

MINUTES OF MEETING HELD DECEMBER 19, 2011

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 Warren County Local Development Corporation (LDC) was held on December 19, 2011 at 10:00 a.m.

The meeting was called to order by Director Taylor at 10:16 a.m.

The following Directors were present:

Harold G. Taylor
Peter V. McDevitt
Frederick H. Monroe

Fred Champagne
Eugene J. Merlino

The following Director was absent:

Franklyn J. McCoy, Jr.

Others Present:

Justin Miller, Esq., Harris Beach PLLC
Victoria Pratt-Gerbino, EDC President
Jennifer Switzer, LDC Treasurer
David Moynehan, LDC Board President
Daniel G. Stec, Chairman of the Board of Supervisors
Paul Dusek, County Administrator
Patricia Nenninger, Assistant Warren County Attorney
Patricia Tatich, Planning & Community Development
Wanda Smith, Confidential Secretary to the County Administrator
Blake Jones, *The Post Star*
Joanne Collins, Legislative Office Specialist

Director Taylor called the meeting of the Local Development Corporation to order at 10:16 a.m.

Privilege of the floor was extended to Justin Miller, Esq., who distributed copies of the Amended By-Laws of the Warren County LDC, a copy of which is on file with the minutes. He summarized the amended By-Laws of the Warren County Local Development Corporation which included Articles I through X (Schedule "A").

Motion was made by Director Champagne, seconded by Director Monroe and carried unanimously (Directors Taylor, McDevitt and Merlino) to approve the amended By-Laws which included Articles I through X, as presented, authorizing the necessary resolution for the Annual Meeting of the LDC.

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby authorizes the Amended By-Laws of the LDC.

Mr. Miller advised that the proposed Organizational Resolution stated that the LDC assume an active role in the services previously carried out by the Planning Department, and he noted an annual contract was necessary to outline administrative management functions therein, which would be reported to the LDC Board. Mr. Miller further stated that review of the annual contract would take place following the introduction of the Local Law at the regular meeting of the Board of Supervisors in January. Mrs. Pratt-Gerbino explained that the proposal was for the execution of an agreement between the LDC and Keena Staffing to hire Chief Executive and Chief Financial Officers.

Mr. Miller commenced his review of the Organizational Resolution which included Exhibits A through L and he advised the resolution required the appointment of LDC Officers and EDC Committee appointments (Schedule "B"). Mr. Taylor added that any names assigned today would require final approval at the Annual LDC meeting to be held in March. Mr. Miller stated that pursuant to Section 2 of the Public Authorities Law (PAL) of the State, along with provisions of the Public Authorities Accountability Act of 2005 (PAAA), as amended by the Public Authority Reform Act of 2009 (PARA), the Corporation constitutes a "Local Authority" required to undertake certain PAAA and PARA compliance measures. Pertaining to Sections 1 through 4 of the Organizational Resolution, which included the LDC Directors previously outlined, also included the following appointments:

Directors to serve in the respective offices of the Board:

Harold Taylor - Chairman
Frederick Monroe - Vice-Chairman
Frederick Monroe - Treasurer
Peter McDevitt - Secretary

Appointments:

Vicki Pratt-Gerbino, Chief Executive Officer
Jennifer Switzer - Chief Financial Officer
Wanda Smith, Acting Secretary

Paul Dusek, County Administrator, authorized Wanda Smith, Confidential Secretary to the County Administrator, as Acting Secretary for the LDC.

Mr. Miller summarized Sections 5 through 18 of the Organizational Resolution which included Exhibits B through L as follows:

- Exhibit B: Professionals Retained & Approved Relationships;
 - Special Counsel: Harris Beach, PLLC
 - Revolving Loan Fund Portfolio Audits: Catherine Hudy Business Services
 - Auditing Services: Toski, Schaefer & Co., P.C.
 - Banking Institution: Glens Falls National Bank
- Exhibit C: Certification of No Conflict of Interest;
- Exhibit C-2: Acknowledgment of Fiduciary Duties & Responsibilities;
- Exhibit D: Certification of the CEO and CFO;
- Exhibit E: Compensation, Reimbursement & Attendance Policy;
- Exhibit F: Code of Ethics;
- Exhibit G: Blower Policy;

Exhibit H: Investment Policy;
Schedule of Eligible Securities;
Travel Policy;
Exhibit J: Disposition of Real Property Guidelines;
Exhibit K: Procurement Policy; and
Exhibit L: Defense & Indemnification Policy

Further, regarding Exhibit B, Mr. Miller stated the WCLDC would incur legal expenses of Harris Beach, PLLC for matters related to revised by-laws and organizational resolution work.

Concluding his review, Mr. Miller noted Section 19 stated: *This resolution shall take effect immediately.*

Motion was made by Director Champagne, seconded by Director Monroe and carried unanimously (Supervisors Taylor, McDevitt, and Merlino) to approve the Organizational Resolution as presented (Exhibits A - L).

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby authorizes the Organizational Resolution, hereto attached (Schedule "B").

Ms. Switzer summarized the 2012 Draft Budget, copies of which are on file with the minutes. She recommended that the 2012 Draft Budget presented today be established as the draft model moving forward and stated this document is titled as the 2012 "Sources & Uses of Funds" and is a working budget.

Ms. Switzer outlined the Monthly Financial Reports through November 2011 which included Balance Sheet - Previous Year Comparison; Profit & Loss Year to Date Comparisons; and Profit & Loss Budget vs. Actual for the period from January through November 2011, copies of which are on file with the minutes.

Motion was made by Director Champagne, seconded by Director Monroe and carried unanimously (Directors Taylor, McDevitt and Merlino) to approve Exhibits B through L and the 2012 Draft Budget as presented.

A discussion ensued with regard to foreclosure proceedings with Stone Cast, Inc., and Ms. Switzer recommended the matter be carried forward to the March 2012 meeting.

