MINUTES OF THE MEETING OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY

HELD: July 13, 2011
TIME AND PLACE: 6:30 P.M., Village Hall, Conference Room, 222 Grace Church Street, Port Chester, New York

ROLL CALL: In attendance were Chairman Neil Pagano, and members James Taylor, Richard Cuddy, and John Hiensch

Also in attendance were IDA Secretary, Elisa Sciarabba, Administrative Director, Dwight Douglas, IDA Counsel, Justin Miller and CFO Leonie Douglas.

Absent was Vice-Chairman Kenner

Member Pilla arrived at 6:40 pm.

Member Semprevivo arrived at 6:45 pm.

Chairman Pagano called the meeting to order at 6:30 pm. He asked Mr. Miller to explain the resolution before the Board, authorizing the redemption of industrial development revenue bonds and reconveyance of the agency's interest in the project undertaken at Neri's Bakery Products, 40 Pearl Street, LLC. Mr. Miller explained the resolution outlined below and stated that the resolution will terminate the lease, lease back and pilot agreement with 40 Pearl Street, LLC.

Mr. Douglas asked if there were any administrative fees associated with this and after a brief discussion the Board decided that Mr. Douglas should try to figure out a cost based upon the amount of administrative work done. Mr. Douglas said that he would get something to Mr. Miller related to this.

On motion of Member Taylor and seconded by Member Cuddy, the following resolution was adopted before the members of the Village of Port Chester Industrial Development Agency:

Resolution No. 2011-07/01

RESOLUTION OF THE VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING REDEMPTION OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2000 AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE RECONVEYANCE OF THE AGENCY'S INTEREST IN A CERTAIN PROJECT UNDERTAKEN FOR THE BENEFIT OF 40 PEARL STREET, LLC (40 PEARL STREET,

LLC/NERI'S BAKERY PRODUCTS, INC. FACILITY)

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, as amended (hereinafter collectively called the "Act"), the **VILLAGE OF PORT CHESTER INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, pursuant to a certain Indenture of Trust, dated as of September 1, 2000, as amended and restated on April 1, 2009 (the "Indenture"), by and between the Agency and The Bank of New York Mellon, formerly known as The Bank of New York, as trustee (the "Trustee"), the Agency previously issued its $4,850,000 original aggregate principal amount Industrial Development Revenue Bonds, Series 2000 (40 Pearl Street, LLC/Neri's Bakery Products, Inc. Facility) (the "Series 2000 Bonds"), in order to finance a certain project consisting of the acquisition, construction and equipping of a two-story, approximately 51,800 square foot building on an approximately .63 acre parcel of land located at 621 Pearl Street (a/k/a 53-57 Pearl Street), Village of Port Chester, Town of Rye, Westchester County, New York (the "Facility"), to be leased to **40 PEARL STREET, LLC** (the "Lessee") for further sublease to **NERI'S BAKERY PRODUCTS, INC.** (the "Company"), for the manufacture and production of bread, rolls, bagels and bread products (collectively, the "Project"); and

WHEREAS, in connection with the issuance of the Series 2000 Bonds, the Agency, the Trustee, the Lessee and the Company, as applicable, entered into certain agreements, each dated as of September 1, 2000, as amended from time to time (the "Agency Documents"), including, but not limited to, the Indenture and a certain Lease Agreement made by and between the Issuer and the Lessee (the "Lease Agreement"); and

WHEREAS, pursuant to Section 3.01(b) of the Indenture and Section 11.1 of the Lease Agreement, the Lessee has notified the Issuer of its intent to make, or arrange to have made on its behalf, on or about August 31, 2011 (the "Redemption Date"), a voluntary prepayment under the Lease Agreement, sufficient to redeem on such date all of the outstanding Series 2000 Bonds; and

WHEREAS, the Agency desires to redeem, on the Redemption Date and conditioned on the availability on the Redemption Date of moneys sufficient to pay the principal of, premium, if any, and accrued interest on the Series 2000 Bonds to the Redemption Date, all of the outstanding Series 2000 Bonds; and

