

AT A SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON DECEMBER 19, 1997, AT 8:00 A.M. IN THE CONFERENCE ROOM OF BUILDING C, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. ROLL CALL

The meeting was called to order by chairman Nystrom at 8:02 a.m. A roll call by Secretary Taylor identified the following members present:

Mr. John Carmichael  
Mr. Robert Demer  
Mr. Sterling Nichols  
Mr. Jon Nystrom

ALSO PRESENT

Keith Taylor, Secretary, IDA  
Sandra Barner, Economic Development Technician  
Donna Christian, Recording Secretary, IDA  
William Porter, Assistant County Administrator  
Steve Johnson, Bond Counsel, Mays & Valentine  
Michael Sahady, President, AVID Medical Inc.  
G. Donald Markle, Attorney, Surovell, Jackson, Colten & Dugan, P.C.  
Frank Morton, Attorney, James City County

ABSENT

Mr. Gilbert Bartlett  
Mr. Vincent Campana  
Mr. John Berkenkamp

2. TREASURER'S AND RELATED FINANCIAL REPORTS

The Treasurer's report from Mrs. Pettengill for the Authority was given by Mr. Taylor, along with the Capital Improvement Expenditure report and the Authority's Operating Budget report. On a motion by Mr. Carmichael and a second by Mr. Demer, the financial reports were approved by unanimous voice vote.

3. PRESENTATION

AVID Medical, Inc. Industrial Revenue Bond Financing Request

Mr. Michael Sahady gave a brief presentation on his background in the medical business. He then explained how and why he decided to start AVID Medical, Inc., which stands for Angio Vascular Interventional Devices. He then reported why he chose Stonehouse as a location for his new business. Mr. Sahady then introduced Mr. Don Markle, Attorney and entertained questions from the IDA directors.

4. PUBLIC HEARING

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

Chairman Nystrom opened the public hearing at 8:21 a.m. There being no public comment, Chairman Nystrom then closed the public hearing.

5. ACTION ITEMS

Resolution Authorizing the Execution of AVID Medical Performance Sales Agreement

On a motion by Mr. Nichols and a second by Mr. Carmichael the resolution authorizing the execution of AVID Medical Performance Sales Agreement was approved by unanimous voice vote.

Resolution Approving Issuance of Industrial Development Revenue Bonds for the Benefit of AVID Medical, Inc.

Steve Johnson gave a brief presentation on the AVID Medical resolution. He also discussed the new state allocation process for Virginia Private Activity Bond Allocation for Virginia Small Business Financing Authority. Chairman Nystrom then called for a vote. On a motion by Mr. Nichols and a second by Mr. Carmichael, the resolution was approved by a unanimous voice vote.

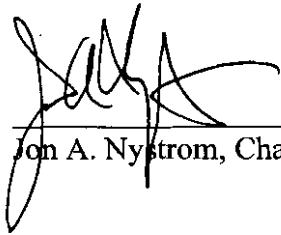
6. OTHER BUSINESS

Mr. Nichols suggested having a reception for the outgoing Board of Supervisors members and IDA directors in January.

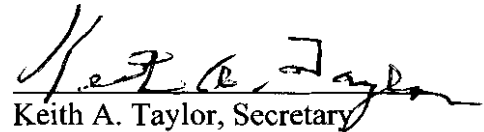
Mr. Taylor reminded the directors that their next regularly scheduled meeting will be March 12, 1998.

7. ADJOURNMENT

There being no other business, Mr. Nichols made a motion that the meeting be adjourned. His motion was seconded by Mr. Demer and the meeting was adjourned at 8:34 a.m.



