

FRANKLIN COUNTY CIVIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS SPECIAL MEETING

Thursday February 24, 2011

Malone, New York

Chairman Joseph Perry called the meeting to order at 9:05 a.m. The following people were present:

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| Joseph Perry, Chairman | Richard Walczak, Vice-Chairman | Susan Schrader, Secretary |
| Donald Dabiew, Director | Donald Merrick, Assistant Secretary | Neil Seymour, Tourism Director |
| Timothy Holmes, Director | John Tubbs, CEO | |
| Michael Pikiel, Esq. | Patrick Selinger, Esq. | Paul Cantwell, Esq. |

Director Gillis gave Chairman Perry his Proxy for this meeting.

The only business to come before the board was to act upon the Paul Smith's College bond issue, and to designate the bonds as "qualified tax-exempt obligations" under Section 265 of the Internal Revenue Code of 1986.

Michael Pikiel and Patrick Selinger were present from Fulbright & Jaworski. Mr. Pikiel, having acted as bond counsel in the matter of the Paul Smith's College bond issue, presented the project to the board and answered questions. There is a \$10 M cap per calendar year for a small issuer to issue these bonds, and the CDC is an "on behalf of" issuer for Franklin County since Franklin County is the sole member of the corporation. Both the CDC board and the Franklin County Legislature must approve the issuance of these bonds, and both Franklin County and the CDC must agree to not issue any more bonds in 2011.

The significance of the designation for these bonds is that they are preferred by the bondholder (NBT Bank) and carry a lower interest rate to the borrower (Paul Smith's College).

The CDC does not have other applications at this time, and Franklin County has agreed to also hold a special session of the Legislature on February 24 to approve the bonds. Franklin County can meet financial needs in 2011 with short term borrowing, and the CDC can next issue bonds in January of 2012.

After this discussion, Director Walczak motioned to approve the bonds, seconded by Director Holmes. The board then voted in favor.

The meeting was adjourned by Chairman Perry at 9:21 a.m. on a motion by Director Walczak and seconded by Director Dabiew.