

AT A WORK SESSION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON JUNE 17, 2003 AT 3:00 P.M. AT THE CONFERENCE ROOM OF THE WILLIAMSBURG SOAP AND CANDLE COMPANY, 7521 RICHMOND ROAD, JAMES CITY COUNTY, VIRGINIA.

1. CALL TO ORDER

The meeting was called to order by Chairman Campana at 3:04 p.m.

2. ROLL CALL

A roll call identified the following members present:

Mr. Gilbert Bartlett  
Mr. John Berkenkamp  
Mr. Alvin Bush  
Mr. Vincent Campana, Jr.  
Ms. Virginia Hartmann  
Mr. Bernard Ngo

ALSO PRESENT

Keith A. Taylor, IDA Secretary  
Michael Brown, Board of Supervisors IDA Liaison  
Kelly See, IDA Recording Secretary  
Sandra Barner, County Economic Development Project Coordinator  
Leo Rogers, Assistant IDA General Counsel  
Edward L. Hamm, Jr., Virginia Department of Minority Business Enterprise  
Warkine Johnson, Virginia Department of Minority Business Enterprise  
Terry Riley, Hampton Road Technology Council

ABSENT

Mr. Mark Rinaldi

3. AVID MEDICAL, INC. INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING EXTENSION REQUEST

Mr. Taylor reported that the Directors had been sent two items related to AVID Medical Inc.'s Industrial Development Revenue Bond Financing. The first item was a letter from the IDA's Bond Counsel Steve Johnson, who is also AVID's bond counsel in this matter. The letter explained that the tax-exempt bonds for AVID would be issued later this year, and since this is more than one year after the adoption of the Authority's Resolution of Inducement, the Authority was being asked to hold a new public hearing and the Board of Supervisors would be asked in July to again approve the issuing of the bonds. Mr. Taylor reported that the second item sent to the Directors was a Resolution explaining the reason

for holding the public hearing and ratifying and confirming the Inducement Resolution adopted in May 2002. The Directors were being asked to adopt this resolution.

4. PUBLIC HEARING

a. Proposed Industrial Development Revenue Bond Financing for AVID Medical, Inc.

Chairman Campana opened the public hearing concerning AVID Medical, Inc.'s bond financing request. There being no member of the public appearing to speak, Chairman Campana then closed the public hearing.

5. ACTION ITEMS

a. Resolution ratifying and confirming AVID Medical Inducement Resolution

On a motion by Mr. Bartlett and a second by Mr. Berkenkamp, the resolution ratifying and confirming AVID Medical's Resolution of Inducement was adopted by the following voice vote:

Mr. Bartlett	Aye
Mr. Berkenkamp	Aye
Mr. Bush	Aye
Mr. Campana	Aye
Ms. Hartmann	Aye
Mr. Ngo	Aye

6. PRESENTATION

Ms. Warkine Johnson of the Virginia Department of Minority Business Enterprise introduced Mr. Edward L. Hamm, Jr., Director of the Department of Minority Business Enterprise. Mr. Hamm gave some personal background on himself. He stated that he had been asked by Governor Warner to serve as the Director of the Department of Minority Business Enterprise. He reported that the Governor is committed to creating opportunities for minority businesses in the Commonwealth. He informed the Directors that the Governor has created a commission to report on the issue of minority business in Virginia and required all state agencies to provide quarterly reports on the amount of procurement going to women and minority businesses. He noted that the Governor wants the Department of Minority Business Enterprise to work with state agencies and localities to improve procurement disparities.

Mr. Hamm reported that his department has commissioned a study to look at procurement disparity in Virginia. He stated that the department raised the funds to have the study done. He reported that the results of the study will be available by the end of the calendar year. He noted that the department will ask the legislature to pass remedies for disparities if necessary.

Mr. Hamm reported that his department has a loan program with \$1 million available, with \$600,000 loaned out now.

Mr. Hamm answered questions from the Directors. Mr. Campana thanked Mr. Hamm and Ms. Johnson for coming to speak to the Authority.

