

MINUTES OF SPECIAL MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
January 10, 2012

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Special Session, open to the public, on the 10th day of January, 2012, at 11:00 a.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:

Leon Cubillas	Chairman
Vickie Thumann	Vice Chairman
Linda W. Floyd	Assistant Vice Chairman/Treasurer
Susan Warren	Secretary
Connie Bloodworth	Assistant Secretary
Leonard W. Rogers	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

with all of said persons being present, except Director Warren, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Ms. Brandi Eckersley, Chief Andre Singleton, Ms. Lashawna Rhoden, Mr. Billy Hoppes and several others from the community.

The Chairman 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 Ybarra.

As the first order of business, the Board considered the review of Community Development Grant Funding Requests. In connection therewith, Mr. McCrady advised that a total of four (4) requests had been submitted for consideration. He noted that the presentation would occur today, with action being taken at the January 12, 2012, meeting and the funding of the grants to occur at the February meeting.

Mr. McCrady then reviewed the request of the City of Woodbranch Police Department relative to funding \$13,479.73 of a total project cost of \$20,119.00 to purchase required equipment and accessories for compliance with the Montgomery County Sheriff's Department Mobile Data Client. He noted that the staff recommended funding the request with the 33% required fund match. Director Floyd queried the necessity of the equipment and if all surrounding police departments will

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be requiring the new software as well. Chief Singleton addressed the Board relative to the status of the new system and the use of same by all of the surrounding police departments.

Mr. McCrady next reviewed the request from the Sondag International.Org Inc. ("Sondag") relative to funding \$3,000, to purchase turkeys for Holiday Meals for five hundred families. He noted that the staff did not recommend funding, and suggested that the grant request be revised in the future to request funding for improvements or other needs rather than requesting funding for food staples. A representative of Sondag addressed the Board and gave a brief description of the organization and its functions within the Community.

Mr. McCrady next reviewed the request of Porter High School Art Department and New Caney Independent School District Visual Arts Program relative to funding \$5,539.40 of a total project cost of \$ 8,025.75 to purchase fifteen (15) art display boards for student art work. He noted that the staff recommended funding the request with the 33% required fund match. Ms. Rhoden then reviewed and discussed said request with the Board and noted that the art display boards will be available for use by all students in New Caney ISD.

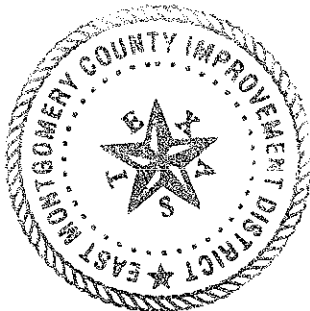
Mr. McCrady next reviewed the request of the Splendora Youth Baseball Association ("SYBA") relative to funding \$11,304.00 of a total project cost of \$17,105.00 to purchase and install a covered pavilion for spectators at the ball park. He noted that the staff recommended funding the request with the 33% required fund match. Mr. Hoppes addressed the Board relative to said request and noted that the County has given the SYBA permission to build the pavilion.

The Board next announced the following activities:

- East Montgomery County Rodeo Cook-off – January 13 & 14, 2012
- East Montgomery County Bus Trip to Houston Rodeo to see The Band Perry – March 14, 2012

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)




Asst. Secretary, Board of Directors

MINUTES OF MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
January 11, 2012

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Session, open to the public, on the 11th day of January, 2012, at 11:00 a.m., at 9754 Daw Collins Road, Cleveland, 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:

Leon Cubillas	Chairman
Vickie Thumann	Vice Chairman
Linda W. Floyd	Assistant Vice Chairman/Treasurer
Susan Warren	Secretary
Connie Bloodworth	Assistant Secretary
Leonard W. Rogers	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

with all of said persons being present, except Director Warren, thus constituting a quorum.

Also present was Mr. Frank McCrady.

