Notice is hereby given that the above Board of Directors will hold a Regular Meeting on Tuesday, June 30, 2015 at 11:30 a.m. at The HEDC office, 2424 Boxwood Street, Room 126, Harlingen, Texas, 78550.

The Development Corporation of Harlingen, Inc. reserves the right to meet in Executive Session on any agenda item should the need arise, and if applicable, pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code. Development Corporation meetings are available to all persons regardless of disability. If you require special assistance, please contact the HEDC office at (956) 216-5081 or e-mail us at info@harlingenedc.com at least 24 hours in advance of the meeting.

AGENDA ITEMS

Call Meeting to Order

Roll Call

Pledge of Allegiance

Citizen Communication

1. Consent Agenda.

The following items are of a routine or administrative nature. The Board has been furnished with background material on each item and/or it has been discussed at a previous meeting. All items will be acted upon by one vote, without being discussed separately, unless separate discussion of any item is requested by a Board Member. Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.

a) Consider and take action to approve the minutes of May 26, 2015 regular meeting.

b) Consider and take action to approve the Financial Reports of May 31, 2015.

2. Consider request from Harlingen Industrial Foundation, Inc. and take action to extend promissory note maturing on June 30, 2015 for $10,000 for an additional two years.

3. Discussion regarding Bi-National Economic Development (BiNED) efforts and consider and take action to approve an Agreement between HEDC, United Brownsville and Chris Koob to provide services related to the creation of legal entities to promote bi-national economic development.

4. Executive session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.072), regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen Inc. in negotiations with a third person regarding some of the following projects and/or Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial and financial information from business prospects with which the Board is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives to business prospects known as:

a) Project Wilson
b) Project JMC
c) Project Orphan
d) Project Liberty
e) Project Rebate
5. Action, if needed, on the following projects, as discussed in executive session.
   a) Project Wilson
   b) Project JMC
   c) Project Orphan
   d) Project Liberty

6. Action, if needed, on request by Project Rebate.

7. Consider and take action to authorize Chief Executive Officer to execute Engagement Letter with Megamorphosis for architectural/engineering services related to the possible construction of a 5,000 to 6,000 square foot shell building for retail use on property located on Bass Pro Drive.

8. Staff reports:
   a) Update on Commercial development activities – Lyle Garza
   b) Update on Industrial development activities – Ramiro Aleman
   c) Executive Director’s report on economic development activities – Raudel Garza

9. Review of fiscal year 2014-2015 budget and proposed amendments to the budget, and action to approve, modify, or reject such amendments.

The Board may meet in closed executive session on any of the above agenda items if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the Attorney on a matter in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Act. Section 551.071 of the Texas Open Meetings Act.

2. The purchase, exchange, lease, or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the Harlingen Economic Development Corporation, Inc. in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the Development Corporation of Harlingen, Inc., if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen, Inc. in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.


I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Board of Directors of the above named Corporation is a true and correct copy of said notice posted on the bulletin board at City Hall of said City of Harlingen, Texas in a place convenient and readily accessible to the general public at all times and said Notice was posted on Friday, June 26, 2015 at or before 9:00 a.m. and remained so posted for at least 72 hours preceding the time of said meeting.

[Signature]
Raudel Garza, Manager and Chief Executive Officer
Development Corporation of Harlingen, Inc.
Regular Meeting
May 26, 2015

On this 26th day of May 2015 at 5:30 p.m. the Development Corporation of Harlingen, Inc. Board of Directors convened at the City of Harlingen Town hall, 118 E. Tyler Avenue, 2nd floor, Harlingen, Texas 78550. The following are the minutes of the meeting.

Present
Michael Lamon
Lupita Gutierrez-Garza
Dr. Gilbert Leal

Absent
Robert B. Dunkin
Rick Ledesma

Staff
Raul Garza, Manager and CEO
Ramiro Aleman, Lyle Garza, and MaryAnn Villarreal

Also present was Commissioner Ruben De La Rosa.

Call to Order
Mr. Michael Lamon called the meeting to order; a quorum was established and the following proceedings were held.

Roll Call
Mr. Lamon announced Ms. Lupita Gutierrez-Garza and Dr. Gilbert Leal were present.

Pledge of Allegiance
Mr. Lamon asked Ms. Gutierrez-Garza to lead the Pledge of Allegiance.

Citizen Communication
None.

1. Consent Agenda.

The following items are of a routine or administrative nature. The Board has been furnished with background material on each item and/or it has been discussed at a previous meeting. All items will be acted upon by one vote, without being discussed separately, unless separate discussion of any item is requested by a Board Member. Items withdrawn from the Consent Agenda for individual consideration will be heard in their normal sequence after the remainder of the Consent Agenda has been acted upon.

a) Consider and take action to approve the minutes of:
   1) 04.28.15 – Regular Meeting
   2) 05.14.15 – Special Meeting

b) Consider and take action to approve the Financial Reports of:
   1) April, 2015
c) Consider and take action to authorize CEO to enter into marketing agreement with Valley International Airport.

Motion was made by Ms. Gutierrez-Garza and seconded by Dr. Leal to approve Consent Agenda. Motion carried unanimously.