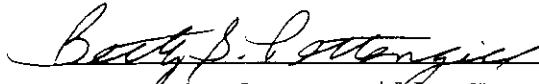
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Jon A. Nystrom, Chairman



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Keith A. Taylor, Secretary

TREASURER REPORT  
INDUSTRIAL DEVELOPMENT AUTHORITY  
SEPTEMBER, OCTOBER & NOVEMBER  
FY 98

<u>REVENUE SOURCE</u>	<u>COLLECTED THIS PERIOD</u>	<u>COLLECTED TO DATE</u>
Farmers Market Lease	\$ .00	\$ 1,700.00
Interest on Available Cash	11,671.13	14,849.22
General Fund Transfer	.00	300,000.00
Received From Commonwealth	.00	.00
Bond Application Fees	1,800.00	2,200.00
Wmsbg. Land Conservancy	.00	30,000.00
Expense Reimbursement	.00	.00
Quarterly Receipts	13,471.13	
Fiscal Year Receipts		348,749.22
BANK BALANCE JUNE 30, 1997		737,386.90
Total Receipts		1,086,136.12
Disbursements This Period	4,505.77	
Previous Disbursements	333,263.41	
Total Disbursements To Date		337,769.18
Bank Balance November 30, 1997		748,366.94

  
Betty S. Pettengill, Treasurer  
December 17, 1997

**Industrial Development Authority  
of James City County  
FY 98 Budget Report  
Periods Covered      Sep - Nov 1997**

Account#	Account Name	Beginning budget	Exp Sep - Nov	Balance
021-010-0203	Professional Services	\$1,000.00	\$ -	\$1,000.00
021-010-0205	Promotion	\$5,000.00	\$ -	\$5,000.00
021-010-0210	Insurance	\$0.00	\$ -	\$0.00
021-010-0219	Telephone	\$279.50	\$ 20.80	\$258.70
021-010-0220	Travel & Training	\$2,500.00	\$ -	\$2,500.00
021-010-0232	James River Commerce Center OE.	\$6,900.00	\$ 877.49	\$6,022.51
021-010-0233	Shell Building Operating Expenses	\$5,438.08	\$ 1,007.48	\$4,430.60
021-010-0235	Annual Audit	\$2,600.00	\$ 2,600.00	\$0.00
021-010-0319	Office Supplies & Equipment	\$500.00	\$ -	\$500.00
021-010-0398	OED Discretionary Expenses	\$1,500.00	\$ -	\$1,500.00
<b>Totals</b>			<b>\$ 4,505.77</b>	<b>\$21,211.81</b>

<b>James City County Capital Improvement Project Funds Involving Industrial Development Authority of James City</b>					
Account	Periods Covered Total Budget	Sep-Nov, 1997 Expenses Sep-Nov	Expenses to Date	County Balance	
<b>013-071-0100 STRAWBERRY PLAINS RD PROPERTY RESERVE</b>	\$ 6,500.00	\$ -	\$ 6,500.00	\$ -	
<b>013-071-0200 JAMES RIVER COMMERCE CENTER</b>	\$ 842,352.00	\$ 7,513.84	\$ 455,156.63	\$ 387,195.37	
<b>013-071-0400 SHELL INDUSTRIAL BUILDING</b>	\$ 2,450,000.00	\$ -	\$ 1,929,835.00	\$ 520,165.00	
<b>TOTALS</b>	<b>\$ 3,298,852.00</b>	<b>\$ 7,513.84</b>	<b>\$ 2,391,491.63</b>	<b>\$ 907,360.37</b>	

\*Funds either expended or encumbered for specific purposes. Prepared 12/10/97

Extrapolated from monthly computer printouts received from the County accounting office.

## **SUMMARY OF STATEMENTS MADE AT PUBLIC HEARING**

### **Members of the Public Appearing Before the Authority:**

Mr. Michael Sahady and G. Donald Markle, Esquire, on behalf of Avid Medical, Inc.

### **Summary of Statements Made by Members of the Public:**

Mr. Sahady spoke briefly about the acquisition, construction and equipping of an approximately 40,000 square foot facility, which will be used in the manufacturing process of assembling and packing procedure-ready kits and subassemblies primarily for sale to health care providers and which is to be located in the Stonehouse Commerce Park. Mr. Sahady answered questions from the Authority regarding the facility.

No members of the public not representing Avid Medical, Inc. were present at the public hearing or submitted written comments to the Authority in advance thereof.

