

MINUTES OF MEETING OF RIO TECH FUND BOARD OF DIRECTORS
Board Room, Rio Grande Valley Partnership
322 South Missouri, Weslaco, Texas
11:30 a.m. Tuesday, September 23, 2008

Board Members Participating:

Eva-Jean Radle, Re/Max RGV, McAllen, Board President
Gregg McCumber, CPA, Burton, McCumber & Cortez, L.L.P., Brownsville
Rick Ledesma, DataLogic Software, Inc., Harlingen, Board Vice President
Hector Ramos, South Texas Monitoring Systems, McAllen
Ed Tamayo, First Community Bank (retired), Harlingen
Patricia G. (Pat) Bubb, Executive Director, Tech Prep RGV (ex officio Board member)

Board Members Absent:

Tony Aguirre, Broadway Hardware, McAllen
Morris Libson, Texas State Natural Gas, Inc., Eagle Pass
Sam O. Olivarez, Barrera's Supply Co., Inc., Mission
Derrick Swanberg, Swanberg Farms Partnership, Lyford

Staff Participating:

Fernando González, Rio Grande RCIC Executive Director

Pursuant to notice duly given, a meeting of the Rio Grande RCIC Board of Directors was held at the above time and place with the above individuals participating. Eva-Jean Radle, Rick Ledesma, and Pat Bubb participated via teleconference. Eva-Jean Radle chaired the meeting, and Pat Bubb recorded notes.

Welcome, Introductions, Opening Remarks

Eva-Jean Radle welcomed everyone to the meeting and shared opening remarks.

First Action Item: Consider and Approve
Minutes of Board Meeting of June 4, 2008

Minutes of the June 4 meeting were approved on motion made by Ed Tamayo, seconded by Hector Ramos, and unanimously carried.

Second Action Item: Adopt Conflict of Interest
Policy to Comply with IRS 501(c)(3) Requirements

Fernando González summarized the information included in the agenda packet. Included were an IRS model policy plus items utilized by other RCICs. Discussion followed.

After discussion, and on motion made by Ed Tamayo, seconded by Hector Ramos, and unanimously carried, the model IRS policy was adopted for Rio Tech Fund operations.

Third Action Item: Modify Articles of Incorporation
To Comply with IRS 501(c)(3) Requirements

Fernando González summarized the proposed modifications to the Rio Tech Fund articles of incorporation as presented in the agenda packet. These modifications are required to comply with IRS requirements for the application for federal 501(c)(3) status and included Article 6, Dissolution; Article 7, Corporation Earnings; Article 8, Directors Liability; Article 9, Indemnification; and Article 10, Construction. There was a question as to whether we had received legal consultation on the articles of incorporation, and the reply was affirmative.

Thereafter, on motion made by Hector Ramos, seconded by Ed Tamayo, and unanimously carried, the proposed modifications to the Articles of Incorporation were approved, and Fernando González was tasked with submitting the revised Articles of Incorporation to Texas leadership for approval.

Fourth Action Item: Consider and Approve Contract with VIDA

Fernando González explained the proposed revised contract with VIDA for Rio Tech Fund operations. Discussion followed. It was noted that Section II, paragraph H, of the contract requires that Rio Tech Fund compensate VIDA. González reported that he has been in discussions with VIDA regarding a dollar amount for this compensation, with discussion being between 3 percent and 5 percent of grant contracts awarded; however, no final agreement has been reached.

After discussion, and on motion made by Gregg McCumber, seconded by Rick Ledesma, and unanimously carried, the contract was approved as presented; provided, however, that the approval is subject to a final agreement with VIDA regarding the actual cost be approved within 60 days from today's date.

Discussion Items

The following reports and discussion items were presented:

- Previous Applicant Status:
 - The Scan Tech application (fruit irradiation—which has become a stronger emphasis with recent developments on FDA support for irradiation) and Medical Safety Technologies applications are both with state leadership (Governor, Lt. Governor, and Speaker of the House) for approval. The applications have been there since August, and the turn-around time on that is supposed to be 30 days;

hopefully there will be no delays with the advent of the political season, although that remains to be seen.

- The Southmost Medical application has been referred to the state Life Science advisory board, which has had discussions with UTB/TSC about the way the science is presented. It will take an extra quarter before that application is referred to Austin.