The April 2015 financials were presented and approved as follows:

**Development Corporation of Harlingen, Inc.**
**Interim Financial Statements**
**For Month Ending April 30, 2015**

**Balance Sheet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,937,971</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,451,763</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>$0</td>
</tr>
<tr>
<td>Assets (Land, Building &amp; Parking Lot)</td>
<td></td>
</tr>
<tr>
<td>Less Depreciation</td>
<td>$37,596,440</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$41,986,173</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities &amp; Payables</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPS Land Payable</td>
<td>$4,431,205</td>
</tr>
<tr>
<td>Loan</td>
<td>$2,615,000</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>$29,110,000</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$37,183,228</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Designated Reserve</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unencumbered Fund Balance</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Non-Cash Fund Balance</td>
<td>$937,971</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$1,864,975</td>
</tr>
<tr>
<td></td>
<td>$4,802,945</td>
</tr>
</tbody>
</table>

**Total Liabilities & Fund Balance**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$41,986,173</td>
</tr>
</tbody>
</table>

**STATEMENT OF REVENUES AND EXPENDITURES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Month</th>
<th>Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$461,427</td>
<td>$2,954,207</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$56,440</td>
<td>$486,943</td>
</tr>
<tr>
<td>Contracts</td>
<td>$20,000</td>
<td>$140,040</td>
</tr>
<tr>
<td>Projects</td>
<td>$0</td>
<td>$2,547,155</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$76,440</td>
<td>$3,174,139</td>
</tr>
<tr>
<td>Revenues Less Expenditures</td>
<td>$384,988</td>
<td>($219,932)</td>
</tr>
</tbody>
</table>
2. Discussion and take action to conduct annual election of certain Board positions: President, Vice President, Treasurer, and Secretary.

Section 5.01 of the Bylaws provides for the annual election of officers: 
"Elections shall be held at the May meeting of the Board or as soon as possible thereafter."
(Amended 9/98)

Mr. Raudel Garza recommended that the new officers be as follows: Michael Lamon, President; Lupita Gutierrez-Garza, Vice President; Rick Ledesma, Treasurer; and Gilbert Leal, Secretary. The recommendation was based on previous tradition of having current officers moving up to the next officer position.

Dr. Leal made a motion to approve the new board position seconded by Ms. Gutierrez-Garza. Motion carried unanimously.

3. Executive session pursuant to Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.072), regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the Development Corporation of Harlingen Inc. in negotiations with a third person regarding some of the following projects and/or Chapter 551, Subchapter D., V.T.C.A. Government Code (Section 551.087) regarding commercial and financial information from business prospects with which the Board is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives to business prospects known as:

a) Project Wilson
b) Project JMC
c) Project Mountain

At 5:38 p.m., President Lamon announced the board would convene into executive session under Government Code (Section 551.072, and Government Code (Section 551.087) to discuss Item No 3.

Motion was made by Dr. Leal and seconded by Mr. Gutierrez-Garza to convene into executive session under Government Code (Section 551.072), and Government Code (551.087). Motion carried unanimously.

At 6:02 p.m., President Lamon announced the board had completed its executive session under Government Code (Section 551.072), and Government Code (Section 551.087), and declared the meeting open to the public.

4. Action, if needed, on project Wilson, as discussed in executive session.

5. Action, if needed, on project JMC, as discussed in executive session.

Motion was made by Dr. Leal and seconded by Ms. Gutierrez-Garza as stated by President Lamon to include both Agenda item #4, and #5 and authorize staff to continue negotiation on Project Wilson and Project JMC and enter into a Land Purchase Agreement as discussed in executive session. Motion carried unanimously.

6. Staff reports:

a) Update on Commercial development activities – Lyle Garza
b) Update on Industrial development activities – Ramiro Aleman
c) Executive Director’s report on economic development activities – Raudel Garza

Mr. Lyle Garza gave an oral report on the commercial development activities and supplied the board with a written report as follows:

**MEMORANDUM**

TO : Board of Directors  
Harlingen Economic Development Corporation

FROM : Lyle Garza

SUBJECT : Staff Report

DATE : May 26, 2015

CONSTRUCTION
As reported last month, Palms Behavioral Health has begun construction of their 94-bed hospital. According to their general contractor, Thomas Construction Group, they have progressed smoothly with ground utility work and pad site improvements over the last 30 days. There are crews working on the parking lot and street aprons as well.

The new Bert Ogden Toyota dealership on Tamm Lane is also under construction. Crews from a local construction company - Johnson Brothers Construction are working on finishing the interior framework and the parking lot. The showroom is now fully enclosed. According to General Manager Adrian Burone, the 54,000 square foot showroom and service center is still projected to be open in time for the Fourth of July.

MARKETING and BUSINESS ATTRACTION
Since our last meeting, the EDC has sent out two press releases – the Site Certification by McCallum Sweeney of the 479 acres at the Harlingen Aerotropolis at Valley International Airport, and the announcement of a job fair put on by the EDC and Valley International Cold Storage at the University Center.

The Aerotropolis press release was picked up by different media outlets including Due North Media, Texas Border Business magazine and the Rio Grande Guardian website. Craig McIntosh with Texas Real Estate Business and France Media sent us notice that we were featured on their website www.rebusinessonline.com and their daily and national newsletter.

Staff finalized a five-page spread with Viva Texas Magazine and it will be going to print this week. We have advertised with the magazine in the past, but this month we are being featured on the cover and in the inserts. It will be distributed in Monterrey, northern Mexico and South Texas.

Staff also met with several other media outlets including Rick Gonzalez with Business Adviser Magazine, Fawn Foudray-Golich with the Rio Grande Valley Partnership/A Snapshot In Progress, and a television advertising company regarding television spots during pay-per-view events.

