

WMRLS Executive Board Meeting

May 19, 2014

The meeting of the WMRLS Executive Board was called to order at 1:03 p.m. by William Adamczyk, President.

Present: MLS Executive Board Members: William Adamczyk, Charlotte Canelli, Tim Gerolami (by phone), Millie Gonzalez (by phone), Betty Johnson, Ellen Keane (by phone), Amy Lewontin, Margot Malachowski, Patrick Marshall, Jacqueline Rafferty (1:08), Bert Saul, Henry Toromoreno (by phone), John Walsh (1:45), Sarah Watkins (by phone)

Ex-officio: Greg Pronevitz, MLS Ex. Director; Dianne Carty, MBLC; Anna Fahey-Flynn, LFC (by phone 2:12)

Guests: Catherine Utt; Steve Spohn

Minutes from April meeting approved. Motion-Patrick; Second-Margot. Unanimous.

Whately Facility Update

Representative from USDA, Dan Bodet, called in to meeting to discuss MLS request for release from mortgage debt. MLS attorney had emailed questions to Mr. Bodet. Short sale will result in approximately \$420,000 loss for USDA. Sale will be for market value of the property. USDA Administrator in DC will have final word on debt relief. Local representative will recommend the USDA approve the short sale. The sale must be finished before there can be a release from debt. Regulations do not allow debt release before property liquidation. USDA raised the issue of the dormant corporation giving the appearance of capacity for future money making ability. Greg will provide a clear statement to USDA that there is no intention that WMRLS will have future monies.

Attorney General has given permission for WMRLS to sell assets. Decision about WMRLS Corporation will be made at June meeting of Board. WMLA and Legislators will be invited to June meeting for this discussion.

Waiver of USDA Contingency

As clarified by the USDA representative, the WMRLS resolution must be revised to remove the written statement of debt release. The debt release can only happen after the sale is final.

Motion to approve revised resolution. Motion: Patrick; Second: Bert. Unanimous.

Meeting adjourned at 1:40 p.m. Motion-Patrick; Second-Bert.

Respectfully submitted,
Betty Johnson
Clerk

Attachment-revised resolution

**WESTERN MASSACHUSETTS REGIONAL LIBRARY SYSTEM, INC.
RESOLUTION**

WHEREAS, at a duly called meeting of the Executive Board (the “Board”) of the Western Massachusetts Regional Library System, Inc. (the “Corporation”), a Massachusetts not-for-profit corporation, held on March 17, 2014, the Board reviewed and discussed the offer from Marc Etchells (the “Buyer”) to purchase the property owned by the Corporation located at 4 Sandy Lane, Whately, Massachusetts (the “Property”), for a purchase price of \$810,000.00 (the “Purchase Price”); and

WHEREAS, at said meeting, the Board further discussed the existing mortgage (the “Mortgage”) on the Property given to the United States of America, acting through the Rural Housing Service, United States Department of Agriculture (the “USDA”); the current amounts due and owing to the USDA on the loans to the Corporation secured by the Mortgage, which exceed the amount of the Purchase Price; and including as a contingency of the sale of the Property the agreement of the USDA to accept the net proceeds from the proposed sale and release the Corporation from all liabilities on the loans, including the amounts due above and beyond the amount of the Purchase Price; and

WHEREAS, at said meeting, the Board adopted several resolutions authorizing the sale of the Property to the Buyer, including a resolution which authorized the Corporation, and each of its officers (individually or in any combination) to negotiate and sign, on behalf of the Corporation a Purchase and Sale Agreement (the “Agreement”) with the Buyer, upon terms and conditions as said officers find, in their sole discretion, to be in the best interests of the Corporation, for the purpose of selling the Property and satisfying the Corporation's debt obligations on the Property in full; provided, however that the sale of the Property be subject to certain contingencies, including, but not limited to, the contingency that the USDA approve the short sale of the Property and release the liability of the Corporation, under the notes secured by the Mortgage (the “Notes”), in full; and

WHEREAS, following said meeting, the USDA has indicated that it intends to approve the short sale of the Property, but that it may not grant a release of the Corporation’s liability for its obligation to pay the amounts due and owing to the USDA under the Notes, less the net proceeds of the sale of the Property, until after the sale of the Property has closed;

NOW, THEREFORE, be it resolved that:

1. The Corporation, and each of its officers (individually or in any combination), are hereby authorized to negotiate additional terms or conditions (except as to a Purchase Price of less than an amount acceptable to the USDA, and except as to the contingency for the USDA approval of the short sale) of, and to execute on behalf of the Corporation whether prior to, at, or after the closing of the sale of the Property (the “Closing”), any document as may be reasonably necessary or desirable to effectuate the sale of the Property and the release of the Corporation’s liability under the Notes in full, which are, in the sole discretion of said officers, in the best interests of the Corporation; provided, however, that, notwithstanding anything to the contrary herein or in any prior resolution adopted by the Board, the failure to obtain, prior to the Closing, the release of the liability of the Corporation in full for the balance of the amounts due and owing to the USDA on the Notes shall not abrogate the ability of the Corporation to otherwise perform its obligations under the Agreement and close the sale of the Property.