- RGV Partnership Office Space In-Kind: Bill Summers has agreed to provide use of González office space in much the same way that the Harlingen Chamber is doing. González will develop a contract for that, modeled on the contract with the Harlingen Chamber.

- Best Practices Highlights: Fernando González shared highlights of a Best Practices discussion in which he had participated and explained the rules for “C corporation” status. A company presenting in Austin can still be an LOC, but the presentation has to state what the company will look like after the conversion. Companies are really going to have to do business in Texas to be funded.

- Conference with Workforce Cameron: Ed Tamayo reported about a conference with Workforce Solutions Cameron in which Rio Tech Fund and Fernando González had played a prominent role. A written summary of highlights from that event was included in the briefing packet. Rio Tech Fund’s involvement in this conference was the way in which the aligned funding contributed by John Sossi of UTB/TSC was used to benefit RCIC operations.

- Report from the Governor’s Competitiveness Council. Pat Bubb shared a report from the Governor’s Competitiveness Council, which presented its recommendations to the Governor and state leadership in August. The Council’s reports can be viewed at http://governor.state.tx.us/priorities/economy/industry_cluster_efforts/governors_competitiveness_council/. Bubb stated that the ETF and RCICs figured prominently in the discussions during the session in which the reports were presented. She further reported that there had been statements that the state would be working on development of a statewide angel investor network and had specifically mentioned how such a network would benefit the RCICs in El Paso and the Valley. Further, Bubb reported that Roger Creery from the Laredo Development Foundation, who was involved in the original RCIC, which has been replaced by Rio Tech Fund, had been at the event at which the Competitiveness Council reports had been released. Bubb and Creery had talked, and he had indicated a willingness and desire to work with the reorganized RCIC. She strongly encouraged Rio Tech Fund leadership to follow up with Roger Creery.

- USDA Irradiation Conference. Fernando González shared information about this event.

- Rick Ledesma joining ETF Advisory Committee. Rick Ledesma reported that Governor Perry has appointed him to the state ETF Advisory Committee. Activities for that state

leadership role are about to begin; so he needs to resign from the Rio Tech Fund board. He stated that he and Fernando have discussed getting the Harlingen EDC to appoint a board member to replace him. Ledesma's resignation leaves the Rio Tech Fund board with two vacancies (one having been created by the resignation of Cleve Breedlove and the second being this one). Neither VIDA nor Tech Prep appoints board members for the Rio Tech Fund organization; so these vacancies should be filled by the Rio Tech Fund board. There was a discussion of working with McAllen and Laredo leadership to complete the process of transitioning to the new Rio Tech Fund leadership of RCIC activities. Board actions will follow, based on these discussions.

- **Pat Bubb's Departure:** Pat Bubb announced that this is also her last Rio Tech Fund meeting. Tech Prep worked with VIDA on startup of this organization, and Bubb has participated as an ex officio Board member to help with startup activities for the new organization under the terms of a contract between the RCIC and Tech Prep. That contract ends on September 30, 2008. Bubb expressed her strong support for Rio Tech Fund's work and intent to continue sharing information with the educators with whom she works in Tech Prep operations. Bubb also stated her appreciation for the opportunity to work with the excellent group of people who constitute the board and staff and willingness to help in the future if her assistance is needed.
- **UTB Business Plan Competition:** Fernando González shared information about a business plan competition being offered by UTB. Written information was included in the briefing packet.
- **McAllen Chamber Update:** Eva-Jean Radle shared information about a new round of funding for business startups being conducted by the McAllen Chamber.
- **Funding Update:** Fernando González reported that funding from the Harlingen EDC has been received, funding from the Brownsville EDC is on its way, and new funding from the state will be forthcoming soon. Funding for Rio Tech Fund operations is beginning to be stabilized, and the future appears bright.
- **State ETF Leadership Update:** Fernando González reported that Alan Kirchoff will become the new state director of the ETF effective October 1.

Set Date for Next Meeting

No date was set for the next meeting. This activity will be handled through email.

Other Business; Adjourn

There was no further business; so the meeting was adjourned shortly before 3 p.m.

Notes recorded by Pat Bubb