

Minutes of MCEDA Board Meeting
March 25, 1996

President Mark Bounds called the meeting to order at 8:35 a.m. on the above date at the MCEDA office in the old courthouse on the square in Canton. Board Members present included President Bounds; John Wallace; Thomas Johnson; Mayor Mary Hawkins; Hite Wolcott; and Ray Phillips. Brance Beamon was absent. Also in attendance were counsel Bob Montgomery; Supervisor Luther Waldrup; Supervisor Louise Spivey; engineer John Bourgeois; John Donaldson; Mr. and Mrs. Frank Hunter; Webb Bozeman; Ken Koch; Ted Crawley; Gail Pittman; Thomas Maley; Don Hanna; Ward Emling; JoAnn Gordon; Veronica Luckett; and Steve Vassallo.

Mr. Frank Hunter was asked to address his concerns to the Board. (Mr. Hunter lives at Lake Caroline). He stated that his only reason for coming to the meeting was his concern over MCEDA's agreement with Kountry Tyme. He is of the belief the business will end in failure. He also cautioned the Board to look for warning signs such as the fact that Kountry Tyme used a hotel for an office, as well as other issues that hint it could be a flawed deal. Mr. Hunter concluded by saying that the Board should put the facts on the table for both Kountry Tyme and the taxpayers. President Bounds thanked Mr. Hunter for coming and reminded everyone that the MCEDA meetings are public meetings and everyone is always welcome.

At 8:50 a.m. the floor was turned over to Mr. Thomas Johnson who addressed three concerns relating to the Kountry Tyme project. (1) Mr. Johnson stated the Highway Patrol had given him information on the possible false arrest of Gene Sartin. (2) He questioned why Mr. Phillips would change his votes at the last MCEDA Board meeting in order to vote with Mayor Hawkins. (3) He is also concerned with the fact that certain Supervisors are present at so many of MCEDA's meetings. He questioned whether they should attend since the Board is appointed by the Supervisors.

Mr. John Donaldson, a native of Madison County, then responded to Mr. Johnson's position to support the Kountry Tyme project, by stating that he does not want this project in his backyard. He indicated since the only information made available is through the newspaper, there has been no positive information conveyed to the public.

Mr. Johnson then questioned the possibility of someone using the newspaper to influence public opinion. He stated that Kountry Tyme has delivered everything according to the contract thus far. He indicated that MCEDA has never played the newspaper game since it's beginning (some 15 years ago) and will not play the game now. In Mr. Johnson's final comments, he stated that this is a project that will help the people who are on welfare; who never finished college; and who cannot pass a GED test, but who could assist handicapped people. It is also Mr. Johnson's opinion that Kountry Tyme could provide the opportunity to increase all levels of employment in the County.

Mr. Ken Koch, another resident of the Lake Caroline area, commented that before doing business with someone, you should know their financial position.

Mr. Ted Crawley (agreeing with Mr. Koch) then asked the Board to share information with the taxpayers of Madison County.

President Bounds explained that the Board did not know Kountry Tyme's track record prior to the agreement.

Mr. Hunter then replied that there are a number of projects that could help the people of Madison County. After further discussion with Mr. Johnson, President Bounds closed the arguments at 9:15 for comments and moved on with the agenda to conduct regular business.

Ms. Spivey stated that she had the right as a citizen and as a Supervisor who represents the taxpayers of District 1 to attend MCEDA meetings. Mr. Johnson replied that he would wait for the ethics commission to answer that question.

Ms. Spivey then reiterated her statement, responding that anyone can come to the

MCEDA meetings and the Supervisors' meetings because they are public meetings. She then asked Bob Montgomery to concur, which he did.

Mayor Hawkins asked why Mr. Johnson was making accusations against her. She stated that from day one her concern has been this project's financial status. She insisted that further discussion on the matter be done at the end of the meeting and asked President Bounds if the Board could continue with regular business on the agenda.

Mr. Thomas Maley and Ms. Gail Pittman next came before the board requesting the Board's permission to approve the expansion of their existing building. The plans allow for doubling the size of their business (which will give them an additional 3,200 square feet) to be used mainly for storing materials. The increase in size will allow things to be bought in bulk and at a lower cost. Mr. Johnson made a motion (seconded by Mayor Hawkins) that the Board accept their request. The Board voted unanimously to approve it.

Mr. Steve Vassallo gave an update on Cypress Pharmaceutical. Mr. Vassallo told the Board that everything was going as planned. There was a change in ownership that Mr. Vassallo explained. He also stated that banking references had been provided. The building will consist of 15,000 square feet. President Bounds then made a motion (seconded by Mr. Phillips) to proceed with the project agreement. The Board vote was unanimous to do so.

