

MEETING HELD FEBRUARY 22, 2001

A meeting of the Industrial Development Agency of the Village of Port Chester, New York, was held on Thursday, February 22, 2001 at 7:10 P.M., in the Rye Town Courtroom at 10 Pearl Street, Port Chester, New York with Chairperson, Marianne Cotter presiding.

Present were members Angelo Rubino, Jr., Shari Melillo and Jo-Ann Strazza.

It should be noted that members John Heinsch, John Ryan and Robert Rodriguez were absent.

Also present were Mark Tulis, counsel for the Agency, Joseph Carlucci, Esq., representing American Foundation for Affordable Housing (Kingsport), Inc., and Richard Corey, Managing Partner of Municipal Capital Appreciation Partners .

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On motion of Commissioner Rubino. Jr., seconded by Commissioner Strazza, the Commissioners approved the minutes of October 26, 2000.

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Joseph Carlucci, Esq., attorney for the American Foundation for Affordable Housing (Kingsport), Inc., made a presentation to the Industrial Development Agency concerning the need to authorize the issuance of Civic Facility Revenue Bonds for Kingsport for the purpose of refinancing the cost of the facility.

Mr. Carlucci said that the facility should take advantage of the lower interest rates on the bonds which would allow the project to be more viable so that more services could be provided to the residents. He said that the Village tax base would not be affected by this refinancing.

RESOLUTION OF THE VILLAGE OF PORT INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF CIVIC FACILITY REVENUE REFUNDING BONDS IN AN AMOUNT SUFFICIENT TO FINANCE CERTAIN COSTS OF THE AMERICAN FOUNDATION FOR AFFORDABLE HOUSING (KINGSPORT), INC. CIVIC FACILITY, APPOINTING AMERICAN FOUNDATION FOR AFFORDABLE HOUSING (KINGSPORT), INC., AGENT OF THE ISSUER FOR THE PURPOSE OF REFINANCING THE COSTS OF FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT, MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND REQUESTING THE VILLAGE OF PORT CHESTER TO APPROVE THE ISSUANCE OF THE BONDS.

On motion of COMMISSIONER MELILLO, seconded by COMMISSIONER

RUBINO, Jr., the following resolution was adopted by the Industrial Development

Agency, Port Chester, New York:

WHEREAS, American Foundation for Affordable Housing (Kingsport), Inc. (the "Company"), a duly organized and validly existing Virginia not-for-profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (the "Code") which is exempt from federal income taxation pursuant to Section 501(a) of the Code has applied to the Village of Port Chester Industrial Development Agency (the "Issuer") to issue its Civic Facility Revenue Refunding Bonds, Series 2001 (the "Bonds") under Section 145 of the Code in an amount sufficient to refinance the Issuer's Civic Facility Revenue Bonds, Series 1999 (American Foundation for Affordable Housing (Kingsport), Inc. Civic Facility) which were issued to finance the costs of a civic facility under Section 145 of the Code consisting of the acquisition of approximately 1.3 acres of land and the building thereon, approximately 96,000 square feet in size, which were to be used for civic facility purposes as an affordable 128-unit apartment complex whose occupancy was to be restricted to elderly and handicapped residents, and located at Kingsport Apartments, 245 King Street, in the Village of Port Chester, New York (the "Facility"); and

WHEREAS, the Facility is being sold to the Company pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York and Chapter 632 of the Laws of 1972 of the State of New York, as may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue its bonds to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, in addition to the issuance of the Bonds, the Issuer contemplates that it will provide financial assistance to the Company in connection with the Facility in the form of exemptions from mortgage recording taxes, consistent with the policies of the

Issuer, to be more particularly described in a Bond Resolution to be adopted by the Issuer prior to the issuance of the Bonds.

