

MEETING HELD JUNE 23, 1999

A meeting of the Industrial Development Agency of the Village of Port Chester, New York, was held on Wednesday, June 23, 1999 at 7:00 P.M., at 10 Pearl Street, Port Chester, New York with Chairperson, Marianne Cotter presiding.

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

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

Also present were L.H. Heithaus, FA for American Foundation for Affordable Housing (Kingsport), Inc., Joseph Carlucci, attorney with Cuddy, Feder & Worby LLP, and Mark Tulis, IDA counsel

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On motion of Commissioner Rodriguez, seconded by Commissioner Rubino, Jr., the Commissioners approved the minutes of February 18, 1999, April 20, 1999 and May 20, 1999.

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ADOPTING AN INVESTMENT POLICY FOR THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY

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

WHEREAS, pursuant to Section 858-a(3) of the New York State General Municipal Law ("GML"), industrial development agencies are required among other things, to designate one or more banks or trust companies for the deposit of its funds, to further specify the maximum amount which may be kept on deposit at any time in each such bank or trust company, and to provide for the security of said funds deposited in excess of the amount insured under the provisions of the Federal Deposit Insurance Act; and

WHEREAS, the Village of Port Chester pursuant to Section 39 of the New York State General Municipal Law has adopted by Resolution on June 21, 1999, a comprehensive investment policy detailing the government's operative policy and

instructions to offers and staff regarding the government's operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of government funds; and

WHEREAS, the Village of Port Chester Industrial Development Agency (the "Agency") in order to comply with the GML desires to adopt the Village's Investment Policy in substantially the same format.

NOW, THEREFORE BE IT RESOLVED, that the Agency hereby approve and adopt the attached investment policy for the Agency which includes among other things the designation of the banks or trust companies for the deposit of Agency funds, the maximum amount which may be kept on deposit at any time in each such bank or trust company, and provides for the security of said funds deposited in excess of the amount insured under the provisions of the Federal Deposit Insurance Act; and

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

ROLL CALL

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

RESOLUTION OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY ADOPTING THE AGENCY'S UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

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

WHEREAS, the Village of Port Chester Industrial Development Agency (the "Agency") was established pursuant to Section 900-a of the General Municipal Law of the State of New York, as; and

WHEREAS, Section 874(a) of the Act requires that all industrial development agencies establish a uniform tax exemption policy, which are to be applicable to the grant of financial assistance pursuant to the Act, and that industrial development agencies provide guidelines for the claiming of real property mortgage recording and sales tax exemptions; and

WHEREAS, in establishing its uniform tax exemption policy, the Agency has considered various issues, including, but not limited to, the extent to which a project will create or retain permanent, private sector jobs; the estimated value of any tax exemptions to be provided; whether affected tax jurisdictions shall be reimbursed by the project occupant if a project does not fulfill the purposes for which an exemption was provided; the impact

of a proposed project on existing and proposed businesses and economic development projects in the vicinity; the amount of private sector investment generated or likely to be generated by the proposed project; the demonstrated public support for the proposed project; the likelihood of accomplishing the proposed project in a timely fashion; the effect of the proposed project upon the environment; the extent to which the proposed project will require the provision of additional services, including, but not limited to, additional educational, transportation, police, emergency medical or fire services; and the extent to which the proposed project will provide additional sources of revenue for municipalities and school districts; and

WHEREAS, the Agency desires to formally adopt its uniform tax exemption policy and guidelines with respect to the granting of real property tax, sales tax exemptions and mortgage recording tax exemptions.

NOW, THEREFORE BE IT RESOLVED, that the Village of Port Chester Industrial Development Agency hereby adopts the following uniform exemption policy and guidelines:

I. Real Property Taxes

The Agency's general policy is to provide real estate tax abatements consistent with the provisions of Section 485-b of the New York Real Property Tax Law. However in those circumstances for which the Agency reasonably determines that the current assessed value of project real property as reflected on the tax rolls in the affected local taxing jurisdictions is not representative of market values, and the project company intends to proceed to seek an appropriate reduction in such assessed value with the relevant taxing jurisdictions, the Agency may provide for payments in lieu of real estate taxes based on Section 485-b and an assumed reduced assessed value. Further, in the case of certain special projects involving either substantial capital investment, substantial number of jobs or a targeted development area or targeted industry, the Agency may determine to apply a negotiated payment in lieu of tax abatement to a project, taking into consideration factors such as (1) the extent to which the project will create or retain permanent private sector jobs, (ii) the estimated value of the tax exemptions to be provided, (iii) the amount of private sector investment expected to be generated by the project, (iv) the public support for the project, and (v) the likelihood of timely accomplishment of the project.

