

MEETING HELD NOVEMBER 17, 1999

A meeting of the Industrial Development Agency of the Village of Port Chester, New York, was held on Wednesday, November 17, 1999 at 7:30 P.M., in the Courtroom at 10 Pearl Street, Port Chester, New York with Chairperson, Marianne Cotter presiding.

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

It should be noted that members John Heinsch and Al Wesley were absent.

Also present was Mark Tulis, IDA counsel, Joseph Carlucci and Robert C. Schneider, counsel with Cuddy & Feder & Worby, LLP.

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

DESIGNATION OF SIGNATORY

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, recreation opportunities and prosperity of its inhabitants, and (2) to promote, attract, encourage action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, pursuant to Section 858 of the Act, the Agency has the power, *inter alia*, to maintain bank accounts in furtherance of its legal responsibilities.

NOW THEREFORE, the Village of Port Chester Industrial Development Agency hereby resolves and designates its Chair, Marianne Cotter, as the sole signatory on checks issued by the Agency up to Five Thousand (\$5,000.00) Dollars and designates Marianne Cotter and Angelo Rubino, Jr., the Agency's secretary, as required joint signatories of checks in an amount greater than Five Thousand (\$5,000.00) Dollars.

RESOLVED, that MARIANNE COTTER is authorized as signatory for the Port Chester Industrial Development Agency.

ROLL CALL

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

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

Regarding the Modification of Documents Related to Redemption of Bonds

Relating to the  
Village of Port Chester Industrial Development Agency  
Industrial Development Revenue Bonds  
(Strauss Paper Co. Inc. Facility)  
Series 1978 Series A and B  
issued in the original aggregate principal amount of \$395,750

Under a Trust Indenture with  
The Bank of New York, as Trustee

WHEREAS, the Village of Port Chester Industrial Development Agency (the "Agency"), on May 31, 1978 issued \$395,750 of its Industrial Development Revenue Bonds (Strauss Paper Co., Inc. Facility) dated May 31, 1978 (the "Bonds") to finance a project in the Village of Port Chester, New York consisting of the acquisition, construction and equipping of certain industrial development facilities, such facilities being a warehouse and distribution facility for paper products and other related goods together with necessary office space and related facilities, together with related improvements, fixtures, machinery and equipment (the "Project"), as referred to in and pursuant to a Lease Agreement (the "Lease Agreement") dated as of May 1, 1978 between the Agency and Slater Realty Company, a New York partnership (the "Lessee"), by means of which the Agency leased the Project to the Lessee on the terms and conditions therein set forth; and

WHEREAS, the Lessee intends to prepay all amounts due under the Lease Agreement and to have both Series of Bonds redeemed in full; and

WHEREAS, each of the Bank of New York, as Series A Bondholder and Baker Properties, as Series B Bondholder intends to permit said modification subject to certain conditions; and

WHEREAS, the Lessee has requested the Agency and The Bank of New York, the Trustee to consent to (i) the prepayment of lease rental payments and (ii) the related general optional redemption of Bonds in case of both series, without the necessity of

redemption on an Interest Payment Date and without the necessity of complying with the various notice periods for each under the Lease Agreement, the Bonds and the Indenture, and in the case of the Series B Bonds, despite the general prohibition of prepayment of Series B Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

1. To accomplish the purposes of the Agency and to further the interests of the Project, the Agency hereby approves and consents to the execution and delivery by the Chairperson and the Secretary of all documentation concerning the (a) modification of the documents with respect to the redemption of the Bonds, (b) the effectuation of the redemption of the Bonds, and (c) all other documentation, acceptable in form and substance to Agency Counsel, and with such written consents of the Series A Bondholder, the Series B Bondholder and the Trustee as required by Agency Counsel, necessary to effectuate such transactions.
2. This resolution shall take effect immediately.

ROLL CALL

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

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Mr. Robert C. Schneider from Cuddy & Feder & Worby LLP, representing Grace 21 Associates, LLC., which is property located at 21 Grace Church Street, Port Chester, New York, requesting that the IDA issue bonds and provide other financial assistance in order to acquire, renovate, improve and equip this property. Essentially the IDA will own this property, which will be leased to Grace 21, who will sublease it to AlbumX Corp.

