

**AGENDA**  
**CITY OF PORT ARTHUR SECTION 4A**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**REGULAR MEETING**

*4173 39<sup>th</sup> Street, Port Arthur, Texas 77642*

*Date: April 9, 2008*

*Time: 6:00 p.m.*

**I. ROLL CALL, INVOCATION & PLEDGE**

**BOARD OF DIRECTORS**

(1) Vacant	_____	(6) Kelly Shanks	_____
(2) Doris Green	_____	(7) Richard Wycoff	_____
(3) Keith Daws	_____	(8) Roosevelt Petry	_____
(4) Kaprina Frank	_____	(9) Graciela Alvarez	_____
(5) Eli Roberts	_____		

**II. MINUTES**

February 13, 2008

February 27, 2008

March 5, 2008

March 12, 2008

March 26, 2008

**III. PETITIONS & COMMUNICATIONS**

**A. PRESENTATIONS**

St. Paul Methodist Church –Zachary Breaux Jazz Festival

Hawksen Corp's Investment Project – Carl Griffith

**B. COMMUNICATIONS**

Letter of Intent - ENGlobal

Cayman Night in Port Arthur

KTM

**C. PUBLIC COMMENT (limited 3 min. ea.)**

None.

**IV. UNFINISHED BUSINESS**

**V. CONSENT AGENDA ITEMS**

1. To discuss and consider the approval of an invoice in the amount of \$1,810.30 from Arceneaux & Gates Consulting Engineers, Inc. for professional legal services rendered for design and construction of new roadways – Business Park phase II.
2. To discuss and consider the approval of an invoice in the amount of \$2,640.00 from Arceneaux & Gates Consulting Engineers, Inc. for professional legal services regarding design and construction of Jade Avenue from Business Park to Hwy 365.
3. To discuss and consider the approval of an invoice in the amount of \$6000.00 from the National Development Council for Technical Assistance rendered for the period of March 1 – 31, 2008

**VI. NON-CONSENT AGENDA ITEMS**

1. To discuss and consider the approval of a sales agreement between the Port Arthur Economic Development Corporation and Lockwood Holding, Inc for the Sale of 5 acres of Land in the Business Park.
2. To discuss and consider the approval of an Economic Incentive Agreement between the Port Arthur Economic Development Corporation and Orbital Insulation Inc.
3. To discuss and consider the approval of an Economic Incentive Agreement between the Port Arthur Economic Development Corporation and Team Industries, Inc.
4. To discuss and consider the approval on an economic incentive agreement between Port Arthur Economic Development Corporation and NeoFuel, Inc.
5. To discuss Boards Policy, Procedures and Committees. (Keith Daws)
6. To discuss and consider requesting the City of Port Arthur City Council Amending the budget for the fiscal year beginning October 1, 2007 and ending September 30, 2008 moving funds from reserve account to development account for future economic development projects.
7. To discuss and consider requesting the City of Port Arthur, Planning and Zoning Commission to call a public hearing as to consider a zoning change as to property EDC has an interest in that is adjacent to 4<sup>th</sup> street.

**VII. REPORTS**

1. CEO's Report
  - a) Monthly Financial Update

b) Application Financial Documentation

**VIII. CLOSED SESSION (EXECUTIVE SESSION)**

**In Order To Comply With The Requirements Of Chapter 551 (Open Meetings Law) Of The Texas Government Code, Prior To Going Into Closed Meeting The Presiding Officer To The City of Port Arthur Section 4A Economic Development Corporation Board Of Directors Should Make The Following Public Announcement:**

"A Closed Meeting or Executive Session Will Be Held Pursuant To the Following Sections of Chapter 551, Texas Government Code,

1. **Section 551.087 Government Code** – To discuss Incentives for EDC Business Prospects.
2. **Section 551.071 Government Code** – To discuss with Attorney Guy Goodson pending and potential litigation.  
Claim of APAC – Jade Avenue Extension
3. **Section 551.072 Government Code** – To discuss the value of land at the City of Port Arthur Section 4A Economic Development Corporation Spur 93 Business Park
  - 1) Phase II Development of Business Park
4. **Section 551.074 Government Code** – To discuss personnel matters of Port Arthur Section 4A Economic Development Corporation.
  - 1) CEO Evaluation

**\*The Items In Executive Session May Be Discussed And Acted On In Open Session.**

**IX. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

**ITEMS FOR FUTURE AGENDA CONSIDERATION OR REPORTS FROM STAFF MAY BE REQUESTED BUT NO DISCUSSION OF ANY ITEMS OR REQUESTS SHALL TAKE PLACE.**

**X. POSTING OF MEETING**

POSTED ON THE 4<sup>th</sup> DAY OF April, 2008.

AT 3:32 O' CLOCK, p.m

Floyd Batiste

Floyd Batiste  
CEO

**MINUTES**  
**CITY OF PORT ARTHUR SECTION 4A**  
**ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING**  
**4173 39<sup>th</sup> Street, Port Arthur, Texas**  
**February 13, 2008**

**I. CALL TO ORDER**

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular Meeting on Wednesday, February 13, 2008. The meeting was called to order at 6:02 p.m.

**II. ROLL CALL, INVOCATION & PLEDGE**

The following Board Members were present:

Richard Wycoff, Doris Green, Keith Daws, Kaprina Frank, Eli Roberts, and Kelly Shanks.

The invocation was given by Keith Daws.

The Pledge of Allegiance followed the invocation.

**III. MINUTES**

**1. January 23, 2008 Regular Meeting**

A motion was made by Eli Roberts and seconded by Richard Wycoff to approve the regular meeting minutes. The vote was unanimous.

**IV. PETITIONS & COMMUNICATIONS**

**A. PRESENTATIONS**

None.

**B. COMMUNICATIONS**

None.

**C. PUBLIC COMMENT (limited 3 min. ea.)**

None.

**V. UNFINISHED BUSINESS**

To discuss and consider the approval of the Board policy & procedures for grant/loan applications, requested by Keith Daws.

This item was tabled to go back to committee.

**VI. CONSENT AGENDA ITEMS**

- 1. To discuss and consider the approval of invoices from NDC for services rendered: (ACCOUNT NO. 120-1429-582-54.00)**

<b><u>Through:</u></b>	<b><u>Amount:</u></b>	<b><u>Pertaining to:</u></b>
October 2007	\$6,000.00	Economic Development Corporation

2. To discuss and consider the approval of invoices from NDC for services rendered: (ACCOUNT NO. 120-1429-582-54.00)

<u>Through:</u>	<u>Amount:</u>	<u>Pertaining to:</u>
January 2008	\$6,000.00	Economic Development Corporation

3. To discuss and consider the approval of an invoice in the amount of \$3,441.66 from Amelia Lawn Care for services rendered through January 2008. (ACCOUNT NO. 120-1429-582-59.02)
4. To discuss and consider the approval of an invoice in the amount of \$214.11 from The Parker Law Firm for services pertaining to the Diamond Law Suit.
5. To discuss and consider the approval of an invoice in the amount of \$5,302.80 from Arceneaux & Gates for the design and construction of the Business Park Phase II.
6. To discuss and consider the approval of an invoice in the amount of \$28,890.02 from Arceneaux & Gates for professional services regarding design and construction of Jade Avenue.

A motion was made by Richard Wycoff and seconded by Eli Roberts to approve items # 1-6 with one motion. The vote was unanimous.

#### **VII. NON-CONSENT AGENDA ITEMS**

1. To discuss and consider the approval of authorizing the commitment of a payment of \$31,250 to the International Economic Development Council for an Economic Strategic Plan for the city of Port Arthur contingent upon the receipts of detailed contract with agreed timetables as to payments and deliverables and contingent upon the City of Port Arthur securing the remaining cost from outside sources.

A motion was made by Eli Roberts and seconded by Richard Wycoff to authorize the commitment of the payment of \$31,250 for Economic Strategic Plan for the City of Port Arthur. The vote was unanimous..

2. To discuss and consider the approval of the value of land in the Business Park.

A motion was made by Kelly Shanks and seconded by Keith Daws to approve the value of land at the Business Park in the amount of \$42,500. The vote was unanimous.

3. To discuss and consider the award of the bid for Phase II construction of the Jade Avenue Extension Road outside the Business Park with a presentation given by the Bidders.

A motion was made by Kelly Shanks and seconded by Kaprina Frank to award APAC the bid for Phase II Construction of Jade Avenue expansion. The vote was unanimous.

**Roll Call:**

**Yes**

Keith Daws  
Doris Green  
Kelly Shanks  
Kaprina Frank  
Eli Roberts

**No**

Richard Wycoff

**4. To discuss and consider modifications of the incentive agreement with Orbital Insulation Corp.**

A motion was made by Eli Roberts and seconded by Kelly Shanks to make the modifications to Orbital pertaining to sharing mutual collateral with NDC.

**5. To discuss and consider modification of the incentive agreement with Camellia Plaza, L.P.**

A motion was made by Richard Wycoff and seconded by Eli Roberts to table Item #5 because they are still waiting for the final agreement from Camellia.

**6. To discuss general Board Policies & Procedures, requested by Keith Daws.**

A motion was made by Richard Wycoff and seconded by Eli Roberts agreeing that the bylaws need to be reset.

**VIII. REPORTS**

**1. CEO's Report**

- a. Update on Construction Phase II in the Business Park, Ron Arceneaux.**

The board went into executive session to discuss the Phase II update.

**IX. CLOSED SESSION (EXECUTIVE SESSION)**

**In order to comply with the requirements of Chapter 551 (Open Meetings Law) of the Texas Government Code, prior to going into closed meeting the presiding officer to the City of Port Arthur Section 4a Economic Development Corporation Board Of Directors should make the following public announcement:**

**"A closed meeting or Executive Session will be held pursuant to the following sections of Chapter 551, Texas Government Code"**

- 1. Section 551.087 Government Code – To discuss incentive for EDC business prospects.**
- 2. Section 551.072 Government Code – To discuss the value of land at the City of Port Arthur Section 4A Development Corporation Spur 93 Business Park.**

**\*The items in executive session may be discussed and acted on in open session.**

**X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

**XI. ADJOURNMENT OF MEETING**

A motion was made to adjourn the meeting by Richard Wycoff and seconded by Eli Roberts. It was adopted unanimously. The meeting was adjourned at 9:40 p.m.

APPROVED BY THE BOARD OF DIRECTORS ON THE 31<sup>st</sup> DAY OF March 2008.

  
\_\_\_\_\_  
SECRETARY OF THE CORPORATION

**MINUTES**  
**CITY OF PORT ARTHUR SECTION 4A**  
**ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING**  
**4173 39<sup>th</sup> Street, Port Arthur, Texas**  
**February 27, 2008**

**I. CALL TO ORDER**

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular Meeting on Wednesday, February 27, 2008. The meeting was called to order at 6:06 p.m.

**II. ROLL CALL, INVOCATION & PLEDGE**

The following Board Members were present:

Richard Wycoff, Doris Green, Keith Daws, Eli Roberts, and Kelly Shanks, and Graciela Alvarez.

The invocation was given by Keith Daws.

The Pledge of Allegiance followed the invocation.

**III. MINUTES**  
None

**IV. PETITIONS & COMMUNICATIONS**

**A. PRESENTATIONS**

Becky Underhill gave an annual overview of EDC's finances.

**B. COMMUNICATIONS**

Quota Club—Person of the Year

The board bought a table for the event.