This month we were also invited to a hospitality/hotel managers meeting were we gave an update on economic development, sales tax and new businesses in town.

COMMERCIAL DEVELOPMENT
This past month, we met with Cathy Pool with Miramar Real Estate and Peter and Stephen Wasserman with Alliance Fund Management to discuss multi-family housing and the possible purchase and rehabilitation of an apartment complex in town.

We also had meetings with business owners and developers looking to either open or expand their businesses in town. One is health related, one is construction related and one is education related.

We also met with several business owners to discuss business retention and expansion opportunities. They included Doug Snyder, new general manager for Valle Vista Mall, Corina Cordova with API Real Estate and Christian Gutierrez with Southern Commercial Real Estate Group.

Finally, we have completed the transaction with Mr. Jaime Cano on the sale of the kitchen equipment that was discussed in our Special Meeting from two weeks ago.

Reminder: Qualfon Ribbon Cutting Thursday May 28th 2:00 pm (2200 Haine Drive) and Grand Opening Dinner Reception at 6:30 pm, Dinner at 7:00 pm, (Pearl South Padre Hotel- 310 Padre Blvd., SPI)

Mr. L. Garza ended the report.

Mr. Ramiro Aleman gave an oral report on the industrial development activities and supplied the board with a written report as follows:

MEMORANDUM

TO : Board of Directors
Harlingen Economic Development Corporation

FROM : Ramiro Aleman

SUBJECT : Staff Report

DATE : May 21, 2015

Site Certification
Since the Harlingen Aerotropolis at Valley International Airport is designated as a “Certified Site” in the Large Park category by McCallum Sweeney, staff has been working with VIA and AEP to develop a marketing plan to promote the site.

Los Indios Bridge Promotion
Staff attended the Texas International Produce Association meeting with USDA and CBP in Pharr. The purpose of the meeting was to discuss agricultural inspections and identification services at South Texas Ports of Entry. Washington D.C. based, Senior level executives from both USDA -APHIS and CBP including Ms. Rebecca Bech, Associate Deputy Administrator for Plant Protection and Quarantine and Mr. Kevin Harriger, Executive Director CBP Agriculture Programs Trade and Liaison. Main topics discussed are the need for more Certified Cargo Release staff and more technology. The private sector is even willing to pay for overtime for two years. The City of Pharr announced that in addition to the six cold rooms for inspections already in place, they are willing to build additional cold rooms.

Industrial Recruitment Activities
Developed a proposal for State Lead Project Antelope out of two that were sent to HEDC. Also working with a consultant from the Houston area that has two clients interested in manufacturing their products in the area. They plan on touring Harlingen in June.

Industrial Retention Activities
Assisted in coordinating a Job Fair for Valley International Cold Storage. Over 100 job seekers attended. Visited with 3 local companies in the Wilson Rd. industrial area.

Harlingen Manufacturer’s Association
HMA held its monthly meeting at HEDC offices. A presentation was made by Harlingen Water Works Systems. Mr. Gunn described how the system works, what areas the system is responsible for and how they are funded.

Harlingen Industrial Foundation
HIFI held its monthly meeting at the HEDC offices. Staff discussed the potential development of an area at the industrial park. The HIFI board is interested in pursuing the opportunity.

Mr. Aleman ended the report.

Mr. R. Garza’s report followed. He mentioned that on June 9th he is meeting with Mark James, Vice President, Economic and Business Development and Scott Kuehn, Manager, Targeted Marketing International, along with Ray Covey, Manager of Economic Development for Texas. Mr. R. Garza mentioned that AEP will be spending money on marketing the Aerotropolis land. Mr. R. Garza spoke about some of the tools to market the property with videos and getting in front of site selectors. Mr. R. Garza and Mr. Covey both belong to IAMC, Industrial Asset Management Council. The IAMC has two conferences per year, where most corporate real estate executives for the large industrial firms attend.

Mr. R. Garza spoke about the overweight corridor legislation that we have been working on is going to the Governor’s office. He mentioned this is another marketing tool for the Aerotropolis property, the Industrial Park and the Port of Harlingen.

Mr. R. Garza also discussed RSTEC. Rio South Texas Economic Council is trying to establish their goals for this upcoming year. Mr. R. Garza expressed disappointment in RSTEC’s lack of programs on several initiatives and questioned the viability of membership renewal.

Mr. R. Garza also gave an update on BiNED.

There being no further business to discuss, motion was made by Dr. Leal and seconded by Ms. Gutierrez-Garza to adjourn the meeting at 6:18 p.m.

Development Corporation of Harlingen, Inc.

Mr. Michael Lamon, President

ATTEST:

Raudel Garza, Manager and CEO
I. Agenda Item: Consider and take action to approve Financial Reports for period Ending May 31, 2015.

II. Brief Overview:

Reviewing the Balance Sheet (PAGE 1), an analysis of the fund balance indicates a designated reserve of $2,000,000, an unencumbered Fund Balance of $1,117,541 and a non cash Fund Balance of $1,807,448. Total assets are shown at $42,288,581 Liabilities are reported at $37,363,591. The amount reported under cash, which represents NOW Accounts, earned 0.010% interest during the month on the collected balance. From the Statement of Revenues, Expenditures, and Changes in Fund Balance (PAGE 2), revenues are reported at $3,354,497 and total expenditures (Page 3) at $3,452,384 - generating expenditures over revenues in the amount of $97,887.