7. CLOSED SESSION TO DISCUSS DISPOSITION OF PUBLICLY HELD REAL PROPERTY AND A PROSPECTIVE BUSINESS

IDA Secretary Taylor recommended the IDA go into Closed Session pursuant to Section 2.2-3711(A)(3) of the Code of Virginia to consider disposition of publicly held real property and discuss bargaining position or negotiation strategy and Section 2.2-3711(A)(5) of the Code of Virginia to discuss a prospective business where no previous announcement has been made. Mr. Campana considered a motion from Mr. Berkenkamp, seconded by Mr. Ngo, to convene into Closed Session at 3:54 p.m. The motion was approved by unanimous voice vote.

The IDA reconvened in open session at 4:14 p.m. Mr. Campana considered a motion from Mr. Berkenkamp, seconded by Ms. Hartmann, to approve the Resolution Certification of Closed Meeting. The motion was approved by the following roll call vote:

Mr. Bartlett	Aye
Mr. Berkenkamp	Aye
Mr. Bush	Aye
Mr. Campana	Aye
Ms. Hartmann	Aye
Mr. Ngo	Aye

**RESOLUTION**

MEETING DATE: June 17, 2003

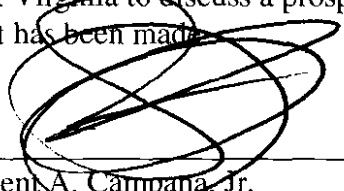
CERTIFICATION OF CLOSED MEETING

WHEREAS, the Industrial Development Authority of the County of James City, Virginia (IDA) has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Industrial Development Authority of the County of James City, Virginia, hereby certifies that, to the best of each

member's knowledge; (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies; and (ii) only such public business matters were heard, discussed or considered by the IDA as were identified in the motion, Section 2.2-3711(A)(3) of the Code of Virginia to consider disposition of publicly held real property and discuss bargaining position or negotiation strategy; and Section 2.2-3711(A)(5) of the Code of Virginia to discuss a prospective business where no previous announcement has been made.



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Vincent A. Campana, Jr.  
Chairman, Industrial Development Authority

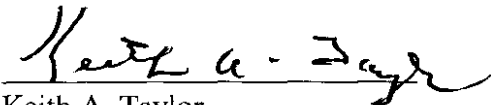
VOTE:

AYE: 6

NAY: 0

(For each nay vote, the substance of the departure from the requirements of the Act should be described)

ATTEST:



Keith A. Taylor  
Secretary, Industrial Development Authority

Adopted by the Industrial Development Authority of the County of James City, Virginia,  
this 17th Day of June, 2003.

8. WORK SESSION

Mr. Campana reported that the IDA's Technology Policy Study Steering Committee was ready to develop a course of action regarding technology. Mr. Taylor stated that the committee had developed an outline of an implementation plan for the technology policy study recommendations and was looking for guidance from the IDA on the plan outline. Mr. Taylor stated that the IDA would take the final plan to the Board of Supervisors and ask for resources if they are required.

A discussion followed of the sensors cluster and the need for infrastructure in this region to support these types of firms. Suggestions were made to learn more about sensors and the sensors industry; to defer major financial commitments until going through more due diligence; and to broaden the scope of the target clusters beyond those recommended in

the study.

The concept of a satellite technology incubator in James City County and its potential advantages was discussed.

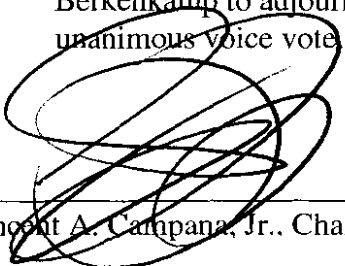
A discussion of the need to go to the Board of Supervisors with the outcomes of the Technology Policy Consultant Study and the IDA's plan request for implementing the study's suggestions followed.

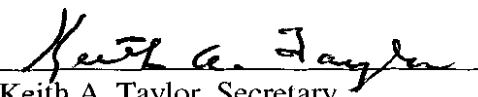
The need for further analysis of the County's strengths and weaknesses was discussed.

It was the consensus of all of the Directors present to accept the Technology Study Implementation Plan as a preliminary plan and a work in progress with the agreement to develop a conceptual budget, continue discussions at a future IDA meeting, and continue to refine the plan.