Motion was made by Director Merlino, seconded by Director Monroe and carried unanimously to approve the Monthly Financial Reports as presented.

Ms. Switzer requested approval to contract with Toski, Schaefer & Co., P.C. for audit services for the one year period ending December, 31, 2011, for a total amount of \$4,700.

Motion was made by Director Merlino, seconded by Director Champagne and carried unanimously to approve the agreement with Toski, Schaffer & Co., P.C. as outlined.

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby authorizes the agreement with Toski, Schaffer & Co., P.C., for audit services for the year ending December 31, 2011 in an amount of Four Thousand Seven Hundred Dollars (\$4,700), and be it further

RESOLVED, that the Chairman of the Warren County Local Development Corporation be, and hereby is, authorized to execute the agreement in accordance with the terms resolved herein above.

As there was no further business to come before the LDC, on motion by Director Monroe and seconded by Director McDevitt, Chairman Taylor adjourned the meeting at 11:08 a.m.

Dated: Feb. 17, 2012


Secretary

Schedule "A"

December 19, 2011

Warren County Local Development Corporation

By Laws

Amended December 19, 2011

**BY-LAWS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
AMENDED DECEMBER 19, 2011**

ARTICLE I
Name and Purpose

Section 1. **Name; Incorporation.** The name of this Corporation is the Warren County Local Development Corporation (herein, the "Corporation"), which was established pursuant to the filing of a Certificate of Incorporation on May 1, 1986 pursuant to Sections 402 and 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York.

Section 2. **Purpose.** The objects and purposes of this Corporation are the objects and purposes stated in its Certificate of Incorporation, and particularly to encourage the location and expansion of industrial and manufacturing capacity and the creation of new and improved job opportunities in the County of Warren, New York.

Section 3. **Offices.** The principal office of the Corporation shall be located in the County of Warren. The Corporation may also have offices at such other places within the State of New York as the Board of Directors may from time to time determine or the activities of the Corporation may require.

ARTICLE II
Member

Section 1. **Membership.** The sole member of the Corporation (the "Member") at all times shall consist of that person who is the Chairman of the Warren County Board of Supervisors. Any person elected as Chairman of the Board of Supervisors of Warren County shall thereby become the sole Member of the Corporation; such membership shall continue during the period that such Member is the duly qualified and acting Chairman of the Warren County Board of Supervisors, and shall terminate at the conclusion of his/her term as Chairman of the Warren County Board of Supervisors. The Member shall have and exercise all the rights and powers of corporate membership created by the laws of the State of New York, the Certificate of Incorporation and the By-laws of the Corporation.

Section 2. **Rights of Sole Member.** The Member of the Corporation shall not have any right or interest in or to the property or assets of the Corporation. All property and assets of the Corporation shall be subject to the direction, control of, and expenditure by the Board of Directors of the Corporation. In the event the Corporation shall be liquidated or dissolved or cease to actively carry out its purposes, the property and assets of the Corporation shall be distributed in accordance with the N-PCL, subject to the provisions of the Certificate of Incorporation of the Corporation, in accordance with the direction of a majority of the Directors of the Corporation, then qualified and acting as Directors at any meeting duly called for such purpose and without other affirmative action by the Member, to the County of Warren, New York.

ARTICLE III Meetings of Sole Member

Section 1. Annual Meeting. The annual meeting of the Member of the Corporation shall be deemed to have been held at the same time and place as the annual meeting of the Board of Directors as may be designated by the Board of Directors and specified in the notice of such meeting.

Section 2. Notice of Annual Meeting. Notice of the time, place and purposes of any annual meeting shall be served either personally or by mail upon the Member of the Corporation not less than ten nor more than thirty days before the meeting. If mailed, notice shall be addressed to the member at his/her address appearing on the records of the Corporation. Notice of annual meetings may be waived by the Member in writing, orally, or by attendance at the meeting.

Section 3. Special Meeting. Special meetings of the Member shall be held at such time and place as may be designated by the Board of Directors and specified in the notice of such meeting. Notice of the time, place and purposes of every special meeting of the Member shall be served either personally or by mail upon the Member of the Corporation not less than three nor more than thirty days before the meeting. If mailed, notice shall be addressed to the Member at his/her address appearing on the records of the Corporation. Notice of any and all special meetings may be waived by the sole member in writing, orally or by attendance at the meeting. All meetings of the Member, including Annual Meetings and Special meetings, shall be conducted in accordance with the Open Meeting Law ("OML"), as codified within the Public Officers Law of the State of New York.

ARTICLE IV Directors

Section 1. Number. The Corporation shall be managed by its Board of Directors, which shall establish all general policies governing its operations. The Board of Directors of the Corporation shall be appointed by the Member, and may be chosen from the elected members of the Warren County Board of Supervisors, and shall be such number of Directors to be not less than three (3) nor more than seven (7). No Director of the Corporation shall, by reason of that position, have any rights to or interest in the property or assets of the Corporation.

Section 2. Powers. All power and authority of the Corporation shall be vested in the Board of Directors, which may establish committees thereof, and as may be outlined within these By-laws.

Section 3. Vacancies. Any member of the Board of Directors may resign by delivering his written resignation to the Member and Secretary of the Corporation, and any Director may be removed at any time by action of the Board or at the sole discretion of the Member, with or without cause. In case of any vacancy in the Board of Directors through death, disability, resignation, removal or other cause, the Member shall appoint his or her successor, who shall take office immediately and hold office for the unexpired portion of the term of the Director to whose place he or she is appointed.

Section 4. Term. The Directors shall hold office for a term of two years once appointed by the Member. Directors may be re-appointed for multiple and successive terms by the Member.

