

MEETING HELD APRIL 25, 2001

A meeting of the Industrial Development Agency of the Village of Port Chester, New York, was held on Wednesday, April 25, 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., Robert Rodriguez, John Hiensch and Shari Melillo.

It should be noted that members Jo-Ann Strazza and John Ryan were absent.

Also present were Mark Tulis, counsel for the Agency and Joseph Carlucci, Esq., representing American Foundation for Affordable Housing (Kingsport), Inc.

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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 explaining the need to issue Civic Facility Revenue Refunding Bonds to Kingsport. He said this would result in a lower interest rate for Kingsport, which would maintain the affordability of the project.

FINAL RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S CIVIC FACILITY REVENUE REFUNDING BONDS, SERIES 2001 (AMERICAN FOUNDATION FOR AFFORDABLE HOUSING (KINGSPORT), INC. CIVIC FACILITY), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$9,250,000, BUT NOT TO EXCEED \$12,000,000, AND THE EXECUTION OF RELATED DOCUMENTS

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

WHEREAS, by Certificate of Approval to be executed by the Mayor of the Village of Port Chester, New York on or about May 7, 2001, 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 Municipal Capital Appreciation Partners I, L.P. (the “Series 2001-B Bond Purchaser”) to purchase the Series 2001-B Bonds in the aggregate principal amount presently estimated to be approximately \$1,350,000; and

WHEREAS, the Company has received a commitment from Newman & Associates and the The Sturges Company (the “Series 2001-A Bond Purchaser”) to purchase the Series 2001-A Bonds in the aggregate principal amount of approximately \$7,900,000;

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 refinancing of the Costs of acquiring of the Facility and the sale of the Facility to the Company pursuant to the Financing 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 reaffirms its approval of the location of the site of the Facility; and

(e) It reaffirms that 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 refinancing of the Costs of acquiring 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 refinancing of the Costs of the Facility is a Type II action under the New York State Environmental Quality Review Act (“SEQRA”). The Facility and the operations conducted therein will not have a significant effect on the environment, as determined in accordance with SEQRA 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 \$9,250,000, but not to exceed \$12,000,000 upon the terms and conditions set forth in Bond Purchase Agreements, in form approved by the Chairperson, with the advice of Issuer counsel, the execution thereby the Chairperson signifying her approval thereof and the approval of the Agency, to be dated a date or dates to be determined, by and among the Issuer, the respective Bond Purchasers (collectively, the "Bond Purchaser") and the Company for the purpose of refinancing of the Costs of acquiring the Facility, together with necessary incidental expenses in connection therewith; and

(j) The Indenture of Trust, dated as of May 1, 2001 (the "Indenture"), by and between the Issuer and Manufacturers and Traders Trust Company, 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 Financing Agreement, and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(k) The Installment Sale Agreement (and Financing Agreement), dated as of May 1, 2001 (the "Financing 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 Assignment and the Intercreditor Agreement, dated as of May 1, 2001 (the "Assignment") will be an effective instrument under which the Issuer assigns to the Trustee and Fannie Mae ("Fannie Mae"), as their interest may appear, and shall be acknowledged, accepted and agreed to by the Company, certain of the Issuer's rights and remedies thereunder, including the right to collect and receive certain moneys due and to become due thereunder (except for Reserved Rights as defined in the Indenture); and

(m) The Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of May 1, 2001 (the "Security Instrument"), from the Issuer and the Company to the Trustee and Fannie Mae will be an effective instrument whereby the Issuer and the Company assigns to the Trustee and Fannie Mae a present and continuing security interest in all property and rights described in Granting Clauses, thereof, to better secure payment of the Series 2001-A Principal Component, together with interest, all as described in the Financing Agreement; and

(n) The Guaranty Agreement, dated as of May 1, 2001, (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 Installment Sale Payments under the financing Agreement and the payment and performance of the Company's obligations under the Company's Documents (as defined in the Guaranty) 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 Amended Environmental Compliance and Indemnification Agreement, dated as of May 1, 2001 (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 refinancing of the Costs of acquiring the Facility and the operation thereof 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 Subordination Agreement, dated as of May 1, 2001 (the "Subordination Agreement"), by and among the Issuer, the Company, the Trustee, Fannie Mae, the Series 2000-B Bond Purchaser and American Property Financing (the "Servicer"), will be an effective instrument whereby the Series 2001-B Bonds will be subordinated in priority of payment and security to the Series 2001-A Bonds; and

