

MINUTES OF THE REGULAR AUGUST, 1997 MEETING  
OF THE MADISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
HELD AND CONDUCTED ON THE 21ST DAY OF AUGUST, 1997,  
AT 8:30 A.M., IN THE MCEDA CONFERENCE  
ROOM OF THE 1855 COURTHOUSE IN CANTON, MISSISSIPPI

Chairman Mark S. Bounds called the Board Meeting to order at 8:37 a.m. on the above date in the MCEDA Conference Room of the 1855 Courthouse on the square in Canton. Board Members present included Chairman Bounds; Brance Beamon; Mayor Mary Hawkins; Thomas Johnson; Ray Phillips; John Wallace and Hite Wolcott. Also present were President Steve Vassallo; Bob Montgomery; John Bourgeois; and Joy Foy. Guests included Ed Inman; Duane Gordon; Mayor Alice Scott; Bucky Gideon; Hollis Shoemaker and Larry Smith-Vaniz.

After discussion of the July 17, 1997 Minutes, Mr. Johnson moved to approve the Minutes as mailed to the Board. After a second from Mr. Phillips, the minutes were unanimously approved.

With time taken to review the July 24th Minutes of the Special Meeting, Mr. Johnson moved to approved the Minutes. After a second from Mr. Beamon, the Minutes were unanimously approved.

Mayor Scott discussed with the MCEDA Board the possibilities of working jointly to develop the Canton Commercial and Industrial Center (CCIC). The discussion ended with a commitment from Mayor Scott to keep the communication lines open between the Canton City Hall and MCEDA.

Mr. Wallace moved to approve payment of monthly invoices which are listed on an attachment to the Minutes and labeled "Docket" and made a of part of the Minutes by reference. Mr. Johnson seconded the motion and payment of the monthly invoices was unanimously approved.

The financial reports, copies of which are attached to these Minutes and made a part by reference, were examined and discussed. Ms. Foy explained that the \$800,000.00 revenues from the CAP Loan has been received and Deposit Guaranty Bank's Sound Stage note has been paid with \$1,355.62 returned to the state as reimbursement. Mr. Vassallo added that August was the best financial success MCEDA has enjoyed year-to-date, and he reported that approximately 90% of the 1996 budgeted amount would be used in this fiscal year. Mr. Wallace moved to approve the financial reports as presented. After a second from Mr. Wolcott, the financial reports were unanimously approved.

An invoice from Mulrenin Environmental Engineering (attached) dated August 8, 1997 in the amount of \$7,700.00 for work ordered by Larry Foley/Kountry Tyme Sports Foundation (KTSF) was discussed. It was the Board's consensus that the invoice was not the responsibility of MCEDA based on the fact that it did not order the report.

Mr. Bourgeois reported that engineering activities for the month included work to transfer railroad ownership from MCEDA to Illinois Central Railroad (ICRR). After discussion of needed repairs according to the ICRR inspection report, Mr. Wallace moved to authorize Waggoner Engineering to proceed with preparation of the bid notice and documents. With a second from Mayor Hawkins, approval was unanimous. The legal notice will be filed the week of August 25.

Clearing of the ten acres east of ABC Distributing at Central Mississippi Industrial Center (CMIC) was discussed. The consensus of the Board was to negotiate with the county about partial clearing to make the property easier to market.

Ms. Foy presented a request from Cheer, Inc. to utilize 4,000 square feet of the rental property commonly known as the No-Sag building in Canton, Mississippi. A letter from Cheer, dated July 29, 1997, outlining the details of the request are attached as exhibit "A" to the Minutes and

made a part of by reference. After discussion, Mr. Johnson moved to declare the metal of the three large paint vats as surplus property with no value and for MCEDA to enter into an agreement with Cheer that would authorize Cheer to 1.) remove the metal; 2.) repair the roof; 3.) remove and replace installation, and 4.) paint the approximately 4,000 square feet downstairs area. The above process would be accomplished at Cheer's expense. After a second by Mr. Beamon the motion was unanimously approved by MCEDA.