II. Sales Tax

The Agency's general policy is to provide sales or use tax exemption for construction or renovation materials and purchase or leases of project-related machinery and equipment and other tangible personal property. The sales tax exemption is generally applicable only during the initial period of project built-out and fitting, but may also, in special circumstances for more capital extensive projects, be made available for a term of years commensurate with the term of the Agency's financing. Letters of the Agency authorizing sales for the project, or if applicable, prior to the entering into of a straight-lease transaction for the project, unless, in either case, upon special approval therefor by the Agency board of directors.

III. Mortgage Recording Tax

Mortgages executed by the Agency to secure its bonds issues for a project will be exempted from the payment of mortgage recording taxes. Mortgages executed by the Agency on a project to secure financing not provided by the Agency may or may not be exempted at the option of the Agency on a case by case basis.

IV. Deviations from Policy

Any deviations from the above policies will require approval by the Agency board of directors.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

ROLL CALL

AYES: Commissioners Cotter, Hiensch, Ryan, Rubino, Jr. and Rodriguez

NOES: None

ABSENT: Commissioners Passerelli and Wesley

**ADOPTING POLICIES AND PROCEDURES FOR
PROCUREMENT OF GOODS AND SERVICES NOT
SUBJECT TO COMPETITIVE BIDDING**

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

WHEREAS, the Village of Port Chester Industrial Development Agency (the "Agency") is governed by Article 18A (the "Act") of the New York State General Municipal Law ("GML"); and

WHEREAS, Section 858-a of the Act requires the Agency to follow Section 104-b of the GML in relation to the procurement of goods and services paid for by the Agency for its own use and account; and

WHEREAS, the Village of Port Chester ("Village") in compliance with Section 104-b of the GML adopted Resolution dated May 27, 1992 (the "Resolution") setting forth the Village's policies and procedures governing procurements of goods and services which are not required to be made pursuant to the competitive bidding requirements of Section 103 of the GML or any other general, special or local law; and

NOW, THEREFORE BE IT RESOLVED, that the Agency hereby adopts the annexed policies and procedures of the Village.

ROLL CALL

AYES: Commissioners Cotter, Hiensch, Ryan, Rubino, Jr. and Rodriguez

NOES: None

ABSENT: Commissioners Passerelli and Wesley

At a meeting of the Village of Port Chester Industrial Development Agency, Westchester County, New York (the "Issuer"), held at Village of Port Chester, Village Hall, 10 Pearl Street, Port Chester, New York, on the 23rd day of June, 1999, the following members of the issuer were:

Present: Marianne Cotter, Angelo Rubino, Jr., Robert Rodriguez, John Hiensch and John Ryan

Absent: Louis Passerelli and Alfred Wesley

Also Present: Mark Tulis, Esq., Bud Heithaus and Joseph Carlucci, Esq.

After the meeting had been duly called to order, the Chairperson announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Issuer's proposed Civic Facility Revenue Bonds, Series 1999 (American Foundation for Affordable Housing (Kingsport), Inc. Civic Facility) in the aggregate principal amount presently estimated to be approximately \$8,207,513, but not to exceed \$10,000,000.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

AYES: Commissioners Cotter, Rubino, Jr., Rodriguez, Hiensch and Ryan
NAYES: None

FINAL RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S CIVIC FACILITY REVENUE BONDS, SERIES 1999 (AMERICAN FOUNDATION FOR AFFORDABLE HOUSING (KINGSPORT), INC. CIVIC FACILITY), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$8,207,513, BUT NOT TO EXCEED \$10,000,000, AND THE EXECUTION OF RELATED DOCUMENTS

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

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 632 of the Laws of 1972 of the State of New York (collectively the "Act"), the Issuer was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring certain industrial facilities as authorized by the Act; and