WHEREAS, as contemplated in the Agency Documents, the Agency desires to convey its interest in the Facility to the Lessee and to execute certain documents to evidence the termination of the Agency's involvement in the Project; including, but not limited to, a certain Deed from the Agency to the Company (the "Deed"), Bill of Sale, from the Agency to the Company (the "Bill of Sale"), and related documents (collectively, the "Termination Documents"); and

WHEREAS, the Agency desires to authorize the redemption of the Series 2000 Bonds and the execution and delivery by the Agency of the Termination Documents.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Agency hereby authorizes the redemption of the Series 2000 Bonds, conditioned on the availability on the Redemption Date of moneys sufficient to pay the principal of, premium, if any, and accrued interest on the Series 2000 Bonds to the Redemption Date, in accordance with Section 11.1 of the Indenture.

Section 2. The Agency hereby further authorizes the execution and delivery of the Termination Documents.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to 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 such officers, employees or agents, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. This resolution shall take effect immediately upon adoption.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	Yea	***Nea***	***Absent***	***Abstain***
Neil Pagano	[X]	[ ]	[ ]	[ ]
Hon. Dennis Pilla	[X]	[ ]	[ ]	[ ]
Hon. Joseph Kenner	[ ]	[ ]	[X]	[ ]
James Taylor	[X]	[ ]	[ ]	[ ]
John Heinsch	[X]	[ ]	[ ]	[ ]
Philip C. Semprevivo	[X]	[ ]	[ ]	[ ]
Richard Cuddy	[X]	[ ]	[ ]	[ ]

The Resolution was thereupon duly adopted.

ADMINISTRATIVE DIRECTOR REMARKS: Mr. Douglas noted that he has had a few interesting meetings in the past month. One was with a hotel developer that is interested in putting up a hotel near the mariner project. He explained that the group's background is in downtown revitalization and they have worked in South Beach and

Wilmington. They are looking at downtown Port Chester for potential development projects. They also have interest in obtaining historic credits. Their biggest interest right now from meeting with them is in one story buildings. Mr. Cleary, the Village Planner and Mayor Pilla were also in attendance at the meeting.

Mr. Douglas also spoke about a meeting he had for a potential project at 120 Pearl Street. The project needs site plan approval before it can move forward and Mr. Douglas was hoping that the approval process would finish up sometime this month. It would be between a $5 million and $6 million dollar project. The project would consist of 26 two bedroom rental units. Before the project comes before the PCIDA it needs to go through the approval process in the Building Department and Planning Board.

Chairman Pagano asked if Mr. Douglas knew anything about Dick Bologna's property and Mr. Douglas noted that he met with him and they are still going over a potential plan for apartments.

Member Pilla noted that the Village is looking to develop Port Chester organically and without the use of eminent domain.

Member Taylor asked if there is a way for potential developers to get in touch with the PCIDA. Mr. Douglas noted that some have placed calls to Ms. Sciarabba, whose number is available on the PCIDA website, and she has in turned passed it along so Mr. Douglas could get in contact with them.

Member Pilla, who had to leave the meeting early, wanted to speak to the Board members about a meeting that he had with G&S, Village Staff and Mr. Miller. He asked Mr. Miller to provide a legal opinion on the possible overpayment of G&S on the pilot payment. He explained that based on the meeting with G&S they mentioned that some tenants may have been paying more taxes based on the square footage. Mr. Miller confirmed that he would provide a legal opinion and explained that he went through the square footage numbers and tenants change dates and does not believe the numbers are far off. Billing, once figured out will be one bill with a schedule attached as to possible payment breakdown by tenants.

Member Pilla left the meeting at 7:05 pm.

APPROVAL OF MINUTES:

The minutes of the June 8, 2011 meeting were reviewed and approved with one minor correction on a motion of Member Taylor, seconded by Member Hiensch and approved by all present.