Mr. Montgomery distributed a letter outlining a request to dismiss, without prejudice, the lawsuit by MCEDA against KTSF, Inc. and Larry Foley. Mr. Montgomery's letter with its attachments are attached to the Minutes as composite Exhibit "B" and made a part of by reference. After discussion, Mr. Wolcott moved to authorize Mr. Montgomery to file a motion to dismiss the civil action case number 3:96 CV 476 WS as outlined in Mr. Montgomery's letter. Mr. Johnson seconded and the vote was unanimous to authorize Mr. Montgomery to proceed with dismissal of the civil case.

At 10:32 a.m., Chairman Bounds called for a five (5) minute recess.

After reconvening the meeting at 10:36 a.m., Mr. Wolcott moved to enter into a Closed Session to discuss entering Executive Session for matters relating to 1.)land sales/prospects; 2.)land acquisitions/prospects and 3.)personnel-related matters. After a second by Mr. Wallace, the motion was unanimously approved.

Mr. Bounds declared the Board in a Closed Session for the purpose of determining whether or not to declare an executive session.

Mr. Vassallo briefed the Board on matters for Executive Session, and Mr. Wolcott moved to enter Executive Session. After a second from Mr. Phillips, the vote was unanimous, and Mr. Bounds declared the Board in Executive Session.

After discussion on the CMIC lagoon problem, Mr. Johnson moved to authorize Mr. Vassallo to work jointly with Mr. Gideon in devising an alternate plan for the Gluckstadt lagoon, conditional to Raytheon's approval. Mr. Wolcott seconded and the vote was unanimous to allow Mr. Vassallo and Mr. Gideon to negotiate an agreement suitable to all concerned parties.

Mr. Vassallo reported that his wife, Rosie had applied for the City of Madison's Chamber of Commerce job. The consensus of the Board was that if Rosie accepted the job there was no conflict of interest.

Mr. Johnson motioned to delegated authority to Mr. Vassallo and Mr. Smith-Vaniz to negotiate with the Ridgeland Business Park land owners on a standard buy-out process. After a second by Mr. Phillips, the motion was unanimously approved.

Mr. Johnson moved to authorize payment of MCEDA's share of a letter of credit for Mr. Gideon on the 1,286 remaining acres of the 1,923 land transaction. After a second from Mr. Wolcott the vote was unanimous to incur expenses for up to ½ the cost for a letter of credit at Bank Plus to secure financing for the 1,286 acres.

With no additional Executive Session business, Mr. Johnson moved to adjourn the Executive Session at 11:55 a.m. After a second by Mr. Beamon and with all voting "Aye", the Executive Session was adjourned..

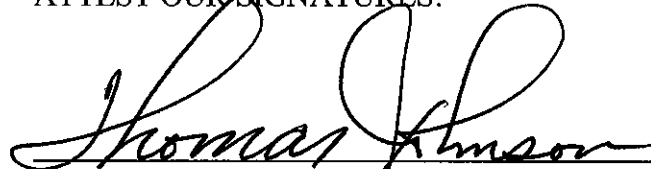
Travel for MCEDA to 1.)Nacore, San Francisco; 2.) Canadian Manufacturing Show, Ontario; 3.) National Casino Trade Show, Las Vegas; 4.) Sweden; and 5.) electronic trade show in San Jose, California was discussed. Mr. Wolcott moved to authorized expenses for the above travel. After a second by Mr. Johnson the motion was unanimously approved.

Following discussion on the Golden Retriever photograph controversy, the Board unanimously agreed to allow Steve to use his best judgment in dealing with the matter. Mr. Johnson moved that a position statement be circulated under Chairman Bounds' signature to the concerned parties. Mr. Beamon seconded and the motion carried with Mayor Hawkins abstaining from the

vote and all others voting "Aye."

There being no further business to come before the meeting of the Madison County Economic Development Authority, on motion duly made, seconded and unanimously adopted, the meeting was adjourned on this the 21st day of August, 1997 at 12:05 p.m.

ATTEST OUR SIGNATURES:

  
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THOMAS JOHNSON, SECRETARY-TREASURER

  
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MARK S. BOUNDS, CHAIRMAN