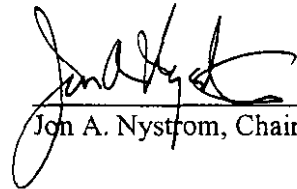
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## RESOLUTION

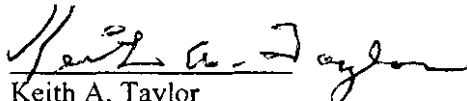
### PERFORMANCE SALES AGREEMENT WITH AVID MEDICAL, INC.

- WHEREAS, Michael and Barbara Sahady and AVID Medical, Inc. (collectively "AVID") are interested in locating a medical products manufacturing and packaging facility (the "Facility") in the Stonehouse Commerce Park in James City County, Virginia; and
- WHEREAS, AVID anticipates investing approximately \$2.06 million for real estate acquisition, improvements and business personal property in locating the Facility in James City County; and
- WHEREAS, AVID anticipates that it will employ approximately 40 people at the Facility; and
- WHEREAS, the Industrial Development Authority of the County of James City, Virginia ("IDA") is willing to acquire 3.1± acres of land in the Stonehouse Commerce Park and sell that land to AVID, to encourage AVID's location of the Facility in James City County.

NOW, THEREFORE, BE IT RESOLVED that the IDA hereby authorizes and directs its Chairman, Jon A. Nystrom, to execute a Performance Sales Agreement with AVID to sell 3.1± acres of land in the Stonehouse Commerce Park for \$170,500 to be discounted by \$38,750 over approximately four years based on AVID's investment in James City County as is more fully described in the Performance Sales Agreement.

  
Jon A. Nystrom, Chairman

ATTEST:

  
Keith A. Taylor  
Secretary to the IDA

Adopted by the Industrial Development Authority of the County of James City, Virginia, this 19th day of December, 1997.



**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF JAMES CITY, VIRGINIA  
AUTHORIZING THE ISSUANCE OF UP TO \$2,250,000  
IN AGGREGATE PRINCIPAL AMOUNT OF INDUSTRIAL DEVELOPMENT  
REVENUE BONDS FOR THE PURPOSE OF FINANCING A  
MANUFACTURING FACILITY**

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 has received a request from Avid Medical, Inc. (the "Applicant"), a Delaware corporation, having its principal place of business currently at 3204 Ironbound Road, Suite D, Williamsburg, Virginia 23188, requesting that the Authority issue its revenue bonds to assist the Applicant in financing (1) the acquisition, construction and equipping of an approximately 40,000 square foot facility which 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 the left side of LaGrange Parkway approximately 900 feet from the intersection of LaGrange Parkway and State Route 30 in the Stonehouse Commerce Park, which is located on the east side of State Route 30 approximately one mile south of the intersection of Interstate 64 and State Route 30 in James City County, 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 by the Applicant's representatives and in the application filed with the Authority, has described the benefits of the Project to the inhabitants of the County and the Commonwealth;

WHEREAS, the Project has been described to the Authority, and a public hearing has been held as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and by the Act; and

WHEREAS, the Applicant has represented that the estimated cost of the Project and all expenses of the issue payable from bond proceeds will require an issue of industrial

development revenue bonds in an aggregate principal amount not to exceed \$2,250,000 (the "Bonds");

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

1. It is hereby found and determined that the acquisition, construction and equipping of the Project will be in the public interest, will bring additional revenues and employment into the County and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth, the County and their citizens. The Project is an "authority facility" within the meaning of the Act.

2. To induce the Applicant to complete the Project in the County, the Authority hereby agrees to assist the Applicant in financing the costs of the Project by undertaking the issuance of its Bonds in an amount not to exceed \$2,250,000 upon terms and conditions mutually agreeable to the Authority and the Applicant and loaning the proceeds of the Bonds to the Applicant pursuant to a loan agreement or similar agreement which will provide payments to the Authority in conformity with the Act sufficient to pay the principal of, premium, if any, and interest on, the Bonds and to pay all other expenses in connection with the Project.