Letter of Intent—KB & C Trucking

Letter of Intent—TEAM Industries

Letter of Intent—Lamar State College—Port Arthur

Letter of Intent—Ally Investments, LLC

A motion was made by Eli Roberts and seconded by Doris Green to approve all 4 letters of intent with one motion. The vote was unanimous.

Letter from Excavator & Constructions

**C. PUBLIC COMMENT (limited 3 min. ea.)**  
None

**V. UNFINISHED BUSINESS**

To discuss and consider the approval of adopting a flow chart as to the Board policy & procedures for grant/loan applications, requested by Keith Daws.



A motion was made by Kelly Shanks and seconded by Eli Roberts to adopt the PAEDC Flow Chart with one motion. The vote was unanimous.

#### **VI. CONSENT AGENDA ITEMS**

1. **To discuss and consider the approval of an invoice in the amount of \$378,078.12 from Desselle Maggard Corp (DMC) for services rendered by BRYSTAR Contracting, Inc.**

A motion was made by Eli Roberts and seconded by Richard Wycoff to pay the invoice for DMC with one motion. The vote was unanimous.

2. **To discuss and consider the approval of an invoice in the amount of \$300.00 from the Parker Law Firm for services rendered in the Diamond Business Park law suit.**
3. **To discuss and consider the approval of an invoice in the amount of \$4,421.16 from Germer Gertz, L.L.P. for services rendered through January 31, 2008.**
4. **To discuss and consider the approval of an invoice in the amount of \$200.75 from Germer Gertz, L.L.P. for services rendered through January 31, 2008.**

A motion was made by Eli Roberts and seconded by Kelly Shanks to approve items # 2-4 with one motion. The vote was unanimous.

#### **VII. NON-CONSENT AGENDA ITEMS**

1. **To discuss and consider the approval of PAEDC Annual Audit Report of fiscal years ending September 2007.**

A motion was made by Eli Roberts and seconded by Richard Wycoff to approve the annual audit report with one motion. The vote was unanimous.

2. **To discuss and consider the approval of PAEDC staff submitting a Letter of Intent and application for the Port Arthur Communities Fund Grant in the amount not to exceed \$100,000.**

A motion was made by Eli Roberts and seconded by Graciela Alvarez to approve the submitting of a Letter of Intent and application for the PACF Grant with one motion. The vote was unanimous.

3. **To discuss and consider approval of adopting procedures for the City of Port Arthur Revolving Loan Fund Applications Process.**

There was no action taken due to lack of motion.

4. **To discuss construction of future road projects for the City of Port Arthur Section 4A Economic Development Corporation Spur 93 business Park.**

This item was tabled for the next board meeting.

5. **To discuss and consider the approval of a subordination and priority agreement and amendment to the incentive agreement between the Port Arthur Economic Development Corporation and Desselle Maggard Corporation.**

This item was tabled to next board meeting for preparation of subordination agreement, contract and a presentation by the committee

#### **VIII. REPORTS**

1. **CEO's Report**  
None

#### **IX. CLOSED SESSION (EXECUTIVE SESSION)**

**In order to comply with the requirements of Chapter 551 (Open Meetings Law) of the Texas Government Code, prior to going into closed meeting the presiding officer to the City of Port Arthur Section 4a Economic Development Corporation Board Of Directors should make the following public announcement:**

**"A closed meeting or Executive Session will be held pursuant to the following sections of Chapter 551, Texas Government Code"**

1. **Section 551.087 Government Code** – To discuss incentive for EDC business prospects.
2. **Section 551.071 Government Code** – To discuss with Attorney Guy Goodson pending and potential litigation.
3. **Section 551.072 Government Code** – To discuss the value of land at the City of Port Arthur Section 4A Economic Development Corporation Spur 93 Business Park.

**\*The items in executive session may be discussed and acted on in open session.**

#### **X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

EDC Spur 93 Business Park future road construction  
DMC subordination and priority agreement  
Update on EDC's finances/budget  
Status of unresolved projects  
Update on the Business Park

**XI. ADJOURNMENT OF MEETING**

A motion was made to adjourn the meeting by Kelly Shanks and seconded by Eli Roberts. It was adopted unanimously. The meeting was adjourned at 8:50 p.m.

APPROVED BY THE BOARD OF DIRECTORS ON THE 31<sup>st</sup> DAY OF  
March, 2008.

  
\_\_\_\_\_  
SECRETARY OF THE CORPORATION

**MINUTES**  
**CITY OF PORT ARTHUR SECTION 4A**  
**ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING**  
**4173 39<sup>th</sup> Street, Port Arthur, Texas**  
**March 5, 2008**

**I. CALL TO ORDER**

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Special Meeting on Wednesday, March 5, 2008. The meeting was called to order at 6:02 p.m.

**II. ROLL CALL, INVOCATION & PLEDGE**

The following Board Members were present:

Doris Green, Keith Daws, Kaprina Frank, Eli Roberts, Kelly Shanks, and Graciela Alvarez.

The invocation was given by Keith Daws.

The Pledge of Allegiance followed the invocation.

**III. MINUTES**

None

**IV. PETITIONS & COMMUNICATIONS**

**A. PRESENTATIONS**

None.

**B. COMMUNICATIONS**

None.

**C. PUBLIC COMMENT (limited 3 min. ea.)**

None.

**V. UNFINISHED BUSINESS**

None

**VI. CONSENT AGENDA ITEMS**

None

**VII. NON-CONSENT AGENDA ITEMS**

1. To discuss and consider approving awarding a bid by the City of Port Arthur Section 4A Economic Development Corporation and authorizing the execution of a contract for construction of Jade Avenue Extension outside the Port Arthur Business Park located at 9555 W. Port Arthur Road to Hwy 365.

A motion was made by Eli Roberts and seconded by Kelly Shanks not to award the bid for construction of Jade Avenue Extension to Excavators & Constructors with one motion:

**Roll Call:**

**Yes**

Keith Daws  
Doris Green

**No**

Kelly Shanks  
Eli Roberts  
Kaprina Frank  
Graciela Alvarez

2. **To discuss and consider the approval of an amendment to the incentive and subordinated agreement between the Port Arthur Economic Development Corporation and Desselle Maggard Corporation.**

A motion was made by Eli Roberts and seconded by Doris Green to amend the incentive and subordinated agreement between PAEDC and DMC. The vote was unanimous.

**VIII. REPORTS**

None

**IX. CLOSED SESSION (EXECUTIVE SESSION)**

**In order to comply with the requirements of Chapter 551 (Open Meetings Law) of the Texas Government Code, prior to going into closed meeting the presiding officer to the City of Port Arthur Section 4a Economic Development Corporation Board Of Directors should make the following public announcement:**

**"A closed meeting or Executive Session will be held pursuant to the following sections of Chapter 551, Texas Government Code"**

1. **Section 551.087 Government Code** – To discuss incentive for EDC business prospects.
2. **Section 551.071 Government Code** –To discuss with Attorney Guy Goodson pending and potential litigation.

**\*The items in executive session may be discussed and acted on in open session.**

**X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

**XI. ADJOURNMENT OF MEETING**

A motion was made by Graciela Alvarez and seconded by Eli Roberts to adjourn the meeting with one motion. The vote was unanimous. The meeting was adjourned.

APPROVED BY THE BOARD OF DIRECTORS ON THE 31<sup>st</sup> DAY OF March, 2008.

  
\_\_\_\_\_  
SECRETARY OF THE CORPORATION

**MINUTES**  
**CITY OF PORT ARTHUR SECTION 4A**  
**ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING**  
**4173 39<sup>th</sup> Street, Port Arthur, Texas**  
**March 12, 2008**

**I. CALL TO ORDER**

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular Meeting on Wednesday, March 12, 2008. The meeting was called to order at 6:02 p.m.

**II. ROLL CALL, INVOCATION & PLEDGE**

The following Board Members were present:

Richard Wycoff, Doris Green, Keith Daws, Kaprina Frank, Eli Roberts, Kelly Shanks, and Roosevelt Petry.

The invocation was given by Doris Green.

The Pledge of Allegiance followed the invocation.

**III. MINUTES**  
None

**IV. PETITIONS & COMMUNICATIONS**

**A. PRESENTATIONS**

**1. KT Maintenance Site Plan –Councilman Chatman**

Mr. Chatman gave a presentation for development in District 1.

**2. TEAM Industries, Inc/TEAM Fabricators, LLC—Anthony Valentine**

Mr. Valentine passed out information about businesses.

**3. LSCPA – Dr. Stretcher**

Dr. Stretcher talked about Lamar's plans for opening 7 welding classes a process technology building and instrumentation lab and the cost of each as well as the cost of instructors for the courses. Lamar would like for the classes to begin June of 2008.

**4. KB & C Trucking**

Want to start up a trucking company that makes timely deliveries and hires local drivers. They want \$798,000 in

financing for the purchase of 3 tri axle trucks and 2 tantrum trucks.

5. Ally Investment —Dr. Ally

Dr. Ally gave a presentation to the board discussing opening a plant that recycles tires into fuel. He said the plant will create 110 permanent jobs with average salaries of \$25/hr. He said opening this plant will be a great idea because it processes alternative fuel, cleans up the environment, redevelops the West side of Port Arthur, and will be great advertisement for PA because it will have the first one in the country.

**B. COMMUNICATIONS**

**Lockwood International—Lockwood International, Inc.**

Gave a presentation letting the board know that the company wants funding for land and they want a spot in the Business Park.

**C. PUBLIC COMMENT (limited 3 min. ea.)**

None

**V. UNFINISHED BUSINESS**

None

**VI. CONSENT AGENDA ITEMS**

1. To discuss and consider the approval of an invoice in the amount of \$6,000.00 from the National Development Council for technical assistance services rendered for the period of February 1-29, 2008.
2. To discuss and consider the approval of an invoice in the amount of \$3,195.96 from Arceneaux & Gates for professional services regarding design and construction of Jade Avenue from Business Park to HWY 365.
3. To discuss and consider the approval of an invoice in the amount of \$3,704.35 from Arceneaux & Gates for professional services regarding design and construction of new roadways in the Business Park Phase II.
4. To discuss and consider the approval of an invoice in the amount of \$3,441.66 from Amelia Lawn Care & Landscaping for the month of February 2008.



5. **To discuss and consider the approval of an invoice in the amount of \$9,995.00 from Star Graphics Copiers, Inc. for the purchase of a Toshiba Estudio 351c color copier.**

A motion was made by Richard Wycoff and seconded by Eli Roberts to approve items # 1-5 with one motion. The vote was unanimous.

## **VII. NON-CONSENT AGENDA ITEMS**

1. **To discuss and consider the approval of an amendment to the sale agreement between Port Arthur Partners and Port Arthur EDC.**

A motion was made by Eli Roberts and seconded by Kelly Shanks to approve the sale agreement with one motion. The vote was unanimous.

2. **To discuss and consider approval of the PAEDC spending \$3,000.00 of its advertising budget toward the purchase of gifts for the Chinese Government to market the City of Port Arthur for possible future economic development investments by Chinese Businesses during the upcoming trip to China by the Mayor and a delegation from Southeast Texas.**

A motion was made by Eli Roberts and seconded by Kaprina Frank to approve the spending of the gifts, but only for the amount of \$1500.00 with one motion. 6 were for the motion and 1 was opposed – Kelly Shanks.

3. **To discuss and consider award/reject bids received for construction of Jade Avenue Extension outside the Port Arthur Business Park located at 9555 W. Port Arthur Road to HWY 365.**

4. **To discuss and consider approving Arceneaux & Gates to advertise bid for construction of Jade Avenue Extension outside the Port Arthur Business Park located at 9555 W. Port Arthur Road to HWY 365 for the City of Port Arthur Section 4A EDC.**

A motion was made by Kelly Shanks and seconded by Doris Green to table items 3 & 4 were tabled until the earliest convenience so that the board can meet with the city council do discuss action on both items with one motion. The vote was unanimous.

