

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
March 19, 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 19th day of March, 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. Joe Costanza, Mr. Chris Brown, Mr. Andrew Ciocca, Ms. Kim Courte, 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 meetings held on February 14, 2013, and March 6, 2013. After review and discussion, Director Wetz moved that the minutes of the Board of Directors meeting held on February 14, 2013, be approved as corrected as reflected on the attached draft minutes, and that the minutes of the meeting held on March 6, 2013, be approved as written. Director Thumann seconded said motion, which unanimously carried.

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The Board next considered the appointment of a Director to fill the vacancy created by the resignation of Director Idoux. Director Floyd mad a motion to defer the matter to the next Board of Directors meeting. Director Thumann seconded said motion, which unanimously carried.

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 Ybarra moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 10207 through 10263, inclusive, with check nos. 10264, 10265 and 10266 being added, with check no. 9893 being voided, four (4) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2316 through 2320, as set forth on the attached reports. Director Floyd seconded said motion, which unanimously carried.

The Board next considered a report on the status of the EarthQuest project. In that regard, Mr. Brown addressed the Board and stated that he met with Mr. Hammond of Friendswood and has worked out all of the land use restriction issues and noted that everything is in the planning process. He stated that EarthQuest is within the use restrictions and noted that Contour is still planning to exercise the option to purchase the land as originally scheduled. Mr. Brown reported that Contour has updated the financial model of the project and it incorporates 7.2 million people within a 4 hour commute. He stated that investment bankers have had meetings with potential investors and have received positive responses from almost all. Mr. Brown reported that he has "following investor" commitments and is working on getting a lead investor in place. He further noted that all developed Intellectual Property relating to EarthQuest is still being used for the development of the project.

The Board next considered the status of the proposed Grand Texas project. In that regard, Mr. McCrady reported that the developer is moving forward with the land acquisition and is projected to close in May 2013.

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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 deferred the status of the contract with John A. Walker Roofing, Inc., for repair of the roof on the District's office building.

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 that status of the contract with Peterson Dean ("Peterson") for repair of the District's office building gutter system. In that regard, Mr. Costanza noted that he has received the executed contract from Peterson.

The Board next considered the approval of a proposal for the purchase and installation of District signs throughout the District. In that regard, Mr. Costanza stated that he sent the sign design for revision. After discussion, the Board deferred action at this time.

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2013. In connection therewith, Ms. Courte reviewed and distributed renewal proposals from HighPoint Insurance Group, LLC ("HighPoint") relative to property, comprehensive boiler and machinery, commercial general liability and hired car and non ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, worker's compensation, business travel, and agent fee coverage scheduled to expire on March 31, 2014, copies of which are attached. She noted that there might be a slight adjustment to the liability premium due to the vacant house that the District owns. After discussion on the matter, Director Ybarra moved that the renewal proposal from HighPoint for all coverage's set out above be approved, and that the Chair be authorized to execute same on behalf of the Board and District. Director Wetz seconded said motion, which unanimously carried.

The Board next recessed to Executive Session at 6:02 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, Economic Development negotiations pursuant to §551.087, Texas Government Code, and personnel matters

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pursuant to §551.074, Texas Government Code. The Board returned from Executive Session at 8:22 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. Costanza reported that he received bids, but needs to defer the award of a contract for thirty (30) days.

The Board next considered the annual review of Resolution Adopting Prevailing Wage Rate Scale for Construction Projects and authorizing survey of wages. After discussion, Director Webb moved that the attached Resolution Adopting Prevailing Wage Rate Scale For Construction Projects based on the Department of Labor rates, be adopted by the Board. Director Floyd seconded said motion, which unanimously carried.

The Board next considered the following announcements:

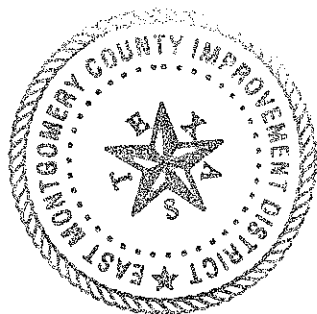
- March 23 – Opening Day for Splendor Little League.


The Board next noted that the Community did well in youth submissions for art and livestock at the Houston Livestock Show and Rodeo. Mr. McCrady also noted that the district will be a business member of Splendor Ag Support Group.

The Board next considered matters for possible placement on future agendas. In that regard, it was reported that the New Caney Fire Department would like to meet with the Board. The Board next requested that the April meeting be moved to April 18, 2013.

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

(SEAL)




Secretary, Board of Directors