Development Corp. Sales tax receipts received from Texas State Comptrollers for the month of May was $330,338 an increase of $10,615 or 3.32% (Page 4). In the month of May Brownsville experienced a -3.18% decrease and McAllen a -5.56% decrease from the prior year. During the month $1,799 was paid on the Bales Mold Service, Inc. Note, $1,128 was paid on the Dollar Save Energy Note.

III. Budget
Item Budgeted Yes _____ No X N/A. If yes, fund(s) & Amount. If no, Sources of funding, amount requested & funds remaining.

IV. Finance Director Comments: ✔ Approved _____ Disapproved _____ None

VI. Staff Recommendation:
Staff recommends approval of financial reports as presented.

NAME: ELVIA TREVINO
title: Finance Director
DEPARTMENT: Finance
DEVELOPMENT CORPORATION OF HARLINGEN, INC.

Interim Financial Statements

For Month Ending May 31, 2015
City of Harlingen  
Development Corporation of Harlingen, Inc.  
Balance Sheet  
As of May 31, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 31, 2015</td>
<td>May 31, 2014</td>
</tr>
<tr>
<td>Cash</td>
<td>$3,019,815</td>
<td>$3,004,843</td>
</tr>
<tr>
<td>Reserve Cash</td>
<td>97,726</td>
<td>97,689</td>
</tr>
<tr>
<td>Investments - BPS Escrow Trust</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Receivables, accounts - State Comptroller/Other</td>
<td>330,338</td>
<td>319,723</td>
</tr>
<tr>
<td>Receivables, accounts - Other</td>
<td>50,475</td>
<td>52,485</td>
</tr>
<tr>
<td>Receivables - Interfund</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Receivables - Interfund TIFRZ No. 3 (Page 7)</td>
<td>646,416</td>
<td>716,416</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>0</td>
<td>1,850</td>
</tr>
<tr>
<td>Loans Receivable (Page 7)</td>
<td>547,371</td>
<td>479,600</td>
</tr>
<tr>
<td>Land - Bass Pro Shops</td>
<td>4,187,758</td>
<td>4,187,758</td>
</tr>
<tr>
<td>Buildings &amp; Improvements.-Bass Pro Shops</td>
<td>36,698,765</td>
<td>36,837,830</td>
</tr>
<tr>
<td>Less: Depreciation</td>
<td>3,290,094</td>
<td>33,486,682</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$42,288,581</strong></td>
<td><strong>$45,497,174</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND BALANCE**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Current Year</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable - Other</td>
<td>$0</td>
<td>$3,120</td>
</tr>
<tr>
<td>Due - General Fund - City Services Reimb.</td>
<td>0</td>
<td>4,833</td>
</tr>
<tr>
<td>- Professional Services</td>
<td>3,600</td>
<td>16,000</td>
</tr>
<tr>
<td>- Other</td>
<td>10,000</td>
<td>248</td>
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<tr>
<td>Due - In Current Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Frost Bank Loan</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- Bonds Payable-BPS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>547,371</td>
<td>479,600</td>
</tr>
<tr>
<td>Other - TIFRZ No. 3</td>
<td>646,416</td>
<td>716,416</td>
</tr>
<tr>
<td>Long Term Payable - BPS Land</td>
<td>4,431,205</td>
<td>4,431,205</td>
</tr>
<tr>
<td>- Frost Bank Loan</td>
<td>2,615,000</td>
<td>2,990,000</td>
</tr>
<tr>
<td>Bonds Payable - BPS</td>
<td>29,110,000</td>
<td>30,180,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>37,363,501</strong></td>
<td><strong>38,820,423</strong></td>
</tr>
</tbody>
</table>

**Fund Balance**

| Designated Reserve                              | 2,000,000    | 2,000,000   |
| Unencumbered Fund Balance                       | 1,117,541    | 1,102,532   |
| Non Cash Fund Balance                           | 1,807,448    | 3,574,219   |
| **Total Fund Balance**                          | **4,924,990** | **6,676,751** |

**TOTAL LIABILITIES AND FUND BALANCE**

<table>
<thead>
<tr>
<th></th>
<th><strong>$42,288,581</strong></th>
<th><strong>$45,497,174</strong></th>
</tr>
</thead>
</table>
June 25, 2015

Mr. Michael Lamon, President
Harlingen Economic Development Corporation Board of Directors,
2424 Boxwood Street, Suite 125
Harlingen, TX 78550

Dear Mr. Lamon:

The Harlingen Industrial Foundation, Inc. (HIFI) Board of Directors is requesting the Harlingen Economic Development Corporation (HEDC) to extend the Promissory Note granted to HIFI (dated June 30, 2009 for a $60,000.00 line of credit, from which the HIFI has borrowed $10,000.00) for two (2) years with the same terms and conditions. HIFI appreciates your kind consideration in the matter. Please feel free to contact me if you should have any questions.

Sincerely,

[Signature]

Brian E. Macmanus, P.E.
Chairperson
EXTENSION OF REAL ESTATE NOTE

Date: June 30, 2015

Note:

Date: June 30, 2009

Original Amount: Up to Sixty Thousand And No/100ths Dollars ($60,000.00)

Maker: Harlingen Industrial Foundation, Inc., a Texas corporation

Payee: Development Corporation of Harlingen, Inc., a Texas corporation

Unpaid Principal and Interest as of June 30, 2015: Ten Thousand And No/100ths Dollars ($10,000.00)

Original Date of Maturity: As therein provided.