## **VIII. REPORTS**

1. **CEO's Report**
  - a. **Monthly Financial Report**

Mr. Batiste gave an update of the balance for the fund account.

**b. Development Account Status**

Mr. Batiste gave the balance of the development account.

**IX. CLOSED SESSION (EXECUTIVE SESSION)**

**In order to comply with the requirements of Chapter 551 (Open Meetings Law) of the Texas Government Code, prior to going into closed meeting the presiding officer to the City of Port Arthur Section 4a Economic Development Corporation Board Of Directors should make the following public announcement:**

The board retired to executive session at 7:58 pm, and reconvened at 8:57 pm.

1. **Section 551.087 Government Code** – To discuss incentive for EDC business prospects.
2. **Section 551.071 Government Code** – To discuss with Attorney Guy Goodson pending and potential litigation.
3. **Section 551.072 Government Code** – To discuss the value of land at the City of Port Arthur Section 4A Economic Development Corporation Spur 93 Business Park.

**\*The items in executive session may be discussed and acted on in open session.**

**X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

Team Industries  
Lamar State College Port Arthur  
Ally Investments

**XI. ADJOURNMENT OF MEETING**

A motion was made to adjourn the meeting by Richard Wycoff and seconded by Kelly Shanks. It was adopted unanimously. The meeting was adjourned at 9:30 p.m.

APPROVED BY THE BOARD OF DIRECTORS ON THE 31<sup>st</sup> DAY OF March, 2008.

  
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SECRETARY OF THE CORPORATION

**MINUTES  
CITY OF PORT ARTHUR SECTION 4A  
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING  
4173 39<sup>th</sup> Street, Port Arthur, Texas  
March 26, 2008**

**I. CALL TO ORDER**

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular Meeting on Wednesday, March 26, 2008. The meeting was called to order at 6:25 p.m.

**II. ROLL CALL, INVOCATION & PLEDGE**

The following Board Members were present:

Richard Wycoff, Keith Daws, Kaprina Frank, Eli Roberts, Kelly Shanks, and Roosevelt Petry.

The invocation was given by Keith Daws.

The Pledge of Allegiance followed the invocation.

**III. MINUTES  
None**

**IV. PETITIONS & COMMUNICATIONS**

**A. PRESENTATIONS**

**1. Lamar State College – Port Arthur – Dr. Hutchinson**

Dr. Hutchinson passed out an information packet explaining workplace skills & technical skills with an outline of key topics she was speaking about. She and Dr. Stretcher explained what kind of funding they wanted concerning a new process technology building, 7 welding classes and an instrumentation lab.

**2. Projects update Abraham Manufacturing – Winn Richard**

Mr. Richard gave an update on Abraham Manufacturing.

**B. COMMUNICATIONS**

None

**C. PUBLIC COMMENT (limited 3 min. ea.)  
None**

**V. UNFINISHED BUSINESS**

None

**VI. CONSENT AGENDA ITEMS**

1. To discuss and consider the approval of an invoice in the amount of \$9,030.00 from The Parker Law Firm for professional legal services rendered for the Diamond suit/EDC Business Park.
2. To discuss and consider the approval of an invoice in the amount of \$5,466.13 from Germer Gertz, L.L.P. for professional services rendered through February 29, 2008.
3. To discuss and consider the approval of an invoice in the amount of \$680.00 from Germer Gertz, L.L.P. for professional services rendered for Spur 93 Business Park.
4. To discuss and consider the approval of an invoice in the amount of \$100.00 for Germer Gertz, L.L.P. for professional services rendered for Reliable Polymers Services, LP.
5. To discuss and consider the approval of an invoice in the amount of \$100.00 for Germer Gertz, L.L.P. for professional services rendered for Camellia Plaza, L.P.
6. To discuss and consider the approval of an invoice in the amount of \$200.00 for Germer Gertz, L.L.P. for professional services rendered for Redwine Family Partners, Ltd.

A motion was made by Richard Wycoff and seconded by Roosevelt Petry to approve items # 1-6 with one motion. The vote was unanimous.

**VII. NON-CONSENT AGENDA ITEMS**

1. To discuss and consider the approval on an economic incentive agreement between Port Arthur Economic Development Corporation Team Fabrications, LLC/ Team Industries, Inc.

A motion was made by Eli Roberts and seconded by Richard Wycoff to approve the incentive agreement with one motion. There were 5 for the motion and one who sustained from voting – Roosevelt Petry.

2. To discuss and consider the approval on an economic incentive agreement between the Port Arthur Economic Development Corporation and Lockwood International, Inc for sale of 5 acres of land in the Business Park.

A motion was made by Roosevelt Petry and seconded by Eli Roberts to approve the sale of the 5 acres to Lockwood International, Inc with one motion. The vote was unanimous.

3. **To discuss and consider approval of an interlocal agreement between the City of Port Arthur and Port Arthur Economic Development Corporation regarding the repayment of debt service for the PAEDC portion of \$3 million of the 2008 General Obligation Bond.**

A motion was made by Richard Wycoff and seconded by Eli Roberts to approve the \$3 million dollar payment with one motion. The vote was unanimous.

4. **To discuss and consider the approval of auctioning unused PAEDC office equipments and supplies in the upcoming City of Port Arthur city auction.**

A motion was made by Roosevelt Petry and seconded by Richard Wycoff to approve the auctioning of the used and unused supplies and office equipment.

## **VIII. REPORTS**

### **1. CEO's Report**

- a. **UDACE review of Wetland and land planning –Ron Arceneaux**

A slideshow was presented to the board.

- b. **Business Park – Phase II road and land planning –Ron Arceneaux**

A handout of a lot summary with the number of lots and acreage of each were passed out to the board.

- c. **National Development Council –Dryck Bennett & John Turnbull**

John answered questions about what the annual fee charged to the EDC covers.

- d. **Project Update**

Brenda Vaughn & Floyd Batiste explained the operations and financials of the current projects and their status. All projects are current and in compliance.

## **IX. CLOSED SESSION (EXECUTIVE SESSION)**

**In order to comply with the requirements of Chapter 551 (Open Meetings Law) of the Texas Government Code, prior to going into closed meeting the presiding officer to the City of Port Arthur Section 4a Economic Development Corporation Board Of Directors should make the following public announcement:**

The board retired to executive session at 8:17 pm, and reconvened at 9:40 pm.

1. **Section 551.087 Government Code** – To discuss incentive for EDC business prospects.
2. **Section 551.071 Government Code** – To discuss with Attorney Guy Goodson pending and potential litigation.
3. **Section 551.072 Government Code** – To discuss the value of land at the City of Port Arthur Section 4A Economic Development Corporation Spur 93 Business Park.

**\*The items in executive session may be discussed and acted on in open session.**

**X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

Evaluation Forms – Revise because they are too lengthy  
Mr. Batiste's evaluation in June 2008  
Procedure & policies –what is the minimum documentation we need, to illuminate excess paperwork.

**XI. ADJOURNMENT OF MEETING**

A motion was made to adjourn the meeting by Richard Wycoff and seconded by Eli Roberts. It was adopted unanimously. The meeting was adjourned at 10:10 p.m.

APPROVED BY THE BOARD OF DIRECTORS ON THE 31<sup>st</sup> DAY OF March 2008.

  
\_\_\_\_\_  
SECRETARY OF THE CORPORATION

**.. PAUL UNITED METHODIST CHURCH**

P. O. Box 1407  
Port Arthur, TX 77641

**Rev. Patricia A. Wells, Pastor**

Chu. (409) 985-9977

(409) 985-6207

Dear Community Leader,

March 5, 2008

It is with great enthusiasm and excitement the pastor and members of St. Paul United Methodist Church proudly announce the **1<sup>st</sup> Annual Zachary Breaux Jazz Festival**. The festival will be June 14, 2008 at the Pavilion on Procter Street in downtown Port Arthur, Texas.

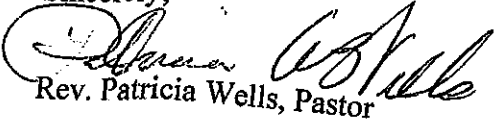
This day of celebration will focus on the life and accomplishments of Zachary Breaux. Zachary, a native son of Port Arthur, had gained national recognition as an accomplished jazz artist. His unique vision of blending Blues, R & B, Hip-Hop, and jazz was ahead of the times. However, in an unselfish and heroic gesture, Zachary lost his life trying to save a drowning woman in 1997. His music and his heroism will always be remembered. We feel compelled to promote this day of celebration on behalf of Zachary's music fans around the world, his family, and his peers and for the citizens of Port Arthur.

As Port Arthur experiences a great economic boom we all recognize that our city's population will increase and entertainment will play a major part of this expansion. We also recognize that one of Port Arthur's greatest natural resources is its diverse population. As one of the city's greatest strengths we must all nurture the dreams of our youth of this great city through exposure and experience of its diverse cultures. We now join Mardi Gras, the Mercado Days Festival, Shrimp Festival and other Port Arthur festivals that recognize and showcase the city's diverse population.

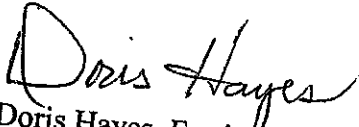
It is in planning for the 1<sup>st</sup> Annual Zachary Breaux Jazz Festival we need your financial support and sponsorship to help make this festival a success. We are asking your business/organization to help underwrite this festival. Entities who help underwrite the festival will be publicly acknowledged through advertisement. Many amenities are needed at the pavilion to include a stage, sound system, lighting, etc. and we need more jazz groups from Texas and Louisiana to participate. **Your response on or before April 5, 2008 is appreciated.**

Thank you in advance for your continued support to the citizens of the Port Arthur community. For your convenience we have enclosed an information booklet of Zachary Breaux's success as an up and coming jazz artist.

Sincerely,

  
Rev. Patricia Wells, Pastor

Enclosure

  
Doris Hayes, Festival Chairperson

# THE ZACHARY BREAUZ JAZZ FESTIVAL

## Pledge/Sponsor Form

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Our company thank you for the opportunity to be recognized as a sponsor of the 1<sup>st</sup> Annual Zachary Breauz Jazz Festival and join the efforts in promoting quality entertainment in Port Arthur and Southeast Texas. We thank you also for publicly recognizing our company's name in your advertisement of the jazz festival.

Gold Pledge Sponsor	\$5,000	_____
Silver Pledge Sponsor	\$2,500	_____
Bronze Pledge Sponsor	\$1,000	_____
Jazz Pledge Sponsor	\$ 500 and Under	_____

Please make check payable and mail to:

St. Paul United Methodist Church  
P. O. Box 1407  
Port Arthur, TX 77641

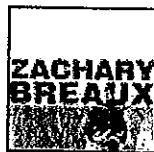
### Discography: Zachary Breauz



Uptown Groove



Laid Back



Groovin'

The Mayor and City Council of Port Arthur voted unanimously in favor of the jazz festival. It is with the City's approval that we anticipate participation of at least 5,000 people. The Port Arthur Reunion and all alumni of Lincoln High School (Zachary Breauz's alma mater) and Memorial High School are helping in the promotion of an exciting time in the history of Port Arthur, Texas.