Section 5. Meetings; Notice. The Board of Directors shall hold such meetings, at such times and place, and in accordance with such notice, if any, as from time to time may be determined by the Board of Directors, and in addition thereto, any officer of the Corporation may call a meeting of the Board of Directors upon twenty-four hours' notice, delivered either by mail, personally or by telephone. Any Director may waive any notice required to be given to him by law or under these By-Laws, and by attendance at any meeting he shall be deemed to have waived notice thereof. All meetings of the Board of Directors shall be conducted in accordance with the OML.

Section 6. Quorum. A majority of the entire Board of voting Directors shall constitute a quorum for the transaction of business at meetings of the Board. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any Director(s). A majority of the voting Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. If a quorum is present at the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting. Notice of the adjourned meeting shall be given to all voting Directors.

Section 7. Action by the Board. Any corporate action to be taken by the Board of Directors means action at a meeting of the Board. Each voting Director shall have one vote regarding any corporate action to be taken by the Board. Except as otherwise provided by law or these By-laws, the vote of a majority of the voting Directors present at the time of the vote at a duly convened meeting at which a quorum is present shall be the act of the Board of Directors. All references to actions of the Board of Directors herein and in the Certificate of Incorporation shall mean the affirmative vote of a majority of the voting Directors present at the time of the vote at a duly convened meeting at which a quorum is present.

Section 8. Meeting by Videoconference. In accordance with the OML, any one or more members of the Board of Directors may participate in a meeting of the Board by means of a videoconference telephone or similar communications equipment which allows all participants to see and hear each other at the same time.

Section 9. Annual Report. The Directors shall present at the annual meeting of the Corporation a report, verified by the Chairman and Treasurer, or by the majority of the Directors, showing the whole amount of real and personal property owned by it, where located, where and how invested, the amount and nature of the property acquired during the year immediately preceding such date and the manner of the acquisition; the amount applied, appropriated or expended during the year immediately preceding such date and the manner of the appropriation, and the purposes, objects or persons to or for which such applications, appropriations or expenditures have been made; which report shall be filed with the records of the Corporation and an abstract thereof entered in the minutes of the proceedings of the annual meeting and a copy thereof filed with the Clerk of the Board of the Warren County Board of Supervisors.

Section 10. **Organization.** At each meeting of the Board of Directors, the Chairman, or, in his or her absence, the Vice Chairman or an acting chairman chosen by a majority of the voting Directors present, shall preside. The Secretary, or, in his or her absence, a person chosen by a majority of the voting Directors present, shall keep complete and accurate minutes of the meeting.

Section 11. **Attendance.** Attendance at each meeting of the Board shall be recorded by the Secretary in the minutes thereof.

Section 12. **Compensation.** The Directors shall serve without compensation. All Directors may be reimbursed for reasonable expenses incurred in the performance of corporate duties.

Section 13. **Corporate Compliance.** The Corporation shall comply in all respects with applicable provisions of the Public Authorities Accountability Act of 2005 ("PAAA") and the Public Authority Reform Act of 2009 ("PARA").

Section 14. **Code of Ethics.** The Corporation shall adopt and maintain a code of ethics that is applicable to members, officers and employees pursuant to Article 18 of the GML, and that at a minimum, includes the standards established in Section 74 of the Public Officers Law.

Section 15. **Administrative Policies.** The Corporation shall establish policies regarding: investments, travel, property acquisition and disposition, procurement, and, defense and indemnification, and such other policies as determined necessary or desirable by the Board of Directors from time to time.

Section 16. **Board Member Training.** In accordance with PAAA, Directors of the Corporation must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment.

ARTICLE V

Officers

Section 1. **Officers.** The Board of Directors of the Corporation shall have as executive officers a Chairman, one or more Vice Chairmen, a Secretary and Treasurer, all of whom shall be chosen by the Directors annually at the first meeting of the Board of Directors following the annual meeting of the Member and each officer shall hold office until the corresponding meeting in the next year or until his successor shall be duly elected and qualified; provided, however, that any officer may be removed at any time by action of the Board of Directors. Any vacancy in any of the above offices shall be filled for the unexpired portion of the term by the Board of Directors at any regular meeting, or any special meeting called for such propose. The Corporation may have one or more assistant secretaries, or one or more treasurers, and such other officers an agents as the Board of Directors may deem necessary, who shall hold office for such term as the Board of Directors may deem necessary, who shall hold office for such term as the Board of Directors may fix, and who shall have such authority and perform such duties as the Board of Directors may prescribe.

Section 2. Chairman. The Chairman shall be the presiding officer of the Board of Directors of the Corporation. It shall be the Chairman's duty to preside at all of the meetings of the Board of Directors. He or she shall have power to make and execute contracts in the ordinary business of the Corporation, and for and in the name of the Corporation to execute with the Secretary all deeds, mortgages, bonds, certificates of membership and other obligations or instruments when authorized by the Board of Directors. He or she shall have the power with the Treasurer to execute all annual or other reports or statements of the Corporation which may be required by law. He or she shall have, subject to the approval of the Board of Directors, general management of the affairs of the Corporation and perform all duties incidental to his office.

Section 3. Vice Chairman. In the absence or inability of the Chairman to act, or if the office of Chairman be vacant, the Vice Chairman shall, in order designated by the Chairman or Board of Directors, exercise all the powers of the Chairman. The Vice Chairman shall have such power and perform such other duties and execute such contracts on behalf of the Corporation as may be assigned to them or authorized by order of the Board of Directors.

Section 4. Treasurer. The Treasurer shall have general supervision over the care and custody of the funds and securities of the Corporation and shall deposit the same or cause the same to be deposited in the name of the Corporation in such bank or banks, trust company or trust companies, and in such safe deposit company or safe deposit companies, as the Board of Directors or any committee designated and vested with such power by the Board of Directors may designate. He or she shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the Corporation and, whenever required by the Board of Directors, he shall render or cause to be rendered financial statements of the Corporation. He or she shall prepare and execute with the Chairman and file any annual report or reports, statement or statements, which may be required by law.

