

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
December 14, 2018

THE STATE OF TEXAS           §  
  §  
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 14<sup>th</sup> day of December, 2018, at 12:00 noon, at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Conference Room 200A, 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
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 Director Rogers, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O'Connell, Ms. Kelley Mattlage, Mr. Monty Galland and Mr. David Marks.

The Chair called the meeting to order and announced that a quorum was present.

As the first order of business, the Board considered approval of a Conflict Letter. Mr. Marks presented and reviewed the letter by and among the District, the East Montgomery County Municipal Utility District No. 4 and the East Montgomery County Economic Development Corporation. After discussion, Director Wetz moved that the Board approve the Conflict Letter, as set out above. Director Martin seconded motion, which unanimously carried.

The Board next considered authorizing an amendment to the District budget relative to providing additional funding to the Economic Development Corporation and the transfer of funds relative to same. Mr. Galland of Grand Texas Operating Company ("GTOC") reviewed the Grand Texas development plans and status of development with the Board. He then reviewed a summary of the planned East Montgomery County Municipal Utility District No. 4 ("MUD 4") debt that will reimburse GT Operating Company for certain governmental facilities that have been financed by GTOC. Mr. Galland noted that delays in the debt issuance has created cash flow issues and

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requested a short-term loan from the District in the amount of \$1,500,000. He stated that the loan would be secured by collateral assignment of MUD 4 receivables and that he expects to repay the loan in full by April or May of 2019. He further noted that the MUD 4 area is designated as an opportunity zone, which allows investors to defer capital gains, and which will stimulate development in MUD 4. After discussion, the Board deferred taking action on the GTOC request.

The Board next recessed to Executive Session at 1:21 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 2:42 p.m.

The Board next considered the approval of a Right of First Refusal Agreement with YMER Technology (“YMER”), and the status of execution of the 1<sup>st</sup> Amendment to First Building Commercial Lease Agreement with YMER, 2<sup>nd</sup> Amendment to First Building Commercial Lease Agreement with YMER, the Second Building Commercial Lease Agreement with YMER and the Incentive Agreement with YMER. Mr. McCrady reviewed the documents and stated that all documents have been approved and executed by YMER.

The Board next considered the review of bids, allocation of District funds and authorizing the award of a contract for the construction of building no. 2 for YMER. Mr. McCrady stated that the item was no longer needed, as the Board has previously approved same. The Board then reviewed the cost summary for building no. 2 prepared by Mr. Costanza in the amount of \$3,200,000.

The Board next considered a grant of easement to Entergy along Gene Campbell Boulevard. Mr. McCrady reviewed the easement with the Board. After discussion, Director Wetz moved that the Board approve the grant of easement, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred authorizing an amendment to the District budget relative to providing additional funding to the Economic Development Corporation and the transfer of funds relative to same.

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)

