

# HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

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## FOUNDATION

**Minutes**  
**Harbor Branch Oceanographic Institute Foundation, Inc.**  
**Finance Committee Meeting**  
**June 7, 2016**  
**At the Harbor Branch Oceanographic Institute**

**COMMITTEE MEMBERS PRESENT:** Mike O'Reilly; John Papa\*; Marjorie Raines\*, Chair; Sherry Plymale\*; Mike Toner;

**COMMITTEE MEMBER ABSENT:** Robert J. Stilley

**OTHERS PRESENT:** William J. Stewart, HBOIF Secretary/Legal Counsel; Katha Kissman, President & CEO; Debbie Dutton/Colleen Brennan, Director of Operations

\*participated virtually

### Call to Order

The meeting was called to order by Chair Raines at 8:33 am.

### Approval of Minutes

The motion to approve the minutes of the May 10, 2016 meeting was approved unanimously.

### Discussion of new HBOIF Old Citrus Grove Opportunity by Aquaco

After discussion, the Committee felt there was not enough information provided about the potential financial viability of Aquaco to make a recommendation at this time to the Board. The Committee asked Kissman to invite Mr. Cardenas to provide the following for its consideration:

- a. Cash flow projections with timeline.
- b. Projected numbers do not appear to correspond between documents. Compilation of documents cross referenced by formula is requested.
- c. Include projection of cost for access easement improvement.
- d. Include projection of cost and timeline for permitting.
- e. Based on information provided from the various reports, the initial years of needed capitalization range from \$7-12 million. What is the best single estimate with supporting documentation. Where will the funds come from to maintain an ongoing operation for the first three years? Can Aquaco provide a more definitive financing beyond the initial monies provided by the mentioned individuals (approximately \$1.2 million)? Additional information regarding actual financing commitments obtained (are investors independent or family/friends; if both, what is the percentage split, how strong are the commitments and are there any contingencies around the commitments?)
- f. Additional documentation about Shareholder investments (bridge loans, equity).
- g. Explain the rationale about the return of 12% to preferred investors?
- h. How much is Mr. Cardenas putting into the project?

The Committee also confirmed that there would be no funding from the Foundation for any improvements or project management. The Committee also does not want exposure to costs associated with cleanup of project if it cannot be completed for any reason and favors looking at a substantial non-refundable performance bond up front. In addition, the Committee wanted to ensure that Mr. Cardenas understood there was no interest in developing an aquaculture park or allowing Aquaco to have subtenants.

Kissman also reported on a request from St. Lucie County for a Temporary Access Easement via the Old Citrus Grove road/railway crossing so that the St. Lucie County Environmental Resources Department staff or their contractors may be able to conduct routine land management activities including, but not limited to, exotic plant and animal removal, trail head nature trail construction, habitat restoration planting, surveying and fencing of the property line, plant and animal surveys on the "Harbor Branch Preserve" property which surrounds our Old Citrus Grove. The Committee tabled discussion pending the progress of the Aquaco proposal.

Discussion of HBOIF Montessori School (Lakela's Mint) Property Acquisition by St. Lucie County  
Kissman reported on changes at St. Lucie County Environmental Lands department which now put the possible acquisition of the Montessori School (Lakela's Mint) Property at best delayed and possibly no longer a viable acquisition by the County. Kissman reported that she and Michael Minton would seek a meeting with the County Administrator to better understand the changes and determine whether or not the Foundation should consider putting the property on the market.

#### Discussion of Peacock Road Offer

After discussion of an offer via a May 16, 2016 Letter of Intent by Mr. Brian Parker, it was agreed to recommend to the Board of Directors an acceptance with a countered purchase price of \$514,800 based on \$5,500/surveyed acre, payable in cash (bank financed) by buyer to seller, all other terms to remain the same.

#### Adjourn

The meeting was adjourned at 9:16 am.