

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
APRIL 16, 2012

MEMBERS PRESENT: Paul Cannon Mike Schweikhard
Dani Ramsay Scott Senter
Marelyn Shedd

STAFF PRESENT: Richard Burdine Kim Tarrant

GUESTS PRESENT: Brennan Peel, Abilene Reporter-News
Bill Ehrie, Abilene Industrial Foundation

1. **CALL TO ORDER.** President Paul Cannon called the meeting to order in the Develop Abilene conference room, 174 Cypress Street, third floor, Abilene, Texas, at 2:49 pm.
2. **EXECUTIVE SESSION.** I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, .072, and .087 to consult with our legal counsel, discuss real property transactions, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President Paul Cannon announced the date is April 16, 2012, and the time is 2:50 p.m. Mr. Cannon later announced the date is still April 16, 2012, and the time is 3:40 p.m. No vote or action was taken in Executive Session.

3. **DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING AMENDED ASSISTANCE FOR PROJECT CD.** On April 16, 2011, the DCOA approved a total incentives package for Phase 1 of \$2,750,000 based on job creation and capital investment projections, and including a lease/purchase agreement for the Spec 3 building. The board also approved up to \$150,000 to pay annual Letter of Credit (L/C) renewal fees. The L/C will be used to secure an upfront loan of \$2.5 million. The board also approved additional incentives for Phase 2 where Project CD would purchase Spec 3 and expand it. Employment would increase to 400 after the expansion.

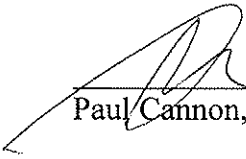
Delays in arranging U.S. financing and preparations for the public offering have caused Project CD to make the initial phase in Abilene on a smaller scale to reduce startup costs. The company now wants to begin its U.S. distribution operations by occupying and leasing Warehouses C and D and the offices in the 4109 Vine St. building.

Mr. Burdine outlined several options for the start up phase, Phase 1 and Phase 2 Expansion, ranging from leasing space at 4109 Vine St., lease and purchase of the Spec 3 building, or construction of a new building should Spec 3 not be available when Project CD needs it. Discussion followed on these options and various possible incentive financing packages.

Staff has informed Project CD that the DCOA board requires it to secure the L/C for the \$2.5 million loan from a substantial U.S. financial institution as collateral for financial assistance from the DCOA. Project CD is not able to fulfill this requirement at this time. Therefore, staff recommends the board decline approval of any revised assistance.

Scott Senter moved to decline Resolution No. DCOA-2012.17 due to the lack of a U.S.-backed letter of credit as collateral, which terminates the DCOA's commitment. Marelyn Shedd seconded and the motion passed unanimously.

- 4. ADJOURNMENT.** The next regularly scheduled meeting is April 24, 2012. There being no further business, the meeting was adjourned.



Paul Cannon, President