



Grayson County Industrial Development Authority

P. O. Box 217; Independence, VA 24348

January 14, 2015

MEETING MINUTES

Members Present

Larry D. Osborne
Robert E. Williams
Gregory M. Webb
Joseph M. Killon

Staff Present

Jonathan D. Sweet
Mitch Smith
Leesa Gayheart

Members Absent

Ricky Anderson
Richard Patton
William F. Halsey

OPEN MEETING

Vice Chair Larry D. Osborne called the meeting to order.

ROLL CALL

Secretary Jonathan D. Sweet called roll and determined a quorum was present. Ricky Anderson, William F. Halsey and Richard Patton were unable to attend.

APPROVAL OF MINUTES

Robert E. Williams made the motion to approve the minutes from October 29, 2014; duly seconded by Joseph M. Killon. Motion carried 4-0.

FINANCIAL REPORT

Secretary Jonathan D. Sweet and Leesa Gayheart, Director of Finance, presented the financial report.

GRAYSON COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
FINANCIAL REPORT
as of January 14, 2015

BEGINNING BALANCE AS OF 10/29/2014		<u>\$317,047.73</u>
PAYMENTS RECEIVED		
TOTAL RECEIPTS-PAYMENTS		<u>\$0.00</u>
RECEIPTS		
Core Fitness	<u>\$40,111.31</u>	
TOTAL GRANT RECEIPTS		<u>\$40,111.31</u>
INTEREST RECEIPTS		
INVESTMENT INTEREST-IDA FUNDS (as of 12/11/14)	\$53.14 \$25.22	
TOTAL INTEREST RECEIPTS		<u>\$78.36</u>
GRAND TOTAL RECEIPTS		<u>\$40,189.67</u>
DISTRIBUTIONS (PENDING):		
Burris Refrigeration	\$2,402.55	
E&R Oil Company, Inc	\$827.79	
Grayson Florist & Gifts	\$246.45	
Grayson Express	\$566.75	
Hines Lawn & Custodial Service	\$1,410.00	
Independence Tire	\$2,823.74	
J&J Lightening Lube	\$16.00	
Linberry's Garage	\$300.00	
New River Machine	\$23,420.93	
Star Machine Shop, Inc	\$8,097.10	
TOTAL DISTRIBUTIONS	<u>\$40,111.31</u>	
GRAND TOTAL DISTRIBUTIONS (PENDING)		\$40,111.31
ENDING BALANCE IDA ACCOUNT		<u><u>\$317,126.09</u></u>

NOTES OUTSTANDING

PAYER	BEGINNING BALANCE	PAYMENTS MADE ^A	REMAINING BALANCE	SCHEDULED PAYMENT	PAYMENT FREQUENCY	PAID THROUGH	PAST DUE AMOUNT
*GRAYSON MILL WORKS	\$ 150,000.00	\$ -	\$ 110,982.53	LOAN - RLF		DEC 2011	\$ 38,260.77
MED-FIT	\$ 250,000.00	\$ -	-	PERFORMANCE AGREEMENT - TROF - COMPLETED			
CAROLINA PROFILE	\$ 250,000.00	\$ -	-	PERFORMANCE AGREEMENT - GOF & TROF - COMPLETED			
*GRAYSON INN & SUITES	\$ 200,000.00	\$ -	\$ 64,246.28	LOAN - RLF			
*MED-FIT Equipment (now COR)	\$ 225,613.00	\$ -	\$ 210,930.98	PERFORMANCE AGREEMENT - LOAN - RLF			
HANSEN TURBINE	\$ 155,000.00	\$ -	\$ 155,000.00	PERFORMANCE AGREEMENT - TROF & GOF			
INDEPENDENE LUMBER	\$ 250,000.00	\$ -	\$ 250,000.00	PERFORMANCE AGREEMENT - TROF & AFID			
CORE H&F	\$ 1,045,000.00	\$ -	\$ 1,045,000.00	PERFORMANCE AGREEMENT - TROF & GOF			

1,395,000

* MODIFIED PAYMENT PLAN
^ SINCE LAST STATEMENT

Joseph M. Killon made the motion to approve review of the financial report and loan accounts; duly seconded by Gregory M. Webb. Motion carried 4-0.