Holder of Note: Development Corporation of Harlingen, Inc., a Texas corporation

Holder’s Mailing Address (including county):

2424 Boxwood, Suite 125
Harlingen, Texas 78550

Obligor: Harlingen Industrial Foundation, Inc., a Texas corporation

Obligor’s Mailing Address (including county):

311 East Tyler
Harlingen, Texas 78550

Terms of Extension of Maturity: Interest on the unmatured, unpaid principal balance of this Note shall accrue at the rate of zero percent (0%) per annum from date hereof until maturity.

Principal shall be due and payable within 30 days of the closing and funding of the sale of any land owned by Maker or, in the alternative, on or before June 30, 2017.

If Obligor is not primarily liable on the Note, Obligor nevertheless agrees to pay the Note.
As a condition of and in consideration for this Extension, Obligor understands and agrees that the Development Corporation of Harlingen, Inc. is not obligated to and will not lend any additional funds to Obligor under the Note hereby extended. That is, no additional funds will be loaned to Obligor hereunder in excess of the Ten Thousand And No/100ths Dollars ($10,000.00) previously loaned to Obligor.

Obligor promises to pay to the order of Holder of Note, according to the terms of extension of maturity the unpaid principal and interest.

The Note continues as written, except as provided in this instrument.

When the context requires, singular nouns and pronouns include the plural.

HARLINGEN INDUSTRIAL FOUNDATION, INC.,
a Texas Corporation

BY: ____________________________

Brian MacManus, Chair

HOLDER OF NOTE

DEVELOPMENT CORPORATION OF HARLINGEN, INC.,
a Texas Corporation

______________________________

Michael Lamon, Chairman

ACKNOWLEDGMENT

THE STATE OF TEXAS §
COUNTY OF CAMERON §

This instrument was acknowledged before me on the ______ day of ____________, 2015 by Brian MacManus, Chair of Harlingen Industrial Foundation, Inc., a Texas corporation.

________________________________

Notary Public, State of Texas

My Commission Expires: ________________
ACKNOWLEDGMENT

THE STATE OF TEXAS
COUNTY OF CAMERON

§
§

This instrument was acknowledged before me on the ____ day of ___________,
2015 by Michael Lamon, Chairman of the Development Corporation of Harlingen,
Inc., a Texas corporation.

________________________________________________________________________

Notary Public, State of Texas

My Commission Expires:____________________

PREPARED IN THE OFFICE OF:

BRENDAN HALL, ATTORNEY
P.O. BOX 2725
HARLINGEN, TEXAS 78551

AFTER RECORDING RETURN TO:

BRENDAN HALL, ATTORNEY
P.O. BOX 2725
HARLINGEN, TEXAS 78551
MASTER SERVICE AGREEMENT

This MASTER SERVICE AGREEMENT (this “Agreement”) is made and entered into as of June 17, 2015 (the “Effective Date”), by and between Koob Consulting Group, LLC, (the “Company”) and United Brownsville and Harlingen Economic Development Corporation, (the “Client”).

WHEREAS, the Client desires to avail itself of the expertise and Services of the Company and the Company desires to make its expertise and Services available to the Client upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above in consideration of the above recitals and the mutual promises and benefits contained herein, the parties hereby agree as follows:

1. DEFINITIONS. Capitalized terms used in this Agreement have the meanings specified in this Section 1 or elsewhere in this in this Agreement.

“Confidential Information” means information disclosed to or known by one party herein as a consequence of its relationship with the other party hereto (whether before or after the date of this Agreement) and not generally known in the industry in which the parties or any of their direct or indirect subsidiaries or (in the case of information of or about clients of either party) clients is engaged, and that in any way relates to the products, processes, services, inventions (whether patentable or not), formulas, techniques or know-how, including, but not limited to, information relating to contribution lists, research, development, purchasing, procedures, marketing, vendors, and merchandising of the Client or the Company or any of their direct or indirect subsidiaries or affiliates of either party, and regardless of the format in which it is presented or embodied (written, graphic, electromagnetic or otherwise). The term “Confidential Information” does not include information (i) which was already in the public domain through disclosure by the party or a person owning such Confidential Information or (ii) which is disclosed as a matter of right by a third party source after the execution of this Agreement provided such third party source is not bound by confidentiality obligations in favor of the owner of the Confidential Information in question.

2. SERVICES. The Company hereby agrees to perform services described in the attached Exhibit A, in the manner and to the extent determined exclusively by the Company in the discretion of the Company (collectively, the “Services”). Exhibit A may be updated only by mutual written agreement of the parties. The Company further agrees that it will use commercially reasonable efforts during the performance of such Services to promote the interests of the Client and to devote to the business and affairs of the Client during the term of this Agreement such portion of the Company’s time and energies as the Company determines is necessary to perform such Services. Except as otherwise approved in advance in a writing by the Client, all Services to be provided pursuant to this Agreement shall be performed on behalf of the Client by the Company.
3. **TERM OF AGREEMENT.** The term of this Agreement shall begin on August 1, 2015, and shall continue until October 31, 2015. Either party may terminate this agreement, with or without cause by providing ten (30) days advanced written notice to the other party.

4. **COMPENSATION.**

   (a) **Rate of Compensation.** The Company shall receive as compensation a fee of $6,000 (six thousand dollars) per month in consideration of the performance of the Services. Compensation shall be invoiced monthly and is due and payable not later than the 15th day of each month. Invoices 30-days past due will incur interest at the annual percentage rate of 10% prorated daily for every day the invoice remains unpaid after 30-days past due, provided however, that in no event shall the interest charged exceed the maximum amount permitted under applicable law.