3. The Bonds shall be issued in form acceptable to, and pursuant to terms to be set by, the Authority, and the payment of the Bonds shall be secured by an assignment, for the benefit of the holders thereof, of the Authority's rights to payments under the loan agreement or similar agreement with respect to the Project and may be additionally secured by any other collateral, agreement or assignment. The Bonds may be issued in one or more series at one time or from time to time. The final terms of, security for, and other provisions of, the Bonds shall be determined by the adoption of a final bond resolution by the Authority.

4. It having been represented to the Authority that it is necessary to proceed immediately with the planning and acquisition, construction and equipping of the Project, the Authority hereby agrees that the Applicant may proceed with its plans for the Project, enter into contracts for construction, materials and equipment for the Project and take such other steps as it may deem appropriate in connection therewith; provided, however, that nothing herein shall be deemed to authorize the Applicant to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project. The Authority agrees that the Applicant may be reimbursed from the proceeds of the Bonds for all costs so incurred by the Applicant, insofar as such costs are properly reimbursable under the Act and other applicable state and federal laws.

5. At the request of the Applicant, the Authority hereby appoints Mays & Valentine, L.L.P., Richmond, Virginia, as Bond Counsel to supervise the proceedings and approve the issuance of the Bonds.

6. In adopting this Resolution, the Authority intends to take "official action" toward the issuance of the Bonds and to evidence its "official intent" to the extent necessary to

allow for the use of the proceeds of the Bonds to reimburse the Applicant for “original expenditures” associated with the development or financing of the Project, to the full extent permitted by Treasury Regulation Section 1.150-2. The Applicant reasonably expects that it will reimburse the “original expenditures” with the proceeds of the Bonds.

7. All costs and expenses in connection with the financing and the acquisition, construction and equipping of the Project, including but not limited to the fees and expenses of the Authority, Authority counsel and Bond Counsel, shall be paid from the proceeds of the Bonds or funds provided by the Applicant. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Applicant and that the Authority shall have no responsibility therefor.

8. The Applicant hereby agrees to indemnify and save harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the Project, the application submitted by the Applicant or the issuance of the Bonds.

9. Neither the Authority, including its officers, directors, employees and agents, nor the County shall be liable and hereby disclaim all liability to the Applicant and all other persons or entities for any damages, direct or consequential, resulting from the failure of the Authority to issue the Bonds for any reason.

10. The Applicant agrees to pay the Authority the fees set forth in the Authority’s application.

11. The Authority hereby (a) recommends that the Board of Supervisors of James City County, Virginia (the “Board”) 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 this Resolution, the Applicant’s Fiscal Impact Statement and a reasonably detailed summary of the statements made at the public hearing held by the Authority on December 19, 1997.

12. The Authority agrees to file a request to the Virginia Small Business Financing Authority for an allocation of up to \$2,250,000 with respect to the Bonds, which allocation is a condition precedent to the issuance of the Bonds as tax-exempt obligations pursuant to federal law. The Applicant in requesting the approval of this Resolution understands that it may not receive allocation of private activity bond volume cap from the State Ceiling or otherwise and understands that the adoption of this Resolution neither carries nor implies any assurance of or commitment for an allocation, nor any obligation with respect thereto. By accepting any proceeding under authority of this Resolution, the Applicant agrees (i) to indemnify and hold the Authority harmless for any damages, direct or consequential, suffered by it as a result of any action or inaction of the Virginia Small Business Financing Authority with respect to such allocations or otherwise, (ii) to provide for such indemnification in all documents to which the Applicant and the Authority are parties, (iii) to provide in such documents that they

will forbear to bring any action for such damages as aforesaid, and (iv) to assume the risk that the entire volume of tax exempt notes or bonds authorized to be issued in the Commonwealth in any period may be allocated to others.

13. 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 approved and confirmed.

14. Unless this Resolution is extended by the Authority, the Bonds authorized hereunder shall be issued within one (1) year from the date hereof.

15. This Resolution shall take effect immediately upon its adoption.

ADOPTED: December 19, 1997

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 December 19, 1997, 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 19th day of December,  
1997.

By *Kurt L. A. Taylor*  
Secretary  
INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE COUNTY OF JAMES CITY, VIRGINIA

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