

MEETING HELD APRIL 20, 1999

A meeting of the Industrial Development Agency of the Village of Port Chester, New York, was held on Tuesday, April 20, 1999 at 7:00 P.M., at 10 Pearl Street, Port Chester, New York with Chairperson, Marianne Cotter presiding.

Present were members Angelo Rubino, Jr., Robert Rodriguez and John Hiensch.

It should be noted that members Louis Passerelli, Al Wesley and John Ryan were absent.

Also present were Mark Tulis, IDA counsel, Richard Corey and Stephanie Batchelor from Zephr Management, L.H. Heithaus, FA, and Joseph Carlucci, attorney with Cuddy, Feder & Worby LLP.

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Mr. Carlucci requested that the IDA approve an inducement resolution to issue tax exempt civic facility bonds to defray a portion of the costs to allow The American Foundation for Affordable Housing (Kingsport), Inc. to acquire Kingsport, which is a Senior Citizen housing complex located at 245 King Street, Port Chester, NY

**VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION AND DECLARATION OF THE
AGENCY'S OFFICIAL INTENT TO REIMBURSE EXPENDITURES
OF THE COMPANY WITH PROCEEDS OF AGENCY
CIVIC FACILITY REVENUE BONDS (THE "BONDS")**

On motion of COMMISSIONER RUBINO, seconded by COMMISSIONER RODRIGUEZ, the following resolution was adopted by the Port Chester Industrial Development Agency, New York:

Regarding the American Foundation for Affordable Housing (Kingsport), Inc. Project

WHEREAS, the New York State Industrial Development Agency Act and the Agency's enabling legislation, respectively constituting Article 18-A and Section 900-a of

the General Municipal Law (Chapter 24 of the Consolidated Laws of New York) (the "Act") authorizes the Agency (1) to promote the economic welfare, recreational opportunities and prosperity of its inhabitants, and (2) to promote, attract, encourage and develop recreation and economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, an application dated March 19, 1999 has been submitted to the Agency by or on behalf of the American Foundation for Affordable Housing (Kingsport), Inc. (together with the applicant and other project sponsor or participant, if different, the "Company") requesting assistance in financing a proposed project in the Village of Port Chester, New York consisting of the acquisition of approximately 1.3 acres of land and the building thereon, approximately 96,000 sq. ft. in size, to be used for civic facility purposes as an affordable 128-unit apartment complex whose occupancy is restricted to elderly and handicapped residents (the "Project"), to be located at Kingsport Apartments, 245 King Street, in the Village of Port Chester, New York (the "Project Site") as more fully described in the application; and

WHEREAS, in its application the Company has represented that the Project is expected to maintain or increase employment in the State and in the Village of Port Chester, New York, and has made additional factual representations concerning itself and the Project upon which the Agency is relying in adopting this resolution; and

WHEREAS, in its application for assistance the Company has made further representations with respect to the qualification of the Project as a civic facility project under Section 854 (13) (c) of the Act, and the Company has represented and the Agency has determined that such qualification is supported by the information presented in the application; and

WHEREAS, the Company has requested that the Agency grant to the Company certain financial assistance with respect to the Project including relief from certain sales and use taxation and mortgage recording taxation; and

WHEREAS, pursuant to the grant of financial assistance the Company will agree to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated; and

WHEREAS, a public hearing will be held so that all persons with views in favor of or opposed to the issuance of the Bonds and grant of financial assistance contemplated by the Agency or the location or nature of the Project, can be heard; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") and the regulations of the Department of Environmental conservation of the State of New York thereunder (the "DEC Regulations"), the Agency constitutes a "State Agency"; and

WHEREAS, the Agency has made no determination with respect to the Project under the SEQR Act; and

WHEREAS, the Agency must state its reasonable expectation to reimburse expenditures for the Project with proceeds of Bonds in order to qualify such expenditures for financing by the Bonds; and

WHEREAS, the Agency intends to induce the Company to proceed with the development of the Project pending completion of arrangements by the Company and the Agency for the issuance and sale of Bonds to provide long term financing for the Project;

NOW, THEREFORE, the Village of Port Chester Industrial Development Agency hereby resolves as follows:

Section 1. Qualification of Project. The Agency hereby determines that the undertaking and completion of the Project and the financing thereof by the Agency is authorized by the Act and will be in furtherance of the policy of the State of New York as set forth therein, and that there will be no net loss of jobs in the Village as a result of the Project.

Section 2. SEORA. The Agency hereby finds and determines that this Resolution constitutes a determination of technical requirements within the meaning of Section 617.5 (c)(28) of the DEC Regulations and does not constitute, and shall not be deemed to constitute, either an approval by the Agency of the Project for purposes of the SEQR Act or a commitment by the Agency to issue the Bonds.