**Floyd Batiste**

**From:** Peter Kang [jyuekang@gmail.com]  
**Sent:** Thursday, March 20, 2008 3:27 PM  
**To:** Carl Griffith  
**Cc:** HAWKSEN CORPORATION; Floyd Batiste  
**Subject:** latest development

Dear Carl,

Hope everything goes well and wish you have a wonderful spring break before you are on your way to explore real face of China in early April.

I met the investment survey team members earlier today led by President Hsaio and I have learned that among the several pcs of industrial lands they have surveyed thus far, the business park in Port Arthur is on the priority list. I have also learned that the final decision about this project will be made no later than the second quarter of this year.

Pls coordinate with City of Port Arthur to hold that pc of land (around 130 acres) shown to them on last Thursday at least until the end of April. In fact, President Hsiao visited the Business Park again earlier this week. President Hsiao and his team members will fly back to Taiwan end of this month to report to the Directors of Board of the company. He is due to be back around the middle of April. In this regards, I would like to suggest that we meet again on April 3 upon your return from Mexico to initially touch upon on all relevant issues involved in the process of conducting the project including but not limiting to the treatment of land, incentives, immigration as well as the timeframe of production to be launched after the completion of plant construction .

I look forward to seeing you again soon.

With my best regards.

Peter

4/3/2008

# Cayman Night In Port Arthur

RECEIVED APR 01 2008

Presented by Greater Port Arthur Chamber of Commerce and  
Port Arthur International Seafarers' Center  
4749 Twin City Hwy., Suite 300  
Port Arthur, TX 77642  
(409) 963-1107 Fax (409) 962-1997  
E-mail [portarthurchamber@portarthurtexas.com](mailto:portarthurchamber@portarthurtexas.com)

March 26, 2008

Mr. Floyd Batiste  
Port Arthur Economic Development Corporation  
4173 39th Street  
P.O. Box 3934  
Port Arthur, TX 77642

Dear Mr.  Batiste:

Let's party---Cayman Island style! The Port Arthur Chamber of Commerce and the International Seafarers' Center will host the third annual "Cayman Night in Port Arthur," featuring Cayman's own "Barefoot Man" and band. The event will take place 6:30-11:30 p.m., July 19, 2008, at the Bob Bowers Civic Center in Port Arthur. Cayman Night Chairman Verna Rutherford asks you to consider joining Motiva and other companies by being a sponsor of this special event.

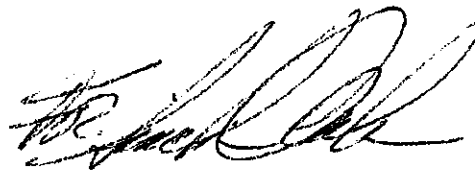
Cayman and Port Arthur connections are strong -- more than 500 Caymanians reside in this area, most having settled in Port Arthur because they were seafarers whose primary port of entry was the Port of Port Arthur. Thousands of locals visit these beautiful islands for regular vacations, business or to visit family. Being a top dive spot, many dive enthusiasts make frequent trips to Cayman.

Attached you will find sponsorship information, as well as an overview of the event. Thanks for considering being one of our key sponsors!

Sincerely,



Verna Rutherford, Chairman  
Motiva Enterprises



Father Sinclair Oubre  
Port Arthur Int'l Seafarers' Center

# Cayman Night in Port Arthur

6:30 – 11:30 p.m., July 19, 2008

## Sponsorship Levels

### Grand Caymanian...

**\$3,500**

**(1 available)**



- Includes 2 tables for 10 guests at event;
- company display in front entrance at event;
- featured sponsor with interviews at event media party;
- company logo featured on-line and in photo show at event;

- company banner hanging prominently at event;
- company listing on fliers, newspapers, radio and website;
- company logo printed on table sign;
- island fare food tray and rum punch for 10 at each table.

### Cruise Ship Captain...

**\$3,000**

**(2 available)**



- Includes 2 tables for 10 guests at event;
- company display in front entrance at event;
- company logo featured on-line and in photo show at event;
- company banner hanging prominently at event;

- company listing on fliers, newspapers, radio and website;
- company logo printed on table sign;
- island fare food tray and rum punch for 10 at each table.

### Sir Turtle...

**\$2,500**

**(2 available)**



- Includes 1 table for 10 guests at event;
- company logo featured on-line and in photo show at event;
- company banner hanging prominently at event;

- company listing on fliers, newspapers, radio and website;
- company logo printed on table sign;
- island fare food tray and rum punch for 10 at each table.

### Deep Sea Diver...

**\$2,000**

**(3 available)**



- Includes 1 table for 10 guests at event;
- company listing on website and in photo show at event;
- company banner hanging prominently at event;

- company name printed on table sign;
- island fare food tray and rum punch for 10 at each table.

### Pieces of Eight...

**\$1,500**

**(8 available)**



- Includes 1 table for 10 guests at event;
- company listing on website and in photo show at event;

- company name printed on table sign;
- island fare food tray and rum punch for 10 at table.

### Pretty Parrot...

**\$1,000**

**(5 available)**



- Includes 1 table for 10 guests at event;
- company listing on website;

- company name printed on table sign.

### Sting Ray...

**\$750**

**(3 available)**



- Includes 1 table for 10 guests at event;
- company listing in some newspaper ads;

- company name printed on table sign.

### Cracked Coconuts...

**\$15 each**

**(Limited amount of reserved seating)**



- Bring a "bunch of coconuts"

- bunches of 10 will get a reserved table, if requested.

Call (409) 963-1107 for additional information,

e-mail [portarthurchamber@portarthurtexas.com](mailto:portarthurchamber@portarthurtexas.com) or visit [www.portarthurtexas.com](http://www.portarthurtexas.com).

Event hosted by the Port Arthur Chamber of Commerce and Port Arthur International Seafarers' Center, and sponsored, in part, by

**KTM**



**2008**

# ***Annual Crawfish Boil***

**Saturday, April 12<sup>th</sup>**

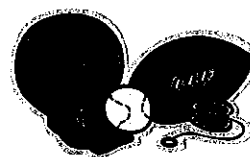
**@ Seratoma Club Pavillion**

**On the corner of Proctor &  
Shreveport**

**From 11am until 3pm**

**(Across from KTM's Warehouse @ 800  
Proctor)**

**Games and Door Prizes all day!!!**



**ARCENEUX & GATES  
CONSULTING ENGINEERS, INC.**

3501 TURTLE CREEK DRIVE  
SUITE 102  
PORT ARTHUR, TX 77642

**Invoice**

Date	Invoice #
3/26/2008	11953

<b>Bill To</b>
PORT ARTHUR EDC 4173 39TH STREET PORT ARTHUR, TX 77642

Description	Hours/Units	Job No.	Terms
		07-EDC-090	Net 30
		Rate	Amount
DSN & CONST. OF NEW ROADWAYS - BUSINESS PK, PH II			
PRINCIPAL ENGINEER	7.00	140.00	980.00
ENGINEERING TECHNICIAN I	8.75	40.00	350.00
ENGINEERING TECHNICIAN III	1.25	75.00	93.75
ENGINEERING TECHNICIAN II	7.00	50.00	350.00
NON-LABOR EXPENSE		36.55	36.55
<i>Flayel Bateste</i> <i>3/31/08</i>			
		<b>Subtotal</b>	\$1,810.30
		<b>Sales Tax (8.25%)</b>	\$0.00
		<b>Total</b>	\$1,810.30

Phone #	Fax #
(409)724-7888	(409)724-1447

**ARCENEUX & GATES  
CONSULTING ENGINEERS, INC.**

**Invoice**

3501 TURTLE CREEK DRIVE  
SUITE 102  
PORT ARTHUR, TX 77642

RECEIVED MAR 28 2008

Date	Invoice #
3/26/2008	11952

<b>Bill To</b>
PORT ARTHUR EDC 4173 39TH STREET PORT ARTHUR, TX 77642

		Job No.	Terms
		07-EDC-070	Net 30
Description	Hours/Units	Rate	Amount
FOR PROFESSIONAL SERVICES REGARDING DESIGN AND CONSTRUCTION OF JADE AVENUE FROM BUSINESS PARK TO HWY 365			
PROJECT MANAGER	17.0	110.00	1,870.00
PRINCIPAL ENGINEER	5.5	140.00	770.00
		<i>Floyd Bales</i> 3-31-08	
		<b>Subtotal</b>	\$2,640.00
		<b>Sales Tax (8.25%)</b>	\$0.00
		<b>Total</b>	\$2,640.00

Phone #	Fax #
(409)724-7888	(409)724-1447

**National Development Council**

RECEIVED APR 01 2008

**Invoice**

708 Third Avenue, Suite 710

New York, NY 10017

TEL (212) 682-1106

FAX (212) 573-6118

Date	Invoice #
3/21/2008	MAR 2008

Bill To
Port Arthur Economic Development Corporation P.O. Box 3934 Port Arthur, TX 77642

**P.O./Contract #**

Description	Amount
For Technical Assistance Rendered for the Period of March 1-31, 2008	6,000.00
Please make check payable to National Development Council and remit payment to:  National Development Council 708 Third Avenue, Suite 710 New York, NY 10017  Should you have any questions, please feel free to contact Cameron T. Whitley at 212-682-1106 ext. 266.	
	<b>Total</b> \$6,000.00

## **PURCHASE AGREEMENT**

THIS PURCHASE AGREEMENT ("Agreement") is entered into, and is effective as of the date the Escrow Holder dates this Agreement as provided herein (the "Effective Date"), by and between the **City of Port Arthur Section 4A Economic Development Corporation** ("Seller") and **Lockwood Holdings, Inc.**, a Texas corporation or its permitted assignee ("Buyer").

### **RECITALS:**

A. Seller is the owner of certain real property together with all improvements located thereon, which is located at or near the City of Port Arthur Section 4A Economic Development Corporation Business Park.

B. Seller desires to sell to Buyer and Buyer desires to buy approximately 5.0 acres, surface only without minerals (as described in "RECITALS A" above and as more particularly described on **Exhibit "A"** attached hereto) (the "Property") from Seller upon the terms and subject to the conditions contained herein and incorporated by reference herein as if fully set forth.

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### **ARTICLE 1** **PURCHASE PRICE**

**1.1 Price and Payment.** The Purchase Price for the Property, together with all improvements located thereon, shall be Forty-Two Thousand Five Hundred and no/100 Dollars (\$42,500) per acre. The exact acreage on the Survey obtained by Buyer shall be multiplied by \$42,500 to obtain the purchase price. The Purchase Price, less all other amounts to be credited towards the Purchase Price, shall be payable to Seller in cash, by certified or bank cashier's check, or by wire transfer, in full upon closing of the Escrow.

**1.2 Deposit.** Within Five (5) days of the Effective Date, Buyer shall deposit with Beaumont Title Company-Joe Deshotel, 275 N. 18<sup>th</sup> Street, Beaumont, Texas 77707, (409) 212-1400 ("the Escrow Holder") a cash deposit, which shall be deposited into an interest-bearing account, in the amount of Five Thousand and 00/100 Dollars (\$5,000.00) ("the Deposit"). The Deposit, including interest, shall be applied as a credit against the Purchase Price at the closing of the Escrow.

**1.3 Refund of Deposit.** The Deposit, together with any interest accrued thereon, shall be fully refundable to Buyer if Seller breaches or defaults in the performance of any of its obligations under this Agreement, or if Buyer elects to terminate this Agreement pursuant to any of the contingencies or conditions set forth herein.



