

LDC BOARD OF DIRECTORS MEETING

Wednesday, January 13, 2010

Malone, New York

Chairman Marc T. Lashomb called the meeting to order at 5:35 p.m. Present were:

Chairman Marc T. Lashomb
Director Stephen Dutton
Director Robert Gillis
Director William Cross
Director Susan Schrader
Director Joseph Perry
Director Richard Walczak
Paul Cantwell, Esq.
Tourism Director Neil Seymour
Acting Executive Director John Tubbs

The meeting opened with Director Schrader reading the Nominating Committees recommendation for the 2010 Officer Slate and Committee Appointments as follows:

Chairman: Marc T. Lashomb
Vice Chairman: Stephen Dutton
Secretary: Susan Schrader
Treasurer: William Cross

The Board unanimously voted in favor of the appointments. Chairman Lashomb asked the Secretary to cast one ballot.

Next, Chairman Lashomb proceeded to name Director Gillis as Chairman of the Audit Committee with Director Cross and Director Walczak serving as members. He then asked for a motion to approve the appointments. Director Dutton motioned. Director Perry seconded. The motion carried.

Chairman Lashomb then appointed Director Perry to serve as Chairman of the Governance Committee. Additionally, he appointed Director Gillis as a member and asked that the Board allow Pat Maguire to continue serving as a member. Director Dutton motioned to approve the nominations. Director Cross seconded. The motion carried.

Chairman Lashomb then moved to the reading and approval of the minutes from November 19, 2009. Director Dutton motioned to approve the minutes. Director Gillis seconded. The motion carried.

There were no bills and communications. There were also no committee reports.

John presented the Treasurer's report, noting the Citizen's CD had matured and was transferred to the Community Bank regular checking account which offered a better interest rate. There were no further questions. Chairman Lashomb asked for a motion to accept the report. Director Gillis motioned. Director Cross seconded. The motion carried.

Under Old and Unfinished Business, John asked Agency Counsel Paul Cantwell to provide an update on National Safety Wear. Paul informed the Board that the recommendation to the judge by the case referee was for the land offered by the Dornan's as a guarantee be sold whole (and not by individual parcels) as there was only one tax-lot number associated with it. Paul said the next step is for the LDC to justify to the judge why the lot should be parceled out which would require the LDC to obtain assessments of each parcel. In order to proceed, Paul said he needed the Board to authorize him to hire a company to perform the assessment. Director Perry questioned whether there was any benefit in paying for an assessment. Paul's response was yes – if they were able to convince the judge that the lot should be parceled out, but that ultimately the only way to know was to obtain the assessments and present their request to the judge. Director Perry motioned to authorize Paul to spend up to \$5,000 to have the lots appraised. Director Dutton seconded. The motion carried.

Discussion of Old and Unfinished Business concluded with an update on the WiseBuys/Hackett's account from Agency Counsel Paul Cantwell. He said Hackett's filed for Chapter 11 Bankruptcy and that as part of the restructuring process the Tupper Lake store was closed. Paul said Hackett's no longer had the tie to Franklin County that, in the past, prevented the LDC from taking action to recoup their losses and recommended they now proceed with attempting to collect on the personal guarantees. Paul noted there is already one suit against Hackett's (in the amount of \$75,000 plus late fees and attorney's fees) and suggested the LDC move quickly. After brief discussion, Director Perry motioned to approve Paul's recommendation to hire a collection firm (Menter, Rudin & Trivelpiece) to handle the process with a provision that the Board review the proceedings on a monthly basis. Director Dutton seconded. The motion carried.

Moving on to New Business, John presented a resolution authorizing the Board to sign new signature cards for Community Bank accounts. Director Gillis motioned to approve the resolution. Director Perry seconded. The motion carried.

John then presented a request to extend an additional six months of interest only payments to AseptPak (following in line with the other lenders). Director Perry motioned to approve the request. Director Dutton seconded. The motion carried.

With no additional business to discuss, Chairman Lashomb declared the meeting adjourned at 6:02 p.m.