In his monthly engineering report, Mr. John Bourgeois provided information to have the 8 ½ acre parcel in the Central Mississippi Industrial Center zoned business/commercial. He also gave details of the sewer system to service this parcel. Mr. Bourgeois proceeded by saying the design for the railroad spur at North American Plastics has been completed. The bids to perform the construction work for the new design have been scheduled for April 5, 2:00 p.m. in the Waggoner Engineering office, Jackson, Mississippi.

Mr. Bourgeois went on to say a road dedication for the Moon property was needed in order to begin selling lots. He also offered to have Waggoner Engineering preform an Environmental Audit if one is needed. President Bounds next made a motion (seconded by Mayor Hawkins) to accept the engineer's report. The Board voted unanimously to accept.

In the attorney's report, Bob Montgomery gave a brief overview to the Board about the dedication of the roads at Central Mississippi Industrial Center being approved by the Supervisors. He announced the closing of the Klinke deal, and has arranged for Senator Tim Johnson to contact Mr. Vassallo about the pending legislation involving MCEDA.

The next item on the agenda was Ms. Gordon's proposal to the Board to partnership with MCEDA in the marketing of the sound stage building in the Canton Commercial and Industrial Center. She proposed to continue to have MCEDA own the sound stage building, and she would (in turn) market the building to the people of the film industry. Mr. Vassallo disagreed, stating as his reason the \$50,000 interest payment soon due on the building. He suggested that both MCEDA and Ms. Gordon should continue to co-market the building. After further discussion, with both Ms. Gordon and Mr. Vassallo in agreement, President Bounds made a motion (seconded by Mr. Wolcott) that Ms. Gordon and MCEDA work as a team to market the building. The Board approved unanimously.

The Executive Director's report was covered next. Mr. Vassallo discussed the following items: personal moving status; his wife to produce the logo for the Foundation; the April 1 deadline of the high schools to submit ideas for the logo; a MEDA prospect interested in the sound stage building; the video which will be produced in English, Spanish, and German (per Jay Moon's recommendations).

In continuation, he told the Board that the Video Committee had met twice and the cost of the video will not exceed \$12,000. There are two grant requests outstanding totaling \$11,000 and all other monies necessary to produce the video will be raised from the private sector.

In further discussion, Mr. Vassallo talked about all the activities going on in the Gluckstadt area; Stanley Simpson being elected as the new Foundation Chairman; Thomas Tatnall's golf project on the reservoir; and travel to Dallas, Texas for Supercom on June 25-27.

President Bounds made a motion and second by Mr. Phillips to approve Mr. Vassallo's expenditures to Dallas and Biloxi. The motion was approved unanimously.

The State of Mississippi has invited Mr. Vassallo to help represent the State in Dallas. Supercom is the largest telecommunications trade show held in the U.S. He also requested attending a two-day gaming industry seminar April 10-11 in Biloxi. There will be over 67 companies represented at the seminar that do business with the gaming and casino industry.

Mr. Vassallo then commented about the overcharge of the recently received (1994) Entex invoice. The invoice received from Entex totaled \$5,800, but the estimated price placed in the CDGB grant for Entex was \$2,500. President Bounds made a motion (seconded by Mr. Phillips) that MCEDA pay Entex the \$2,500. The Board's vote was unanimous.

Other topics Mr. Vassallo discussed included the need for a \$30,000 budget to cover international travel and \$20,000 for non-international travel. The marketing materials also will need funds for updating. No action was taken on the increase of budget request.

Mr. Vassallo next gave the Industrial/Commercial Report informing the Board that a high-tech company is looking for 50 acres of land; the Jones' option-to-purchase check had been received on the 1 acre at Gluckstadt; and the Leggs' building is currently being shown to two MEDA prospects. The ground breaking in Ridgeland was well attended.

A question was raised by Supervisor Spivey to see if future ground breakings could be scheduled on days other than Friday due to their Board of Supervisors meetings. Mr. Vassallo make a note to inform the Chambers about the scheduling.

President Bounds made a motion that the February 27 Minutes be accepted. Mayor Hawkins stated that she would like to restate her comments for December 12, which were restated in the February Minutes. It was her understanding that the meeting was not a recessed meeting, but an adjourned meeting. Mayor Hawkins made a motion that the February minutes be approved with this correction (seconded by Mr. Wallace). The Board approved the Minutes unanimously.

Mr. Bounds discussed the March 8, 1996, meeting and agreed it was out of order. He said he assumed everyone was going to be present. He acknowledged that he did not have the right to call a meeting on such a short notice without everyone being informed. However, he said the reason behind asking for the meeting was in order to discuss what to do with the farm lease check given to him for the Kountry Tyme property. After further discussion, President Bounds declared the meeting invalid.