**1.4 Closing Transaction.** Consummation of the sale provided herein shall take place on the Closing Date (as herein defined) through the Escrow Holder at its offices in Beaumont, Jefferson County, Texas or at such other place Seller and Buyer mutually agree in writing. At or prior to the Closing Date (as herein defined), each of the parties shall execute and deliver such documents and perform such acts as are provided for in this Agreement or as are necessary to consummate the transaction contemplated hereunder. All obligations of either party to be performed at or prior to the Closing Date are conditions precedent as well as covenants.

**1.5 Escrow Instructions.** Seller and Buyer shall deliver to the Escrow Holder an executed copy of this Agreement which shall constitute instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller shall execute the printed form escrow instructions as may be used by Escrow Holder including any mutually acceptable modifications thereto (the "Escrow Instructions") to which may be attached to an executed copy of this Agreement and which together shall constitute Instructions to the Escrow Holder. If any of the provisions of this Agreement conflict with the Escrow Instructions, this Agreement shall govern and control. No Escrow Instruction shall excuse any performance by either Buyer or Seller at the times provided in this Agreement, extend the Closing Date provided for in this Agreement or provide either Buyer or Seller with any grace period not provided in this Agreement, and any Escrow Instruction to the contrary shall be deleted or considered of no force and effect.

## **ARTICLE 2**

### **PRECLOSING MATTERS**

**2.1 Delivery of Due Diligence Materials.** On or before Fifteen (15) days following the Effective Date, Seller shall deliver to Buyer the following documents (the "Due Diligence Materials"):

2.1.1. A preliminary title report or commitment ("Title Commitment") for title insurance for the Property issued by Escrow Holder, together with full and complete copies of all documents identified as exceptions therein.

2.1.2. To the extent such materials are in Seller's possession or subject to Seller's reasonable control, plans and specifications; ALTA Survey(s); all structural, seismic and geological investigations and reports; all environmental investigations and reports; Reciprocal Easement Agreement(s); Covenants, Conditions, & Restrictions (CC&R's); and all agreements (including, but not limited to, service and maintenance agreements) relating to the operation, use and maintenance of the Properties for which Buyer will be required to assume any responsibility or liability after the Closing Date.

**2.2 Survey.** On or before Sixty (60) days from the Effective Date, Buyer shall cause to be delivered to both the Escrow Holder and the Seller a current and updated Boundary Survey of the Property, with **Exhibit "A"** being conformed hereto, at Buyer's sole cost and expense, which survey shall be prepared by a registered land surveyor and shall be certified to Seller and Buyer, and which shall include a metes and bounds legal description of the Property, a calculation of the land area of the Property to the nearest one-thousandth (.001) of an acre

(together with the number of square feet of area contained therein), and the area, dimensions and locations of all recorded easements affecting or benefiting the Property.

**2.3 Title Commitment.** Buyer shall have Thirty (30) days after receipt of both the Title Commitment and Survey within which to object in writing to any exceptions stated in the Title Commitment or to approve the Title Commitment. In the event that Buyer shall so object to any exceptions, Seller shall have Twenty (20) days within which to resolve or eliminate such exceptions or to notify Buyer in writing of its inability or unwillingness to remove such exceptions. In the event Seller shall so notify Buyer within said period, Buyer, by written notice to Seller, may do one of the following: (i) terminate this Agreement and be released from all duties and obligations hereunder; or (ii) waive such exceptions and proceed with the transaction contemplated herein. Any exceptions listed in the Title Commitment to which Buyer shall not object within such 30 day period (or which Buyer shall have approved or waived affirmatively) shall be deemed to be "Permitted Exceptions."

**2.4 Right of Entry and Indemnification.** Buyer and its agents shall have the right to enter upon the Property upon reasonable notice to Seller for the purpose of making such surveys, examinations, soil and engineering tests and other tests and determinations as Buyer shall elect (collectively "Tests"). Buyer shall indemnify, defend and hold Seller harmless from (i) any and all liabilities, claims, damages and expenses (including attorneys' fees, court costs, and costs of investigation) arising out of or in connection with the Tests or the entry unto the Property by Buyer or its agents and (ii) any mechanics' liens on the Property arising from the Tests. In addition, Buyer shall immediately repair any physical damage to the Property arising out of the Tests.

**2.5 Feasibility Period.** In addition to the matters covered in Section 2 above and Section 3 below, buyer shall have the right to terminate this agreement for any reason within Ninety (90) days from the Effective Date. At its sole option, Buyer shall have the right to extend the Feasibility period for two (2) additional periods of Thirty (30) days each, provided notice of such election is given prior to the expiration of the Feasibility Period. For the right to extend the Feasibility Period for Thirty (30) additional days the Buyer shall deposit the sum of Five Thousand and 00/100 Dollars (\$5,000.00) as Additional Earnest Money with the Escrow Holder for each extension exercised. The Additional Earnest Money deposit shall be treated in the same fashion as the Initial Earnest Money deposit.

If the Property zoning classification is not proper in order to build and operate an office/warehouse (hereinafter referred to as "the Facility"), then Seller shall be responsible for changing the existing zoning classification to a new classification which will allow for the construction and operation of the Facility. If necessary, the Feasibility Period shall be extended in order to allow the time necessary to obtain any necessary zoning change. Buyer agrees to cooperate with Seller and to provide such information, take such action(s) and execute such documents as may be necessary to affect any requisite zoning change.

**2.6 PROPERTY CONDITION.** NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT TO THE CONTRARY, BUYER ACKNOWLEDGES AND AGREES THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES,

EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, AND SUITABILITY AND FITNESS FOR INTENDED PURPOSE, WITH RESPECT TO ANY ASPECT OF THE PROPERTY. BUYER IS PURCHASING THE PROPERTY STRICTLY IN "AS IS" "WHERE AS" CONDITION, AND BUYER ACCEPTS AND AGREES TO BEAR ALL RISKS REGARDING ALL ATTRIBUTES AND CONDITIONS, LATENT OR OTHERWISE OF THE PROPERTY. BUYER HAS MADE OR WILL MAKE PRIOR TO THE CLOSING ITS OWN INSPECTION AND INVESTIGATION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ITS SUBSURFACE, SOIL, ENGINEERING AND OTHER CONDITIONS AND REQUIREMENTS, WHETHER THERE ARE ANY EMINENT DOMAIN OR OTHER PUBLIC OR QUASI-PUBLIC TAKINGS OF THE PROPERTY CONTEMPLATED, AND ALL ZONING AND REGULATORY MATTERS PERTINENT TO THE PROPERTY AND TO THE PRESENT USE OR OCCUPANCY OF THE PROPERTY. BUYER IS ENTERING INTO THIS AGREEMENT AND PURCHASING THE PROPERTY BASED UPON ITS OWN INSPECTION AND INVESTIGATION AND NOT IN RELIANCE ON ANY STATEMENT, REPRESENTATION, INDUCEMENT OR AGREEMENT OF SELLER EXCEPT AS SPECIFICALLY PROVIDED HEREIN. BUYER AGREES THAT NEITHER SELLER NOR ANYONE ACTING ON BEHALF OF SELLER HAS MADE ANY REPRESENTATION, GUARANTEE OR WARRANTY WHATSOEVER, EITHER WRITTEN OR ORAL, CONCERNING THE PROPERTY EXCEPT AS SPECIFICALLY SET FORTH HEREIN. ANY ENGINEERING DATA, SOILS REPORTS, OR OTHER INFORMATION THAT SELLER OR ANY OTHER PARTY MAY HAVE DELIVERED TO BUYER IS FURNISHED WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER. SELLER SHALL HAVE NO RESPONSIBILITY, LIABILITY OR OBLIGATION SUBSEQUENT TO THE CLOSING WITH RESPECT TO ANY CONDITIONS, INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL CONDITIONS, OR AS TO ANY OTHER MATTERS WHATSOEVER RESPECTING IN ANY WAY THE PROPERTY, AND BUYER HEREBY RELEASES SELLER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS WITH RESPECT TO SUCH CONDITIONS.

**2.7 Covenants and Restrictions.** Buyer has read the Covenants and Restrictions for the Port Arthur Economic Development Corporation Business Park, recorded in the Public Records of Jefferson County, Texas. Further, Buyer has reviewed all requirements of the City of Port Arthur, Texas for construction standards for improvements on the Property including but not limited to requirements of the City of Port Arthur, Texas for compliance with the Americans with Disability Act and improvements related thereto.

**2.8 Deposit Non-Refundable.** Upon satisfaction of all of the conditions described elsewhere in Article 2 and below in Article 3.5 of this Agreement, Buyer's Deposit shall become non-refundable (except in the event of a Seller default) and applicable to the Purchase Price.

### **ARTICLE 3**

#### **CLOSING CONDITIONS**

The obligation of Buyer to purchase the Property is subject to the satisfaction or waiver by Buyer of the conditions set forth below, which conditions are for the sole benefit of Buyer and which may be waived, in whole or in part, by Buyer:

**3.1 Title.** On or before the Closing Date, Escrow Holder shall be ready, willing and able to issue to Buyer or Buyer's assignee its ALTA or CLTA form policy of title insurance (or its nearest equivalent in the jurisdiction where the Property is located) insuring Buyer in the sum of the Purchase Price that fee simple title of the surface only to the Property is vested in Buyer, together with such endorsements as Buyer may reasonably require and subject only to (i) liens for then-current real property taxes, bonds and assessments not delinquent, (ii) the Permitted Exceptions, (iii) any other matters to which Buyer shall agree in writing.

**3.2 Assignment.** At the Closing, Seller shall assign all of Seller's right, title and interest in and to any leases and to any personal property of Seller located at the Property (if any) and used in the operation and maintenance thereof, and any other agreements entered into between Seller and third parties as may be approved by Buyer pursuant to Article 2 above, and shall deliver the originals thereof to Buyer.

**3.3 Seller's Warranties.** On the Closing Date, Seller shall not be in material breach of any of Seller's Warranties and Representations set forth in Article 6 below.

**3.4 Governmental Approvals.** Buyer shall proceed to closing only after obtaining all necessary governmental approvals, including but not limited to the proper zoning for the Facility, legal lot status (final plat), any required conditional or special use permits, and all required building permits for the Facility. Seller agrees, upon Buyer's request, to cooperate with Buyer in connection with Buyer's efforts to secure such approvals, provided any such requested cooperation is reasonable under the circumstances.

**3.5 Subdivision.** If the Property is not currently legally subdivided in a manner sufficient to permit the Facility, Buyer shall cooperate with Seller in all respects in obtaining Final Plat or Replat approval for the Property and in recording the Final Plat or Replat. All costs of the platting process will be paid by the Seller. Buyer shall have the right to review and approve the Final Plat or Replat, which approval shall not be unreasonably withheld, conditioned or delayed and shall be deemed given if Buyer does not object in writing within ten (10) days following any request for approval.

## **ARTICLE 4**

### **CLOSING**

**4.1 Escrow.** The purchase and sale transaction contemplated by this Agreement shall be consummated through the Escrow established by the Escrow Holder.

**4.2 Closing Date.** Closing of the Escrow (the "Closing Date") shall take place on a mutually convenient date and time not less than three (3) business days nor more than fifteen (15) business days following the satisfaction and/or waiver by Buyer of all conditions described in Articles 2 and 3 of this Agreement.

**4.3 Escrow Instructions.** The parties agree that this Agreement shall serve as Escrow Instructions to Escrow Holder for the transactions contemplated hereunder, and by delivery of this Agreement to Escrow Holder, hereby instruct Escrow Holder to open and complete Escrow and Closing in accordance with the terms hereof. Buyer and Seller shall deposit with Escrow Holder in a timely fashion all funds, documents, supplemental instructions and instruments necessary to consummate the transactions contemplated by this Agreement prior to the Closing Date. Buyer and Seller shall execute and deliver such additional Escrow Instructions to Escrow Holder as Escrow Holder may reasonably require, provided that such instructions are consistent with this Agreement.