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

As the first order of business, the Board considered strategic planning relative to administration and operation of the District, including the following:

- District budget procedures and financial planning for the District;
- Scholarship demographics relating to the growth of student population within the District and how the growth is accelerating;
- Request that the minutes from the East Montgomery County Economic Development Corporation and the East Montgomery County Scholarship Foundation meetings be e-mailed to the Board once approved;
- Status of Grand Parkway (I-69) and the possible impact of increased traffic flow in East Montgomery County;
- Flags and community pride projects relating to the District area; signage at the entrance to the East Montgomery County area on Highway 59; decorations and appropriateness of decorations on the District building and property during the Christmas season;

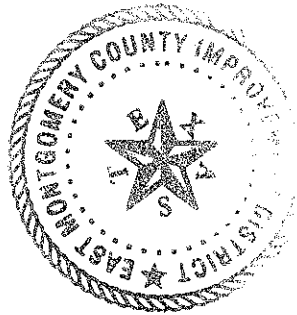
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- Creating a banner program for the surrounding cities for major holidays;
- Providing a float for the significant parades within the District; and
- Trade Show considerations and review of expenses relative to same

The Board next considered matters for possible placement on future agendas. In connection therewith, the Board noted there were no further matters for discussion.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)




Asst. Secretary, Board of Directors

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
January 12, 2012

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 12th day of January, 2012, at 5:30 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:

Leon Cubillas	Chairman
Vickie Thumann	Vice Chairman
Linda W. Floyd	Assistant Vice Chairman/Treasurer
Susan Warren	Secretary
Connie Bloodworth	Assistant Secretary
Leonard W. Rogers	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

with all of said persons being present, except Director Warren, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks, Mr. Joe Costanza, Mr. Cory Burton, Representative Brandon Creighton, Mr. Andy Dill and several others from the community.

The Chairman 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 Ybarra.

As the first order of business, the Board considered comments from members of the audience. In connection therewith, Representative Creighton addressed the Board and discussed the status of re-districting and the Grand Parkway.

The Board next considered the approval of the minutes of the Board of Directors meeting held on December 8, 2011. After discussion on the matter, Director Floyd moved that the minutes of the Board of Directors meeting held on December 8, 2011, be approved as written. Director Ybarra seconded said motion, which unanimously carried.

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The Board next considered the financial and investment reports, and authorizing payment of invoices presented. In connection therewith, Mr. Burton presented the financial and investments reports, copies of which are attached hereto, and presented the invoices for payment. Following review, Director Thumann moved that said reports be approved and that payment of invoices be authorized on the Operating Fund being check nos. 9286, 9286-1 and 9287 through 9352, inclusive, with check no. 9296 being voided; four (4) wire transfers; and debits for payroll, and on the Special Events Fund at Plains State Bank being check nos. 2278 through 2281, as set forth on the attached reports. Director Rogers seconded said motion, which unanimously carried.

The Board next considered status of report on the EarthQuest Project development. In connection therewith, Mr. McCrady stated he had nothing new to report.

The Board next considered the award of Community Development Funding Requests. In connection therewith, Mr. McCrady advised that a total of four (4) requests had been submitted for consideration.

Mr. McCrady reviewed the request of the City of Woodbranch Police Department relative to funding \$13,479.73 of a total project cost of \$20,119.00 to purchase required equipment and accessories for compliance with the Montgomery County Sheriff's Department Mobile Data Client. He noted that the staff recommended funding the request with the 33% required fund match. After discussion on the matter, a motion was made by Director Floyd and seconded by Director Wetz, which carried unanimously, to fund \$13,479.73, with the required 33% fund match, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request of Porter High School Art Department and New Caney Independent School District Visual Arts Program relative to funding \$5,539.40 of a total project cost of \$8,025.75 to purchase fifteen (15) art display boards for student art work. He noted that the staff recommended funding the request with the 33% required fund match. After discussion on the matter, a motion was made by Director Floyd and seconded by Director Thumann, which carried unanimously, to fund \$5,539.40, with the required 33% fund match, in accordance with the staff recommendation.

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Mr. McCrady next reviewed the request of the Splendora Youth Baseball Association (“SYBA”) relative to funding \$11,304.00 of a total project cost of \$17,105.00 to purchase and install a covered pavilion for spectators at the ball park. He noted that the staff recommended funding the request with the 33% required fund match. After discussion on the matter, a motion was made by Director Floyd and seconded by Director Rogers, which carried unanimously, to fund \$11,304.00, with the required 33% fund match, in accordance with the staff recommendation.