   (b) **Reimbursement of Expenses.** The Company shall be responsible for payment of all ordinary expenses incurred in the performance of the Services, including telephone, fax, internet connection, computer paper, printer ink, and other ordinary expenses, as determined by the Company. The Client shall be responsible for any extraordinary expenses, including airline or train tickets, rental car charges, and hotel costs; provided that, the Company shall obtain the prior approval of the Client before incurring any such extraordinary expenses in excess of $250.

   (c) **Monthly Status Report.** The Company shall submit a 30 day activity report on deliverables in conjunction with invoices as required in section 4 (a).

5. **INFORMATION.**

   (a) **Provided By Client.** The Client agrees to be completely truthful and to make a full and accurate disclosure of the Client’s operations and other information requested by the Company in as much detail as possible so that the Company may provide relevant Services to the Client.

   (b) **Press.** The Company agrees that the Company is not, directly or indirectly, at any time during the term of this Agreement, and without regard to when or for what reason this Agreement shall terminate, authorized without the prior approval of the Client, to communicate with any member of the press, including representations of both print and electronic media, regarding any aspect of this Agreement, the Services performed by the Company under this Agreement, or any knowledge or information relating to the business of the Client obtained as a result of the Services performed by the Company under this Agreement, without the express prior approval of the Client. The Company shall refer promptly all queries from the press, in whatever form or circumstances they are made, to the Client.

6. **CONFIDENTIALITY.**

   (a) Neither the Client nor the Company shall at any time or in any manner, directly or indirectly, use for any purpose other than the performance of obligations under this Agreement or disclose to any third party any trade secrets or other Confidential Information learned or obtained from the other party hereto as a result of its relationship with the other party hereto or any direct or indirect subsidiary or affiliate (i.e., a person which controls, is controlled by or under common control with a party) of the other party. Each party agrees that it will adopt reasonable precautions to guard against unauthorized release or use of Confidential Information, and that it will not use or disclose such Confidential Information in any manner that will unfairly benefit itself or damage the other party hereto. Each party agrees to return to the other party all such Confidential Information pertaining to the other party upon termination of this Agreement. In lieu of
returning all Confidential Information, a party may destroy such Confidential Information provided that the other party hereto has agreed in writing that destruction is acceptable.

(b) Neither party shall be liable for disclosure of Confidential Information if such disclosure is pursuant to judicial action or other lawfully compelled disclosure, provided that such party notifies the other party of the need for such disclosure within ten (10) days after such need becomes known and gives the other party a reasonable opportunity to contest such disclosure.

7. INDEPENDENT CONTRACTOR. The Company shall perform Services pursuant to this Agreement as an independent contractor with respect to the Client, and nothing in this Agreement shall create, or be deemed to create, any relationship of employer and employee or of master and servant between the Client and the Company. As an independent contractor, the Company is responsible for payment of all applicable obligations to state and/or federal governmental agencies, including, but not limited to, income tax, unemployment tax, and business registration fees.

8. ASSISTANCE WITH GOVERNMENT INQUIRY. The Company agrees to provide, in a timely manner, all documents and services necessary to assist the Client in connection with any audit, inquiry or investigation of the Client by any government agency relating to the Services under this Agreement, at the Client’s sole expense. The Client agrees to provide, in a timely manner, all documents and services necessary to assist the Company in connection with any audit, inquiry or investigation of the Company by any government agency or in connection with any matter relating to the Services under this Agreement, at the Company’s sole expense.

9. OUTSIDE ACTIVITIES. The Client and the Company agree that the Company may provide independent services to other individuals or entities, provided, however, that: (a) such other independent services shall in no way materially impair the Company’s ability to provide Services to the Client pursuant to this Agreement, as determined by the Company, and (b) the Company shall observe in full in relation to consulting work performed for other individuals or entities the confidentiality requirements set forth in Section 6 of this Agreement, and (c) the Company shall advise the Client of the Company’s professional relationships with outside groups engaged in public communications or other activities that may affect the Client’s compliance with applicable law.

10. INDEMNIFICATION. The Client agrees to indemnify, hold harmless, and defend the Company from and against any and all losses, liabilities, damages, demands, settlements, judgments, costs and expenses, including reasonable attorneys’ fees arising out of or relating to: (a) matters involving the Client which arose, began, or occurred prior to the Effective Date, (b) any error, omission, non-disclosure or inaccuracy in any information or other data provided by the Client, and (b) any negligence or breach of any provision of this Agreement by the Client. The Company agrees to indemnify, hold harmless, and defend the Client from and against any and all losses, liabilities, damages, demands, settlements, judgments, costs and expenses, including reasonable attorneys’ fees arising out of or relating to the Company’s willful misconduct in connection with performance of the Services.

11. OWNERSHIP OF WORK PRODUCT & LISTS. All Confidential Information of the Client, including but not limited to documents, computer records, and other materials given to the Company by the Client in furtherance of Services performed for the Client shall remain the property of the Client.