**4.4 Prorations.** Assessments, real property taxes and rents (if any) shall be prorated between Buyer and Seller as of the Closing Date.

**4.5 Closing Costs and Charges.** Buyer shall pay for Standard Owner's Policy of Title Insurance, any County or City transfer taxes and half of Escrow Fees. Buyer shall pay for any extended Title Policy Endorsements and half of Escrow Fees. Any and all other charges shall be paid as customary in Jefferson County, Texas.

## **ARTICLE 5**

### **TRANSFER OF TITLE AND POSSESSION**

**5.1 Deed.** Seller shall convey to Buyer or to Buyer's assignee at the Closing, by Special Warranty Deed, fee simple title to the Property, free and clear of any and all recorded and unrecorded liens, claims, obligations, encumbrances, easements, leases, covenants, restrictions and other matters affecting the Property and/or title thereto except only the Permitted Exceptions, current real property taxes, bonds and assessments not yet due and payable, and any other matters to which Buyer shall agree in writing. The form of the Special Warranty Deed to be executed by Seller to Buyer is attached hereto as **Exhibit "B"**.

**5.2 Possession.** Seller shall deliver possession of the Property to Buyer on the Closing Date.

## **ARTICLE 6**

### **REPRESENTATIONS AND COVENANTS OF SELLER**

Seller represents to the best of its knowledge and agrees as follows, which representations, warranties and agreements shall survive the close of escrow and delivery of the Deed to Buyer:

**6.1 Authority.** No further authorization, whether corporate, partnership, individual or otherwise is necessary or required as a condition precedent to Seller entering into this Agreement or performing its obligations hereunder, **except for the consent of the City of Port Arthur, which is required.**

**6.2 Code.** Seller has no knowledge of and has not received any notice of any code violation. To the best of Seller's knowledge, the Property, including all improvements located thereon (if any), complies with all applicable building, health, fire, safety and similar laws, ordinances, regulations and codes.

**6.3 Accuracy of Documents.** To the best of Seller's knowledge, Seller represents that all of the documents, information and records provided to Buyer by Seller in connection with the transaction contemplated herein are true in all material respects.

**6.4 Public Improvements; Condemnation.** Other than matters recorded in the public record and listed in the Title Commitment, Seller knows of no intended or contemplated public improvements or condemnation or of any condition of the land that will frustrate or interfere with Buyer's intended use of the Property. To the best of Seller's knowledge the Property satisfies all federal, state, and local statutes, ordinances and regulations.

**6.5 Litigation.** To the best of Seller's knowledge, there are no claims, administrative actions or lawsuits, pending or threatened, against Seller relating in any manner to the Property, or on account of the surface or subsurface physical characteristics of the Property. To the best of Seller's knowledge, there are no violations, threatened or pending, of any local, state or federal law or regulation affecting the Property and there are no pending or contemplated assessments, eminent domain, condemnation or other governmental takings of the Property or any part thereof.

**6.6 Hazardous Materials; Unsafe Conditions.** Except as otherwise disclosed to Buyer by Seller, Seller has received no notice from any local, state or national governmental entity or agency or other source of any hazardous waste condition existing or potentially existing with respect to the Property. To the best of Seller's knowledge, there has been no use, discharge, release, generation, storage or disposal of in, on, or under the Property of any hazardous waste, toxic substances or related materials ("Hazardous Materials") except in accordance with applicable law. For the purposes of this representation and warranty, Hazardous Materials shall include but shall not be limited to, any substance, material, or waste which is or becomes regulated by any local governmental authority, the State in which the Property is located, or the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) as amended from time to time. Further Seller agrees that it will not discharge, release, use, generate, store or dispose, or permit or suffer the discharge, release, use, generation, storage or disposal of any Hazardous Materials above, in, on, under or around the Property in violation of any environmental law prior to the Closing. Seller further warrants that to the best of its knowledge, there is no underground storage tanks located on the Property.

**6.7 Condition.** From the date of Buyer's inspections through Close of Escrow, Seller will maintain the Property in the same condition, reasonable wear and tear excepted.

**6.8 New Agreements.** From and after the date hereof, Seller shall not renew, extend or enter into any new lease or service or management contract, or other agreement that affects the use of the Property without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

**6.9 No Leases.** There are no leases, licenses, concessions, or other oral or written agreements affecting the Property that grant to any person or entity the right of occupancy or use thereof, except as may be disclosed in the Title Commitment or otherwise included in the Due Diligence Materials.

**6.10 Foreign Person.** Seller is not a foreign person or entity under the Foreign Investment in Real Property Tax Act of 1980, as amended, and no taxes or withholding under the Foreign Investment in Real Property Tax Act of 1980, as amended, shall be assessed or applied to Buyer in connection with the transaction contemplated hereby.

**6.11 Closing Warranties.** All warranties and representations contained in this Agreement, except as otherwise disclosed in writing, shall be deemed to have been repeated by Seller as of the Closing, and shall be true and accurate as of the Closing.

## **ARTICLE 7**

### **TERMINATION AND DAMAGES**

**7.1 Termination.** Except as expressly prohibited in this Agreement, in the event of any default in this Agreement by either of the parties hereto, the other party, in addition to any right or remedy available hereunder, at law or in equity, shall have the right to terminate this Agreement by written notice to the defaulting party and Escrow Agent. If any such termination is the result of default hereunder by Seller, then the Earnest Money and interest accrued thereon shall be returned to Buyer. If Buyer defaults hereunder, actual damages to Seller will be difficult to calculate but Buyer and Seller agree that the amount of the Earnest Money designated above is a reasonable approximation thereof. Accordingly, if Buyer defaults, Seller shall be entitled to terminate this Agreement and immediately upon such termination by Seller, Escrow Agent shall pay to Seller, as Seller's sole remedy, the Earnest Money, together with interest thereon, and any other monies paid on behalf of Seller. Nothing contained in this Section shall prevent Seller from enforcing Buyer's obligations and liabilities which survive a termination of this Agreement.

**7.2 No Specific Performance.** If either Buyer or Seller breaches this Agreement prior to the Closing and, as a result, the Closing does not occur, each party waives the right to specific performance. Each party agrees that this clause shall constitute an absolute defense to any action filed by one of the parties hereto against the other for specific performance. This clause, if asserted by one of the parties hereto against an action for specific performance, shall enable said party to cause the action for a specific performance to be set aside at any time nunc pro tunc.

**7.3 Condemnation and Casualty.** If before the Closing, either party receives notice of any condemnation or eminent domain proceeding, any proceeding in lieu of condemnation being initiated against the Property, or the damage or destruction of all or a part of any improvements located at the Property, the party receiving the notice shall promptly notify the other party in writing of that fact. Buyer may elect to either proceed with the sale of the Property or to terminate this Agreement within Thirty (30) days from the date that the notice is received. If Buyer elects to proceed with the acquisition of the Property, then Buyer may, solely at its own

discretion, accelerate the Closing to any time prior to the Closing Date set forth hereinabove. If Buyer proceeds with the purchase in accordance with the terms of this Agreement, all condemnation and insurance proceeds shall be paid to Buyer. If any proceeds have not been collected as of the Closing, then all rights to those proceeds shall be assigned to Buyer at the Closing.

**7.4 DAMAGES.** SELLER AND BUYER AGREE THAT IF BUYER BREACHES ITS OBLIGATIONS HEREUNDER, SELLER SHALL RETAIN, AS SELLER'S SOLE AND EXCLUSIVE REMEDY, THE AMOUNTS DEPOSITED WITH ESCROW HOLDER PURSUANT TO THIS AGREEMENT, TOGETHER WITH ANY ACCRUED INTEREST THEREON AS OF THE TIME OF DEFAULT AS LIQUIDATED DAMAGES, IT BEING AGREED THAT UNDER ALL THE CIRCUMSTANCES EXISTING AT THE TIME OF THIS AGREEMENT, THIS PROVISION LIQUIDATING DAMAGES IN THE EVENT OF THE BUYER'S DEFAULT IS REASONABLE, THE DAMAGES RESULTING TO SELLER BY REASON OF SUCH BREACH ARE NOW AND THEN WOULD BE DIFFICULT AND IMPRACTICAL TO DETERMINE AND THAT THE BEST ESTIMATE, BASED ON ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, OF THE TOTAL DAMAGES THAT SELLER WOULD SUFFER IS AND SHALL BE AN AMOUNT EQUAL TO THE SUMS DEPOSITED BY BUYER WITH ESCROW HOLDER AS OF THE TIME OF DEFAULT. IN PLACING THEIR INITIALS IN THE SPACES PROVIDED BELOW, THE PARTIES CONFIRM THAT THEY HAVE READ, UNDERSTAND AND AGREE TO THIS PROVISION.

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BUYER

---

SELLER

**7.5 Waiver.** Excuse or waiver of the performance by the other party of any obligation under this Agreement shall only be effective if evidenced by a written statement signed by the party so excusing. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seller or Buyer of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

## **ARTICLE 8**

### **MISCELLANEOUS**

**8.1 Merger.** Except as otherwise expressly provided in this Agreement, the representations, warranties and agreements of the parties contained or provided for in this Agreement shall survive the close of escrow and delivery of the deed to Buyer.

**8.2 Notices.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given to any person or entity shall be in writing, and any such notice shall become effective Five (5) business days after being deposited in the mails, certified or registered, with appropriate postage prepaid for first-class mail or, if delivered personally, by reputable



overnight courier service, or by facsimile transmission or electronic mail, when received, and shall be directed to the address of such person or entity set forth below, or at such other address as either party shall hereafter designate in writing and deliver to the other in accordance with the provision of this paragraph:

Buyer at: **Michael F. Lockwood**  
**Lockwood Holdings, Inc.**  
**10203 Wallisville Road**  
**Houston, Texas 77031-4115**  
**Telephone: (409) 212-8822**  
**Facsimile: (409) 212-8310**  
**Email:**

Seller at: **Floyd Batiste, CEO**  
**Port Arthur Section 4A Economic Development Corp.**  
**4173 39<sup>th</sup> Street**  
**Port Arthur, TX 77640**  
**Telephone: (409) 963-0579**  
**Facsimile: (409) 962-4445**  
**E-mail: [fbatiste@paedc.org](mailto:fbatiste@paedc.org)**

**Guy N. Goodson, EDC Attorney**  
**Germer Gertz, LLP**  
**P. O. Box 4915**  
**Beaumont, Texas 77704**  
**Telephone: (409) 654-6730**  
**Facsimile: (409) 835-2115**  
**E-mail: [ggoodson@germer.com](mailto:ggoodson@germer.com)**

Escrow Holder at: **BEAUMONT TITLE - DESHOTEL**  
**Attn: Joseph Deshotel**  
**275 North 18<sup>th</sup> Street**  
**Beaumont, Texas 77707**

**8.3 Authority and Execution.** Each person executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so, has full right and authority to enter into this Agreement and all of its obligations hereunder.

**8.4 Severability.** The invalidity or unenforceability of any term or provision of this Agreement or the nonapplication of any such term or provision to any person or circumstance shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect and shall be construed as if such invalid, unenforceable, or nonapplicable provision were omitted.

**8.5 Waiver or Modification.** No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly

executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement or the rights or obligations of any party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this Article 8.5 may not be waived except as herein set forth.

