

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT

October 11, 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 11<sup>th</sup> day of October, 2012, 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:

Connie Bloodworth	Chair
Linda W. Floyd	Vice Chair
Marlene Idoux	Secretary
Brenda Webb	Treasurer
Dale Martin	Director
Vickie Thumann	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

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

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

The Chair 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, Chairman Bloodworth noted that 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 September 11, 2012. In connection therewith, it was requested that the third paragraph on page 1 be revised to reflect that Director Wetz led in prayer and Director Ybarra led the pledge. There next was a discussion regarding the second paragraph on page 2 and the second paragraph on page 3 relative to the approval of invoices and a request that check no. 9856 payable to Montgomery County Tax Assessor's office in the amount of \$1,464.45 be added to the list of checks that were approved. After review and discussion, Director Floyd moved that the minutes of the Board of Directors meeting held on September 11, 2012, be approved as corrected. Director Thumann seconded said 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 or as reflected in said reports. In connection therewith, Mr. Burton presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Director Webb then thanked Mr. Burton for his responses to her questions at the last meeting and she also recognized Director Floyd for her years of work as the District's Treasurer. Director Idoux next suggested that the phrase "approval of invoices" be removed from future agenda items. The Board took no action on the suggestion. Director Webb next questioned check no. 9887, payable to Wilson, Cribbs & Goren, P.C. Mr. McCrady advised that is the firm that was monitoring the Whitestone Bankruptcy proceedings on behalf of the District. Following review, Director Thumann moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 9814, 9855, 9855-1, 9856 and 9856-1 through 9921, inclusive, with check nos. 9814 and 9884 being voided, debits for payroll and two (2) wires, and on the Debt Service Fund at Plains State Bank being two (2) wires, and on the Special Events Fund at Plains State Bank being check nos. 2303 through 2305, as set forth on the attached reports. Director Floyd seconded said motion, which carried with Directors Webb and Idoux voting in opposition.

The Board next considered the status of filing an Unclaimed Property Report as of June 30, 2009, with the State Comptroller. In connection therewith, Mr. Burton advised that he would present same to the Board at the next meeting.

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. In connection therewith, Mr. McCrady reported that they are currently experiencing roof leaks in the building. He stated he has received one (1) bid and that he will present the bids to the Board at the next meeting.

The Board next recessed to Executive Session at 6:54 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

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Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 8:26 p.m.

The Board next considered a report on activities within the Industrial Park. In connection therewith, the Board considered the approval of an Incentive Agreement with Liberty Concrete Products LLC (“Liberty”), to authorize preparation and execution by the President or Chairman of a Purchase and Sale Agreement and all related documents and to authorize the President and Chairman to take all actions necessary to close on the purchase and sale of the property to Montgomery East Industrial, LLC. After discussion on the matter, Director Thumann moved that the Board approve the Incentive Agreement and authorize the preparation and execution by the President or Chairman of a Purchase and Sale Agreement and authorize the President and Chairman to take all actions necessary to close on the sale of the property to Montgomery East Industrial, LLC. Director Floyd seconded said motion, which unanimously carried.

The Board next considered the status of a Purchase and Sale Agreement with Petroleum Oil Tools, Inc. (“Petroleum”). In connection therewith, Mr. McCrady reported that Petroleum exercised its option to terminate the contract and is looking at another site located within the District.

The Board next considered the status of a Purchase and Sale Agreement relative to WorldFab, Inc. now known as Power Source Industries (“Power Source”). In connection therewith, Mr. McCrady reported that Power Source has closed on the property and is expecting to break ground in the next two to three weeks.

The Board next considered the status of an Incentive Agreement with Darst Funeral Home. In that regard, Mr. McCrady reported that Mr. Darst is ready to close on the Agreement with the District.

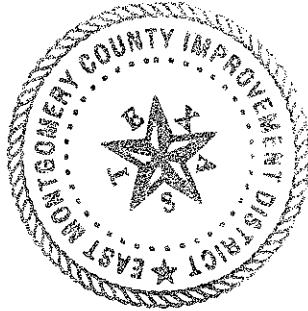
The Board next announced that the East Montgomery County Fall Extravaganza will be held on Tuesday, October 30. The Board next noted that the District added 5% to the bid proceeds for every animal sold at the East Montgomery County Fair Auction.

The Board next considered matters for possible placement on future agendas. In that regard, no requests were made.

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There being no further business to come before the Board of Directors, upon motion made by Director Martin, seconded by Director Ybarra, and unanimously carried, the meeting was adjourned.

(SEAL)



*Marlene Adony*  
Secretary, Board of Directors