Section 5. Secretary. The Secretary shall keep the minutes and act as Secretary of all meetings of members and of the Board of Directors. He or she shall be responsible for the giving and serving of all notices of meetings of the members and the Board of Directors of the Corporation. He or she shall be the custodian of the Corporate records and of the Corporate seal of the Corporation and shall see that the corporate seal is affixed to all documents, execution of which, on behalf of the Corporation, under its seal is duly authorized, and when so affixed may attest the same. He or she shall have the power with the Chairman to make and execute for and in the name of the Corporation all certificates of membership, deeds, bonds, contracts and other obligations or instruments when authorized by the Board of Directors. He or she shall in general perform all duties usually incident to the office of secretary or such other duties as may from time to time be assigned to him by the Board of Directors.

Section 6. Bonds. The Board of Directors shall have power to require any officer or employee of the Corporation to give bond for the faithful discharge of his duties in such form and with such surety or sureties as the Board of Directors may deem advisable.

Section 7. Chief Executive Officer, Chief Financial Officer and/or Employees. The Board of Directors may from time to time employ a Chief Executive Officer, Chief Financial Officer, or other employees who, subject to the supervision of the Chairman and the Board of Directors, shall be

either full or part-time employees and shall carry out the purposes of the Corporation. Such employees shall receive such compensation as may be determined by the Board of Directors.

ARTICLE VI

Contracts, Checks, Drafts and Bank Accounts

Section 1. Execution of Contracts. The Board of Directors, except as these By-laws otherwise provide, may authorize any officer or officers, agent or agents, employee or employees, in the name of and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board of Directors, or expressly authorized by these By-laws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

Section 3. Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, must be signed on behalf of the Corporation by the Chairman, Vice Chairman or Chief Executive Officer and the Secretary, Treasurer or Acting Secretary.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer and/or Chief Financial Officer may recommend and the Board of Directors approves.

Section 6. Investments. The Board of Directors may authorize the Corporation to contract with an investment advisor and custodian to manage its investments in accordance with an investment policy established by the Board.

ARTICLE VII

Seal and Records

Section 1. Form of Seal. The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year and the name of the State of its incorporation.

Section 2. Records; FOIL Compliance. There shall be kept by the Corporation (1) correct and complete books and records of account, (2) minutes and statements of written action by the Members, (3) minutes of the proceedings of the Board of Directors and its committees, (4) a current list of the Members, Directors and officers of the Corporation and their residence addresses, (5) a copy of the Certificate of Incorporation, and (6) a copy of these By-laws. The Corporation shall comply with the Freedom of Information Law, as codified under the Public officers law of the State of New York.

ARTICLE VIII
Liability and Indemnification

Section 1. No officer, director or member of the Corporation shall be personally liable to any person or party dealing with the Corporation for any amount arising out of any claim, charge, service, obligation, or otherwise against the Corporation; and any such person or claimant shall be paid and reimbursed out of the funds of the Corporation shall be liable for any of his acts or actions or omissions either to the Corporation or to anyone else in the absence of bad faith or fraud; and such officer, director and member shall be entitled to reimbursement for any and all expenses incurred by him in defense of any action as provided by the laws of the State of New York.

ARTICLE IX
Committees

SECTION 1. - STANDING COMMITTEES.

(a) The Standing Committees of the Board shall be as described in subparagraph (b) below. Except as otherwise provided by these By-laws, each Standing Committee shall consist of at least three (3) voting Directors. No Standing Committee shall have authority as to the following matters:

- (i) The submission to the Members of any action requiring its approval;
- (ii) The filling of vacancies on the Board of Directors or any committee;
- (iii) The amendment or repeal of these By-laws or the adoption of new By-laws; or
- (iv) The amendment or repeal of any resolution of the Board which by its terms is not so amendable or repealable.

(b) The Corporation shall have the following Standing Committees:

(i) Governance Committee. The Corporation hereby establishes and shall maintain a Governance Committee that shall: (1) keep the Board of Directors informed of current best governance practices; (2) review corporate governance trends; (3) update the Corporation's corporate governance principles; (4) advise the Member on the skills and experiences required of potential Board members; (5) examine ethical and conflict of interest issues; (6) perform self-evaluations; and (7) recommend periodic by-law revisions, including rules and procedures for the conduct of business of the Corporation. The Governance Committee shall operate and be governed by charter adopted by the Board of Directors and amended from time to time.

(ii) Audit and Finance Committee. The Corporation hereby establishes and shall maintain an Audit and Finance Committee that shall recommend to the Board of Directors the hiring of a certified independent public accounting firm for the Corporation, establish the

compensation to be paid to the accounting firm, provide direct oversight of the performance of the independent audit performed by; the accounting firm hired for such purpose, and to review proposals for the issuance of debt and to make recommendations regarding such proposed issuance. The Audit and Finance Committee shall operate and be governed by charter adopted by the Board of Directors and amended from time to time.

SECTION 2. - SPECIAL COMMITTEES.

(a) The Board of Directors, by resolution adopted by a majority of the entire Board of voting Directors, may create Special Committees, which shall have only the powers specifically delegated to them and shall in no case have powers which are not authorized for Standing Committees. The members of Special Committees may or may not be Directors of the Corporation, and shall be appointed by the Chairman, with the approval of the Board.

(b) There is established a Business Review Committee as a Special Committee of the Corporation, which shall serve to accept and review loan applications submitted to the Corporation from time to time. The Business Review Committee shall make recommendations to the Board of Directors for all proposed loans and other forms of financial assistance provided by the Corporation in furtherance of its purposes and powers.

ARTICLE X Amendments

Section 1. These By-Laws may be amended, added to or altered or repealed, or new By-Laws may be adopted at any meeting of the Board of Directors, by a vote of at least a majority of the Directors of the Corporation, as the case may be, provided that the action to be considered and acted upon is inserted in the notice or the waiver of said meeting, provided however, that Article II of these By-Laws may not be amended without the approval of the Sole Member.