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

**Grace 21 Associates, L.L.C. Project**

WHEREAS, the New York State Industrial Development Agency Act and the Village of Port Chester Industrial Development 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 Village of Port Chester Industrial Development Agency (the "Agency") (1) to promote the economic welfare, recreational opportunities and prosperity of its inhabitants, and (2) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreational facilities through governmental action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, the Agency received an application from Grace 21 Associates, L.L.C. (the "Company") dated July 23, 1999 (the "Application") requesting the Agency to issue its Industrial Development Revenue Bonds and to provide other financial assistance, primarily in the form of exemptions from sales and use taxes and mortgage recording taxes, in order to acquire, renovate, improve and equip that certain real property generally known as and by the street address 21 Grace Church Street, Port Chester, New York (the "Premises"), which project consists of the acquisition and renovation of a building on approximately 50,000 sq. ft. of land, the building thereon, including mezzanine space of approximately 12,000 sq. ft., being approximately 62,000 sq. ft. in size, together with the acquisition and installation therein of machinery and equipment related thereto, all to be used for the manufacturing of high quality photo albums for use by professional photographers, all to be occupied and maintained by Album X Corp. and /or the Company (the "Project"); and

WHEREAS, pursuant to an Inducement Resolution of the Agency adopted July 28, 1999 the Agency determined that the undertaking and completion of the Project and the provision of financial assistance by the Agency is authorized by the ACT and is in furtherance of the policy of the State of New York as set forth therein; and

WHEREAS, the Company, at this time, does not require the issuance of the Agency's Industrial Development Revenue Bonds in order to undertake the Project by does seek other financial assistance as hereinabove set forth through a "straight lease" transaction (as defined in the ACT); and

WHEREAS, the provision by the agency of financial assistance has been determined to be necessary (i) in order to permit AlbumX Corp. and/or the Company, to preserve its competitive position in the industry and to maintain the jobs associated therewith by replacing obsolete and inefficient facilities; and (ii) in order for the Project to be economically viable and to preclude the consideration of alternatives which would include the relocation of AlbumX Corp. and /or the Company's operations to a jurisdiction which would not impose so heavy a tax burden upon the purchases involved in the Project; and

WHEREAS, pursuant to Section 900-a and Section 859-a as well as Article 18-A of the New York State General Municipal Law, the Agency provided notice to the local municipality and affected tax jurisdictions and held a public hearing in connection with the Project on the 10<sup>th</sup> day of September, 1999 at 10:00 a.m. local time, at 10 Pearl Street, Port Chester, New York 10573; and

WHEREAS, the Agency has reviewed the Environmental Assessment Form ( the "EAF") attached hereto, the Application and other documents submitted therewith and has made other inquiries to the Company to determine whether the Project may have any adverse environmental impacts in accordance with Article 8 of the State Environmental Conservation Law and Part 6 of the New York Code of Rules and Regulations Section 617 ("SEQR"); and

WHEREAS, the Company will cause there to be a Deed, an Agency Lease and an Agreement of Sublease with respect to the Premises, all as part of a Straight-Lease Transaction (the "Straight-Lease Transaction") with the Agency; and

WHEREAS, the Agency proposes to acquire and install at the Premises certain materials, fixtures, machinery and equipment (the "Equipment") (the Premises and the Equipment being collectively hereinafter referred to as the "Project Facility") and that there be a sublease of the Project Facility to AlbumX Corp. pursuant to the provisions of an Agency Lease Agreement and a Project Agreement ( the "Agency Lease Agreement" and the "Project Agreement") each by and between the Agency and the Company.

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

BE IT RESOLVED, that pursuant to SEQR and in accordance with Article 8 of the Environmental Conservation Law, the Agency determines that the Project is an "unlisted action", adopts the EAF and determines that the Project will not have any significant adverse environmental impacts; and be it further

RESOLVED, that the Agency orders the Chairperson to execute the EAF and authorizes that public inquiries regarding the Agency's SEQR determination be made to the Agency's office at 10 Pearl Street, Port Chester, New York 10573, attn: Village Clerk's Office, telephone number - 914-939-5202; and be it further

RESOLVED, that the PILOT Agreement dated as of November 1, 1999, and the PILOT Mortgage, dated as of November 1, 1999, deal with the issue of "Payments-in-Lieu- of- Taxes" ("PILOT"); and be it further

RESOLVED, that the form of Agency Lease, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. That the Chairperson of the Agency (the "Authorized Officer") is hereby authorized and directed to execute and deliver the Agency Lease with such changes, insertions and omissions as may be approved by said Chairperson, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the form of the Agreement of Sublease, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. The Chairperson of the Agency is hereby authorized and directed to execute and deliver the Agreement of Sublease with such changes, insertions and omissions as may be approved by said Chairperson, said execution being conclusive evidence of such approval; and the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the official seal of the Agency to the Agreement of Sublease and to attest the same; and be it further

RESOLVED, that the form of the Agency Mortgages and related loan documentation, including but not limited to an assignment of leases and rents, by and between the Agency and Chinatrust Bank (USA), and among the Agency, Chinatrust Bank (U.S.A.) and the Company, as submitted to the meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. The Chairperson is hereby authorized and directed to execute and deliver the Agency Mortgages and related loan documentation, including but not limited to an assignment of leases and rents, with such changes, insertions and omissions as may be approved by said Chairperson, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Agency is hereby authorized to enter into the Project Agreement. The form of the Project Agreement, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. The Chairperson of the Agency is hereby authorized and directed to execute and deliver the Project Agreement with such changes, insertions and omissions as may be approved by said Chairperson, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Chairperson of the Agency is hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution, and be it further

RESOLVED, that this resolution shall become effective immediately upon its adoption.