12. ASSIGNMENT; SUCCESSORS. Neither this Agreement nor any of the Client’s duties or obligations under this Agreement may be assigned by the Client without the prior written consent of the Company. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and transferees.
13. **HEADINGS; MODIFICATION; COUNTERPARTS.** Section headings are for convenience of reference only and shall not be considered a part of this Agreement. This Agreement may be amended, modified or supplemented only by written agreement of the Company and the Client. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

14. **DISPUTES; EQUITABLE RELIEF.** Each party to this Agreement consents to the personal jurisdiction of the courts located in the State of Texas. EACH PARTY TO THIS AGREEMENT KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT TO A JURY TRIAL IN ANY LAWSUIT BETWEEN THE PARTY AND ANY OTHER PARTY WITH RESPECT TO THIS AGREEMENT. The laws of the State of Texas and the federal laws of the United States of America, excluding the laws pertaining to resolution of conflicts with laws, govern the validity, construction, enforcement, and interpretation of this Agreement. In the event of any dispute arising under this Agreement, the prevailing party in any such dispute shall be entitled to recover from the other party, all costs, fees, reasonable attorneys, mediator or arbitrator fees, and other expenses incurred in connection with such dispute. The parties agree that irreparable harm would occur in the event that any of the provisions of this Agreement, including but not limiting the provisions of Section 6 were not performed fully by the parties in accordance with their specific terms or conditions or were otherwise breached, and that money damages are an inadequate remedy for breach of the Agreement because of the difficulty of ascertaining and quantifying the amount of damage that will be suffered by the parties in the event that this Agreement is not performed in accordance with its terms or conditions or is otherwise breached. It is accordingly hereby acknowledged that, the parties shall be entitled to petition the courts listed in this Section 14 for an injunction or injunctions to restrain, enjoin and prevent a failure to perform this Agreement by the other party, without posting bond or other security, and to enforce specifically such terms and provisions of this Agreement.

15. **SEVERABILITY; CONFLICT.** If any provisions of this Agreement, or the application of any such provisions to parries hereto, shall be held by a court of competent jurisdiction to be unlawful or unenforceable, the remaining provisions of this Agreement shall nevertheless be valid, enforceable and shall remain in full force and effect, and shall not be affected, impaired or invalidated in any manner. In the event of a conflict between the terms of this Agreement and Exhibit A of this Agreement, the provisions of this Agreement (excluding Exhibit A) shall control.

16. **NOTICES.** Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed effective when delivered in person or, if mailed, on the date of deposit in the mail, postage prepaid, addressed, to such address as shall have been specified in writing by either party to the other.

17. **SURVIVAL.** Upon expiration or termination of this Agreement, the Services shall terminate and no party shall have any further duty or obligation hereunder; provided, however, that the provisions set forth in Section 5(a), 6, 8, 10 14, 15, 17, 18 and 19 of this Agreement, as well as any provision of this Agreement which in accordance with its terms is intended to survive the termination of this Agreement, shall survive any such termination or expiration of this Agreement.

18. **FORCE MAJEURE.** The Company shall not be liable for any expense, loss or damage whatsoever arising out of a failure to perform Services or delay or failure to perform under this Agreement that is due to acts of God, acts of a public enemy, acts of terrorism, acts of a nation or any state, territory, province or other agency or political division thereof, fires, floods, epidemics, riots, theft, quarantine restrictions, or other similar causes beyond the reasonable control of the Company. In any such event, the Company’s obligations
hereunder shall be postponed for such time as the Company's performance is suspended or delayed on account thereof. The Company will promptly notify the Client, either orally or in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, the Company will use commercially reasonable efforts to resume its performance with the least practicable delay.

29. ENTIRE AGREEMENT. This Agreement, including the exhibits hereto, constitutes the entire agreement between the parties and contains all of the terms and conditions of the agreement between the parties with respect to the subject matter hereof. This Agreement supersedes and terminates all prior agreements between the parties relating to the subject matter herein addressed.

[ Signature Page Follows ]
IN WITNESS WHEREOF, the Client and the Company each has caused this Agreement to be signed by its duly authorized representative as of the day and year first above written.

CLIENT
United Brownsville

By: ____________________________
Name: __________________________
Title: __________________________

COMPANY
Koob Consulting Group, LLC

By: Chris Koob
Name: Chris Koob
Title: President

CLIENT
Harlingen Economic Development Corporation

By: ____________________________
Name: __________________________
Title: __________________________
EXHIBIT A

1. Performance. The Company shall perform the duties and Services specified in the attached proposal which is incorporated herein by reference.
Proposal for
United Brownsville
June 17, 2015

The following proposal lays out a 90-day plan for BINED that will focus on gathering information, introducing the concept nationally and building the initial infrastructure. Chris Koob will execute the deliverables in close coordination with the BINED Coordinating Board. Additional resources will include legal, digital and policy expertise.

Deliverables

Organizational Structure
1. Identify and manage the various components of creating a 501 (c) (3) organization and a 501 (c) (6) organization.
2. Develop a strategy and corresponding budget for each organization.
3. Work with legal counsel to create a memo establishing internal operating procedures, which will guide the activities and interaction between the organizations.
4. Draft a strategic vision document, which will provide the foundation to create a leadership council, as a project of the 501 (c) (6) organization.

Engagement and Outreach
1. Develop marketing content to promote BiNED.
2. Identify and schedule meetings with prospective council members.
3. Develop a list of short-term BiNED policy goals and associated support required from both state and federal levels.
4. Set up meetings in Texas and Washington, DC with members of BINED to gather information and introduce the organization to key stakeholders.
5. Identify and manage the various components of creating a multi-page website which will include marketing content, and a professional brand.