WHEREAS, there was submitted to the Issuer a proposal to issue its Civic Facility Revenue Bonds, Series 1999 (American Foundation for Affordable Housing (Kingsport), Inc. Civic Facility) (the "Bonds") to finance the costs of a civic facility

under Section 145 of the Internal Revenue Code of 1986, as amended (the "Code") consisting of the acquisition of approximately 1.3 acres of land and the building thereon, approximately 96,000 square feet 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 Apartments, 245 King Street, in the Village of Port Chester, New York (the "Facility"); and

WHEREAS, the Issuer by resolution duly adopted on April 20, 1999, decided to proceed under the provisions of the Act to issue the Bonds for the purpose of financing the costs of acquiring the Facility; and

WHEREAS, American Foundation for Affordable Housing (Kingsport), Inc., a Virginia not-for-profit corporation duly qualified to do business in the State of New York, and an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation pursuant to Section 501(a) of the Code (the "Company"), has proposed that the Issuer sell the Facility to the Company pursuant to the terms of the Installment Sale Agreement (as hereinafter defined); and

WHEREAS, the Company has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the sale of the Facility and the issuance and purchase of the Bonds; and

WHEREAS, in compliance with Section 147(f) of the Code, the Issuer on May 28, 1999, held a public hearing on the issuance of the Bonds following public notice on April 20, 1999; and

WHEREAS, by Certificate of Approval to be executed by the Mayor of the Village of Port Chester, New York on or after May 28, 1999, the "applicable elected representative" as required under Section 147(f) of the Code will have approved the issuance of the Bonds; and

WHEREAS, the Company has received a commitment from Zephyr Management L.P. and SP - Port Chester, LLC (collectively, the "Bond Purchasers") to purchase in the aggregate principal amount presently estimated to be approximately \$8,207,513, but not to exceed \$10,000,000; and

WHEREAS, by resolution duly adopted on May 20, 1999, the Issuer authorized the issuance of the Bonds in anticipation of the holding of the required public hearing and the approval of the applicable elected representative (collectively, the "Necessary Approvals");

NOW, THEREFORE, BE IT RESOLVED by the Village of Port Chester Industrial Development Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Issuer hereby finds and re-finds and determines and re-determines:

(a) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out the effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The Facility constitutes a "project", as such terms is defined in the Act; and

(c) The acquiring of the Facility and the sale of the Facility to the Company pursuant to the Installment Sale Agreement will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Village of Port Chester and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) It approves of the location of the site of the Facility; and

(e) The Facility conforms with the local zoning laws and planning regulations of the Village of Port Chester and all regional and local land use plans for the area in which the Facility is located; and

(f) The financing of the Facility is reasonably necessary to induce the Company to maintain and expand its operations within the State of New York; and

(g) The Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York, or the Village of Port Chester; and

(h) The Facility and the operations conducted therein will not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder.

(i) It is desirable and in the public interest for the Issuer to issue and sell the Bonds in the aggregate principal amount presently estimated to be approximately \$8,207,513, but not to exceed \$10,000,000 upon the terms and conditions set forth in certain Bond Placement Agreement, to be dated as determined by the Chairperson (the "Bond Placement Agreement"), by and among the Issuer, the Bond Purchasers and the Company for the purpose of financing the cost of acquiring the Facility, together with necessary incidental expenses in connection therewith; and

(j) The Indenture of Trust, dated as of June 1, 1999 (the "Indenture"), by and between the Issuer and United States Trust Company of New York, as trustee for the benefit of the owners of the Bonds (the "Trustee"), will be an effective instrument which, among other things, secures the Bonds, assigns to the Trustee certain rights and remedies of the Issuer under the Installment Sale Agreement, and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(k) The Installment Sale Agreement, dated as of June 1, 1999 (the "Installment Sale Agreement"), by and between the Issuer and the Company will be an effective instrument whereby the Issuer will sell the Facility to the Company; and

(l) The Pledge and Assignment with Acknowledgment by the Company, dated as of June 1, 1999 (the "Assignment") will be an effective instrument under which the Issuer assigns to the Trustee certain of its rights and remedies thereunder, including the right to collect and receive certain moneys due and to become due thereunder (except for Unassigned Rights as defined in the Indenture); and

