MEETING HELD DECEMBER 17, 2001

A meeting of the Industrial Development Agency of the Village of Port Chester, New York, was held on December 17, 2001 at 7:30 P.M., at 10 Pearl Street, Port Chester, New York.

Present were members James Dreves, Bishop Nowotnik, John Hiensch and Peter M. Ciccone Kevin O'Connor.

It should be noted that members Steve Giamundo, Kevin O'Connor and John Sweet were absent.

Also present was Mark Tulis, counsel for the Agency.

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RESOLUTION OF THE VILLAGE OF PORT CHESTER
INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING
THE EXECUTION AND DELIVERY OF FINANCING DOCUMENTS FOR
UNIT 1 INCLUDING MORTGAGES, SECURITY AGREEMENTS,
AND A PILOT AGREEMENT AND OTHER MATTERS
IN CONNECTION THEREWITH WITH RESPECT
TO THE MODIFIED MARINA REDEVELOPMENT PROJECT

On motion of Commissioner Ciccone, seconded by Commissioner Nowtnik, the following resolution was adopted by the Industrial Development Agency of the Village of Port Chester, New York:

WHEREAS, the Village of Port Chester Industrial Development Agency (the "Agency") is a public benefit corporation authorized and empowered by the New York State Industrial Development Agency Act, Chapter 1030 of the Laws of 1969 of the State of New York (Article 18-A and Section 900-a of the General Municipal Law, as amended) (the "Act") to (i) promote the economic welfare, recreational opportunities and prosperity of its inhabitants, and (ii) promote, attract, encourage and develop recreation and economically sound commerce and industry through governmental action for the purpose of preventing and alleviating unemployment and economic deterioration; and

WHEREAS, in July, 1986, the Robert Martin Company submitted an application to the Agency requesting assistance in connection with a proposed urban renewal project in the Village of Port Chester consisting of the acquisition and redevelopment of real property within contiguous portions of the Village Center Urban Renewal Plan area and Marina Redevelopment Urban Renewal Plan area of the Village, together with the acquisition and installation within improvements thereon of machinery and equipment related thereto (the "Marina Redevelopment Project"), all to be used for commercial and residential purposes; and

WHEREAS, on July 14, 1986, the Agency adopted a resolution inducing and authorizing the Marina Redevelopment Project and authorizing Robert Martin Company

to undertake and complete the Marina Redevelopment Project, and authorizing the issuance by the Agency of its industrial development bonds up to a principal amount of $37,000,000 for the purpose of paying the costs of acquisition and construction of the Marina Redevelopment Project (the "Inducement Resolution"); and

WHEREAS, on May 19, 1989, the Agency adopted a resolution amending the Inducement Resolution to among other things, modify the Robert Martin Company's obligations to pay certain costs of the Agency incurred with respect to the Marina Redevelopment Project, and to authorize the execution and delivery of a certain Development Agreement and a certain Procedural Agreement to be made among the Village of Port Chester, the Agency and the Robert Martin Company with respect to the Marina Redevelopment Project (collectively, the "Original Agreements"); and

WHEREAS, the Original Agreements were executed by the parties thereto as of June 5, 1989; and

WHEREAS, the Agency has been advised that Robert Martin Company transferred and assigned to G & S Port Chester LLC ("G & S") all of Robert Martin Company's right, title and interest in and to the Original Agreement (the "Assignment"); and

WHEREAS, on April 23, 1998, the Board of Trustees of the Village of Port Chester consented to the Assignment, and authorized the execution and delivery of a certain Amended and Restated Development Agreement to be made among the Village of Port Chester, the Agency and G & S with respect to proposed modifications of the Marina Redevelopment Project (as so modified, the "Modified Marina Redevelopment Project"); and

WHEREAS, on April 28, 1998, the Agency adopted a Resolution authorizing the execution and delivery of the Amended and Restated Development Agreement; and

WHEREAS, the Amended and Restated Development Agreement was executed by the parties thereto as of April 28, 1998; and

