

MINUTES OF MEETING HELD JANUARY 21, 2016

THE MEMBERS OF THE BOARD OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A meeting of the Members of the Board of Directors of the Warren County Local Development Corporation (LDC) was held on January 21, 2016 at 11:45 a.m. in the Committee Room at the Warren County Municipal Center, pursuant to the Notice of Meeting emailed January 19, 2016.

The meeting was called to order by Peter McDevitt, Secretary of the Warren County Local Development Corporation, at 11:48 a.m.

The following Directors were present:

Peter McDevitt Eugene Merlino
Matthew Simpson

The following Directors were absent:

Evelyn Wood
Dennis Dickinson

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Jennifer Switzer, CFO, Warren County Local Development Corporation
Kevin B. Geraghty, Chairman, Warren County Board of Supervisors
Matt MacDonald, Warren County Supervisor
Amy Bartlett, Acting Warren County Attorney
Kristy Miller, Confidential Secretary to the County Administrator
Brian Reichenbach

Secretary McDevitt called the meeting to order. He asked for a motion to approve the minutes of the December 9, 2015 meeting. Motion made by Director Simpson and seconded by Director Merlino. Motion carried unanimously.

Secretary McDevitt continued with the agenda regarding the review and approval of the December 2015 Financial Statements. Ms. Switzer begins with the balance sheet and indicates a good cash position with approximately \$600,000 in net cash to loan. She explains that the Profit and Loss Budget vs. Actual for the month of December shows nothing out of the ordinary and that the income is contributed to the contract between the EDC (Economic Development Corporation) and Warren County and the contract between Warren County and the LDC. She continues to explain that the interest collected is above budget due to the number of loans that closed at the end of 2015 and the number of loans that have closed thus far in 2016. She then proceeds with the Profit & Loss Budget vs. Actual for January through December 2015 and advises that these financials have not been audited as the audit will not be conducted until the end of February and anticipates no further adjustments. She reiterates that the unaudited financials are what would be approved at this time and that the audited financials will be

available for review and approval once the audit is completed. She states that the January through December 2015 financials show nothing out of the ordinary and that the increase in loan interest is approximately \$13,000 over what was originally budgeted.

Secretary McDevitt asked for a motion to approve the December 2015 Financial Statements. Motion was made by Director Simpson, and seconded by Director Merlino. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the December 2015 Financial Statements.

Secretary McDevitt continued with the agenda regarding review and approval of Tax Services for the year ending December 31, 2015. Ms. Switzer directs attention to the Engagement Letter received by CBH Business Services, Inc. and advises that the amount of engagement is not to exceed \$500.00, which has been the standard fee for the last three to four years with services being commenced around the end of February.

Secretary McDevitt asked for a motion to approve the Tax Services for the year ending December 31, 2015. Motion made by Director Merlino, and seconded by Director Simpson. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the 2015 tax services engagement letter with CBH Business Services, Inc., in an amount not to exceed Five Hundred Dollars (\$500).

Secretary McDevitt continued with the agenda regarding the Subordination Agreement and Mr. Bartholomew requests that an Executive Session be convened to discuss the credit history and credit performance of a particular unnamed loan applicant.

Secretary McDevitt asked for a motion to declare an Executive Session. Motion made by Director Simpson, and seconded by Director Merlino. The motion carries unanimously.

Executive session was declared from 11:52 a.m. to 11:58 a.m.

Committee reconvened and Secretary McDevitt stated no action was taken in Executive Session and that a motion to approve the Subordination Agreement would be necessary. Mr. Bartholomew explains that the LDC would be agreeing to subordinate its current mortgage with Sutton Market Place, Inc. in the amount of \$175,000 for property located at 11 Sutton Terrace, Queensbury, New York including all business assets and equipment to a mortgage with NBT Bank. He advises that the first lien position is currently held by Glens Falls National Bank & Trust Company which will be assigning said mortgage to NBT Bank with a \$200,000 line of credit being issued by NBT Bank. He apprises that the LCD will continue to have a second lien position on the property as well as the UCC (Uniform Commercial Code) with personal guarantees from Donna Sutton, Jane Sutton and Jered Holycross.