Mr. McCrady next reviewed the request from the Sondag International.Org Inc. (“Sondag”) relative to funding \$3,000, to purchase turkeys for Holiday Meals for five hundred families. He noted that the staff did not recommend funding, and suggested that the grant request be revised in the future to request funding for improvements or other needs rather than requesting funding for food staples. After discussion on the matter, the Board concurred to take no action on the request.

The Board next considered the approval of an Amendment to Lease Agreement between the District and the Community Chamber of Commerce of East Montgomery County (“CCC”) relative to the lease of space in the District building. Director Ybarra moved that the lease with the CCC be amended to add the additional space on the first floor of the District building and that the President be authorized to execute same. Director Wetz seconded said motion. Director Thumann then requested that the CCC offices that face the atrium of the building be cleaned out and look more presentable to the public entering the building. After discussion, a vote was called and by a vote of 4 for and 3 against, the motion passed. Director Thumann next moved that the CCC be required to clean up the visual appearance of the offices in accordance with the building guidelines. Director Bloodworth seconded said motion, which failed by a vote of 3 for and 4 against. Mr. Dill addressed the Board relative to the plan for the new CCC offices and noted that the existing space will be cleaned up and the use of the additional space will make the space more visually attractive. Director Floyd next questioned whether the vote on the first motion had a sufficient number of votes in favor to pass. Mr. Marks then reviewed Section 311.013, Government Code and common law rules with the Board, and Director Cubillas then ruled that by vote of a majority of the quorum present, the original motion passed.

The Board next recessed to Executive Session at 6:17 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, and matters in which the duty of the attorney to the District

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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. The Board returned from Executive Session at 6:55 p.m.

The Board next considered the status of the development of the District's 12.85 acre site, the construction of improvements and the leasing of space in the District's office building, including the status of investigation of settling of the building. In that regard, Mr. McCrady stated he had nothing new to report.

The Board next considered a report on activities within the Industrial Park, including the status of petition to the East Montgomery County Municipal Utility District No. 3 ("No. 3") to annex 59.633 acres of land purchased from Harold B. and Carmen Myers. In connection therewith, Mr. Marks advised that same is at the City of Conroe for approval.

The Board next considered the status of the contract for Purchase and Sale of Real Estate with CDS Real Estate (formerly Energy Drilling Solutions) relative to the sale of approximately 40 acres. In connection therewith, Mr. McCrady stated that he had nothing new to report.

The Board next considered the status of Agreement for the Purchase & Sale of Real Estate (replacing Option Agreement) and Option Agreement with Command Energy Services USA Ltd. ("Command"), relative to a 7 acre tract formerly owned by DAAP1, LP (formerly Transformer Protection). In that regard, Mr. McCrady stated that same is scheduled to close on January 18, 2012.

The Board next deferred the approval of an Incentive Agreement for Liquid Metal Coatings, LLC relative to a 4 acre tract.

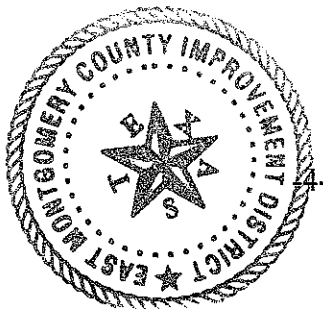
The Board next considered the approval of an Incentive Agreement and to authorize preparation of a Purchase and Sale Agreement relative to Remington Valve, LLC. After discussion, Director Thumann moved that Mr. McCrady be authorized to prepare an Incentive Agreement, including the sale of a 5 acre tract. Director Bloodworth seconded said motion, which unanimously carried.

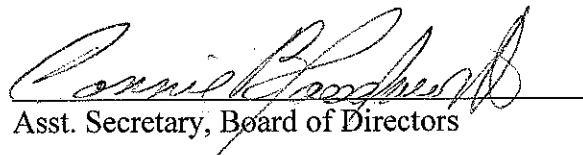
The Board next announced the following activities:

- None

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)




Asst. Secretary, Board of Directors