**8.6 Headings.** The headings of the various Articles of this Agreement are for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof or thereof.

**8.7 Parties in Interest.** The terms of this Agreement shall be binding upon, and inure to the benefit of, the parties to this Agreement and their successors and assigns. Buyer shall not assign its rights under this Agreement without the prior written consent of Seller. No assignment shall be to an assignee whose business purpose has not been approved by prior written action of the Board of Directors of Seller and, as necessary, the City Council for the City of Port Arthur, Texas. Seller shall, upon written request from Buyer, execute a Deed directly in favor of Buyer's assignee.

**8.8 Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**8.9 Broker Fees.** Seller disclaims liability for payment of any brokerage fees as to the transactions specified in this Agreement.

**8.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

**8.11 Time.** Time is of the essence of this Agreement.

**8.12 Attorneys' Fees.** In the event of any proceeding brought by either party to enforce the terms of or arising out of this Agreement, the prevailing party shall be entitled to recover all costs and expenses incurred in connection therewith, including reasonable attorneys' fees.

**8.13 Cooperation.** Each party hereto will, upon the reasonable request of the other party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary in order to fulfill the intents and purposes of this Agreement.

**8.14 IRC §1445.** Buyer's performance hereunder is conditioned upon Seller providing Buyer at close of escrow with all documentation required by Internal Revenue Code Section 1445 to assure Buyer that Seller is not a "foreign person" as that term is used in Section 1445, or in the alternative, if Seller is a "foreign person," to assure that all steps have been taken so that Buyer will not be liable for payment of any taxes due on the proceeds of the sale.

**8.15 Exchange.** The parties, or either of them, shall have the right to secure a trade or exchange of properties of like kind of the parties' respective choices (pursuant to Section 1031 of the Internal Revenue Code as amended), as long as the obligations imposed on the other party shall not be greater than the terms and conditions of this Agreement, nor shall such obligations delay the Closing Date beyond that allowed by this Agreement. Nothing in this Article 8.15 shall require either party to take title to any other real property as part of its obligation to cooperate in any such trade or exchange.

**8.16 Entire Agreement.** This Agreement constitutes and contains the entire agreement of the parties with respect to the subject matter hereof and thereof, and supersedes any and all other prior negotiations, correspondence, understandings and agreements respecting the subject matter hereof and thereof. This Agreement is executed without reliance upon any representation by any party hereto except as expressly set forth herein. This Agreement may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement and the Effective Date is the date that the Escrow Holder has received, signed and dated this document set forth below ("the Effective Date"):

**Signatures on next page:**

**SELLER:**

**City of Port Arthur Section 4A Economic Development Corporation**

By: \_\_\_\_\_ Date: \_\_\_\_\_, 2008  
President

By: \_\_\_\_\_ Date: \_\_\_\_\_, 2008  
Secretary

**BUYER:**

**Lockwood Holdings, Inc.**

By: \_\_\_\_\_ Date: \_\_\_\_\_, 2008  
Michael F. Lockwood, President

**ESCROW HOLDER:**

Attn:

Telephone:

E-mail:

By: \_\_\_\_\_ Date Received: \_\_\_\_\_, 2008  
Title: \_\_\_\_\_ the "Effective Date"

**Escrow Holder shall notify both Seller and Buyer in writing of the "Effective Date" of this Agreement and deliver copies of the fully executed Agreement to each.**



**INDUSTRIES, INC.**

1200 MALONEY ROAD  
POST OFFICE BOX 350  
KAUKAUNA, WISCONSIN 54130  
(920) 766-7977  
FAX (920) 766-0486

**INVOICE NO. MIS-PORT**

**DATE 04/03/2008**

**PLEASE REMIT TO:**

**TEAM INDUSTRIES, INC.**  
**Department 520**  
**P.O. Box 2088**  
**Milwaukee, Wisconsin 53201-2088**

**SOLD TO TEAM FABRICATORS, LLC**  
**650 MAIN AVENUE**  
**PORT ARTHUR, TX 77642**

**Attn: EDWARD PEVETO**

**TERMS: NET 30 DAYS. 14% PER MONTH**  
**(18% ANNUALLY) SERVICE CHARGE ON**  
**ALL BALANCES 30 DAYS OR OVER.**

**CUSTOMER P.O. NUMBER Z-F08**

**OUR JOB NUMBER**

**ORIGINAL CONTRACT AMOUNT**

**APPROVED CHANGE ORDERS**

**WORK DESCRIPTION:**

- (12) WEH 3000# GENERATION III POSITIONERS
- (4) WEHVHL 3000# GENERATION IV POSITIONERS
- (16) MODEL 45 GRIPPERS
- (8) 3:1 GEAR REDUCERS
- (8) THRU HOLE PURGE SYSTEMS
- (16) 110V 26" CIRCULAR FAN W/MOUNTING BRACKET

**TOTAL..... \$356,628.00**

**(SEE ATTACHED FOR PRICE BREAK DOWN)**

**TOTAL CONTRACT VALUE**

**PREVIOUS BILLINGS**

**TOTAL AMOUNT OF THIS APPLICATION**

**\$ 356,628.00**

**THIS IS NOT NECESSARILY A FINAL INVOICE.**

**It represents charges and credits entered on your account to the invoice date.**  
**Additional charges and credits, if any, will appear on our next invoice.**



INDUSTRIES, INC.

**Team Fabricators, LLC**  
**Port Arthur, TX**

WEH 3000# Generation III	14,996.00
S/N: WEH-008207	
Model 45 Gripper	4,045.00
S/N: JRP45-000208	
3:1 Gear Reducer	367.00
THRU Hole Purge System	580.00
110V 26" Circular Fan w/Mounting Bracket	445.00
WEH 3000# Generation III	14,996.00
S/N: WEH-008407	
Model 45 Gripper	4,045.00
S/N: JRP45-000308	
3:1 Gear Reducer	367.00
THRU Hole Purge System	580.00
110V 26" Circular Fan w/Mounting Bracket	445.00
WEH 3000# Generation III	14,996.00
S/N: WEH-008507	
Model 45 Gripper	4,045.00
S/N: JRP45-000408	
110V 26" Circular Fan w/Mounting Bracket	445.00
WEH 3000# Generation III	14,996.00
S/N: WEH-008607	
Model 45 Gripper	4,045.00
S/N: JRP45-000508	
110V 26" Circular Fan w/Mounting Bracket	445.00
WEH 3000# Generation III	14,996.00
S/N: WEH-000108	
Model 45 Gripper	4,045.00
S/N: JRP45-002208	
3:1 Gear Reducer	367.00
THRU Hole Purge System	580.00
110V 26" Circular Fan w/Mounting Bracket	445.00
WEH 3000# Generation III	14,996.00
S/N: WEH-000208	
Model 45 Gripper	4,045.00
S/N: JRP45-002308	
3:1 Gear Reducer	367.00
THRU Hole Purge System	580.00
110V 26" Circular Fan w/Mounting Bracket	445.00
<b>Sub Total</b>	<b>\$ 120,704.00</b>



INDUSTRIES, INC.

**Team Fabricators, LLC**  
**Port Arthur, TX**

WEHVHL 3000# Generation IV	24,315.00
S/N: WEHVHL-000707	
Model 45 Gripper	4,045.00
S/N: JRP45-001808	
THRU Hole Purge System	580.00
110V 26" Circular Fan w/Mounting Bracket	445.00
WEHVHL 3000# Generation IV	24,315.00
S/N: WEHVHL-000807	
Model 45 Gripper	4,045.00
S/N: JRP45-001908	
THRU Hole Purge System	580.00
110V 26" Circular Fan w/Mounting Bracket	445.00
WEHVHL 3000# Generation IV	24,315.00
S/N: WEHVHL-000907	
Model 45 Gripper	4,045.00
S/N: JRP45-002008	
110V 26" Circular Fan w/Mounting Bracket	445.00
WEHVHL 3000# Generation IV	24,315.00
S/N: WEHVHL-001007	
Model 45 Gripper	4,045.00
S/N: JRP45-002108	
110V 26" Circular Fan w/Mounting Bracket	445.00
<b>Sub Total</b>	<b>\$ 116,380.00</b>
<b>Total</b>	<b>\$ 356,628.00</b>



**VERNON TOOL Company**

603 Jones Rd., Oceanside, California 92054

Phone: (760) 433-5860 FAX: (760) 757-2233

March 10, 2008

Mr. John Panetti  
Team Industries  
P.O. Box 350  
Kaukauna, WI 54130

Dear John:

To address some of the discussion points of last Thursday, I have enclosed three quotations. Quotation #1 represents a new machine virtually identical to your existing machine in Kaukauna, s/n 6098. Besides the machine itself, there are a number of optional items including various length infeed and outfeed conveyors, plasma units, the 2-torch straight cutoff assembly, and the remote programming software, WinMPM-Desktop.

The rationale for having two identical machines is commonality of programming, operations, sizes, capabilities and replacement parts. It would be possible to program either machine from either site. Likewise, any type and size of work could be delegated to either shop much the same way as IPS employs their machines in Houston and Tulsa.

Quotation #2 represents a retrofit package to encourage the relocation of the C.A. Turner Pantograph, Model 0342PPM, s/n 1385, to the Phillips Getchow facility. It was my understanding that the Phillips Getchow shop is dedicated to straight cutting & beveling mostly. Only a few minor profiles and hole cuts are required. The MPM-2 accessory, without torch beveling, might be a cost-effective solution.

The other Vernon machines, Model 0224PPM, s/n 2014, should be relegated to straight cutoff duties or sold. The continuing strong market for used Vernon machines would indicate that you can expect a quick sale and a very reasonable price. Quotation #3 is our standard Vernon Abrasive Saw.

Relative to Tim's e-mail list of software issues, on-line support (item 1) and WinMPM program interface (graphics correction, item 4) have been addressed. Both are resident in current versions of software for new machines and upgrades alike.

[REDACTED]



[REDACTED] Delivery would be with the machine, 20-22 weeks after receipt of an order. As previously mentioned, we have not received requests for these cuts from any other Vernon users or prospects. It is not possible to spread R&D over several future installations.

Please review this material and call me if you have questions or comments.  
Thank you for making the time to visit last week.

Yours truly,



Jim Blackburn

Cc: Jason Sturn, Team Industries  
Mike Schmidt, Team Industries  
David Carr, Vernon Tool Co.

Enc: (3) Quotations, Warranty, Drawing V33057, V33098, V33491 & V32966

**VERNON TOOL Company**

603 Jones Rd., Oceanside, California 92054  
Phone: (760) 433-5860 FAX: (760) 757-2233

\*\*\*\*\* QUOTATION #1 \*\*\*\*\*

To: Team Industries  
P.O. Box 350  
Kaukauna, WI 54130

Date: March 10, 2008  
Attn: Mr. John Panetti  
Re: Visit to Vernon 3/6/08

Item	Qty	Part No.	Description	Price
1	One	V30122	Vernon Pipe Outfitting Machine, Model 10323M/PM	6,590.00

75-1200mm (3"-48") pipe capacity, 740kg/m (500 lbs per ft), to a maximum load of 4,500kg (10,000 lbs.) To include:

- A. Two - 5.4mm (18 ft) Turning roll and conveying tables with dual main drive input assemblies. All rollers to be on 30" centers.
- B. One - Lifter-conveyor assembly with variable speed, reversible power feed and hydraulic power unit. All rollers to be on 30" centers.
- C. One - 5-axis profiling carriage on precision machined and hardened track controlled by rack & pinion drive. To include vertical capacitive ovality sensor system for automatic compensation of bent or out-of-round pipe. Profiler capable of cutting up both ends of 13.85m (45 ft) pipe in single set-up without reclamping or repositioning pipe. Equipped with oxy/fuel torch and compatible with plasma cutting systems.
- D. One - Operator console with full graphics on 9" 80x24 VGA color display, 96-key ASCII alphanumeric keyboard, and all cutting and handling switches.
- E. One - Power box containing CPU, motion control boards, servo drives and relays. CPU to consist of Pentium P.C. compatible microprocessor with 128MB RAM, 40GB hard drive, 3-1/2" floppy drive, CD-ROM reader, and serial communication ports.
- F. One - Internal preprogrammed profiling software for creating, editing, storing and displaying all cut variables, employing a WINDOWS-based Operating System. Types of preprogrammed cuts to include straights, bevels, multiple intersections, ID/OD transitions, offsets, saddles, miters,

elbow supports, end and mid-section gusset slots and circular and rectangular holes. All cuts to conform to applicable AWS Welding Codes for tubular structures. Cutting information to be input in Imperial or metric units. Console graphics display the cutting torch path and finished dimensions. To include comprehensive internal diagnostics for easy maintenance.