Schedule “B”

December 19, 2011

Warren County Local Development Corporation

ORGANZATIONAL RESOLUTION

ORGANIZATIONAL RESOLUTION

A special meeting of the Directors of The Warren County Local Development Corporation was convened on December 19, 2011 at 10:00 a.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2011-

ORGANIZATIONAL RESOLUTION OF THE DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION (i) ADOPTING AMENDED BY-LAWS; (ii) AUTHORIZING THE NEGOTIATION OF A CERTAIN ADMINISTRATIVE SERVICES AGREEMENT WITH WARREN COUNTY; (iii) APPOINTING CERTAIN OFFICERS OF THE CORPORATION AND AUTHORIZING THE NEGOTIATION OF AN EMPLOYMENT AGREEMENT RELATING TO SAME; (iv) ADOPTING CERTAIN POLICIES, STANDARDS AND PROCEDURES PURSUANT TO THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED BY CHAPTER 506 OF THE LAWS OF 2009 OF THE STATE OF NEW YORK; AND (v) UNDERTAKING CERTAIN OTHER ORGANIZATIONAL MATTERS.

WHEREAS, The Warren County Local Development Corporation (the "Corporation") was duly established as a not-for-profit local development corporation of the State of New York pursuant to the filing of a Certificate of Incorporation on May 1, 1986 in accordance with Sections 402 and 1411 of the Not-for-Profit Corporation Law ("N-PCL"); and

WHEREAS, pursuant to Section 2 of the Public Authorities Law ("PAL") of the State, along with provisions of the Public Authorities Accountability Act of 2005 ("PAAA"), as amended by the Public Authority Reform Act of 2009 ("PARA"), the Corporation constitutes a "Local Authority" required to undertake certain PAAA and PARA compliance measures; and

WHEREAS, in furtherance of PAAA and PARA, the Corporation desires to amend its By-laws and adopt certain policies and procedures; and

WHEREAS, the Corporation has been presented with a proposal by Warren County (the "County") to administer certain revolving loan program activities pursuant to a Administrative Services Agreement to be negotiated; and

WHEREAS, in furtherance of the Administrative Services Agreement and the revised By-laws of the Corporation, the Corporation desires to appoint certain officers to be engaged through a Staffing Agreement; and

WHEREAS, in furtherance of the foregoing, Corporation deems it necessary and desires to authorize certain other organizational matters as set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Corporation as follows:

Section 1. The following persons were appointed by the Member to serve as Directors of the Corporation until their respective successors are appointed and shall qualify or until their earlier resignations:

Harold G. Taylor
Frederick H. Monroe
Eugene J. Merlino
Peter V. McDevitt
Franklyn J. McCoy, Jr.
Fred Champagne

Section 2. The Directors of the Corporation hereby adopt amended By-laws of the Corporation, in the form attached hereto as **Exhibit A**.

Section 3. Pursuant to and in accordance with the By-laws of the Corporation, the Directors of the Corporation hereby elect the following Directors to serve in the respective offices of the Board:

Harold G. Taylor, Chairman
Frederick H. Monroe, Vice Chair
Frederick H. Monroe, Treasurer
Peter V. McDevitt, Secretary

Section 4. Pursuant to and in accordance with the By-laws of the Corporation, the Directors of the Corporation hereby appoint the following individuals to serve in the following appointed positions:

Vicki Pratt Gerbino, Chief Executive Officer
Jennifer Switzer, Chief Financial Officer
Wanda Smith, Acting Secretary

The foregoing officers shall enter upon the discharge of their duties as provided in the By-Laws of the Corporation. The Corporation further authorizes the negotiation of a Staffing Agreement with Keena Staffing Services in furtherance of same.

Section 5. The Corporation hereby engages the services of the professionals and institutions described on **Exhibit B** attached hereto.

Section 6. The Corporation hereby authorizes the negotiation of an Administrative Services Agreement with the County.

Section 7. The Corporation hereby authorizes and directs the auditors of the Corporation to undertake an audit of the revolving loan programs to be administered by the Corporation on behalf of the County pursuant to the Administrative Services Agreement.

Section 8. The Chair, Vice Chair, Chief Executive Officer, and Directors and other authorized representatives of the Corporation are hereby directed to develop a budget for the Corporation, with such budget to be reviewed, and if necessary, modified, for acceptance and approval at the next meeting of the Board.

Section 9. As required pursuant to subdivision 2 of Section 2824 of the PAL, all Directors shall participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors within one (1) year of their appointment to the Corporation. In addition, all Directors of the Board shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance. Further, each Director shall execute (i) a Certification of No Conflict of Interest (ii) an Acknowledgement of Fiduciary Duties and Responsibilities. Such certifications shall be executed in substantially the form attached hereto as **Exhibits C-1 and C-2**, respectively.

Section 10. As early as practicable but in no event later than March 31, 2012, the Corporation shall review and submit to the Authorities Budget Office ("ABO") an authority mission statement and proposed measurements including the following components: a brief mission statement expressing the purpose and goals of the Corporation, a description of the stakeholders of the Corporation and their reasonable expectations from the Corporation, and a list of measurements by which performance of the Corporation and the achievement of its goals may be evaluated. The Corporation shall reexamine its mission statement and measurements on an annual basis, and publish a self-evaluation based on the stated measurements unless the Corporation obtains a waiver to the requirement to conduct such re-examination from the ABO pursuant to the PAL.

Section 11. Pursuant to subdivision 4 of Section 2824 of the PAL, and in accordance with the By-laws of the Corporation, a Standing Audit and Finance Committee of the Corporation is established and shall initially be comprised of the 6 Directors.

The Audit and Finance Committee shall perform the functions as described in the By-Laws.

Section 12. Pursuant to subdivision 7 of Section 2824 of the PAL, and in accordance with the By-laws of the Corporation, a Standing Governance Committee of the Corporation was previously established and shall initially be comprised of the 6 Directors.