Mr. Phillips made a motion to reconfirm the action discussed in the March 8 meeting that the Board will retain Mr. Allen Perry and Mr. Jim Herring as attorneys on the Kountry Tyme project (seconded by Mayor Hawkins). The board approved the motion over Mr. Wallace's and Mr. Wolcott's objection.

Mr. Phillips questioned the other items that were discussed at the March 8 meeting. He made a motion to proceed in the same manner as in that meeting and to reaffirm the action, especially since some Kountry Tyme issues had been discussed. His main concern was the farm rental check that Mr. Bounds had given to Mr. Vassallo for mailing to Kountry Tyme. Mr. Wolcott made a motion (seconded by Mr. Phillips) that the Board acknowledge that the farm lease check had been received and then mailed to Kountry Tyme by Mr. Vassallo, as directed by the Board. The motion carried with Mayor Hawkins being absent.

Following discussion that Kountry Tyme rejected the lease rental check mailed by Mr. Vassallo, Mr. Wolcott then motioned (seconded by Mr. Wallace) that it be acknowledged in the Minutes that Kountry Tyme refused to accept the farm lease check. The Board voted unanimously to acknowledge Kountry Tyme's refusal to accept the check

Mr. Vassallo then asked President Bounds and the Board to omit the financial report due to Mrs. Foy's absence. He suggested that at the April meeting the Board could review both February and March as to income/expenditures.

Mr. Wallace made a motion (seconded by Mr. Wolcott) that the meeting move to closed session. The Board unanimously approved.

President Bounds stated land negotiations and personnel issues as matters to be addressed in the closed session. Mr. Wallace made a motion (seconded by Mr. Wolcott) that the Board go into executive session. The Board unanimously approved.

Mr. Vassallo discussed Ms. Foy's compensation. He explained to the Board what her new responsibilities as Director of Existing Industry were going to be since the hiring of Veronica Luckett. Mayor Hawkins motioned (seconded by Mr. Phillips) that the Board take Mrs. Foy's compensation under advisement and evaluate her performance closer to budget time. The Board voted unanimously.

After the discussion concerning Malouf Construction's proposal, Mr. Wallace motioned (seconded by Mr. Phillips) to lease the property for 24 months at \$200 per month. The lease would include a right to cancel with a 30 day notice if a buyer for the property was found. The Board would also have to approve any changes made to the site and would need to be held harmless in regard to any future environmental problems on the site. The Board voted unanimously to make the aforementioned offer.

After a lengthy discussion involving the acquisition of approximately 100 acres of land owned by Mr. Joe Martin, Mr. Phillips made the motion (seconded by Mr. Wallace) to allow Mr. Vassallo (in conjunction with Messrs. Luther Waldrup and Ray Phillips) to renegotiate the sales price on the land with Mr. Martin with certain stipulations. The other stipulations being that MCEDA would have a two year option to purchase additional acreage owned by Mr. Martin (approx. 180 acres) on the adjacent side of the Interstate (west) and that development costs of the property (100 acres) would need to be estimated prior to recommending the purchase to the Board of Supervisors. After these functions had been performed, the MCEDA Board would reconvene to reconsider the purchase. The vote was unanimous to approve this course of action.

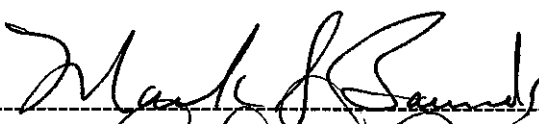
Mr. Phillips made a motion (seconded by Mayor Hawkins) that the Board move back into open session. The Board approved.

President Bounds then asked the Board to address Mr. Hunter's request for a public meeting regarding Kountry Tyme. Mayor Hawkins motioned (seconded by Mr. Phillips) that MCEDA approve the meeting. The motion failed on a three to two vote with Messrs. Bounds; Wallace; and Wolcott voting against.

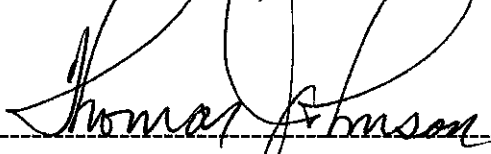
President Bounds made a motion (seconded by Mr. Wolcott) that the meeting be adjourned with everyone consenting.

President Bounds adjourned the meeting at 12:00 p.m.

WITNESS OUR SIGNATURES:



MARK S. BOUNDS, PRESIDENT



THOMAS JOHNSON, SECRETARY-TREASURER