

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
January 10, 2013

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 10<sup>th</sup> day of January, 2013, 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, except Director Idoux, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks, Mr. Cory Burton, Mr. Chris Palis, Mr. Joe Costanza, Mr. Andy Dill, Chief Barry Welch, Mr. Jonathan Unterrainer, 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. In the absence of the Secretary, the Chairman appointed Director Webb to serve as Secretary Pro Tem for the duration of the meeting.

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 deferred the approval of the minutes of the Board of Directors meetings held on December 6, 2012 and December 13, 2012, until later in the meeting.

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The Board next considered the acceptance of resignation of Director Idoux from the Board of Directors. In connection therewith, Mr. McCrady presented the attached correspondence from Director Idoux stating her desire to resign from the Board, effective immediately. After discussion, upon motion duly made by Director Ybarra, seconded by Director Floyd and unanimously carried, said resignation was accepted.

The Board next deferred the election of a Secretary and Assistant Secretary of the Board of Directors until later in the meeting.

The Board next considered a report from the Constable's office regarding the EMCID safe shopper initiative. In that regard, Barry Welch, Chief Deputy, addressed the Board and discussed the crime status in the areas of the extra patrols. He stated that the deputies had five (5) hour shifts during the week and noted that there were multiple deputies on the weekends during the period of December 7, 2012 through January 4, 2013. Deputy Welch advised that during that time, the deputies were dispatched to 70 calls; conducted 71 after hours business checks; issued 31 citations; issued 38 warning citations; took 36 people to jail on misdemeanor charges and 12 people to jail on felony charges. He stated that the safe shopper initiative was tremendously effective and an excellent use of the District's taxpayers money. Deputy Welch further noted that the program was very well received by the citizens of the community.

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. 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. 10059 through 10125, inclusive, four (4) wire transfers and debits for payroll, as set forth on the attached reports. Director Webb seconded said motion, which unanimously carried.

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. In that regard, Mr. McCrady reported that the contractor has not yet started the repairs.

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The Board next deferred the review of a report from Webb Architects in connection with the investigation of the building issues.

The Board next deferred the approval of a proposal for the purchase and installation of District signs throughout the District.

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 considered the review and approval of the minutes of the Board of Directors meetings held on December 6, 2012 and December 13, 2012. After review and discussion, Director Webb moved that the minutes of the Board of Directors meeting held on December 6, 2012, be approved as written, and that the minutes from the meeting on December 13, 2012, be approved by amending two sentences as shown on the draft attached hereto. Director Thumann seconded said motion, which unanimously carried.

The Board next considered the election of a Secretary and Assistant Secretary of the Board of Directors. After discussion on the matter, Director Martin moved that Director Webb be elected to serve as Secretary of the Board of Directors. Director Thumann seconded said motion, which unanimously carried. The Board further concurred to take no action relative to the election of an Assistant Secretary at this time.

The Board next considered a report on activities within the Industrial Park. In connection therewith, the Board considered the status of Liberty Concrete Products LLC/Montgomery East Industrial, LLC/Curt Joslin purchase of property in the Industrial Park. In that regard, Mr. McCrady noted that the transaction has closed and noted that construction is expected to begin within the next 30 to 60 days.

The Board next deferred the review of bids and award of a contract for the construction of extension of sanitary sewer line along Caroline Way.

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The Board next considered the approval of a letter of intent relative to the proposed Grand Texas theme park. In that regard, Mr. McCrady discussed the letter of intent with Grand Texas to locate in the District. He noted that the theme park is not a replacement for EarthQuest, but rather a separate, smaller project. After discussion on the matter, Director Ybarra moved that the Board approve a letter of intent with Grand Texas relative to a proposed theme park. Director Wetz seconded said motion, which unanimously carried.

The Board next deferred the review of the District's Code of Ethics and other Policies until the next meeting.

The Board next considered proposals for the engagement of a person or firm to assist in drafting District policies and procedures. Director Martin advised that the committee has met and recommended that the Board retain the services of a professional to assist with drafting the new policies. Mr. McCrady noted that the Board is not ready to engage a person or firm at this time, as the committee needs to first complete and develop a scope of work to be done. The Board deferred action at this time.

The Board next considered a community leadership forum. In that regard, Director Bloodworth requested that the Community Chamber of Commerce ("CCC"), Emergency Service Districts, School Districts, and local Police Departments schedule a meeting to exchange information and discuss areas of need in which the District could help with. Mr. Dill advised that the CCC holds a meeting every other month for similar purposes. Director Martin requested that Director Bloodworth prepare a meeting proposal outlining the scope, purpose and participation in the proposed meeting for the Board's review and consideration at the next meeting.

The Board next considered the following announcements:

- None

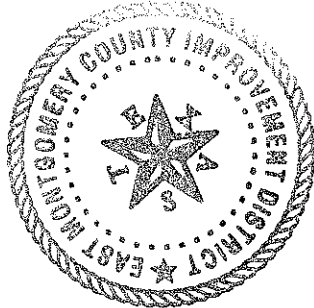
The Board next considered matters for possible placement on future agendas. In that regard, the Board requested the following item be added to the next agenda:

- consider changing Board's regular meeting to 5:30 p.m. on the second Thursday of each month.

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

(SEAL)



  
Secretary Pro Tem, Board of Directors