The Governance Committee shall perform the functions as described in the By-Laws.

Section 13. In accordance with the By-laws of the Corporation, a Special Business Review Committee of the Corporation is established and shall initially be comprised of the following Directors:

Tom Dardis
Dave Kaiser
Michael Borgos
Tim Lasarso
Harold Taylor
John Marcantonio
Tim Collins
John Crawford
Larry Ringer

The Business Review Committee shall perform the functions as described in the By-Laws.

Section 14. Pursuant to subdivision 2(a) of Section 2800 of the PAL, unless the Corporation obtains a waiver from the ABO, the Board shall submit to the County, the Chair of the Board of Supervisors, the County Clerk, and the ABO within ninety (90) days after the end of the Corporation's fiscal year, a complete and detailed report (the "Annual Report") by and through the ABO's Public Authorities Information Reporting System ("PARIS"). Once completed, and prior to submission, the Chief Executive Officer and the Chief Financial Officer of the Corporation shall certify that the information contained in the Annual Report (i) is accurate, correct and does not contain any untrue statements of material fact, (ii) does not omit any material information which, if omitted, would cause the Annual Report to be misleading in light of the circumstances under which such statements are made, and (iii) fairly presents in all material respects the financial condition and results of operation of the Corporation as of, and for, the periods presented in the Annual Report. The certification executed shall be in substantially the form attached hereto as **Exhibit D**.

Section 15. Pursuant to subdivision 2 of Section 2801 of PAL, as soon as practicable, the Corporation will submit to the County, the Chair of the Board of

Supervisors, the County Clerk, along with the ABO, the Corporation's budget at least 60 days prior to the commencement of each budget year.

Section 16. The Corporation shall comply with the following rules relating to audit services:

- (a) the certified independent public accounting firm performing the Corporation's audit will be prohibited from providing audit services if the lead (or coordinating) audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five (5) previous fiscal years;
- (b) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the audit committee including: (i) bookkeeping or other services related to the accounting records or financial statement of the Corporation, (ii) financial information systems design and implementation, (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (iv) actuarial services, (v) internal audit outsourcing services, (vi) management functions or human services, (vii) broker or dealer, investment advisor, or investment banking services and (viii) legal services and expert services unrelated to the audit; and
- (c) it shall be prohibited for any certified independent public accounting firm to perform for such Corporation any audit service if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for the Corporation, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one (1) year period preceding the date of the initiation of the audit.

Section 17. The following policies, as presented at this meeting, are hereby adopted and approved:

- (a) The Compensation, Reimbursement and Attendance Policy attached hereto as **Exhibit E**;
- (b) The Code of Ethics attached hereto as **Exhibit F**;
- (c) The Whistleblower Policy attached hereto as **Exhibit G**;
- (d) The Investment Policy attached hereto as **Exhibit H**;
- (e) The Travel Policy attached hereto as **Exhibit I**;
- (f) The Disposition of Property Guidelines, attached hereto as **Exhibit J**;
- (g) The Procurement Policy attached hereto as **Exhibit K**; and
- (h) The Defense and Indemnification Policy attached hereto as **Exhibit L**.

Section 18. The Corporation shall comply with the Open Meetings Law ("OML") and Freedom of Information Law ("FOIL"). The Board hereby designates the

Chief Executive Officer of the Corporation as the Corporation's FOIL Officer and Contracting Officer.

Section 19. This resolution shall take effect immediately.

On motion duly made by Director Champagne and seconded by Director Monroe, the following resolution was placed before the Board of Directors of the Corporation:

	Aye	Nay	Abstain	Absent
Harold G. Taylor	X			
Frederick H. Monroe	X			
Eugene J. Merlino	X			
Peter V. McDevitt	X			
Franklyn J. McCoy, Jr.				X
Fred Champagne	X			

STATE OF NEW YORK)
COUNTY OF WARREN) ss:

I FURTHER CERTIFY that (A) all members of the Board of Directors had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Board of Directors present throughout said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this day of December, 2011.

(SEAL)

EXHIBIT A

AMENDED BY-LAWS

EXHIBIT B

PROFESSIONALS RETAINED AND APPROVED RELATIONSHIPS

Certified Public Accountant/Auditor:

Toski, Schaefer & Co., P.C.
14 Corporate Woods Boulevard
Albany, New York 12211

General Counsel:

Warren County Attorney Martin Affredou

Special Counsel:

Harris Beach PLLC
677 Broadway, Suite 1101
Albany, New York 12207

Banking Institution:

Glens Falls National Bank & Trust Company

EXHIBIT C

CERTIFICATION OF NO CONFLICT OF INTEREST

I, _____, being a duly appointed (member/officer/employee) of the Warren County Local Development Corporation (the "Corporation"), do hereby certify pursuant to the By-laws and policies of the Corporation, that neither I nor my spouse, minor children, nor dependents has any interest in any contract with the Corporation; and I do further certify that I am not engaged in any activity which would constitute a conflict of interest, as defined within the Not-For-Profit Corporation Law of the State of New York.

Further, I hereby certify that I have (1) not accepted other employment which will impair my independence of judgment in the exercise of my official duties; (2) not accepted employment or engaged in any business or professional activity which will require me to disclose confidential information which I have gained by reason of my being a member of the Board of Directors of the Corporation; (3) not disclosed confidential information acquired in the course of my official duties nor used such information to further my own personal interests; (4) not used or attempted to use my position with the Corporation to secure unwarranted privileges or exemptions for myself or others; (5) not engaged in any transaction as a representative or agent of the Corporation with any business entity in which I have a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of my official duties; (6) not given reasonable basis for the impression that any person can improperly influence me or unduly enjoy my favor in the performance of my duties, or that I am affected by the kinship, rank, position or influence of any party or person; (7) abstained from making personal investments in enterprises which I have reason to believe may be directly involved with my responsibilities or which will otherwise create substantial conflict between my duty in the public interest and my private interests; and (8) endeavored to pursue a course of conduct which will not raise suspicion among the public that I am likely to be engaged in acts that are in violation of my Corporation responsibilities.