- G. One - Two days of one (1) Vernon technical representative at factory to conduct customer acceptance test and operating instruction.
- H. One - Four days of one (1) Vernon technical representative at job site. To include start-up, commissioning, and training of operating and maintenance personnel.
- I. One - Set of printed copies and one CD containing Instruction Manuals and Parts Lists

\*\*\*\*\* Optional Items \*\*\*\*\*

2a.	One	V32193	9.2m (30 ft.) Entrance Conveyor, Model 0348, with hydraulic selector gates and variable speed, reversible power feed	21,310.00
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\*\*\*\*\* Or \*\*\*\*\*

3a.	One	V32355	6m (20 ft.) Discharge Conveyor, Model 0348, with hydraulic selector gates, hydraulic power tilt and variable speed, reversible power feed	24,250.00
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\*\*\*\*\* Or \*\*\*\*\*

3b.	One	V32195	9.2m (30 ft.) Discharge Conveyor, Model 0348, with hydraulic selector gates, hydraulic power tilt and variable speed, reversible power feed	27,225.00
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\*\*\*\*\* Or \*\*\*\*\*

hydraulic selector gates, hydraulic power tilt and variable speed, reversible power feed

- |     |              |  |           |
|-----|--------------|--|-----------|
| 4.  | One - V31458 | 2-torch straight cut-off assembly with hydraulic retractable pipe stop, measuring tape, and oxy-fuel torches, solenoids, hoses, and valves. Torch carriage travel to be 12m (36ft.)  | 8,960.00  |
| 5a. | One V5767    | Hypertherm MAX 200 Plasma Cutting Unit 230/460VAC 3 Ph 60Hz with machine torch and remote control for integration with cutting machine. To include 50 ft. torch leads and complete set of rotating grounds, plasma interface V5775 | 22,010.00 |

\*\*\*\*\* Or \*\*\*\*\*

240/480VAC 3 Ph 60Hz with machine torch and remote control for integration with cutting machine. To include 50 ft. torch leads and complete set of rotating grounds, plasma interface V5775

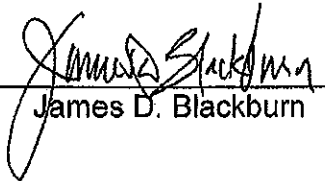
creating programs from a remote P.C. Format is same as WINDOWS-based operating system for creating, editing, storing and displaying all cut variables, Types of preprogrammed cuts to include straights, bevels, multiple intersections, ID/OD transitions, offsets, saddles, miters, elbow supports, end and mid-section gusset slots and circular and rectangular holes. All cuts to conform to applicable AWS Welding Codes for tubular structures. Cutting information to be input in imperial or metric units.

\*\*\*\*\* **Terms & Conditions** \*\*\*\*\*

Payment Terms: 25% deposit with order  
75% on shipment  
F.O.B.: Oceanside, California  
Delivery: 20-22 weeks after receipt of deposit and subject to  
prior orders  
Warranty: Per standard Vernon Tool Warranty, attached.  
Remarks: Prices are net to Vernon Tool and firm for 60 days.  
Acceptance test by customer representative at  
factory is required prior to shipment. All  
expenses to be paid by customer.

*Thank you for this inquiry.*

**VERNON TOOL COMPANY, LTD.**

  
James D. Blackburn



INDUSTRIES, INC.

## Vernon Pantograph Cost Break Down

Vernon Pipe Cutting Machine V32822	\$316,590.00
40' Entrance Conveyor V32189	\$25,240.00
40' Discharge Conveyor V32265	\$32,500.00
Hypertherm Plasma Cutter V5984	\$30,595.00
WIN MPM-DT Desk Top Software	\$3,750.00
Software/Sinlge-Pass ID-OD	\$3,250.00
Software/Transition On Elbow Supports	<u>\$3,250.00</u>
Total	<u><u>\$415,175.00</u></u>



APAC, Inc. • 900 Ashwood Parkway, Suite 700 • Atlanta, Georgia 30338 • (770) 392-5368 • Facsimile (770) 392-5305

David M. Toolan  
Associate General Counsel

dmtoolan@apac.com

April 1, 2008

Honorable Deloris Prince  
Mayor  
City of Port Arthur  
444 4<sup>th</sup> Street  
Port Arthur TX 77640

**Re: Project: Jade Avenue Extension – Phase II  
Bid/Award Protest  
Texas Public Information Act Request**

Your Honor:

I serve as legal counsel for APAC-Southeast, Inc., Trotti & Thomson Division ("APAC") and hereby provide notice that APAC protests the award of the above-referenced project ("the Project") to Excavators & Constructors, Ltd. ("E & C"). Section 6 of Article XIV of the City of Port Arthur's ("the City") municipal ordinances provides that "[q]ualifications being equal, citizens and companies of Port Arthur and Jefferson County shall be given preference in employment and in the letting and execution of contracts over which the City has jurisdiction, direct or indirect. . ." As you know, APAC's principal place of business is in Jefferson County and, therefore, APAC is entitled to the same preference as Port Arthur based companies in the letting of contracts.

Section 2 of City Resolution No. 99-216 and its successor resolution require the City's Purchasing Manager to notify bidders that the City may choose to award a contract to the lowest responsible bidder or a bidder whose principal place of business is in the City. As you know, the City failed to provide such notice with regard to the Project. If the City had provided such notice, APAC would not have bid on the Project because it would not be able to overcome the 3% (5%) advantage provided to Port Arthur based companies. APAC, therefore, incurred significant bid preparation expenses because the City failed to act in accordance with its resolutions and ordinances.

The Port Arthur Economic Corporation ("EDC") recognized that APAC performs excellent work and provides many benefits to the City. As you know, APAC employs numerous Port Arthur residents and purchases a significant amount of supplies, materials, and services from Port Arthur based entities. Nevertheless, the City Council ignored the EDC's recommendations and awarded the Project to E & C. In fact, the City Council awarded the Project to E & C during the March 19, 2008 Special Meeting even though the proposed resolution called for the rejection of all bids on the Project.

Honorable Deloris Prince

April 1, 2008

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APAC had always valued its relationship with the City and worked hard to be a good corporate citizen. Unfortunately, the City's actions will discourage companies such as APAC from bidding on the City's projects and from doing business with businesses located in the City. Moreover, the City's actions will increase the cost of City projects and increase the likelihood of fraud in the City's contracting process.

APAC hereby provides notice that it will seek to recover the damages associated with the City's actions from the City and once again encourages the City to abide by its own regulations. At this time, it appears that APAC's damages exceed \$100,000.

Please also consider this letter APAC's request for the following information pursuant to the Texas Public Information Act, Chapter 552, Texas Government Code ("TPIA"), which guarantees the public's access to information in the custody of governmental agencies:

1. All correspondence, whether written or electronic, exchanged between E & C and the City or the agents of either party;
2. Copies of any meeting minutes, notes, diary entries, or other correspondence relating to any meetings held by E & C or its agents and the City or its agents;
3. All correspondence, whether written or electronic, exchanged between E & C and the City or the agents of either party, which relate to APAC; and
4. All documents or correspondence maintained by the City which relate to or mention APAC.

The relevant time period for each of the above-requests is January 1, 2007 to the present. If the City has any documents or other information which may be relevant to this matter and arose prior to January 1, 2007, however, APAC respectfully requests that the City take all necessary measures to preserve said information.

APAC is willing to pay reasonable search and retrieval fees for this request up to a maximum of \$2,500. If you estimate that the fees will exceed this limit, please inform me first. Further, I request that this inquiry be completed within the time allowable under State law. In the event that the requested records cannot be made available within the time provided by law, please provide a written description of such records and a timetable for their availability.

In the event that the City asserts that any records responsive to this request are not subject to a TPIA request, or if access to such records is denied, in whole or in part, please specify in writing the specific legal authority exempting each record from disclosure as required by law. Thank you in advance for your cooperation and please contact me with any questions.

Very truly yours,

  
David M. Toolan

Cc: Mark Sokolow, Esq.



## EXECUTIVE DIRECTOR PERFORMANCE EVALUATION

- I. Goals/Objectives Attainment**  
**Executive Director has successfully attained a majority of the annual Goals of the PAEDC.**

### RATING

5	4	3	2	1
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- II. Prospect Development and Reporting**  
**Executive Director coordinates prospect activities that involve financial incentives and reports to Board of Directors.**  
**Handling Prospects: Communications, follow-up and updating building & site fact books, Internet information and marketing materials.**

### RATING

5	4	3	2	1
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- III. Budget Development/Financial Responsibility**  
**Executive Director insures that all Financial records are up-to-date and relevant to the mission of the PAEDC. Audit Reports are acceptable and Budgets are sufficiently detailed. Maintains expenditures within acceptable budget guidelines.**

### RATING

5	4	3	2	1
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- IV. Communications**  
**Executive Director maintains clear oral and written communications with the Board Chairman, Board Members, the Media, the City Council and public presentations and Economic Development Agencies at the local, state and federal level.**

### RATING

5	4	3	2	1
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## **Executive Director Performance Evaluation**

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### **V. Employee Relations**

**Executive Director encourages and displays a positive, mission oriented attitude among staff subordinates. Work assignments are distributed equitably. Evaluations are performed in a timely manner.**

#### **RATING**

<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
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### **VI. Community Relations**

**Executive Director is available for speeches to local groups, serves on boards and committees related to overall economic development, and provides technical assistance and referrals as requested.**

#### **RATING**

<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
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### **VII. Leadership/Change Management**

**Executive Director provides leadership in the Community related economic development issues and provides information to other community leaders about the economic development process, and is a force for changes in strengthening the attractiveness of the community to outside industry.**

#### **RATING**

<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
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**Executive Director Performance Evaluation**  
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**What are the Executive Directors' greatest strengths/attributes?**

**In what characteristics or areas of performance do you see the Executive Directors' greatest opportunity for improvement?**

**Specific goals/objectives/improvements which you would like to see considered for the Executive Director's position during the coming year are:**

**Other comments you would like to make that are not covered in the above questions.**

**Signature of Evaluator:** \_\_\_\_\_

**Date:** \_\_\_\_\_

I \_\_\_\_\_ have received the EDC Board  
directive manual that contains EDC Act of 1979, the handbook on  
EDC laws for TX cities 2006, and the PAEDC By-Laws.

Sign: \_\_\_\_\_

Date: \_\_\_\_\_