WHEREAS, pursuant to Section 147(f) of the Code, interest on the Bonds will not be excluded from gross income for tax purposes unless the issuance of the Bonds is approved by the "applicable elected representative" of the Village of Port Chester (the "Village") after a public hearing has been held on the Facility and the issuance of the Bonds; and

WHEREAS, notice of the public hearing will be given prior to the issuance of the Bonds and the granting of any tax benefits, such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, prior to the issuance of the Bonds and the granting of any tax benefits, a public hearing will be held so that all persons with views in favor of or opposed to either the issuance of the Bonds, the other financial assistance contemplated by the Issuer, or the location or nature of the Facility, can be heard, the minutes of which will be annexed hereto as Exhibit B; and

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

- Section 1. Based upon the information regarding the Facility and the refinancing thereof supplied by the Company, the Issuer determines that the action relating to the refinancing and operation of the Facility is a Type II action under the State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law) ("SEQRA") and therefore, does not require further environmental review.
- Section 2. (a) The refinancing of the Facility by the Issuer, through the issuance of Civic Facility Revenue Refunding Bonds pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Village and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;
- (b) It is desirable and in the public interest for the Issuer to issue the Bonds for the purpose of refinancing the costs of the Facility, together with necessary incidental expenses in connection therewith as reflected in the Company's application to the Issuer and as amended from time to time prior to the issuance of the Bonds. The currently estimated aggregate principal amount of the Bonds to be issued is approximately \$9,250,000, but not to exceed \$12,000,000.
- Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Issuer and the Company setting forth the undertakings of the Issuer and the Company with respect to the issuance of the Bonds and the development of the Facility (the "Agreement") are hereby approved. The Chairperson of the Issuer is hereby

authorized, on behalf of the Issuer, to execute and deliver the Agreement, with such changes in terms and form as the Chairperson shall approve. The execution thereof by the Chairperson shall constitute conclusive evidence of such approval.

Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement and approval of the issuance of the Bonds by the Mayor of the Village, and the compliance with any other applicable provisions of the Code, the Issuer shall (i) issue the Bonds in an amount and with maturities, an interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer, (ii) refinance the costs of the Facility, (iii) continue the sale of the Facility to the Company pursuant to the Installment Sale Agreement existing by and between the Company and the Issuer, as the same may be amended in connection with the issuance of the Bonds, whereby the Company will be obligated, among other things, to make payments to or for the account of the Issuer in amounts and at times so that such payment will be adequate to pay the principal of, premium, if any, and interest on the Bonds, and (iv) secure the Bonds in such manner as the Issuer, the Company and the Purchaser(s) of the Bonds mutually deem appropriate.

Section 5. The Company is herewith and hereby appointed the agent of Issuer to refinance the costs of the Facility.

Section 6. The Company is hereby authorized to undertake the refinancing of the Facility with the Bonds.

Section 7. Reserved.

Section 8. The law firm of Nixon Peabody LLP is hereby appointed Bond Counsel to the Issuer in connection with the issuance of the Bonds.

Section 9. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds.

Section 10. The Chairperson of the Issuer is hereby authorized and directed (i) to distribute copies of this resolution to the Company, (ii) to request the Mayor of the Village to approve the issuance of the Bonds, to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 11. This resolution shall take effect immediately and shall be continuously available for inspection by the general public during normal business hours at the Issuer's office.

ROLL CALL

AYES: Commissioners Melillo, Rubino, Jr., Strazza and Chairperson Cotter

NOES: None
ABSENT: Commissioners Heinsch, Rodriguez and Ryan

The Commission set the public hearing regarding the issuance of Civic Facility Revenue Refunding Bonds for the American Foundation for Affordable Housing (Kingsport), Inc., for April 6, 2001 at 10:00 a.m. in the Rye Town Courtroom, 10 Pearl Street, Port Chester, New York.

There being no further business on motion by Commissioner Rubino, Jr., seconded by Commissioner Strazza, the meeting was adjourned at 7:22 P.M.

Respectfully submitted,

Angelo Rubino, Jr.
Secretary