sanitary sewer facilities to serve Industrial Park, Section 4. Mr. Costanza stated that he anticipates the construction will begin in January.

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The Board next considered the status of the contract with Angel Brothers ("Angel") for the construction of roads to serve Industrial Park, Section 4. Mr. Costanza stated that JAC has received the contracts from Angel for review of the Insurance and Bonds by MRPC.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza reported that the various landowners located within the area being platted are being included within the plats and the signature sheets are being finalized.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the electricians have been completing work and that the interior has been prepared for coating. Mr. Costanza presented pay estimate no. 4 in the amount of \$13,151.25, which included change order no. 1. He stated that change order no. 1 was previously presented in the amount of \$6,300, but should have been presented in the amount of \$7,137.90, a difference of \$837.90. He then presented change order no. 2, in the amount of \$837.90, the executed Form 1295, and recommended that the Board approve the payment of the pay estimate and approve change order no. 2. After discussion, Director Persson moved to approve the payment of pay estimate no. 4 to Quadvest, and change order no. 2, as set out above. Director Hesson seconded the motion, which unanimously carried.

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 presented pay estimate no. 4 in the amount of \$27,877.00, and recommended that the Board approve the payment of the pay estimate. After discussion, Director Carlisle moved to approve the payment of pay estimate no. 4 to Quadvest, as set out above. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the status of contract with E&S Construction ("E&S") for construction of the General Ballistics building project. Mr. Costanza stated that the contract has been executed and presented pay estimate no. 1 in the amount of \$22,368.60, and recommended that the Board approve the payment of the pay estimate. After discussion, Director Wetz moved to approve the payment of pay estimate no. 1 to E&S, as set out above. Director Carlisle seconded the motion, which unanimously carried.

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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 JAC received an estimate from Rebel Construction in the amount of \$286,196, for the construction of the range and parking lot, and noted that the project must be advertised for bid.

The Board next considered the status of construction of the splash pad in the City of Splendora. Mr. Costanza reported that several issues are in the process of being resolved and corrected by the contractor. He noted that a final walk through will be held once the issues have been corrected. The Board concurred they want the contractor to use handy plank for the fencing. Mr. Costanza stated he will get a change order submitted.

The Board next considered the status of construction of the splash pad site in the City of Roman Forest. Mr. Costanza reported that the new 0.499 acre and 0.195-acre access easement has been executed and approved by the City Council and that a pre-construction conference will be held in approximately 2 weeks.

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.

The Board next considered the status of Purchase and Sale Agreement with Woodland Fluid Power Inc. relative to the purchase of a site in the Industrial Park. After discussion, Director Persson moved to modify the agreement to allow for a 5-acre site plus a 5-acre drill site. Director Rogers seconded the motion, which unanimously carried.

The Board next deferred the status of Purchase and Sale Agreement with Metal Specialties or assignees relative to the purchase of a site in the Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next deferred the status of Purchase and Sale Agreement with Fire Ant Rescue Inc. d/b/a Bug Police relative to the purchase of a site in the Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next deferred the status of Purchase and Sale Agreement with Remington Valve, LLC & Multiplex Machinery, Inc. relative to the purchase of a site in the Industrial Park after Mr. McCrady stated that Remington will be providing a modified proposal by the next meeting for consideration.

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The Board next considered the status of the sale of property in the Industrial Park to NC Customs LLC. Mr. McCrady reported that the tentative closing is scheduled for December 13th.

The Board next considered the status of incentive agreement with Haley Overstreet d/b/a Color Me Beautiful II Hair Salon. Mr. McCrady presented a revised agreement for a \$5,000 grant and a \$5,000 loan from the Economic Development Corporation. He stated that the company is not building a new building, but is remodeling its existing building. After discussion, Director Persson moved to approve the revised incentive agreement, as set out above. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the status of the incentive agreement with Plaza Plastics Corp. He stated that he is still in negotiations with the company.


The Board next considered the status of the incentive agreement with Veer Hanuman Hospitality, Inc. ("Veer"). Mr. McCrady stated that he has a draft agreement and will forward it to Veer next week for review and approval.

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)




Stephen Carlisle
Secretary, Board of Directors