

Minutes of MCEDA Board Meeting
February 9, 1996

President Mark Bounds called the meeting to order at 8:19 a.m. on the above date at the MCEDA Office, 3348 N. Liberty St., Canton. Board Members present included President Bounds, John Wallace; Thomas Johnson; Brance Beamon; Mayor Mary Hawkins; and Ray Phillips. Also in attendance were Counsel Bob Montgomery; Supervisor David Richardson; Engineer John Bourgeois; Joe Martin; Joe W. Martin, Jr.; Bill Jones; Kim Lentz; Jack Kyle; Joy Foy; and Steve Vassallo. Mr. Bounds asked all other guests to be excused with the exception of Mr. Martin and his son. Steve Vassallo was asked by Mr. Bounds to take the Minutes of the Meeting.

The first item of discussion was the consideration of Joe Martin's land which is approximately 100 acres located north of Central Mississippi Industrial Center at Gluckstadt. Mr. Wallace led the discussion and stated that this tract of land is a natural extension of the Industrial Park as it is located to the west of Park 3 and to the north of Park 2. It was brought out in the discussion that approximately 20 acres of land lies between Park 2 and the Martin's property which is owned by two different parties. Mr. Martin stated that he must act quickly on the land transaction as he is attempting to acquire 1,420 acres of land in Flora at a cost of \$850 per acre. President Bounds thanked Mr. Martin and his son for coming before the Board and advised that MCEDA would get back to them today with a response to their offer.

Bill Jones and Jack L. Kyle next came before the Board representing "The Palaces of St. Petersburg" which is to be featured at the Mississippi Arts Pavilion located in downtown Jackson between March 1 and August 31, 1996. After a lengthy discussion, John Wallace made a motion (seconded by Ray Phillips) for MCEDA to expense \$10,000 to MEDA for the funding of this project to be used in conjunction with the Mississippi Commission for International Cultural Exchange. The motion (and second) was contingent upon a \$10,000 matching grant from the State of Mississippi. The Board voted unanimously to approve the expenditure contingent upon the matching grant from the State.

Following a short break, President Bounds reconvened the meeting at 9:10 a.m. and asked Ms. Kim Lentz, Attorney for Kountry Tyme to address the Board. Ms. Lentz began the discussion by stating "the agreement with Kountry Tyme is binding." She indicated that Kountry Tyme is a public charity similar to The March Of Dimes and the corporation has every intention of going forward with the project. She continued to say that the issue of acceptance of the \$50,000 check is a mute point. She refused to comment on the personal activities of Mr. Gene Sartain and stated that Kountry Tyme is presently seeking other individuals for management positions. She welcomed any input from the citizenry of Madison County.

A question was raised by Mayor Hawkins as to who the officers of the corporation are. Ms. Lentz responded by saying that Larry Foley is presently the only officer, and that Gene Sartain was no longer an officer of Kountry Tyme. She continued to say that Mr. Foley never intended to be involved with the construction aspects of the project. Mr. Johnson then asked the question if Kountry Tyme planned to make any deposits in Madison County banks in the near future. Ms. Lentz responded by saying she did not know the source of the funds and the information may not be available to the public.

Next Ms. Lentz stated that she needed to present one question from Mr. Sartain regarding the manufacturing facility associated with the project. She indicated that this facility would employ approximately 50 people and needed to know if MCEDA was still planning to either sell or lease Kountry Tyme the land in an industrial parks for this purpose. Mr. Wallace then stated that Kountry Tyme had 90 days to raise the funding for this project from the date of the title to the property being acquired. Ms. Lentz responded by indicating that the funds (she had been told) "are in transit" and should be available next week for the industrial project.

Steve Vassallo asked if Ms. Lentz knew how long Kountry Tyme had a nonprofit corporate status and if there were consolidated financial statements available. Ms. Lentz responded that she believed the corporation obtained nonprofit status in 1988 and because of the limited operations of the corporation, the Secretary of State in Kansas would (in all likelihood) have the financial disclosure.

