

MINUTES OF SPECIAL MEETING
OF
THE BOARD OF DIRECTORS
OF
McGINNES INDUSTRIAL MAINTENANCE CORPORATION

A Special Meeting of the Board of Directors of McGinnes Industrial Maintenance Corporation was held at the corporate offices on August 19, 1968, at 10:00 o'clock A.M. pursuant to Waiver of Notice signed by all the Directors of said corporation.

The following, constituting all of the Directors of said corporation, were present at the meeting:

Virgil C. McGinnes
Lawrence P. McGinnes
George H. Lowry

Virgil C. McGinnes acted as Chairman and George H. Lowry acted as Secretary. A Waiver of Notice of the Meeting signed by all the Directors was presented and the Secretary was instructed to file it with the Minutes of the Meeting.

The Chairman reported that the officers of the corporation were holding office pursuant to a resolution of the Board of Directors of September 3, 1965; and that it was in order to re-elect officers of the corporation. Upon motion duly made and seconded, the following resolution was unanimously adopted:

"RESOLVED that the persons named below be and they are hereby elected to the offices set forth opposite their respective names to hold

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office until the next Annual Meeting of the Board of Directors and until their successors are duly elected and qualified.

<u>Name</u>	<u>Office</u>
Lawrence P. McGinnes	President
Virgil C. McGinnes	Vice President
George H. Lowry	Secretary-Treasurer;

and be it

FURTHER RESOLVED that the Secretary-Treasurer of this corporation be paid a monthly salary of \$200.00 per month."

There was a general discussion concerning the financial operations of the corporation and of the contribution of certain employees of the corporation to its financial growth. Upon motion duly made and seconded, the following resolution was unanimously adopted:

"RESOLVED that cash bonuses be paid to the employees listed below in the amounts therein specified for the fiscal year ending August 31, 1968:

<u>Employee</u>	<u>Amount of Bonus</u>
Lawrence P. McGinnes	\$9,500.00
Virgil C. McGinnes	2,000.00
George H. Lowry	2,000.00
A. D. Kimball	2,000.00
Brenda Tolar	500.00
L. W. Zirjacks	500.00."

There was a general discussion concerning the necessity of the corporation establishing the image of a solid capital structure to its business customers. It was the consensus that \$1,300 of stated capital presented an unfavorable image of the financial stability of the corporation. The Chairman discussed

the fact that negotiations were being held with a large industrial firm and it was his opinion that a capital structure of \$1,000 would not assist in the negotiations. All Directors in attendance were of the opinion that it was necessary to revamp the capital structure of the corporation in anticipation of more business, with the distinct possibility of borrowings on behalf of the corporation to finance additional growth. Upon motion duly made and seconded, the following resolution was unanimously adopted;

"RESOLVED that \$99,000 of the Earned Surplus of this corporation be and the same is hereby transferred to the Stated Capital of this corporation and be it

FURTHER RESOLVED that the proper officers of this corporation do all things necessary and proper to cause the capital structure of this corporation to be adjusted pursuant to the foregoing resolution."

There was a general discussion concerning the declaration of a dividend for the fiscal year ending August 31, 1968. The Chairman discussed the fact that the barges of the corporation were deteriorating very rapidly and he anticipated that, in the near future, it would be an absolute necessity to replace a number of the barges, all of which would involve a considerable amount of cash outlay. He also stated that the negotiations for a contract with a large industrial firm, Clin Mathieson, necessitate the retention of the earning of the corporation to finance the contract. It was the consensus of the Directors present that the corporation should conserve its

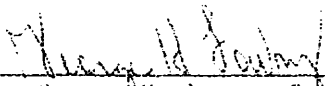
earnings and cash to meet the anticipated needs of the corporation and to assist in its financial growth. Therefore, the Board decided to pass the declaration of dividends to a future date.

Discussion then turned to certain real estate owned by the corporation on the San Jacinto River, which was used during fiscal 1966 and part of fiscal 1967 as a dump for waste materials hauled by the corporation. The chairman stated that during a conference with the corporation's auditors the physical status of the property was discussed. It was pointed out that the property was completely filled with waste materials and could no longer serve as a dump site. Due to its physical condition it was also regarded that the land was worthless in that it had no present sales value. Because of these factors, the corporation's auditors were instructed to eliminate the land as an asset from the corporation's books and records by writing down its stated book value from \$50,000 cost to the nominal sum of \$1. This action would be reflected in the corporation's balance sheet as of August 31, 1968. Based on the foregoing and upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the real estate owned by this corporation on the San Jacinto River, previously used as a dump site in connection with corporate hauling activities, be abandoned as a dump site; and that said land be eliminated as an asset from the corporation's books and records by reducing its stated book value from cost of \$50,000 to the nominal sum of \$1.

FURTHER RESOLVED, that all action previously taken by the corporate officers to accomplish the purposes of the above Resolution are hereby ratified and affirmed.

There being no further business to come before the meeting, it was upon motion duly made, unanimously resolved to adjourn.


George H. Lowry, Secretary

DATED: August 19, 1968

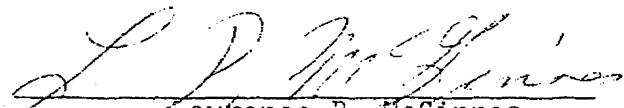
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WAIVER OF NOTICE OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
McGINNIS INDUSTRIAL MAINTENANCE CORPORATION

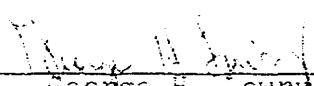
We, the undersigned, Directors of McGinnes Industrial Maintenance Corporation, a Texas corporation, do hereby severally waive notice of the time, place and purpose of a special meeting of the Board of Directors of said corporation and consent that the same may be held at 5619 Griggs Road, Houston, Texas, on the 19th day of August, 1968 at 10:00 o'clock A.M., and we do further consent to the transaction of any and all business of whatsoever nature as may come before the meeting.



Virgil C. McGinnes



Lawrence P. McGinnes



George H. Lowry

DATED: August 19, 1968 .