(m) The Mortgage and Security Agreement, dated as of June 1, 1999 (the "Mortgage"), from the Issuer and the Company to the Trustee will be an effective instrument whereby the Issuer assigns to the Trustee a present and continuing security interest in all property and rights described in Granting Clauses, thereof, to better secure payment of the Bonds and performance of its other obligations under the Bond Placement Agreements; and

(n) The Guaranty Agreement, dated as of June 1, 1999, (the "Guaranty"), from the Company to the Trustee and the Issuer will be an effective instrument, whereby the Company will guarantee to the Trustee and the Issuer the full and prompt payment when due of the principal of, premium, if any, and interest on the Bonds, and the payment and performance of the Company's obligations under the Company's Documents and will enhance the marketability of the Bonds; and

(o) The Tax Compliance Agreement, dated the Closing Date, by and between the Company and the Issuer (the "Tax Compliance Agreement") will be an effective instrument whereby the Company and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Company, the Bonds, the Facility and the application of Bond Proceeds; and

(p) The Environmental Compliance and Indemnification Agreement, dated as of June 1, 1999 (the "Environmental Compliance and Indemnification Agreement"), between and among the Issuer, the Trustee and the Company, will be an effective instrument whereby the Company covenants that the acquisition, renovation, equipping and operation of the Facility will be in compliance with all laws and regulations, and the Company will indemnify and hold the Issuer and the Trustee harmless from any violation of the environmental laws and regulations with respect to the Facility; and

(q) The proposed form of the Private Placement Memorandum (the "Private Placement Memorandum") to be distributed by the Issuer and the Company in connection with the issuance of the Bonds will contain true and accurate information regarding the ability of the Issuer to issue the Bonds and the information contained therein regarding the Issuer, the Bonds, the Bond Placement Agreement, the Indenture, the Installment Sale Agreement, the Assignment and the Guaranty is hereby approved.

Section 2. The Issuer hereby determines to: (i) issue and sell the Bonds to the Bond Purchasers pursuant to an in accordance with the Bond Placement Agreements, (ii) use the proceeds of the Bonds to acquire, renovate and equip the Facility, (iii) sell the Facility to the Company pursuant to the Installment Sale Agreement, (iv) secure the Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee certain of the Issuer's rights and remedies under the Installment Sale Agreement, including the right to collect and receive amounts payable thereunder (except for Unassigned Rights as defined in Schedule A to the Indenture) pursuant to the Assignment, (v) secure the Bonds by granting a lien upon and security

interest in the Facility to the Trustee pursuant to the Mortgage, (vi) obtain the certification by a State official designated by State law or, if there is no such State official, the Governor of the State, that the Bonds meet the requirements of Section 146 of the Code, and (viii) file the Information Return for Private Activity Bond Issues, Form 8038 (the "Information Return") in the manner and at the places provided in the Code.

Section 3. The Issuer is hereby authorized to acquire the real and personal property described in Exhibits A and B, respectively, to the Installment Sale Agreement and to sell the same to the Company pursuant to the terms of the Installment Sale Agreement and to do all things necessary or appropriate for the accomplishments thereof, and all acts heretofore taken by the Issuer with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Bonds, the Bond Placement Agreement (when approved in form and substance satisfactory to the Chairperson with the advice of Issuer counsel), the Indenture, the Installment Sale Agreement, the Mortgage, the Assignment, the Tax Compliance Agreement, the Information Return and the Guaranty (each in substantially the form presented to the Issuer (or in such form and substance and containing such terms as the Chairperson may approve with the advice of Issuer counsel, such approval of the Chairperson of the Issuer, to be final and binding on the Issuer, in all respects without further ratification and confirmation) and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 5. The Issuer is hereby authorized to issue and execute, sell and deliver the Bonds to the Purchaser in the aggregate principal amount presently estimated to be \$7,740,000, but not to exceed \$10,000,000, pursuant to the Act and in accordance with the Bond Placement Agreement and the Indenture; provided that:

(a) The Bonds shall (i) be issued, executed and delivered at such time as the Chairperson, the Vice Chairperson or any member of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as are set forth in the Bonds, the Bond Placement Agreement and the Indenture, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The Bonds shall be issued solely for the purpose of providing funds to finance the Costs of the Facility, funding a Debt Service Reserve Fund in an amount up to the Debt Service Reserve Fund Requirement, if required, and paying certain Costs of Issuance, including without limitation, the administrative, legal, financial and other expenses of the Issuer incurred in connection with the acquisition, renovation and equipping of the Facility and incidental to the issuance of the Bonds.

