

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
April 18, 2013

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 18th day of April, 2013, 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:

Connie Bloodworth	Chair
Linda W. Floyd	Vice Chair
Brenda Webb	Secretary/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. Chris Palis, Mr. Greg Phipps, Mr. Andy Dill, and others from the community, as shown on the attached sign in sheet.

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 March 19, 2013. After review and discussion, Director Floyd moved that the minutes of the Board of Directors meeting held on March 19, 2013, be approved as written. Director Thumann seconded said motion, which unanimously carried.

The Board next considered the appointment of a Director to fill the vacancy created by the resignation of Director Idoux. In connection therewith, Director Wetz made a motion to appoint Leonard Rogers to fill the vacancy created by the resignation of Director Idoux. Director Ybarra

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seconded said motion, which failed with Directors Wetz, Ybarra and Thumann voting for, Directors Bloodworth, Martin and Webb voting against and Director Floyd abstaining.

The Board next deferred the acceptance of a Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for a new director.

The Board next deferred the election of an Assistant Secretary of the Board of Directors.

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. Palis presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Martin moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 10264 through 10331, inclusive, two (2) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2319 and 2321 through 2326, as set forth on the attached reports. Director Floyd seconded said motion, which unanimously carried.

The Board next deferred the review of the District Code of Ethics and other Policies.

The Board next considered a report on the status of the EarthQuest project. In that regard, Mr. McCrady stated he had nothing new to report.

The Board next considered the status of the proposed Grand Texas project. In that regard, Mr. McCrady stated he had nothing new to report.

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 building settlement investigation. In that regard, the Board considered the status of the contract with John A. Walker Roofing, Inc., for repair of the roof on the District's office building, the review of a report from Webb Architects in connection with the investigation of the building issues and the status of the contract with Peterson Dean ("Peterson") for repair of the District's office building gutter system. In that regard, Mr. McCrady reported that all three (3) contracts are currently on hold pending determination by TxDOT as to what portion of the District's property they will be taking.

The Board next considered the approval of a proposal for the purchase and installation of District signs throughout the District. In that regard, Mr. Phipps stated that the sample sign will be ready in approximately two (2) weeks. After discussion, the Board deferred action at this time.

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The Board next recessed to Executive Session at 5:41 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 6:35 p.m.

The Board next considered a report on activities within the Industrial Park. In connection therewith, the Board considered the review of bids and award of a contract for the construction of extension of sanitary sewer line along Caroline Way. In that regard, Mr. Phipps reported that the project has been bid, however, there may be some potential changes due to reconfiguration for a potential buyer. He recommended that the Board defer the award of a contract until a determination is made relative to the potential buyer and his plans.

The Board next considered the following announcements:

Director Thumann stated that she attended the Montgomery County Fair and noted that East Montgomery County was well presented and did very well. Director Martin noted that the District's support had a significant positive impact on kids from East Montgomery County.

The Board next noted that Directors Thumann and Bloodworth attended the New Horizons Gala, which was a successful event, and that the New Caney Go Texan kick-off was last week.

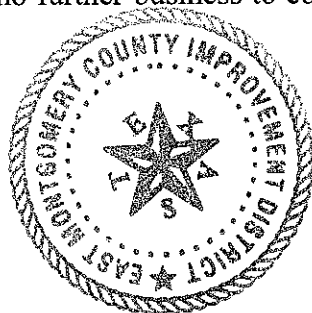
Director Wetz next stated that he and Director Martin attended the Montgomery County days at the Capitol.

Mr. McCrady next discussed his travel plans for the coming weeks and noted that he just returned from the AMCON show in Seattle. He further stated he will be traveling to New York next week to meet with a Pharmaceutical company, will be in Denver the following week for the AMCON show and will be traveling to Las Vegas in May to attend ICSC.

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)




Secretary, Board of Directors