Secretary McDevitt asked for a motion to approve the Subordination Agreement. Motion was made by Director Merlino, and seconded by Director Simpson. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby acknowledges a subordinate second lien position and further authorizes the Secretary to execute a subordination agreement with NBT Bank for refinancing the commercial property of Sutton’s Marketplace, Inc. located at 11 Sutton Terrace, Queensbury, NY and all business assets and equipment with personal guarantees remaining with Donna Sutton, Jane Sutton and Jered Holycross.

Secretary McDevitt continued with the agenda regarding the approval of the agreements with Warren County and the EDC (Economic Development Corporation) for 2016. Ms. Switzer advises that a Resolution was passed by the Board of Supervisors for entering into an agreement between Warren County and the LDC. She explains that a motion to approve the agreement between Warren County and the LDC in the amount of \$50,000 would be necessary as well as a motion to approve the agreement between the LDC and EDC (Economic Development Corporation).

Secretary McDevitt asked for a motion to approve the Economic Development and Grant Administration Agreement between Warren County and the LDC. Motion made by Director Simpson, and seconded by Director Merlino. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby authorizes the Economic Development and Grant Administration Agreement with Warren County for a term commencing January 1, 2016 and terminating December 31, 2016, in an amount of Fifty Thousand Dollars (\$50,000) payable from Warren County to the LDC upon the same terms and conditions as the previous agreement and be it further

RESOLVED, that the Secretary of the Warren County Local Development Corporation be, and hereby is, authorized to execute the Economic Development and Grant Administration Agreement in a form approved by the County Attorney.

Secretary McDevitt asked for a motion to approve the Service Agency Agreement between the LDC and the EDC (Economic Development Corporation). Motion made by Director Merlino, and seconded by Director Simpson. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby authorizes the Services Agency Agreement with Warren County Economic Development Corporation with the same terms and conditions as contained in the Services Agency Agreement from calendar year 2015, for a term commencing January 1, 2016 and terminating December 31, 2016, in an amount not to exceed Fifty Thousand Dollars (\$50,000), and be it further

RESOLVED, that the Secretary of the Warren County Local Development Corporation be, and hereby is, authorized to execute the services agreement in accordance with the terms resolved herein above, in a form approved by the Warren County Attorney.

Mr. Bartholomew states that the terms of the above agreements for 2016 are the same terms as the agreements from 2015.

Ms. Switzer advises that she currently does not have a signatory, as the previous Chairman, Harold Taylor, was the signatory on the LDC accounts. Therefore, she would request a motion be made approving two signatories.

Director Merlino asks for a motion to approve Director McDevitt as the first signatory and Director Simpson as the second signatory. Motion made by Director Merlino, and seconded by Director Simpson. The following motion carries unanimously:

RESOLVED, that the following Directors are hereby approved as the signatories for the Warren County Local Development Corporation ("LDC"):

Peter McDevitt - first signatory
Matthew Simpson - second signatory

Amy Bartlett explains that at the annual meeting at the end of March the Directors who have left the Board will be replaced at that time, which would include the Chairman, the Vice Chairman and Treasurer.

Secretary McDevitt states that the quality of the portfolio that Ms. Switzer continues to bring forward is good and that it is important that the organizations are vetted and that the LDC is put in a reasonably secure position in the event something goes wrong. He reiterates that the effort and quality of the portfolio is certainly noted on his part to the benefit of Ms. Switzer.

As there was no further business to come before the LDC Board, motion was made by Director Simpson to adjourn the meeting, seconded by Director Merlino, and carried unanimously.

Secretary McDevitt adjourned the meeting at 12:06 p.m.

Dated: _____, 2016

Peter McDevitt, Secretary