WHEREAS, on May 20, 1999, the Agency adopted a Resolution (i) confirming its acceptance of the Modified Marina Redevelopment Project as a modification of a project which was the subject of an Agency Inducement Resolution adopted prior to July 21, 1993 within the meaning of Section 38 of Chapter 356 of the 1993 Laws of the State of New York, and (ii) authorizing the execution and delivery by the Agency of a certain Land Disposition Agreement to be made among the Village of Port Chester, the Agency and G & S with respect to the Modified Marina Redevelopment Project; and

WHEREAS, the Land Disposition Agreement was executed by the parties thereto as of July 14, 1999; and

WHEREAS, in order to finance a portion of the cost of construction of the Modified Marina Redevelopment Project, the Lender has agreed to make a construction loan(s) to G & S (the "Construction Loan") which will be secured by a mortgage on, among other things, the fee title interest of the Agency in and to a portion of the real property which comprises the Modified Marina Redevelopment Project (the "Construction Mortgage"), which fee title interest is to be acquired by the Agency from G & S pursuant to the Land Disposition Agreement; and

WHEREAS, in order to provide financial assistance to G & S fro the Modified Marina Redevelopment Project, the Agency intends to sever the Modified Marina Redevelopment Project into four (4) separate units (each a "Unit" and collectively, the "Units"), and to enter into uniform agreements to lease the Units back to G & S (each a "Lease Agreement" and collectively, the "Lease Agreements"), and intends to grant to G & S financial assistance in the form of the mortgage recording tax exemption, the sales tax exemption and real property tax abatements, all as is permitted under the Act and pursuant to prior Resolutions of the Agency; and

WHEREAS, G & S has entered into a payment in lieu of taxes agreement with the Agency (the "PILOT Agreement"); and

WHEREAS, G&S intends to complete a financing with Hudson United Bank in the amount of eleven million, five hundred thousand dollars ($11,500,000) for Unit 1 of the Project ("Unit 1 Financing"); and

WHEREAS, counsel to the Agency has presented the proposed form of loan, assignment and related documents and instruments to the Agency for its review and approval and has opined that said documents may be executed by the Agency consistent with the Land Disposition Agreement and applicable state law and that the language contained in said documents exculpates the Agency and its officers and board members from any liability under said documents,

NOW, THEREFORE, BE IT RESOLVED by the Village of Port Chester Industrial Development Agency, as follows:

1. The Agency hereby determines that the execution and delivery of the financing documents in connection with the Unit 1 financing, including mortgages, security agreements, assignments and PILOT Agreement, Sales Tax Letter and the documents and instruments related thereto (collectively, the "Agency Documents") is hereby authorized and approved. The Agency Documents shall be executed by the Chairman or Vice Chairman of the Agency (each an "Officer") with the official seal of the Agency impressed thereon and attested by the Secretary or an Assistant Secretary of the Agency in substantially the same form presented to the Agency at the meeting of the Agency at which this Resolution is adopted, subject to such changes, insertions and omissions as may be approved by the Officer of the Agency executing the same, the execution of the Land Disposition Agreement being conclusive evidence of such Officer's approval of any such changes, insertions or omissions.

2. The members, officers, employees, representatives and agents of the Agency are hereby authorized and directed to take all actions required under the Agency Documents and as are otherwise deemed appropriate to assist G & S to commence, carry out and complete the Modified Marina Redevelopment Project, and to provide financial assistance for those purposes in accordance with this Resolution and the Agency Documents.

3. In adopting this Resolution, notwithstanding any of the provisions hereof, the Agency assumes no responsibility for obtaining or assisting G & S in obtaining either construction or permanent financing for the Modified Marina Redevelopment Project. This resolution is not a contract between the Agency and G & S and shall not be construed as such.

4. This Resolution shall take effect immediately upon its adoption by a majority of the members of the Agency.

ROLL CALL
AYES: Commissioners Ciccone, Hiensch, Nowotnik and Chairman Dreves
NOES: None
ABSENT: Commissioners Giamundo, O'Connor and Sweet

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There being no further business on motion of Commissioner Hiensch, seconded by Commissioner Ciccone, the meeting was adjourned at 8:15 p.m.

Respectfully submitted,

Joan Marino
Assistant Secretary