

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 27th day of January 2015, the Amarillo Local Government Corporation Board of Directors met at 8:00 a.m. on the Third Floor, Room 306, City Hall, 509 Southeast 7th Avenue, with the following members present:

VOTING MEMBERS	PRESENT	NO. MEETINGS HELD	NO. MEETINGS ATTENDED
Richard F. Brown, President	Y	61	56
Glen Parkey, Vice President	Y	61	53
Ron Boyd, Board Member	Y	61	53
Les Simpson, Board Member	Y	61	49
Brian Eades, Councilmember & Board Member	N	61	56
John Lutz, Board Member	N	5	3
Lilia Escajeda, Councilmember & Board Member	Y	3	3
EX-OFFICIO MEMBERS			
Jarrett Atkinson, City Manager	Y	61	60
Melissa Dailey, Executive Director of DAI	Y	61	61
Mercy Murguia, Potter County Commissioner	Y	5	3

Absent were Brian Eades and John Lutz.

Staff in Attendance:

Marcus Norris, City Attorney and Frances Hibbs, City Secretary.

ITEM 1: The meeting was called to order by Mr. Brown.

ITEM 2: Mr. Brown stated that last month, Wallace Bajjali Development Partners LP (“WB”) executed an agreement assigning their interest in a downtown hotel to another developer and an agreement with the Amarillo Local Government Corporation to construct a downtown parking garage, with both projects commencing immediately. However, on the afternoon of January 26, 2015, it was confirmed by City staff that (a) both David Wallace and Costa Bajjali had resigned their positions in WB; (b) that the company offices in both Sugarland, Texas and Joplin, Missouri are closed and dark; and (c) company telephones are no longer working. This development was not foreseen in light of the progress made just last month, necessitating the need for this emergency meeting with legal counsel for advice and action.

ITEM 3: Mr. Brown advised at 8:07 a.m. that the Board would convene in Closed Session to discuss the potential purchase, sale, or lease of downtown property, together with (i) economic incentives that may be available for a prospective or existing business and (ii) attorney-client communication and advice regarding same, per Texas Government Code sections 551.071, .072 and .087, as they relate to proposed projects for downtown redevelopment.

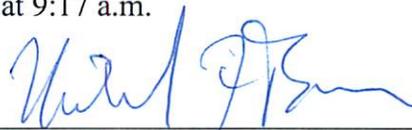
Mr. Brown announced the Closed Session was adjourned at 9:08 a.m.

ITEM 4: Mr. Brown stated the LGC Board would consider authorizing notice of default/breach of the Master Development Agreement and the Amended and Restated Lease and Development Agreement for a Downtown Parking Garage. He further stated LGC has four separate agreements with WB, the Master Development Agreement (this Agreement was assigned by City to LGC); the parking garage lease and development agreement; and two architectural services agreements for the parking garage and landscape.

Mr. Brown further stated that LGC became aware of the WB difficulties yesterday and LGC immediately began to explore what had happened to WB. He stated that WB was out of business, that both of the two managing partners have resigned, and that there is no one in charge and no one to act on their behalf. Mr. Brown stated the hotel and construction of the parking garage are proceeding. However, there is no existing contract for the MPEV and the question today for the Board was what to do with the existing contract going forward.

Mr. Parkey made a motion to go forward as planned, give notice to WB of the default and for the LGC to step in and move ahead. Mr. Boyd seconded the motion. Mr. Brown stated that under the existing contracts they would take whatever tasks necessary, that the contracts were in good shape, and that the contracts were designed so that if something happened to WB, LGC was in a position to move forward. Mr. Simpson called for vote. Motion carried 5:0.

ITEM 5: Mr. Brown announced the meeting was adjourned at 9:17 a.m.



Richard F. Brown, President

ATTEST:



Frances Hibbs, City Secretary