(r) The Regulatory Agreement, dated as of May 1, 2001 (the "regulatory Agreement"), between the Company and the Issuer, will be an effective instrument whereby the Company, among other things, makes certain covenants and agrees to certain restrictions with respect to the use of the Facility, which Regulatory Agreement will be recorded and the covenants therein will run with the Land; and

(s) Each of the Bond Purchase Agreements, with respect, respectively, to the sale of the Series 2001-A Bonds and the Series 2001-B Bonds (collectively the "Bond Purchase Agreements"), will be dated such date and shall be in such form and substance as the Chairperson of the Issuer shall determine and approve, with the advice of Issuer counsel, and when executed by such Chairperson shall be deemed approved by such Chairperson as to such Chairperson, which will also constitute and be deemed to constitute the approval as to such form and substance by the Issuer; and

(t) The Forms of the Preliminary Official Statement and the Official Statement or other offering or disclosure memorandum, with respect to each of, respectively, the issuance and sale of the Series 2001-A Bonds and the Series 2001-B Bonds (each and collectively the "Preliminary Official Statement" and the "Official Statement"), to be dated a date to be determined (when approved in form and substance satisfactory to the Chairperson with the advice of Issuer counsel, and when deemed final by such Chairperson and the approval of the Issuer) 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 Purchase Agreement, the Indenture, the Financing Agreement, the Assignment and the Security Instrument are hereby approved and are approved by the Chairperson.

Section 2. The Issuer hereby determines to: (i) issue and sell the Bonds to the Bond Purchasers pursuant to and in accordance with the Bond Purchase Agreements, (ii) use the proceeds of the Bonds to refinance the Costs of acquiring the Facility, (iii) sell and continue to sell the Facility to the Company pursuant to the Financing Agreement, (iv) secure the Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee and Fannie Mae certain of the Issuer's rights

and remedies under the Financing Agreement, including the right to collect and receive amounts payable thereunder (except for Reserved Rights as defined in Schedule A to the Indenture) pursuant to the Assignment, (v) provide security by granting a lien upon and security interest in the Facility to the Trustee and Fannie Mae pursuant to the Security Instrument, and (vi) 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 heretofore authorized and acquired the real and personal property described in Exhibits A and B, respectively, to the Financing Agreement and is hereby authorized to sell and continue to sell the same to the Company pursuant to the terms of the Financing 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 advise of Issuer counsel with such change therein as the Chairperson may determine and approve), the Indenture (with such changes therein as the Chairperson may determine and approved, her execution thereof to constitute such approval and the approval of this Issuer), the Financing Agreement, the Security Instrument, the Assignment, the Tax Compliance Agreement, the Information Return, the Environmental Compliance and Indemnification Agreement, the Regulatory Agreement, the Subordination Agreement and the Guaranty (each in substantially the form presented to the Issuer (or each in such form and substance and containing such terms as the Chairperson may approve or with such changes as the Chairperson may approve with the advice of Issuer counsel, such approval of the Chairperson of the Issuer, to be evidenced by her execution thereof, which in each case will constitute the approval of this Issuer and, in each case will 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 dated or 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 \$9,250,000, but not to exceed \$12,000,000, 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 Purchase Agreement and the Indenture, as approved by the Chairperson, which approval constitutes approval 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 refinance the Costs of acquiring the Facility, and paying certain Costs of Issuance, including without limitation, the administrative, legal, financial and other expenses of the Issuer incurred in connection with refinancing of the Costs of acquiring 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 Security Instrument, the Financing 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 Purchase Agreements, the Indenture, the Financing Agreement, the Security Instrument, the Assignment, the Tax Compliance Agreement, the Environmental Compliance and Indemnification Agreement, the Subordination Agreement, the Regulatory Agreement, the Guaranty Agreement, the Official Statement 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 (but not required) to affix the seal of the Issuer to the Bonds, all in substantially the forms thereof presented to this meeting (or as approved by the Chairperson of the Issuer with the advice 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 and the approval of this Issuer.

(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 Financing Agreement).

(c) The Chairperson, the Vice Chairperson or any member are each hereby authorized on behalf of the Issuer to deem the Official Statement final for purposes of Rule 15c2-12 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 Official Statement 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.

(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 9. These Resolutions shall take effect immediately.

ROLL CALL

AYES: Commissioners Cotter, Rubino, Jr., Heinsch, Melillo and Rodriguez

NOES: None

ABSENT: Commissioners Strazza and Ryan

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There being no further business on motion by Commissioner Rodriguez, seconded by Commissioner Rubino, Jr., the meeting was adjourned at 7:20 P.M.

Respectfully submitted,

Angelo Rubino, Jr.  
Secretary