Chairman Pagano also noted that in the minutes from the June 8th meeting, he listed as one of the Chairman's priorities under the goals and objectives for the board, he would like to have at least one education session every six months to continue the learning process for board members in order to fully understand what it is that the PCIDA actually does. The first educational session for 2011-12 was then scheduled for the first October meeting at 6:00 pm with Mr. Miller instructing the session.

Chairman Pagano also discussed the cost/benefit analysis of projects and asked the Board for their input and thoughts as to what should be discussed as part of the cost/benefit analysis. Member Hiensch asked what the cost benefit analysis includes and Mr. Miller stated that the cost benefit should be the positive attributes of the project versus what is being given by the PCIDA. Mr. Douglas explained that the board should also discuss the cost benefits of affordable housing projects versus corporate projects. He noted that he thought the cost/benefit analysis that was done for the Jetro project went very well.

FINANCIAL REPORT

Ms. Douglas explained that the auditors were working on the PCIDA audit on site in the Village from Monday until today. She said they are completed with the audit and are awaiting the response from legal and the banks. She noted that the auditors were pleased with the improvements over the past year.

Ms. Douglas asked about the Port Chester Community Development Corporation and the remaining funds in the amount of $67,000. Mr. Douglas explained that during the last meeting, there was a question as to whether or not it was a PCIDA matter or a Village matter. He said that he will reach out to original members of the Board to try and convene a meeting.

APPROVAL OF INVOICES:

An invoice for the month of June 2011 was presented from the Administrative Director in the amount of $1,500.

An invoice for secretarial services for the July 13, 2011 meeting from Elisa Sciarabba in the amount of $200 was presented.

An invoice from Leonie Douglas, CFO was presented for services for the months of June in the amount of $500.

An invoice from First Choice Research for the Kingsport Project background checks was presented in the amount of $220.00.

On a motion of Member Taylor, seconded by Member Cuddy and approved by all present, all invoices were approved.

Chairman Pagano explained to the Board that he had spoken with Ms. Sciarabba and she is planning on leaving her position with the Village to move to Japan, where her fiancé is stationed in the military. Chairman Pagano noted that this would be a great loss to the Village and the PCIDA. Ms. Sciarabba said that she would give Chairman Pagano a list of what she works on for the PCIDA. Chairman Pagano said that he accepted her resignation, with regret.

KINGSPORT: Mr. Miller explained that they are waiting for the Bond Volume Cap allocation which hasn't been announced as of yet. There are three projects currently being held up with the State Department of Budget, and Kingsport is one of them. The closing was originally scheduled for tomorrow but is being held up until this is resolved. However, it is still expected that the Kingsport project will close sometime in July.

AUDIT REPORTING: Chairman Pagano asked if staff received any monitoring forms back. Mr. Douglas explained that the PCIDA received about half of what was needed. It was decided that the PCIDA would move on from the last report and send out new forms for this year. Mr. Miller noted that this year, Jetro needed to be added. Chairman Pagano asked if this was something that was done by Mr. Douglas or Ms. Sciarabba. Ms. Sciarabba explained that she did it last year and would also send them out this year.

UNIT LEASE 2B – Mr. Miller noted that G&S had loans in May from People's Bank that weren't paid and therefore went into default. The PCIDA sent a default notice to G&S. After they received the notice from the PCIDA they apparently negotiated with People's Bank.

Chairman Pagano explained that he had been approached by some individuals with the idea of rehabilitation of various properties owned by the Village that have numerous code violations. The individual wanted the PCIDA to play a role. They would acquire the properties, renovate them and then sell them. Chairman Pagano told the individual that he would bring it to the Board for discussion.

Mr. Miller noted that the group of individuals should put a business plan together to present to the PCIDA before any determinations are made. Member Semprevivo agreed.

Member Hiensch asked for an update on the escrow accounts. Ms. Douglas explained that she was a little behind in sending out the bills and was going to work with Mr. Miller to revise the bills.

At 8:02 p.m, there being no further business before the Board, the meeting was adjourned on a motion of Member Hiensch, seconded by Member Cuddy.

Respectfully submitted,

Elisa Sciarabba

Elisa Sciarabba
Secretary