(c) The Bonds and the interest are not and shall never be a debt of the State of New York or the Village of Port Chester, New York, and neither the State of New York nor the Village of Port Chester, New York, shall be liable thereon.

(d) The Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the sale of the Facility or from the enforcement of the security provided by the Mortgage, the Installment Sale Agreement and the Assignment.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Bonds or of any other funds which, if such use had been reasonably expected on the date of issue of the Bonds, would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 6.

(a) The Chairperson, the Vice Chairperson or any member of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Bond Placement Agreement, the Indenture, the Installment Sale Agreement, the Mortgage, the Assignment, the Tax Compliance Agreement, the Environmental Compliance and Indemnification Agreement, the Private Placement Memorandum and the Bonds (hereinafter collectively called the "Financing Documents") and the Information Return and, where appropriate, the Secretary or any assistant secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Bonds, all in substantially the forms thereof presented to this meeting (as approved by the Chairperson of the Issuer with the advise of Issuer counsel) with such changes, variations, omissions and insertions as the Chairperson, the Vice Chairperson or any member shall approve. The execution thereof by the Chairperson, the Vice Chairperson or any member of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chairperson, the Vice Chairperson or any member of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Installment Sale Agreement).

(c) The Chairperson, the Vice Chairperson or any member are each hereby authorized on behalf of the Issuer to deem the Private Placement Memorandum final for purposes of rule 15c-2-12 under the Securities Act of 1934, as amended, with such changes therein as shall be approved by such officers upon the advice of counsel to the Issuer and Bond Counsel, and such officers shall on behalf of the Issuer authorize and approve the execution, delivery and distribution of the Private Placement Memorandum in connection with the offer and sale of the Bonds.

Section 7. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 8. The Issuer hereby elects to have the provisions of Section 144(a)(4) of the Code apply to the Bonds.

Section 9.

(a) It is desirable and in the best interest of the Issuer that, in connection with the issuance of the Bonds, the Bonds be qualified or registered for offer in various states

authorized by the Issuer and that each of the members, officers, employees and agents of the Issuer be, and they hereby are each, authorized to determine the states in which appropriate action shall be taken to qualify or register for offer all or such part of the Bonds as said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed); that each of said members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer, in connection with the proposed offering of the Bonds, which they may deem necessary or appropriate to obtain licenses or permits, or register, qualify or notice the Bonds for reoffering and issuance under the securities or Blue Sky laws of such of the various states as each of said members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed), and in connection with such registrations, licenses, permits, qualifications or notices, to execute and file for and on behalf of the Issuer all such applications, notices, reports, issuer's covenants, resolutions, irrevocable consents to service of process (including appointment of a designated state official to act as agent to receive process), powers of attorney and information, and to take all such further action as any of them may deem necessary or desirable to keep in effect such registrations, licenses, permits, qualifications or notices or to comply with the requirements of any regulatory commission whose approval or notification with respect to the Bonds may be required (and any such action taken to date is hereby approved, ratified and confirmed); and that the execution by such members, officers, employees and agents of the Issuer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor by the Issuer of the papers and documents so executed and the action so taken (and any such action taken to date is hereby approved, ratified and confirmed).

(b) The Issuer hereby adopts the form of any resolution required by any state authority to be filed in connection with any application, consent to service of process or other document mentioned in the foregoing resolution if (i) in the opinion of a member, officer, employee or agent of the Issuer the adoption of such a resolution is necessary or advisable, and (ii) the Secretary or Assistant Secretary of the Issuer evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will thereupon be deemed to have been adopted by the Issuer with the same force and effect as if originally attached to the minutes of this meeting (and any such action taken to date is hereby approved, confirmed and ratified).