OLD BUSINESS

- **Transfer of ownership of 34.275 acres identified as the Grayson County Industrial Park Property; Tax Map #73-A-113A from the Grayson County Board of Supervisors to the Grayson County Economic Development Authority for the purpose of facilitating economic development.**

Secretary Jonathan D. Sweet noted that the appraisal has been completed – 33.666 acres at \$250,000. Robert E. Williams made the motion to accept; duly seconded by Gregory M. Webb. Motion carried 4-0.

NEW BUSINESS

- **Partial Reduction in Obligation Agreement – Core Health & Fitness, LLC.**

Secretary Jonathan D. Sweet explained the partial reduction in obligation agreement explaining that the IDA (Industrial Development Authority) needs to ratify the agreement. Joseph M. Killon made the motion to approve; duly seconded by Robert E. Williams. Motion carried 3-0 with Gregory M. Webb abstaining.

PARTIAL REDUCTION IN OBLIGATIONS AGREEMENT

This Agreement is dated as of the 31st day of December, 2014 by and between the Economic Development Authority of Grayson County, Virginia (formerly known as the "Industrial Development Authority of Grayson County, Virginia and hereinafter referred to as the "**Authority**") and Core Health & Fitness, LLC ("**Core Health**");

Core Health had previously assumed certain obligations of Med-Fit Systems, Inc. ("**Med-Fit**"), including that certain promissory note of Med-Fit, dated as of May 1, 2013 in the original principal amount of \$225,613 (the "**Assumed Obligation**").

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Core Health had agreed to pay amounts owed to certain local vendors ("**Local Vendors Payment**") by payment of such amounts to the Authority for repayment to such local vendors in the amount of \$40,111.31.

For valuable consideration deemed paid by the parties, the parties hereby agree that the Assumed Obligation is reduced by the amount of the Local Vendors Payment (\$40,111.31).

This Agreement is effective as of this 31st day of December, 2014.

ECONOMIC DEVELOPMENT AUTHORITY OF GRAYSON COUNTY, VIRGINIA

By: 
Secretary

CORE HEALTH & FITNESS, LLC.

By: 
Manager *UP-LEGAL*

EXECUTIVE SESSION

Gregory M. Webb made the motion to go into executive session pursuant to Sec. 2.2-3711(A)(5) of the Code of Virginia, relating to a discussion of an undisclosed prospective business or industry or the expansion of an existing business or industry; duly seconded by Joseph M. Killon. Motion carried 4-0. Joseph M. Killon made the motion to come out of executive session; duly seconded by Robert E. Williams. Motion carried 4-0.

Whereas, the Grayson County Economic Development Authority (EDA) has convened a closed session on this 14th day of January 2015, pursuant to an affirmative recorded vote and in accordance with provision of the Virginia Freedom of Information Act; and

Now, Therefore Be It Resolved, that the Grayson County Economic Development Authority (EDA) 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 session to which this certification resolution applies, and (II) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Economic Development Authority with recorded confirmation from members as follows: Larry D. Osborne – I so certify; Robert E. Williams – I so certify; Joseph M. Killon – I so certify; Gregory M. Webb – I so certify.

INFORMATION AND UPDATES

▪ IDA TO EDA (ECONOMIC DEVELOPMENT AUTHORITY) – NAME CHANGE

Secretary Jonathan D. Sweet explained that we are now EDA (Economic Development Authority) verses IDA (Industrial Development Authority).

Vice Chair Larry D. Osborne thanked the staff.

ADJOURN

Joseph M. Killon made the motion to adjourn; duly seconded by Gregory M. Webb. Motion carried 4-0.