Mr. Phillips then asked about Ms. Lentz' signature on the \$50,000 check. Ms. Lentz responded that this was proper since it was written on a trust account. She then continued to say that Kountry Tyme is going to press forward with the issue of zoning as outlined in the contract. Mayor Hawkins replied that the Minutes of the December 28, 1995, meeting had never been approved. Ms. Lentz then responded that Kountry Tyme will take whatever legal action necessary to ensure that MCEDA will comply with the contract.

The discussion then evolved to the Kountry Tyme payment of \$50,000. Bob Montgomery recommended "leaving the check where is" until the District Attorney's investigation is complete, which will be in about ten days. He said also at that time MCEDA could make a decision as to any litigation in the matter. (It is the understanding of the Board that the check is in the possession of the Chancery Clerk.) Mr. Johnson then made a motion (seconded by Mr. Beamon) that the check remain in the possession of the Clerk until both the U.S. Attorney and District Attorney have completed their investigations. The vote on Mr. Johnson's motion was unanimous.

The next items on the agenda were to approve the contract extensions for Klinke Ice Cream and Cardinal Health. John Wallace made the motion to approve the extensions; seconded by Thomas Johnson. The vote was unanimous. President Bounds then signed the extensions.

Levi's excess payment was discussed. Bob Montgomery stated that he was pursuing an additional payment of approximately \$90,000. This topic was followed by the payment of property taxes on the Moon property. MCEDA owes an additional \$1,251.37 plus a 1% penalty. On a motion by Mr. Wallace, seconded by Mr. Johnson, the Board voted unanimously to approve the payment.

The lease expiration on the 95.2 acres of farm land at Gluckstadt was then discussed. Mr. Wallace recommended advertising the property under the terms of a three year lease. Mr. Phillips seconded the motion. The vote was unanimous to approve the motion. (Last year the land brought in \$45.10 per acre in revenues.)

The industrial parks landscaping decision and the Journal Profile '96 advertising were referred to Steve Vassallo for recommendation to the Board. The insurance policy decision regarding the sound stage was given to Steve Vassallo to obtain two quotes.

The Executive Director's report was covered next. Mr. Vassallo discussed the current status of prospect activity; automobile availability; country club memberships; meetings with Board members; and the four return trips to Texas. The mileage reimbursement cost of each return trip is \$280.20. Mr. Vassallo requested of the Board that he be allowed to use air travel and pay the excess amount, i.e. above the \$280.20. On a motion by Mayor Hawkins, seconded by Thomas Johnson, the Board unanimously approved.

Mr. Vassallo asked the Board to allow MCEDA to hire a third employee. On a motion by Mayor Hawkins, seconded by Brance Beamon, the Board approved the motion unanimously.

The office move was also discussed along with the One Hundred Days Outline and inventory of MCEDA land. It was decided on expenditures less than \$2,000, two proposals would be sufficient for comparison purposes.

Numerous other topics were discussed including the following: the Courthouse reception will be Thursday, February 15 between 5:30 p.m. and 7:30 p.m.; MEDA's annual meeting will be held on February 22; on a motion by Thomas Johnson, seconded by Ray Phillips, Mark Bounds was appointed to serve as MCEDA's MEDA representative with John Wallace serving as alternate. The vote was unanimous; John Wallace deferred the office move to the courthouse to Steve Vassallo for the appropriate timing; on a motion by Mayor Hawkins, seconded by Thomas Johnson, John Wallace, Mark Bounds and Steve Vassallo were instructed to proceed with pricing the two commercial tracts in the Canton Business Park totaling 11.1 acres. The vote was unanimous.

On a motion by John Wallace, seconded by Mayor Hawkins, the meeting moved into closed session. The motion was approved. The items to be discussed included (A) possible land acquisition; and (B) personnel matters. On a motion by Thomas Johnson, seconded by Brance

Beamon, the meeting moved into executive session by a unanimous vote.

