

## MINUTES OF MEETING HELD OCTOBER 1, 2014

### 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 October 1, 2014 at 11:45 a.m. in the Committee Room, pursuant to the Notice of Meeting dated September 24, 2014.

The meeting was called to order by Harold G. Taylor, Chairman of the Warren County Local Development Corporation, at 11:37 a.m.

The following Directors were present:

Harold Taylor	Peter McDevitt
Eugene Merlino	Evelyn Wood
Frederick Monroe	Dennis Dickinson
Matthew Simpson	

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation  
Jennifer Switzer, CFO, Warren County Local Development Corporation  
Kevin Geraghty, Chairman, Board of Supervisors  
Rachel Seeber, Warren County Supervisor  
James Brock, Warren County Supervisor  
Martin D. Auffredou, Warren County Attorney  
Wanda Smith, Confidential Secretary to the County Administrator

Chairman Taylor called the meeting to order. He asked for a motion to approve the minutes of the September 5, 2014 meeting. Motion made by Director Wood and seconded by Director Merlino. Motion carried unanimously.

Chairman Taylor continued with the agenda regarding approval of proposed 2015 Budget. Ed Bartholomew thanked Martin Auffredou for all his work on LDC matters. As all Directors were present for the discussion of the proposed budget at the Audit and Finance Committee meeting, he asked if there were any additional comments or questions. Motion made by Director Merlino and seconded by Director McDevitt. The motion carried unanimously.

Chairman Taylor continued with the agenda regarding the financial statements. Jennifer Switzer stated that the cash account has decreased, which means that money is getting out to the community. She stated that the revenues and expenses were on target with the budget.

Chairman Taylor asked for a motion to approve the August 31, 2014 Financial Statements. Motion made by Director Wood and seconded by Director Monroe. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the August 31, 2014 Financial Statements.

Chairman Taylor requested an executive session. Martin Auffredou stated an executive session was needed to consider the credit history and credit performance concerning a current but unspecified borrower and the nature of a subordination request with action expected following the conclusion of the executive session. Motion made by Director Simpson and seconded by Director Monroe. The motion carried unanimously.

Executive session was declared at 11:42 a.m. to 11:53 a.m.

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

Chairman Taylor asked Mr. Auffredou to word the motion for the matter discussed in Executive Session. Mr. Auffredou stated the Board may want to consider the following resolution:

WHEREAS, the LDC has received a request from a current borrower, LaFontaine’s Ice Cream and Grille, dba Martha’s Dandee Creme, for subordination, where the LDC would take a third secured position on the property located at 113 State Route 9 to accommodate the financing of an expansion of the current business, and

WHEREAS, the terms are as follows:

- All current terms of the loan would remain;
- No additional funds would be borrowed from the LDC;
- The LDC would take a third position as subordinated to other loans;
- The LDC would obtain a personal guaranty on the original loan by Mr. and Mrs. LaFontaine;
- The LDC would take a second secured position on the new equipment to be purchased from the proceeds of the transaction;
- The LDC would obtain life insurance from the borrowers in the amount of the balance of the loan for the duration of the loan; and
- Contingent upon the review of the appraisal of the property by Mr. Auffredou in consultation with Mr. Bartholomew and Ms. Switzer to assure that there are no issues with the appraisal, and

WHEREAS, the Business Review Committee has recommended approval of this transaction to the LDC, now, therefore, be it

RESOLVED, that the Warren County Local Development Corporation hereby approves the subordination in the subject premises upon the terms and conditions set forth in the preambles of this resolution, and be it further

RESOLVED, that the Chairman of the Warren County Local Development Corporation is hereby authorized to execute a subordination agreement and such other documents that may be necessary to complete this transaction provided the same are reviewed to the satisfaction of the Warren County Attorney.

Motion made by Director Monroe to approve the above resolution, and seconded by Director Merlino. The motion carried unanimously.

Director McDevitt asked for an update on the Stonecast loan. Mr. Auffredou stated that within the last 4-6 weeks, he reached out to counsel for Stonecast, who stated they are still awaiting a decision on the trial that Stonecast had with Fordham University. The trial has concluded. Stonecast's bankruptcy plan is completely dependent upon a favorable outcome of this trial, and they are still optimistic about the outcome. Mr. Auffredou stated that he believes the LDC stands to benefit by taking a position of patience and awaiting the outcome of that trial, because the LDC could benefit financially as a result. Otherwise, the LDC still would have the mortgage foreclosure which has been secured and obtained against the property.

Chairman Taylor asked if there was any further business.

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

Chairman Taylor adjourned the meeting at 12:03 p.m.

Dated: 10/24, 2014

  
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Peter McDevitt, Secretary