DATE: _____, 20__

Signature

EXHIBIT C-2

ACKNOWLEDGEMENT OF FIDUCIARY DUTIES AND RESPONSIBILITIES

As a member of the Board of Directors of the Warren County Local Development Corporation (the "Corporation"), I understand that I have a fiduciary obligation to perform my duties and responsibilities to the best of my abilities, in good faith and with proper diligence and care, consistent with the enabling statute, mission, and By-Laws of the Corporation and the laws of New York State. The requirements set forth in this acknowledgement are based on the provisions of New York State law, including but not limited to the Public Authorities Reform Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York, Public Officers Law, and General Municipal Law. As a member of the Board of Directors:

I. Mission Statement

I have read and understand the mission of the Corporation; and the mission is designed to achieve a public purpose on behalf of the State of New York. I further understand that my fiduciary duty to this Corporation is derived from and governed by its mission.

I agree that I have an obligation to become knowledgeable about the mission, purpose, functions, responsibilities, and statutory duties of the Corporation and, when I believe it necessary, to make reasonable inquiry of management and others with knowledge and expertise so as to inform my decisions.

II. Deliberation

I understand that my obligation is to act in the best interests of the Corporation and the people of the State of New York whom the Corporation serves.

I agree that I will exercise independent judgment on all matters before the Board of Directors.

I understand that any interested party may comment on any matter or proposed resolution that comes before the Board of Directors consistent with the laws governing procurement policy and practice, be it the general public, an affected party, a party potentially impacted by such matter or an elected or appointed public official. However, I understand that the ultimate decision is mine and will be consistent with the mission of the Corporation and my fiduciary duties as a member of the Corporation's Board of Directors.

I will participate in training sessions, attend Board and committee meetings, and engage fully in the Board's and committee's decision-making process.

III. Confidentiality

I agree that I will not divulge confidential discussions and confidential matters that come before the Board of Directors for consideration or action.

IV. Conflict of Interest

I agree to disclose to the Board any conflicts, or the appearance of a conflict, of a personal, financial, ethical, or professional nature that could inhibit me from performing my duties in good faith and with due diligence and care.

I do not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of my duties in the public interest.

Signature: _____

Print Name: _____

Corporation Name: _____

Date: _____

EXHIBIT D

**FORM OF
CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
AND THE CHIEF FINANCIAL OFFICER
OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION**

The undersigned Chief Executive Officer and Chief Financial Officer of the Warren County Local Development Corporation, a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the Warren County Local Development Corporation (the "Corporation"), dated as of _____, 201__ (the "Annual Report"), is accurate, correct, and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the report to be misleading in light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presents in said report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned Chief Executive Officer and Chief Financial Officer have executed this Certificate as of this _____ day of _____, 201__.

Name:

Title: Chief Executive Officer

Name:

Title: Chief Financial Officer

EXHIBIT E

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY

Pursuant to and in accordance with the Not-For-Profit Corporation Law of the State of New York, the members of the board (the "Board") of the Warren County Local Development Corporation (the "Corporation") shall serve without salary and be appointed as described in the By-Laws of the Corporation but may be reimbursed for reasonable expenses incurred in the performance of Corporation duties at the approval of the Board.

The officers, employees and agents of the Corporation shall serve at the pleasure of the Corporation at such compensation levels as may be approved by the Board from time to time and may be reimbursed for reasonable expenses incurred in the performance of Corporation duties at the approval of the Board.

The members of the Board and officers of the Corporation shall be available as required to perform the operations of the Corporation and as set forth within the By-Laws of the Corporation, as may be amended, restated or revised by the Board from time to time, in accordance with the By-Laws. Said members and officers of the Corporation shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the Corporation and any other directives of the Board relating to same.

Approved and adopted this __ day of December, 2011.

EXHIBIT F

CODE OF ETHICS OF WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

The members of the board (the "Board") of the Warren County Local Development Corporation (the "Corporation"), a duly established local development corporation created pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "State"), along with the officers and staff of the Corporation, shall comply with and adhere to the provisions of the Not-For-Profit Corporation Law of the State.

Further, no director, officer, or employee of the Corporation shall (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) fail to abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) fail to to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

Approved and adopted this __ day of December, 2011.

EXHIBIT G

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

WHISTLEBLOWER POLICY

Every member of the Board of Directors of the Warren County Local Development Corporation (the "Corporation") and all officer and employees thereof, in the performance of their duties shall conduct themselves with honesty and integrity and observe the highest standards of business and personal ethics as set forth in the Code of Ethics of the Corporation (the "Code").

Each member, officer or employee is responsible to report any violation of the Code (whether suspected or known) to the Corporation's Chief Executive Officer. Reports of violations will be kept confidential to the extent possible. No individual, regardless of his or her position with the Corporation, will be subject to any retaliation for making a good faith claim and, any employee who chooses to retaliate against someone who has reported a violation, shall be subject to disciplinary action which may include termination of employment. Regardless, any claim of retaliation will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate offense.

The Chief Executive Officer is responsible for immediately forwarding any claim to the Corporation's counsel who shall investigate and handle the claim in a timely manner.

Approved and adopted this ____ day of December, 2011.

EXHIBIT H

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the Warren County Local Development Corporation's (the "Corporation") investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Corporation's funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Corporation's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation's funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

5. Internal Controls

- a. All moneys collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
- b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
- c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

1. Designation of Depositories

The Corporation shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to applicable law.

B. Investment Policy

1. Permitted Investments

Pursuant to the Not-For-Profit Corporation Law ("N-PCL"), the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposit;*
- c. Obligations of the United States of America;*
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;*
- e. Obligations of the State of New York;*

*Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in paragraph (C) below for deposits of public funds.

