

REID ROAD MUNICIPAL UTILITY DISTRICT NO. 2

Minutes of Special Meeting of Board of Directors

January 9, 2019

The Board of Directors (the "Board") of Reid Road Municipal Utility District No. 2 (the "District") met in special session, open to the public, at 11245 Harvest Bend Boulevard, Houston, Texas in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board as follows:

Sean Allen	President
Vicki Owen	Vice President
Keith Austin	Secretary
Fredrick Phillips	Assistant Secretary

all of said members were present, thus constituting a quorum.

Also present were David Ebro of the Levey Group Fund 12, L.L.C. ("Levey"); Ross Matthews of Prologis, LP ("Prologis"); Debbie Shelton of Masterson Advisors, LLC ("Masterson"); Jonathan Roach and Joshua Zientek of Roach & Mitchell, PLLC ("RMPLLC"); Joshua Kahn of Sanford, Kuhl, Hagan, Kugle, Parker, Kahn LLP ("SKLaw"); and Eric Stone, additional counsel for Levey.

CLOSING ON SERIES 2018 UNLIMITED TAX BONDS AND DEVELOPER REIMBERSMENT

Mr. Roach explained the reimbursement amounts for each developer and certain deductions that were calculated as part of determining the final totals. He reported that Liberty Property, LP ("Liberty") had no objection to their outstanding annexation expense of \$3,247.16 being deducted from their reimbursement, and Mr. Matthew's has agreed to the deduction of the outstanding annexation expense in the amount of \$1,632.45 from the reimbursement to Prologis.

Mr. Roach provided an update on the District's history of bond issues and reimbursements and reminded the Board that the District has historically reimbursed up to 70% to the developers per applicable rules of the Texas Commission on Environmental Quality ("TCEQ"). Mr. Roach reported that the Utility Development Agreement between Levey and the District allows for reimbursement of up to 100% subject to certain conditions. Next, Mrs. Shelton reviewed the District's cash flow analysis and the reimbursement scenario report prepared by Masterson. Mr. Roach advised that the TCEQ had reviewed and approved reimbursement to Levey at up to 100%.

Mr. Ebro introduced himself and explained the developments and benefits that he believes Levey has provided to the District which would justify the full 100% reimbursement. Mr. Matthews also discussed Levey's developments and the positive effects they have had within the District.

Mr. Roach mentioned an additional payment in the amount of \$20,000 originally made by Trustmark National Bank ("Trustmark") that was assigned to and part of the overall development

plans for site and easement acquisition by Levey. He advised that RMPLLC and the District's Auditor, McCall Gibson Swedlund Barfoot, PLLC ("McCall Gibson"), is reviewing the supporting documentation from Levey and the option of using available surplus bond/construction proceeds that may be available for reimbursing the additional amount. The Board reiterated that they want to confirm that the Levey development will provide sufficient tax revenues going forward to fund the debt service on the bonds used for reimbursement. After further discussion, Director Allen then made a motion to approve: (1) the revised reimbursement audit from McCall Gibson, subject to the two changes noted above; (2) the 100% reimbursement to Levey as outlined in the revised audit, subject to verification of the conditions discussed by the Board regarding tax revenues; and (3) all of the above, subject to the Developers' execution and submission of the required Receipt and Indemnity documents to the District. Director Phillips seconded said motion, which carried unanimously.

Mr. Ebro, Mr. Kahn, and Mr. Stone exited the meeting at this time.

Ms. Shelton reminded the Board of the District's outstanding and callable bonds. The Board asked that she present at the next meeting an analysis and recommendation regarding options for possible refunding of those outstanding bonds. The Board took no action at this time.

EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, SECTION 551.071, 551.047, ET. SEQ.

The Board did not enter into executive session.

DISCUSSION REGARDING PENDING OR FUTURE BUSINESS

There was no discussion.

ADJOURNMENT

After no further discussion, Director Allen adjourned the meeting.

Approved on March 20, 2019.

(SEAL)




Secretary, Board of Directors