

Minutes
Columbus Community and Industrial Development Corporation
Board of Directors Meeting

The Columbus Community & Industrial Development Corporation met in Special session on Monday, **October 25, 2017** at 6:30 p.m., in the Council Chambers of City Hall located at 605 Spring Street, Columbus, Texas. The following CCIDC Members were present:

President	-	Bruce Tesch
Vice President	-	Curtiss Schonenberg
Treasurer	-	Lori An Gobert
Secretary	-	Joel Usher
Board Member	-	DyAnn Lauzon
Board Member	-	Ryan Thomas
Board Member	-	Andy Nunmaker
City Manager	-	Donald Warschak
Assistant City Secretary	-	Traci Edman

1. Call to Order.

President Bruce Tesch called the CCIDC meeting to order at 6:33 p.m.

2. Pledge of Allegiance and Invocation.

The Pledge of Allegiance and Invocation were led by Bruce Tesch.

3. Discussion and Action, if necessary, regarding the E'Kabel contract.

Curtiss said he thought it was the consensus at the last two meetings that the proposed amendment to the contract to extend 5 years was not acceptable. We have verbally committed to an extension, but how much time would be up to the Board. Curtiss said he was not in favor of extending to five years.

Lori An said that if E'Kabel would agree to pay the \$450,000 for the drainage, then we would consider an extension. We have spent a lot of money in attorney fees, time and meetings. E'Kabel did not meet the June 2017 deadline. We were trying to negotiate with them because there was a delay that could have had some impact. They have not signed any of these things. At this point, I want to give them the 30 day default letter. I think we have been more than cooperative in trying to work on an extension or agreement. They have not reciprocated. I think we are past due in giving them their 30 day written notice. Whether there is verbal or not, there is nothing in writing and they did not meet the \$2 million in building and \$1 million in inventory and equipment.

Andy stated the only way he would remotely be interested in an extension, based on the advice of counsel, was if they put up the nonrefundable \$450,000 for the drainage and we get the original 23 acres back. Lori An stated that if E'Kabel gives us the land back, they are not going to give us the \$450,000.

Curtiss said that he talked with Juan Torrealba and he asked Curtiss what to do about the contract. Curtiss responded that the proposed contract is what we have on the table for you right now. Juan said they cannot do the contract because they cannot build it in time and he would like to do what he proposed. He asked if he should sign this contract or wait and work on the new contract agreement. Curtiss told him that it was all up to him. Bruce said that for the record, he still hasn't signed it. Curtiss said we can wait until we negotiate the other deal. We need to talk to Mr. Bovey and see how all this will fit in. The email on April 17, 2017 from Cary Bovey stated " In the event the June 30, 2017 deadline is not met by E'Kabel, the CCIDC Board can send written notice of default to E'Kabel allowing 30 days to cure the default in accordance with the terms of the agreement." Part of the default could be some kind of offer, like what Andy was talking about. We did express our willingness to negotiate an extension and that is what came out of this. In my opinion, there is a fair amount of risk in pursuing the course of action because of the discussion at the October 2016 and January 2017 meeting. According to the Board, the CCIDC was agreeable to an extension. But the length of the extension was not yet determined because the drainage study was not complete at that time. Curtiss quoted the email from April 17, 2017, "Texas

court cases state that a waiver of time of performance of a contract will result from any act that induces a party to a contract to believe that exact performance within the time designated in the contract will not be insisted upon." Basically, we expressed we were willing to negotiate.

Lori An stated that we are now into November, we have been negotiating, and they have not done anything. Andy said he would agree that if they put up \$450,000 and they give the land back, then we would be back to square one. If that is not possible, then send them the 30 day notice.

Lori An said that the 30 day default could give them an option of an extension and the \$450,000 for the drainage. Unless they approve and sign off, then the 30 days goes into effect.

Andy said he had the understanding that Bovey said they own the 23 acres of land. Lori An said that was not correct. The titles are not in effect until the paperwork was filed and they meet the three criteria.

Joel asked what would happen if E'Kabel signs the contact now. Lori An said that the contract would go into effect, they would put the \$450,000 into an escrow account that they could not have back, and we would extend their time.

4. Executive Session: In accordance with Texas Government Code, Subchapter D, Section 551.071 consultations with attorney, Subchapter D, Section 551.072 deliberation regarding real property and Section 551.087 deliberation regarding economic development.

Bruce Tesch adjourned the Special Session for Executive Session at 6:50 pm.

5. Reconvene into Regular Session and Consideration and Action, if any, regarding Executive Session, deliberations regarding consultations with attorney, real property and economic development.

Bruce Tesch reconvened the Special Session at 7:32 pm, with the same members present as before.

Lori An Gobert made a motion to start the default proceedings on E'Kabel for their default on the contract of the performance agreement and pursue foreclosure. Andy Nunmaker added for 30 days, with no extensions. Joel Usher seconded the motion. The vote was as follows:

Ayes: Nunmaker, Lauzon, Usher, Gobert, Thomas, and Tesch
Nay: Schonenberg

The motion passed.

6. Discussion of items to be placed on future agendas and announcements.²

Bruce Tesch announced election of officers at the next meeting. Bruce added that anytime emails are sent to companies, our attorney needs to be added to the email. The minutes from tonight's meeting will need to be sent to our attorney so he can start the process.

Lori An Gobert asked for an update at the next meeting concerning the KWI gas line.

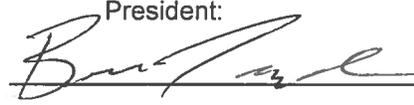
Joel Usher asked for an agenda item to talk about the best course of action and protocol for businesses and deals.

DyAnn said she was in some of the meetings with E'Kabel and Curtiss was acting president at the time and there needed to be discussions. As president, you have to conduct business. I am concerned about what is going to happen and how we are going to deal with these issues. She asked if they were talking about formally establishing a protocol. Bruce stated that if a company comes in and wants to look at the Park, discuss who we are and what we are, that is one thing. But working deals on the side is another thing. The Board needs to make the decisions on contracts and consult with our attorney. Lori An said we have a good baseline of protocol for the beginning of the contractual obligation, but we need to finish it out and if someone goes into default, then have a process.

Ryan Thomas asked for the amount of legal fees, to date, for the E'Kabel project. He also asked to incorporate the drainage study amounts invested in this project.

7. Adjournment.

President Bruce Tesch adjourned the meeting at 7:37 pm.

President:  Attest Secretary: 