**All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chief Executive Officer or Chairperson of the Board of Directors is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to the N-PCL where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Directors.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the board of Directors.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in the N-PCL.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

All deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of "eligible securities" with an aggregate "market value" as provided by the N-PCL, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the Board of Directors.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept

separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Approved and adopted this __ day of December, 2011.

A-1
EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (10) Zero Coupon obligations of the United States government marketed as "Treasury strips".

EXHIBIT I

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION TRAVEL POLICY

Section 1. APPLICABILITY

This policy shall apply to every member of the board (the "Board") of the Warren County Local Development Corporation (the "Corporation") and all officers and employees thereof.

Section 2. APPROVAL OF TRAVEL

All official travel for which a reimbursement will be sought must be approved by the Chief Executive Officer prior to such travel; provided, however, in the instance where the Chief Executive Officer will seek reimbursement for official travel, such travel must be pre-authorized by the Board.

Section 3. PAYMENT OF TRAVEL

The Corporation will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any director, officer or employee as a result of the performance of their official duties. All official travel shall be properly authorized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by the Corporation. It is the traveler's responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

Section 4. TRAVEL EXPENSES

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. The traveler will be reimbursed at a standard mileage reimbursement rate.

Meals will be reimbursed at actual expense or a per diem rate, whichever is less. Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis taking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case-by-case basis. Mileage rates, per diem allowances and lodging caps will be established and from time to time amended by the Treasurer or his or her designee. All determinations made pursuant to this section shall be made by the Treasurer or his or her designee. In the instance where such determinations regard the travel of the Treasurer or his or her designee, the President shall make such determinations.

Approved and adopted this ___ day of December, 2011.

EXHIBIT J

WAREEN COUNTY LOCAL DEVELOPMENT CORPORATION DISPOSITION OF REAL PROPERTY GUIDELINES ADOPTED PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW

SECTION 1. DEFINITIONS

A. "Contracting officer" shall mean the officer or employee of the Warren County Local Development Corporation (the "Corporation") who shall be appointed by resolution to be responsible for the disposition of property.

B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

A. The Corporation shall:

(i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;

(ii) periodically inventory such property to determine which property shall be disposed of;

(iii) produce a written report of such property in accordance with subsection B herewith; and

(iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Corporation shall

(i) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and

(ii) shall deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section and applicable law.

C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, no disposition of real property, any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal..

D. Sales by the Commissioner of General Services (the "Commissioner"). When the Corporation, if authorized to do so by applicable law, shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner of pursuant to which Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or

transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

(i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.

(ii) Whenever public advertising for bids is required under subsection (i) of this Section F:

(A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and

(C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.

(iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:

(A) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(B) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000);

(C) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

(D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

(E) under those circumstances permitted by subsection (v) below; or

(F) such action is otherwise authorized by law.

(iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);

(2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;

(3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000); or

(4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

(B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under Section 2(B) above not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.

(v) Disposal of Property for less than Fair Market Value ("FMV").

(A) No assets owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its FMV except if:

(1) the transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or

(2) the purpose of transfer is within purpose, mission of the Corporation; or

(3) the Corporation provides written notification to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate; provided, however, that such notification is subject to denial

by the Governor, the Speaker of the Assembly, and the Temporary President of the Senate pursuant to the PAAA.

(B) If the Corporation proposes to make a transfer below FMV, the following information is required to be provided to the Corporation's Board of Directors and the public:

- (1) a full description of the asset;
- (2) an appraisal of the FMV of the asset;
- (3) a description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
- (4) a statement of the value to be received compared to FMV;
- (5) the names of any private parties participating in the transfer, and, if different than the information required by paragraph 4 immediately above, a statement of the value to the private party;
- (6) the names of other private parties that have made an offer for the asset being transferred, the value offered, and the purpose for which the asset would have been used.

(C) The Board of Directors of the Corporation must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

The guidelines are subject to modification and amendment at the discretion of the Corporation board and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Corporation is [____], CEO.

Approved and adopted this __ day of December, 2011.

EXHIBIT K

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

PROCUREMENT POLICY

A. Introduction

1. Scope – In accordance with the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York, the Warren County Local Development Corporation (the “Corporation”) is required to adopt procurement policies that will apply to the procurement of goods and services not subject to the competitive bidding requirements the New York State General Municipal Law and paid for by the Corporation for its own use and account.

2. Purpose – The primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

Any purchase/contract for goods or services with an annualized expenditure in excess of fifteen thousand (\$15,000) must adhere to the following:

Definitions:

best value - the basis for awarding all service purchases/contracts to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers. Such basis shall be, whenever possible, quantifiable.

responsible - Such requirements may include, but are not limited to, the offerers' qualifications, financial stability and integrity.

responsive - Applies to the extent to which the offer has complied with the specifications or requirements of the solicitation for goods or services.

1) For the purchase of goods, proposals must be requested from a minimum of three (3) offerers. The lowest responsible, responsive bidder shall be accepted unless it is otherwise in the best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.

2) For purchases of services, proposals must be requested from a minimum of three (3) offerers. The best value bidder shall be accepted unless it is otherwise in the

best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.

3) The requirement for competitive bidding may be waived upon prior written approval of the Contracting Officer provided that prior to the acceptance of such goods or services, a written statement is prepared describing the justification for waiving competitive bidding and the reasonableness of the proposed expenditure.

Approved and adopted this ____ day of December, 2011.

EXHIBIT L

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION DEFENSE AND INDEMNIFICATION POLICY

Pursuant to the By-Laws of the Warren County Local Development Corporation (the "Corporation"), the Corporation shall indemnify all members of the Board of the Corporation and each officer and employee thereof, in the performance of their duties, and to the extent authorized by the Board of Directors, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law of the State of New York.

Approved and adopted this __ day of December, 2011.