Section 3. Authorization to Proceed. The Company is authorized to undertake and complete the Project and to advance such funds as may be necessary therefor, all such expenditures to be reimbursable to the Company out of the proceeds of the Bonds to be issued by the Agency. Any action heretofore taken by the Company in initiating the Project is hereby ratified, confirmed and approved.

Section 4. Assistance of Company. The members, representatives, and agents of the Agency are hereby authorized and directed to take all actions deemed appropriate to assist the Company in commencing and carrying out the Project.

Section 5. Issuance of Bonds. The Agency will issue, sell and deliver its civic facility revenue bonds to finance the Project in the amount of presently estimated to be \$8,500,00 but not to exceed \$10,000,000 or such greater or lesser amount as may be required based on the Company's final cost certification, subject to agreement among the Agency, the Company and the purchaser of the Bonds as to the amount, interest rate, maturity, security, redemption provisions and other terms and conditions of the issue. The Bonds will be special obligations of the Agency payable solely from the revenues and other receipts, funds or moneys derived from the financing agreement entered into by the Agency with the Company or others with respect to the Project.

Section 6. No Recourse or Personal Liability. No provisions of this resolution or the Bonds or any other related document shall constitute or give rise to a charge upon the general credit of the Agency or impose upon the Agency a pecuniary liability except as may be payable from the limited sources set forth above. No recourse shall be had for the payment of the Bonds or the performance of any obligation in connection therewith against any member, representative or agency of the Agency, nor is or shall any such person become personally liable for any such payment or performance.

Section 7. Public Hearing. The Agency will call a public hearing with respect to the Project subsequent to the adoption hereof in accordance with Section 859-a of the General Municipal Law of New York. No Bonds shall be issued or financial assistance of the Agency granted to or on behalf of the Company hereunder until a public hearing regarding the

Project shall be held by the Agency in accordance with Section 859-a of the General Municipal Law of New York. The time and date of the Public Hearing shall be determined by the Chairman or Assistant Secretary of the Agency in accordance with Section 859-a of the General Municipal Law of New York.

Section 8. Effect of Resolution. In adopting this resolution, notwithstanding any other provision hereof, the Agency assumes no responsibility for obtaining or assisting the Company in obtaining financing for the Project. This resolution is not a contract between the Agency and the Company and it shall not be construed as such.

Section 9. Expiry of Resolution. This resolution may be deemed by the Agency to have expired at any time after thirty-six months from the date hereof, unless (a) extended by the Company with the consent of the Agency and by payment of the Agency's extension fee of \$100, or (b) the financing has been committed or closed. Any extension or renewal will be for an additional thirty-six month period.

Section 10. Appointment of Agency Counsel. The law firm of Oxman Geiger Natale & Tulis, P.C. is hereby directed to commence work as Agency Counsel with respect to the bonds.

Section 11. Appointment of Bond Counsel. The law firm of Nixon, Hargrave, Devans & Doyle, LLP is hereby directed to commence work as Bond Counsel with respect to the Bonds.

Section 12. Effective Date. The resolution shall take effect immediately.

ROLL CALL

AYES: Commissioners Cotter, Rubino, Rodriguez and Hiensch
NOES: None
ABSENT: Commissioners Passerelli, Wesley and Ryan

On motion of COMMISSIONER HEINSCH, seconded by COMMISSIONER RUBINO, the following resolution was adopted by the Port Chester Industrial Development Agency, New York:

RESOLVED, that a public hearing be scheduled for May 28, 1999 at 10:00 a.m. at the Courtroom, 10 Pearl Street, Port Chester, New York, to consider the application dated March 19, 1999 on behalf of the American Foundation for Affordable Housing (Kingsport), Inc., requesting assistance in financing a proposed project in the Village of

Port Chester, New York consisting of the acquisition of approximately 1.3 acres of land and the building thereon, approximately 96,000 sq. ft. in size, to be used for civic facility purposes as an affordable 128-unit apartment complex whose occupancy is restricted to elderly and handicapped residents to be located at Kingsport Apartment, 245 King Street, Port Chester, New York.

ROLL CALL

AYES: Commissioners Cotter, Rubino, Rodriguez and Hiensch
NOES: None
ABSENT: Commissioners Passerelli, Wesley and Ryan

There being no further business on motion by Commissioner Rubino, Jr.,
seconded by Commissioner Rodriguez, the meeting was adjourned at 7:30 P.M.

Respectfully submitted,

Marianne Cotter
Chairperson