9. ADJOURNMENT

There being no further business Chairman Campana entertained a motion from Mr. Berkenkamp to adjourn. The motion was seconded by Ms. Hartmann and approved by unanimous voice vote. The meeting was adjourned at 5:36 p.m.

  
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Vincent A. Campana, Jr., Chairman

  
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Keith A. Taylor, Secretary

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF JAMES CITY, VIRGINIA**

WHEREAS, the Industrial Development Authority of the County of James City, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia, as amended (the "Act"), to issue its revenue bonds for the purpose of inducing manufacturing, industrial and commercial facilities to locate or remain in the Commonwealth of Virginia (the "Commonwealth") and to promote the commerce, safety, health, welfare, convenience or prosperity of the citizens of the Commonwealth;

WHEREAS, the Authority in 2002 received a request from Avid Medical, Inc. (the "Applicant"), a Delaware corporation, having its principal place of business currently at 9000 Westmont Drive, Toano, Virginia 23168, that the Authority issue its revenue bonds to assist the Applicant in financing (1) the acquisition, construction and equipping of an approximately 45,000 square foot expansion of the Applicant's existing facility, which expansion will be used in the manufacturing of medical devices and the manufacturing process of assembling and packing procedure - ready kits and subassemblies primarily for sale to health care providers and which will be located on a 3 acre parcel of land adjacent to the existing facility at 9000 Westmont Drive, Toano, Virginia (the "Project") and (2) payment of the costs of issuing the Bonds;

WHEREAS, the issuance of bonds for the Project will induce the Applicant to locate the Project in James City County, Virginia (the "County") and thereby benefit the inhabitants of the County and the Commonwealth through the increase of their commerce and through the promotion of their safety, health, welfare, convenience and prosperity;

WHEREAS, the Applicant, in an appearance before the Authority in May, 2002 by the Applicant's representatives and in the application filed with the Authority, described the benefits of the Project to the inhabitants of the County and the Commonwealth;

WHEREAS, the Applicant represented that the estimated cost of the Project and all expenses of the issue payable from bond proceeds would require an issue of industrial development revenue bonds in an aggregate principal amount not to exceed \$3,500,000 (the "Bonds");

WHEREAS, the Authority held a public hearing in May, 2002 as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and by the Act and adopted an Inducement Resolution with respect to the Project (the "Inducement Resolution");

WHEREAS, the Board of Supervisors of the County (the "Board of Supervisors") adopted a resolution approving the issuance of bonds for the Project in June, 2002;

WHEREAS, subsequent to the adoption of the aforementioned resolutions by the Authority and the County, the Applicant and its lender agreed to finance construction of the Project through an interim taxable conventional loan with the issuance of the Bonds being delayed until on or about the time of construction completion;

WHEREAS, the Code requires that bonds for manufacturing purposes be issued within one year of the approval of the Board of Supervisors, thus necessitating a new approval by the Board of Supervisors and a new public hearing; and

WHEREAS, the Authority has today held a new public hearing as required by Section 147(f) of the Code and by the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA:

1. The Inducement Resolution, in which the Authority agreed to issue the Bonds to finance the Project, is in all respects ratified and confirmed.
2. The Authority hereby (a) recommends that the Board of Supervisors approve the issuance of the Bonds to the extent required by Section 147(f) of the Code within sixty days of the date of the adoption of this Resolution by the Authority and (b) directs the Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Authority to file with the Board of Supervisions this Resolution, the Inducement Resolution, the Applicant's Fiscal Impact Statement and a reasonably detailed summary of the statements made at the public hearing held by the Authority.
3. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Project are hereby ratified, approved and confirmed.
4. This Resolution shall take effect immediately upon its adoption.

ADOPTED: June 17, 2003

CERTIFICATE

I, the undersigned Secretary of the Industrial Development Authority of the County of James City, Virginia (the "Authority") hereby certifies that the foregoing is a true, correct and complete copy of the Resolution duly adopted by a majority of the Directors of the Industrial Development Authority of the County of James City, Virginia present and voting at a meeting duly called and held on June 17, 2003, all in accordance with law, and that such Resolution has not been repealed, revoked or rescinded but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the Authority this 17 day of June, 2003.

By   
Secretary  
INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF JAMES CITY, VIRGINIA

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