(c) The Issuer hereby resolves, that each of the members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer in connection with the proposed issuance and offering of the Bonds which they may deem necessary or appropriate to render the Bonds legal for investment by savings banks, insurance companies, trust funds and any other institutions in such other of the various states as such members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, confirmed and ratified).

Section 10. In addition to all other matters contained herein or which are the subject of these Resolutions, these Resolutions supplement and confirm the Resolutions duly adopted by the Issuer on May 20, 1999.

Section 11. These Resolutions shall take effect immediately.

ROLL CALL

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

**ADOPTING A RESOLUTION APPROVING EXECUTION OF
PAYMENT-IN-LIEU-OF-TAX-AGREEMENT BETWEEN THE
AMERICAN FOUNDATION FOR AFFORDABLE HOUSING
(KINGSPORT), INC. AND THE VILLAGE OF PORT CHESTER
INDUSTRIAL DEVELOPMENT AGENCY**

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

WHEREAS, the Village of Port Chester Industrial Development Agency (the
"Agency") is governed by Article 18A (the "Act") of the New York State General
Municipal Law ("GML"); and

WHEREAS, the Agency has approved a Final Resolution Authorizing the
Issuance and Sale of the Issuer's Civic Facility Revenue Bonds, Series 1999 (American
Foundation For Affordable Housing (Kingsport), Inc. (Civic Facility) in the Aggregate
Principal Amount Presently Estimated to be Approximately \$8,207,513, But Not To
Exceed \$10,000,000, and the Execution of Related Documents; and

WHEREAS, the Agency has negotiated a Payment-In-Lieu-of-Tax Agreement
between the Agency and the American Foundation for Affordable Housing (Kingsport),
Inc. ("Foundation") for a payment during the life of the civic facility bonds where by
payments shall be made by the Foundation in lieu of taxes for Village of Port Chester,
Port Chester School District; County of Westchester; and the Town of Rye equal to the
taxes received by each of said taxing agencies during 1999 for said property (the "Pilot");
and

WHEREAS, each of said taxing agencies has consented to said PILOT subject to
certain amendments;

NOW THEREFORE BE IT RESOLVED, that the Chair of Agency is
authorized to enter into said PILOT agreement on behalf of the Agency.

BE IT FURTHER RESOLVED, that this resolution shall take effect
immediately.

ROLL CALL

AYES: Commissioners Cotter, Hiensch, Ryan, Rubino, Jr., and Rodriguez

NOES: None
ABSENT: Commissioners Passerelli and Wesley

**ADOPTING A RESOLUTION APPROVING EXECUTION OF
AMENDMENT TO MANAGEMENT AGREEMENT BY AND
BETWEEN SP - PORT CHESTER, LLC. AND EDGEWOOD
MANAGEMENT CORPORATION AND THE VILLAGE OF
PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY**

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

WHEREAS, the Village of Port Chester Industrial Development Agency (the
"Agency") is governed by Article 18A (the "Act") of the New York State General
Municipal Law ("GML"); and

WHEREAS, the Agency has approved a Final Resolution Authorizing the
Issuance and Sale of the Issuer's Civic Facility Revenue Bonds, Series 1999 (American
Foundation For Affordable Housing (Kingsport), Inc. (Civic Facility) in the Aggregate
Principal Amount Presently Estimated to be Approximately \$8,207,513, But Not To
Exceed \$10,000,000, and the Execution of Related Documents; and

WHEREAS, pursuant to a certain management agreement dated February 26,
1999 ("Agreement") by and between SP-Port Chester, LLC ("SP") and Edgewood
Management Corporation ("Edgewood") any sale from SP must be consented to by
Edgewood. To extent that the Agency assumes title it is therefore necessary that the
Agency assumes and assigns the Agreement together with American Foundation for
Affordable Housing (Kingsport), Inc.

NOW THEREFORE BE IT RESOLVED, that the Chair of Agency is
authorized to enter into said Agreement on behalf of the Agency.

BE IT FURTHER RESOLVED, that this resolution shall take effect
immediately.

ROLL CALL

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

There being no further business on motion by Commissioner Rubino, Jr.,
seconded by Commissioner Rodriguez, the meeting was adjourned at 7:50 P.M.

Respectfully submitted,

Marianne Cotter
Chairperson