

MINUTES OF MEETING HELD MAY 29, 2013

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 above-captioned Corporation was held on May 29, 2013, pursuant to the Notice of Meeting dated May 23, 2013, at 10:15 a.m., in the Committee Room.

The meeting was called to order by Harold G. Taylor, Chairman of the Warren County Local Development Corporation, at 10:15 a.m.

The following Directors were present:

Harold Taylor	William Mason
Peter McDevitt	Evelyn Wood
Eugene Merlino	

The following Director was absent:

Frederick H. Monroe
Dennis L. Dickinson

Others Present:

Jennifer Switzer, CFO, Warren County Local Development Corporation
Kevin Geraghty, Chairman, Warren County Board of Supervisors
Frank Thomas, Supervisor
David Strainer, Supervisor
Daniel Girard, Supervisor
Martin D. Auffredou, Warren County Attorney
Wanda Smith, Confidential Secretary to the County Administrator
Patricia Tatich, Planning & Community Development
Blake Jones, *The Post Star*

Chairman Taylor called the meeting to order. Chairman Taylor asked for a motion to approve the minutes of the March 28, 2013 meeting. Motion made by Director McDevitt and seconded by Director Merlino. Motion carried unanimously.

Chairman Taylor continued with the agenda regarding the designation of committee appointments, appointment of General Counsel and LDC depository. He asked for a motion to approve the following appointments: Directors Mason, Dickinson and Wood to the Governance Committee; Directors Monroe, McDevitt and Merlino to the Audit Committee; Martin Auffredou as the LDC's General Counsel; and Glens Falls National Bank as the LDC's depository. Motion made by Director Mason and seconded by Director Wood. The following motion carried unanimously:

RESOLVED, the following Directors are hereby appointed as members of the Governance Committee of the Board of Directors:

William Mason
Dennis L. Dickinson
Evelyn M. Wood

and be it further

RESOLVED, that the following Directors are hereby appointed as members of the Audit Committee of the Board of Directors:

Frederick H. Monroe
Peter V. McDevitt
Eugene J. Merlino

and be it further

RESOLVED, that Martin D. Auffredou, Warren County Attorney, be, and hereby is, designated as general counsel for the Warren County Local Development Corporation,

and be it further

RESOLVED, that Glens Falls National Bank is designated as the depository of the Warren County Local Development Corporation.

Chairman Taylor continued with the agenda regarding the financials. Ms. Switzer reviewed the financials with the Board. She stated that the professional services contract is under budget due to the fact that there still is no President at EDC. She further mentioned that there is quite a bit of money to loan. Motion made by Director Mason to approve the Financial Reports for March 1 - April 30, 2013, and seconded by Director Wood. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the Financial Reports from March 1-April 30, 2013.

Chairman Taylor continued with the agenda regarding the Loan Status Report. Ms. Switzer advised that they received notification from Authentic Nine that they would be closing the store in downtown Glens Falls and dissolving the LLC. She further stated that they requested that the current loan be split amongst the two parties in order to assist with the dissolution. She worked with Martin Auffredou regarding a proposal (copy attached), which was sent to Authentic Nine for consideration. Both parties have agreed to the proposal. She is looking for approval on the proposed recommendation, further stating that the collateral and loan terms would remain the same. The loan term was for five years with 3% interest and the collateral was a co-equal first with Adirondack Trust for all of the assets of the business and a third position on three pieces of real estate.

The Business Review Committee would like to see the loan stay intact and have the two parties work it out. They were worried about setting a precedent. Ms. Switzer believes that if the

LDC was comfortable going into this loan, then they should be comfortable continuing with the collateral. She further believes that the loans are specialized and individualized and they should be looked at individually and work with people to get the money back and not take steps to foreclose, etc. Discussion ensued.

Motion made by Director McDevitt to approve the proposal to split the Authentic Nine, LLC loan into two loans as follows: 1) John & Rick Davidson in the amount of \$14,284.99, and 2) Sean Magee & Derek Slayton in the amount of \$14,284.98, upon the same terms and collateral as the original loan, contingent upon receipt of acknowledgment by all parties, as well as the borrowers' acknowledgment to pay for all legal fees and recording costs, and seconded by Director Mason. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the proposal to split the Authentic Nine, LLC loan into two loans as follows:

- 1) John & Rick Davidson in the amount of \$14,284.99, and
- 2) Sean Magee & Derek Slayton in the amount of \$14,284.98,

upon the same terms and collateral as the original loan, contingent upon receipt of acknowledgment by all parties, as well as the borrowers' acknowledgment to pay for all legal fees and recording costs.

Chairman Taylor continued with the agenda regarding new members for the BRC. Ms. Switzer stated that they have been trying to recruit new members and she has the name of one individual, Laura LaDue, who is a non-banker with small business experience. She further stated that she believes it's important to have someone on the BRC who has small business background. Ms. LaDue also has accounting background, is working for CMJ and is in the process of seeking her CPA. Ms. LaDue is very well known in North Creek.

Ms. Switzer is looking for recommendation for Laura LaDue to be appointed to the Business Review Committee. Motion made by Director Merlino and seconded by Director Mason. The following motion carried unanimously:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves Chairman Taylor's appointment of Laura LaDue to the Business Review Committee.

Chairman Taylor asked if there was any other business. Ms. Switzer gave a quick review regarding marketing and plans for the future. She stated she has sent letters to all newly formed businesses in Warren County. Chairman Taylor recognized Ms. Switzer's hard work.

As there was no other business to discuss, Chairman Taylor asked for a resolution to go into Executive Session. Mr. Auffredou stated a motion was needed to go into Executive Session to discuss the status and history of a particular loan and to hear attorney advice regarding that matter. Motion made by Director Mason and seconded by Director Merlino. The motion carried unanimously.

Executive session was declared at 10:39 a.m. to 10:48 a.m.

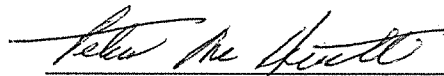
Committee reconvened and Chairman Taylor stated no action was taken in Executive Session.

Mr. Auffredou stated that the matter of Axis Technologies has been pending and he is pleased to report what he believes was a good outcome of this matter. This loan was in default and was also a matter being handled through the District Attorney's office. Through this process, the LDC was able to recover the sum of \$37,500 from Mr. Mikalnis. The original loan amount was \$51,750. At the time the payment was made, the outstanding loan balance of principle and interest was \$53,480.10. Mr. Mikalnis has tendered a confession of judgment in favor of the LDC for the balance of the indebtedness which is \$15,980.10.

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

Chairman Taylor adjourned the meeting at 10:51 a.m.

Dated: Sept. 30, 2013



Peter McDevitt, Secretary