ROLL CALL

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

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

RESOLUTION AUTHORIZING EXECUTION OF LEASE TERMINATION AGREEMENT - CSC ACQUISITION - MA., INC.

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, recreation opportunities and prosperity of its inhabitants, and (2) to promote, attract, encourage and develop recreation and economic sound commence and industry through governmental action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, pursuant to certain Lease Agreement dated as of July 1, 1982 (the "Lease") and a Memorandum of Law dated as of July 1, 1982 between the Agency and Westchester Cable Television, Inc., as predecessor to CSC Acquisition - MA, Inc. (the "Lessee"), the Agency lease certain property in the Village to the Lessee identified as Parcels Tax Lot 1C, 2, 12A & 12B, 4 and more on Map No. 6835; and

WHEREAS, the Lessee and the Agency entered into a further agreement that upon payment of certain bonds secured by the Lease and the Property, the Agency would terminate the Lease and reconvey the property to the Lessee; and

WHEREAS, said bonds have been paid and the Lease and the reconveyance terminated pursuant to their terms;

NOW THEREFORE, the Agency resolves that Marianne Cotter, Chair, is hereby authorized to execute the Lease Termination Agreement, Bill of Sale, Deed, and related documents to convey the Property to the Lessee.

ROLL CALL

AYES: Commissioners Cotter, Rubino, Rodriguez and Ryan

NOES: None

ABSENT: Commissioners Heinsch and Wesley

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

Regarding the Modification of Documents Related to Redemption of Bonds

Relating to the  
Village of Port Chester Industrial Development Agency  
Industrial Development Revenue Bonds  
(Depot Stationers and Printers, Inc. Facility)  
Series 1978 Series A and B  
issued in the original aggregate principal amount of \$462,500

Under a Trust Indenture with  
The Bank of New York, as Trustee

WHEREAS, the Village of Port Chester Industrial Development Agency (the "Agency"), on March 1, 1978 issued \$462,500 of its Industrial Development Revenue Bonds (Depot Stationers and Printers, Inc. Facility) dated as of March 1, 1978 (the "Bonds") to finance a project in the Village of Port Chester, New York consisting of the acquisition, construction and equipping of certain industrial development facilities, such facilities being a warehouse and distribution facility for stationery and other related goods together with necessary office space and related facilities, together with related improvements, fixtures, machinery and equipment (the "Project"), as referred to in and

pursuant to a Lease Agreement (the "Lease Agreement") dated as of March 1, 1978 between the Agency and 34 Midland Avenue Realty, LLC, a New York limited liability company, successor to 34 Midland Avenue Real Estate Partnership (the "Lessee"), by means of which the Agency leased the Project to the Lessee on the terms and conditions therein set forth; and

WHEREAS, the Lessee intends to prepay all amounts due under the Lease Agreement and to have both Series of Bonds redeemed in full; and

WHEREAS, each of the Bank of New York, as Series A Bondholder and Baker Properties, as Series B Bondholder intends to permit said modification subject to certain conditions; and

WHEREAS, the Lessee has requested the Agency and The Bank of New York, the Trustee to consent to (i) the prepayment of lease rental payments and (ii) the related general optional redemption of Bonds in case of both Series, without the necessity of redemption on an Interest Payment Date and without the necessity of complying with the various notice periods for each under the Lease Agreement, the Bonds and the Indenture and in the case of the Series B Bonds, despite the general prohibition of prepayment of Series B Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

1. To accomplish the purposes of the Agency and to further the interests of the Project, the Agency hereby approves and consents to the execution and delivery by the Chairperson and the Secretary of all documentation concerning the (a) modification of the documents with respect to the redemption of the Bonds, (b) the effectuation of the redemption of the Bonds, and (c) all other documentation, acceptable in form and substance to Agency Counsel, and with such written consents of the Series A Bondholder, the Series B Bondholder and the Trustee as required by Agency Counsel, necessary to effectuate such transactions.
2. This resolution shall take effect immediately.

ROLL CALL

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

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

Respectfully submitted,  
  
Angelo Rubino, Jr.  
Secretary