

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
December 10, 2015
6:30 p.m.

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 10th day of December, 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 Directors Hesson and 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 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 Martin.

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 meeting held on November 12, 2015. After review and discussion, Director Ybarra made a motion that the minutes of the Board of Directors meeting held on November 12, 2015, be approved as written. Director Zepeda seconded said motion, which unanimously carried.

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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 various organizations.

The Board next considered authorizing cost sharing in connection with New Caney ISD's engagement of Population and Survey Analysts ("PSA") to perform a Demographic Update. Mr. McCrady reviewed the attached proposal from PSA and noted that the total cost of the study is \$58,180 and that the District's share would be \$29,090. He recommended that the Board split the cost of the demographic update with New Caney ISD, noting that the District would receive a copy of the demographic report. Mr. McCrady further noted that the report will be an important tool for business recruiting in the area. After discussion, Director Ybarra moved that the District fund ½ of the cost of the demographic update as set out above. Director Martin 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 presented for payment. Following review, Director Ybarra made a motion that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 12525 through 12627, inclusive, one (1) wire transfer and debits for payroll, and on the Special Events Fund, being check nos. 2435 through 2438, as set forth on the attached reports. Director Martin seconded said 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 (the "Order") and the adoption of a Resolution relative thereto. Mr. Marks reviewed the proposed changes to the Order and explained that, as a result HB 1295 passed in the most recent legislative session, certain changes are required. After discussion, Director Martin made a motion to approve the attached Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, to adopt the attached revised Order, and to authorize the Chair to sign and the Secretary to attest the Resolution and Order on behalf of the Board and District. Director Carlisle seconded the motion, which carried unanimously.

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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. McCrady reported that the constable presence had an impact on the number of crime incidents during the holiday season.

The Board next considered the following announcements:

Chair Webb stated that the Fire & Ice Festival is scheduled for January 9, 2016.

Director Carlisle stated that the Roman Forest Christmas Tree Lighting is scheduled for tomorrow and that a concealed handgun license class will be held on December 12, 2015, at 9:00 a.m.

The Board next recessed to Executive Session at 7:03 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 8:09 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 new to report relative to the status of condemnation by TxDOT.

The Board next considered the approval of a lease agreement with Montgomery County Youth Services ("MCYS"). Mr. McCrady reviewed the provisions of the lease agreement with the Board. After discussion, Director Carlisle moved that the Board approve a lease agreement with MCYS. Director Ybarra seconded said motion, which unanimously carried.

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The Board next considered the removal of Declaration of Covenants, Conditions and Restrictions from the East Montgomery County Improvement District Complex. Mr. McCrady discussed same with the Board. After discussion, Director Martin moved that the Board authorize the termination and removal of the Declaration of Covenants, Conditions and Restrictions from the East Montgomery County Improvement District Complex and authorize the President to execute all documents required in connection therewith. Director Rogers seconded said motion, which unanimously carried.

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 reported that to date, no sales of dirt had occurred.

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 platting Sections 3 and 4.

The Board next deferred the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that he is awaiting approval of plans.

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 status of the contract with National Sign Co. for installation of signage on FM 1314. Mr. Costanza reported that installation of the signage is scheduled to occur next week.

The Board next deferred the review of bids and authorization of award of contract for installation of IP signage on FM 1485. Mr. Costanza reported that the project is on hold pending completion of the installation of the signage on FM 1314.

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 proceeding with the expansion.

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The Board next considered 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. Mr. McCrady reported that the contracts are with the title company.

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 after Mr. McCrady reported that the project is on hold until the first quarter of 2016.

The Board next considered the status of an Incentive Agreement and Purchase and Sale Agreement with E-Controls relative to the purchase of a 5 acre site. Mr. McCrady reported that contract is with E-Controls for execution.

The Board considered the status of designating sites for the splash pad projects and status of preparation of agreements for control of sites, preparation of plans and authorize advertisement for bids for construction of splash pads, and consider status of Lease, Installation, Operation and Management Agreements between the District and the City of Splendor ("Splendor") and between the District and the City of Roman Forest ("RF") relative to the splash pads. Mr. McCrady reported that the District received three (3) design plans for the splash pad project and discussed whether to include recycling of water. Mr. Costanza discussed the bidding procedure and noted that he has met with representatives of Splendor and RF and that the splash pad site locations have been identified. Chair Webb advised that Splendor has agreed to pay \$30,000 for a water recycling system, but that RF needs to take the matter to the City Council for approval. Mr. Costanza next distributed the attached construction schedule for the splash pad projects. After discussion, Chair Webb recommended that the District use the attached design plan submitted by Empex Water Toys, as a base design. The Board concurred with Chair Webb's recommendation. The Board requested that the engineer bid the projects together if RF commits money for the recycling system, and if not, to bid the projects separately. Mr. Costanza advised that he will prepare property descriptions for each site and access drives to each site and forward to Mr. Marks for preparation of the agreements.

The Board next deferred the status of an Incentive Agreement with Royal Purple, Splendor 2090 Property, LLC, or its assignees, RREI LP and Wellspring Midwifery Care and Birth Center relative to a new facility in the District.

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The Board next considered review and amendment of the District's Code of Ethics ("Policy"). Mr. Marks reviewed the proposed revisions to the Policy. After discussion, Director Martin made a motion to approve the attached Policy and to authorize the Chair to execute and the Secretary to attest the Policy on behalf of the Board and District. Director Carlisle seconded the motion, which carried unanimously.

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.



Stephen Carlisle
Secretary, Board of Directors

(SEAL)

