

Minutes of Meeting of Rio Tech Fund, Inc. Board of Directors

Board Room, Rio Grande Valley Partnership
322 S. Missouri, Weslaco, TX
11:00 AM Wednesday, November 4, 2009

Board Members Participating

Eva-Jean Radle, Re/Max RGV, McAllen, Board President
Carlos Marin, Ambiotec Brownsville
Brian Godinez, Godinez Communications, McAllen
Gregg McCumber, Burton, McCumber & Cortez L.L.P., Brownsville
Sam O. Olivarez, Barrera's Supply Co., Inc. Mission
Ed Tamayo, First Community Bank (retired), Harlingen

Board Members Absent

Roger Creery, Laredo Economic Development Corp., Laredo
Hector Ramos, South Texas Monitoring Systems, McAllen
Pablo Rhi-Perez, Ph.D., Professor of Marketing at the University of Texas at Brownsville
Sofia Hernandez, Office of Judge J.D. Salinas
Pat Bubb, Tech Prep RGV

Staff Participating:

Fernando González, Rio Tech Fund Executive Director

Guest Participating:

Bill Martin, Harlingen EDC

Quorum was met with the above listed Board Members Participating in attendance, all were physically present as well as Fernando González.

Welcome, Introductions, Opening Remarks

Eva-Jean Radle called meeting to order at 11:14 a.m.

First Action Item: Consider and Approve Minutes of Board Meeting of July 15, 2009

Motion to Approve: Gregg McCumber

Second Motion: Ed Tamayo

Carried: Unanimously

Previous Applicant Status

Fernando González discussed the status of previous applicants. UTPA applied for a research superiority grant directly to the ETF office in Austin (such university applications bypass the RCIC) and has been approved pending some milestone clarifications. Photon8 is finalizing its contract with Texas and expects funding this calendar year. Southmost Medical was originally paused when it presented to the

Life Science CIC and has notified Fernando González that it intends to resubmit an expanded application to the Life Science CIC this round. Scantech Sciences has been funded by the State and is pending its announcement event. Bill Martin, from Harlingen EDC, was present to discuss options for the event. Mr. Martin and the Board agreed to the date of Wednesday, November 18th at 10:00 or 11:00 AM. Mr. Martin will inquire with TSTC about using its Resource Center facility and Mr. González will contact Secretary of State Andrade about presenting the keynote. The Board will assist in promoting the event to community leaders.

Angel Group Update

Carlos Marín discussed developments in the region's first angel network. After attending a conference in Austin to learn more about angel groups, he joined Gregg McCumber and Fernando González in a meeting with Mike Bartlett, the chairman of the North Texas Angel Network. Other potential investors attended the meeting. The City of Brownsville will have a press conference at the end of November to announce its new comprehensive plan, and the creation of this new angel group is part of the event.

Financial Summary, Insurance Quotes

Fernando González presented a summary of the financial status, pointing out the current balance and discussed the current funding plans. Texas has committed to funding \$245,000 contingent on Rio Tech Fund finding matching contributions.

González circulated proposals from Shepard Walton King Insurance Group for insurance policies to cover Directors and Officers, Errors and Omissions, and General Liability. Other providers solicited (State Farm, Farmers) declined to provide a quote.

Action Item: Acceptance of Insurance Proposals

Motion to Approve the policy quotes provided by Shepard Walton King once funding is available: Brian Godinez

Second Motion: Carlos Marín

Carried: Unanimously

New ETF Contract and Conflict of Interest

González reviewed the State's proposed contract with the RCICs, drawing special attention to section 2 which lists the additional requirements that must be fulfilled by Rio Tech Fund. The version presented includes changes requested by all the RCICs. González also presented the new conflict of interest policy the State requires of the regional boards which prohibits directors and their spouses from having equity stakes in applicant companies. This new policy will be incorporated into the existing Rio Tech Fund conflict of interest policy.

Action Item: Acceptance of ETF Contract and Conflict of Interest Policy

Motion to Approve the State's new RCIC contract and conflict of interest policy: Brian Godinez

Second Motion: Gregg McCumber and Ed Tamayo

Carried: Unanimously

Personnel Matters

González presented his intent to step down as executive director and requested that the Board begin the search for a replacement. He intends to continue coaching companies that solicit ETF funding but recommends the Board find a new executive director with more experience managing non-profits and fund raising.

Action Item: Bylaw Modification

Motion to amend the following Section of the By-Laws of the corporation in its entirety to read as follows:

Article 3, Section 3.07 **Treasurer.** The Treasurer shall be the primary financial Officer of Rio Tech Fund, Inc., provided, however, that the Board of Directors may, from time to time, through contract or otherwise, delegate all or a portion of the Treasurer’s duties to one or more fiscal agents for the corporation. All monies of the corporation shall be deposited by the Treasurer or designated fiscal agent(s). The Treasurer or designated fiscal agent(s) shall keep or cause to be kept regular books of the corporation and shall perform all other duties incident to the office of Treasurer or delegated by the Board of Directors.”

Sam Olivarez

Second Motion: Ed Tamayo

Carried Unanimously

Action Item: Board Elections

Motion to elect Roger Creery, Brian Godinez, Sam Olivarez, Pablo Rhi-Perez, and Ed Tamayo to a two-year term: Carlos Marín

Second Motion: Gregg McCumber

Carried Unanimously

Action Item: Executive Session to hear presentations from applicants

Motion to enter Executive Session to hear presentations from applicants: Sam Olivarez

Second Motion: Brian Godinez

Carried Unanimously

Executive session began at 12:15 PM and ended at 4:15 PM

Action Item: Select Companies to promote to ETF

Motion to recommend Fiberio, Skyway Industries, and Site Select Medical for consideration by the ETF: Gregg McCumber

Second Motion: Sam Olivarez

Carried Unanimously

Set Date for next meeting

González presented a calendar showing the ETF quarterly submission deadlines and a set of dates corresponding to 15 calendar days post:

11/04/2009, 01/27/2010, 04/28/2010, 07/21/2010, 10/20/2010, 01/26/2011, 04/20/2011, 07/13/2011, 09/27/2011, 12/21/2011, and 03/14/2012.

Motion to schedule Rio Tech Fund Board Meetings 15 days after the quarterly ETF submission deadline: Ed Tamayo

Second Motion: Sam Olivarez

Carried Unanimously

Adjourned at 4:30 PM

Notes recorded by Fernando González