Action Plan and Sustainability
1. Develop and submit an action plan for the subsequent nine months of this engagement, which will identify sources of funding for continued sustainability; and identify additional individuals and groups for BiNED to meet with.
Memorandum

To: Board of Directors  
Harlingen Economic Development Corporation

From: Lyle Garza

Subject: Staff Report

Date: June 30, 2015

Construction

Under construction this month is the new Neighbors Emergency Center on Ed Carey Drive. It will be located across from Valley Baptist Medical Center and is valued at over $2.5 million. Neighbors Emergency Center(s) are predominantly located in Houston and Austin, but are expanding throughout Texas. The new facility will provide 24-hour emergency response services and have private rooms, modern amenities and on-site imaging and laboratory services. It will be 7,500 square feet and employ about 20 medical staff and professionals. Local doctor Joe Ybarra is partnering with Neighbors Emergency Centers to open this facility.

Also new this month is the new retail and restaurant development at the former Sun Valley Hotel site. As you know, a building permit application has been submitted for the construction of a new Chick Fil-A restaurant. Demolition has begun. It is expected to be completed by the end of the year. On the west side of town, Golden Corral has also applied for a building permit and will be under construction very soon. They will be located adjacent to their current location on west Tyler.

Carry-over construction projects from last month are the Bert Ogden Toyota Dealership, the Palms Behavioral Hospital and the Popeye’s Restaurant. All three were delayed last month due to the unusual amount of rain received in town.

Marketing and Business Attraction

Ramiro and I attended the TexasOne International Business Networking Reception at the Sheraton Suites-Houston Galleria May 27, 2015. There were over seventy-five people in attendance including approximately 50 delegates from Mexico. Monica Sanchez, Director of the State of Texas NAFTA Office gave the welcome introduction and Jose Romano, Director of Business Development for the Office of the Governor introduced Keynote Speaker Hope Andrade, Texas Workforce Commissioner.

This past month, the EDC advertised in the Valley Business Report and Texas Border Business. See attached ads. We also had press releases for the ULA announcement and the site certification at the airport which we have previously discussed.
The EDC Annual Report will be available via print copies and .pdf on our website.

We are working on several new marketing and advertising projects including the marketing of the Harlingen Aerotropolis at VIA, a two-page spread on the Valley Partnership’s Snapshot of Progress annual magazine, an online project with Ron Whitlock Reports and the Rio Grande Birding Festival.

We have also engaged in marketing talks with other media outlets including Texas Wide Open For Business, Focus Texas magazine, the SBA Resource Magazine, and Multi-View’s Targeted Market Campaign.

Finally, staff attended a ribbon cutting for the new Candlewood Suites. As you will remember, it is a 4-story, 72-room hotel located off I-2 and Ed Carey. A meeting room that will hold 200 people is still under construction. It is located between the Candlewood and Best Western hotels. Staff also attended two other local events – the premiere of The Birds of South Texas, a documentary by Richard Moore, and the pre-publication meeting and discussion of RGV Lead’s 2015 Regional Labor Market Report.

Existing industry and business recruitment meetings were held with several groups including a dentist office, two developers, a restaurant manager and various brokers and professionals working on new developments in Harlingen.
Richard Chase – Golden Corral
Greg Gaynor – Southern Career Institute
Joe Ybarra – ER doctor
Juan Villarreal – dentist
Brent Conlin – developer
Suri Fernandez – Dominguez Law Firm
Charlie Clark – car dealer
MEMORANDUM

TO : Board of Directors
     Harlingen Economic Development Corporation

FROM : Ramiro Aleman

SUBJECT : Staff Report

DATE : June 26, 2015

Site Certification – Harlingen Aerotropolis
Staff met with representatives from AEP Corporate office regarding their efforts at recruiting
Foreign Direct Investment to their service area. Staff made a presentation to familiarize the new
International Targeted Marketing Manager and the VP of Economic & Business Development.
Because of our partnership with AEP regarding the Site Certification process, the Harlingen
Aerotropolis at Valley International Airport and its marketing efforts was a main topic.

Met with local contractor and provided survey and other marketing materials in so that they may
provide the information to their developer and investors contacts.

Los Indios Bridge Promotion
Attended the NAFTA-Mexico Invest in Texas - International Business Networking Reception in
Houston. Attendees were Mexican Nationals looking to start/grow their business in Texas. Staff
met with an attendee that was interested in Cold Room opportunities in the area and another
interested in exporting food into Mexico via the Free Trade Bridge. In general, the Harlingen
Aerotropolis and the Los Indios Bridge were of interest to many of the attendees we spoke to.

Industrial Recruitment Activities
Proposal for State Lead Project Antelope was moved to Phase II of their search. Staff also
developed and submitted a proposal for State Lead Sugar Mill. Also working with a consultant
from the Houston area that has two green technologies clients interested in manufacturing their
products in the area.

Met with a local Real Estate Agent to discuss three potential projects in Harlingen.

Industrial Retention Activities
Visited with a local trucking company and a manufacturer that were very interested in learning
more about the overweight corridor along FM 509 and FM 106.

Harlingen Manufacturer’s Association
HMA held its monthly meeting at HEDC offices. A presentation was made by the Conventions
and Visitors Bureau Events Manager. Ms. Martinez described the upcoming events in the city for
the summer months. She mentioned Blues on the Hill concert series, Freedom Fest, RGV Birding
Fest and the Harlingen Half Marathon.

Harlingen Industrial Foundation
HIFI held its monthly meeting at the HEDC offices. The board made a new addition to the
executive committee. Also, Ms. Martinez with the CVB stopped by and spoke to the board about
the City events.