

MINUTES OF MEETING HELD November 26, 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 November 26, 2014 at 12:00 p.m. in the Committee Room, pursuant to the Notice of Meeting emailed November 19, 2014.

The meeting was called to order by Harold G. Taylor, Chairman of the Warren County Local Development Corporation.

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
Frank E. Thomas, Warren County Budget Officer
Martin D. Auffredou, Warren County Attorney
Sarah McLenithan, Secretary to the Clerk of the Board

Chairman Taylor called the meeting to order. He asked for a motion to approve the minutes of the November 26, 2014 meeting. Motion made by Director Monroe and seconded by Director Wood. Motion carried unanimously.

Chairman Taylor continued with the agenda regarding the review and approval of the financials. Ms. Switzer stated there was approximately \$500,000 is available to lend. She said she was reviewing one loan right now that she hoped to bring back to the Committee in December. There was nothing out of the ordinary with expenses, as the finances are on target with the budget.

Chairman Taylor asked for a motion to approve the October 31, 2014 Financial Statements. Motion was made by Director McDevitt and seconded by Director Simpson. The motion was carried unanimously.

Chairman Taylor continued with the agenda regarding review and approval of 2014 Audit Engagement Letter. Ms. Switzer stated Toski and Company is the firm they have used for the past three years and their fee is \$4,900. She asked for a resolution to ratify the approval of the engagement letter with Toski and Company for the year end 2014. Motion was made by Director

Simpson and seconded by Director Monroe. The motion carried unanimously.

Chairman Taylor continued with the agenda regarding the changes to the Subordination Agreement for 1133 Route 9 LLC. Chairman Taylor asked Mr. Auffredou to discuss this matter. Mr. Auffredou stated at the October 1, 2014 Board meeting of the Local Development Corporation they approved the granting of a Subordination Agreement wherein the Local Development Corporation took a third secure position on property located at 1133 State Route 9. Mr. Auffredou advised that subsequent to the October 1, 2014 LDC Board meeting we learned that there were two conditions that needed to be modified, the first of which was the condition that we would take a third position behind NBT Bank. He said we came to learn it was a fourth position behind NBT Bank, as we learned NBT Bank has three separate loans, the LDC is not any further behind financially but the record needs to reflect we are in fourth place behind three NBT bank loans. He apprised another condition that requires modification is that we had originally sought Life Insurance from both borrowers meaning Mr. And Mrs. LaFontaine. He said we came to find out that was not something that had been agreed to with NBT and the LaFontaine's. He mentioned we were asked to waive this condition, as well. He noted we did have Life Insurance for Mr. LaFontaine and an assignment of this insurance. He pointed out all other conditions had been met. He stated these conditions needed to be waived before we could meet today so that the loan could move forward. Mr. Auffredou requested a motion Amending the October 1, 2014 motion for this Subordination Agreement as he outlined.

Ms. Switzer apprised included in the packet was the email she sent out requesting this action to be ratified, as well as an outline of the various loans that are still outstanding including the Local Development Corporations, along with the total loan balance and the appraised value of the property that we are holding for collateral. She added even though we are moving to the fourth position the dollar amounts of the loans had not changed.

Director McDevitt asked whether we were aware of the amount of the Life Insurance and Mr. Auffredou replied affirmatively. He said the policy was for \$1,000,0000. Mr. McDevitt questioned if the three NBT Bank loans were for different needs. Ms. Switzer advised the first loan was for the Business Loan and equipment when they repurchased the property. She continued, the second loan was to purchase new equipment for the ice cream sandwiches and the third loan was for the reconstruction and expansion that was going on. She stated it was discovered upon closing that there were actually three other loans outstanding by NBT Bank and not just two.

Mr. Dickinson queried whether we were loaning the total loan balance to them and Mr. Auffredou replied in the negative. He explained we were not loaning any additional money here. He said we have an outstanding loan as of the date of the Subordination Agreement of \$44,680.90. He stated NBT Bank was requesting we go into a lower secured position behind them, which was not an uncustomary thing for us to do. Mr. Taylor added there was a good history of payment with the LaFontaine's. Motion was made by Director Dickinson and seconded by Director Monroe. The following motion carried unanimously:

WHEREAS the LDC by resolution of October 1, 2014 authorized the Chairman to execute a Subordination Agreement relative to a current borrower named 1133 Route 9 LLC,

WHEREAS that motion was approved by the LDC and included seven conditions and,

WHEREAS subsequent to the adoption of that motion LDC became aware that LDC would need to take a fourth position behind NBT Bank as compared to a third position which was originally understood and that LDC would not be obtaining Life Insurance from Mrs. LaFontaine otherwise known as Elizabeth LaFontaine and,

WHEREAS the Chairman of the LDC Board conferred with Counsel and Staff for the LDC and thereafter an email was sent out by LDC Staff to the LDC Board members that the necessary Subordination Agreement would be signed and this action would be ratified at the next scheduled meeting which is today, now, therefore be it,

RESOLVED that the October 1, 2014 Resolution is modified to indicate that the LDC will take a fourth position as subordinated to three other loans with NBT Bank and the requirement that LDC would obtain Life Insurance from both borrowers be modified to reflect that Life Insurance will only be obtained on Mr. LaFontaine but will not be obtained by Mrs. LaFontaine known as Elizabeth LaFontaine, and be it further,

RESOLVED that the LDC hereby ratifies the actions of the Chairman in executing the Subordination Agreement.

Chairman Taylor continued with the agenda regarding the review of the Loan Portfolio. Mr. Bartholomew advised there were three items that required review, the first of which related to Stonecast litigation, as well as reviewing the financial credit history of two current borrowers of the LDC. Mr. Auffredou asked for an executive session to discuss the financial credit history of two current borrowers of the LDC. Motion made by Director Monroe and seconded by Director Dickinson. The motion was carried unanimously.

Executive session was declared at 12:11 p.m. to 12:34 p.m.

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

Mr. Auffredou advised it was his understanding with respect to the loan for Great Camps ADK dba Friends Lake Inn that the Local Development Corporation Board would like to entertain a motion to remove the requirement of disability insurance on Mrs. Braymeyer upon a request that has been made. Motion was made by Director Monroe and seconded by Director McDevitt. The following motion was carried with Director Dickinson abstaining:

RESOLVED that the loan conditions for Great Camps ADK dba Friends Lake Inn be modified to remove the requirement of disability insurance for Mrs. Braymeyer.

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

Chairman Taylor adjourned the meeting at 12:36 p.m

Dated: _____, 2014

Peter McDevitt, Secretary