The first topic to be discussed was a letter dated February 7, 1996, from Joy Foy to Steve Vassallo regarding compensation. On a motion by John Wallace, seconded by Ray Phillips, Ms. Foy's salary was increased \$500 per month, effective February 1, 1996. The vote was unanimous.

Bob Montgomery was excused from the meeting at approximately 11:27 a.m. Mark Bounds asked for approval of the February 1, 1996, Minutes. With one correction noted, (third par., Mr. Johnson seconded motion.) On a motion by Mayor Hawkins, seconded by Ray Phillips the minutes were approved unanimously.

Discussion continued regarding Bob Montgomery's representation of MCEDA in the Kountry Tyme matter. On a motion by Thomas Johnson to resend the Feb. 1 motion by Mayor Hawkins to remove Bob Montgomery from any representation of MCEDA with regard to Kountry Tyme, seconded by John Wallace, the motion failed on a tie vote. In favor of the motion were Messrs. Johnson, Beamon and Wallace. Opposed were Mayor Hawkins, Messrs. Bounds and Phillips.

Mr. Bounds next discussed the fact that Pat Johnson had a concise transcript of the Minutes of the February 1 Meeting which were also recorded. Mayor Hawkins requested a copy of the tape. After further discussion it was decided to leave the tape for the time being in the possession of Pat Johnson. Mayor Hawkins made a motion to have the transcript inserted into the Minutes of February 1. The motion failed for lack of a second. President Bounds stated that at MCEDA's next Board Meeting (Tuesday, February 27, 1996, 2 p.m.) all previous unapproved Minutes would be on the agenda.

Bob Montgomery rejoined the meeting at 12:07 p.m.

The Martin land proposal was brought up next. On a motion by John Wallace, seconded by Mr. Johnson, the Board voted unanimously for MCEDA to negotiate options on both tracts of land until proper due diligence could be completed, i.e. appraisal; environmental assessment; and a preliminary engineering study.

Another motion was made by John Wallace (seconded by Thomas Johnson) to authorize Steve Vassallo to incur expenses in order to provide the necessary due diligence relating to purchase of the property, i.e. the appraisal; engineering study; and environmental assessment. It was agreed that Cody Canoy provide the appraisal and the cost be shared with the seller. A Phase I environmental assessment would be satisfactory. The vote was unanimous to proceed.

Mr. Johnson then motioned to move back into open session, seconded by Mr. Phillips. The motion was approved unanimously.


Next Mark Bounds discussed the letter from Joseph Babb of Deposit Guaranty National Bank regarding the appraisal for the property in question on the 36,000 sq. ft. industrial building. On a motion by Mr. Bounds seconded by Mr. Johnson, the Board voted unanimously to allow MCEDA to pay for the appraisal in the event the Bank would not forego it. Mr. Vassallo was then instructed to contact Mr. Babb to see what could be worked out.

Mr. Bounds then brought up the recent audit report to the Board and as a point of information, highlighted the irregularity of unsigned Minutes (letter from Lloyd W. Simpson). Next on a motion by John Wallace, seconded by Thomas Johnson, the Board voted unanimously to approve buying video clips of recent television coverage at the price of \$50 for the first clip and \$25 for subsequent clips.

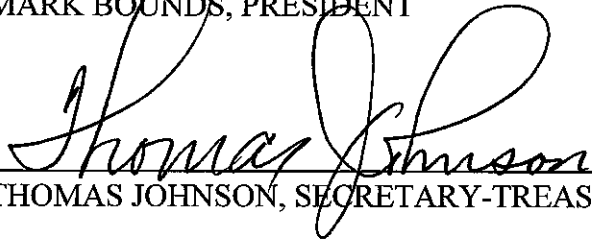
Other topics discussed included involving the Board of Supervisors in the February 15 Courthouse reception and changing the title of the Executive Director to President. John Wallace suggested making a concerted effort to review MCEDA local/private legislation prior to February 27.

President Bounds adjourned the meeting at approximately 12:50 p.m.

WITNESS OUR SIGNATURES:



MARK BOUNDS, PRESIDENT



THOMAS JOHNSON, SECRETARY-TREASURER