

Date: February 13, 2019

At a regularly scheduled meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency") duly convened by the Vice Chair of the Agency and held on Wednesday, February 13, 2019, at 6:30 p.m. at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the following members of the Agency were:

Present: Melanie Vetter
 Randall Johnson, Sr.
 Nathan Shook
 Norman Smith

Absent:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the settlement of a contract dispute with the City of Poughkeepsie, New York.

The following resolution was duly moved and seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Ms. Vetter

Mr. Johnson

Mr. Smith

Mr. Shook

**RESOLUTION OF THE CITY OF POUGHKEEPSIE
INDUSTRIAL DEVELOPMENT AGENCY APPROVING AND
AUTHORIZING THE SETTLEMENT OF A CONTRACT
DISPUTE WITH THE CITY OF POUGHKEEPSIE**

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 304 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the "Act"), the **CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Act authorizes the Agency (1) to promote the economic welfare, recreational opportunities and prosperity of the inhabitants of the City of Poughkeepsie (the "City"), and (2) to promote, attract, encourage and develop recreation and economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, the City of Poughkeepsie (the "City") engaged the Agency to undertake certain projects within the City to be developed by the Agency, and to pay for project obligations, such as the Municipal Environmental Restoration Projects (collectively, the "Work"); and

WHEREAS, by Resolutions R-03-169, R-04-90 and R-05-134, the City authorized the making of certain loans to the Agency of certain Urban Development Action Grants in the aggregate original principal amount of \$1,090,000 (the "Loan"); and

WHEREAS, the Loan was evidenced by a certain Note, dated January 4, 2006, of the Agency to the order of the City, in the original principal amount of \$1,090,000.00 (the "Note") and was advanced to the Agency pursuant to a certain Loan Agreement, entered into as of January 4, 2006, by and between the Agency and the City (the "Loan Agreement"); and

WHEREAS, there was outstanding on the Loan the principal amount of \$443,000 (the "Original Outstanding Principal Balance"), payment of which the City demanded from the Agency; and

WHEREAS, the Agency and the City have disputed whether, or to what extent, the Agency remains liable to the City for the payment of the Original Outstanding Principal Balance; and

WHEREAS, the Agency and the City have each been advised by legal counsel as to its potential legal obligations, liabilities and defenses in connection with such dispute; and

WHEREAS, the Agency and the City have each determined that it is in the best interests of both entities and the residents and taxpayers of the City to resolve the dispute regarding the payment of the Original Outstanding Principal Balance without the cost and expense of further engaging legal counsel and/or potentially protracted litigation; and

WHEREAS, the City has provided to the Agency documentation and information in substantiation of its calculation as to the amount of the Original Outstanding Principal Balance; and

WHEREAS, pursuant to the authorization of the Agency, the Agency has made a payment to the City in the amount of \$150,000 toward the reduction of the Original Outstanding Principal Balance; and

WHEREAS, the City and the Agency have further determined that it is in the best interests of both entities and the residents and taxpayers of the City, for the purposes of effectuating a settlement of this dispute, to reduce the amount claimed by the City to be owed by the Agency by an amount equal to \$100,000 (the "Settlement Reduction") and to make provision for the payment of the remaining balance of \$193,000.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby acknowledges and agrees that, after giving effect to (i) the payment of \$150,000 as hereinbefore set forth, and (ii) the Settlement Reduction, the outstanding principal balance as of the date hereof is \$193,000 (the "Remaining Outstanding Principal Balance").

Section 2. In settlement of the dispute with the City over the Agency's liability for the payment of the Remaining Outstanding Principal Balance, the Agency hereby consents to the payment of the following amounts in accordance with the following schedule as final settlement in full of any and all claims by the City against the Agency in connection with the Loan (the "Dispute Settlement"):

The Agency shall remit to the City, until the Remaining Outstanding Principal Balance is paid in full, an amount equal to twenty percent (20%) of administrative fees (excluding annual administrative fees) actually collected by the Agency in connection with any bond financing or straight-lease transaction or otherwise in connection with the provision of financial assistance to or in connection with any project. The Agency may, at its sole option and upon the approval by vote of a majority of the members of the Agency, also prepay, in whole or in part, the Remaining Outstanding Principal Balance from funds then available to the Agency.

Section 3. The Chairperson of the Agency is hereby authorized, upon such advice of counsel as the Chairperson deems necessary or appropriate, to take such actions and to execute and deliver, or cause to be executed and delivered, any and all agreements, documents, consents, stipulations and waivers in connection with the Dispute Settlement, all on such terms and conditions as the Chairperson deems necessary or appropriate, provided the same are consistent with and in furtherance of the Dispute Settlement as hereinbefore set forth in these resolutions.

Section 4. The performance by or on behalf of the Agency of the actions, matters, transactions, covenants, agreements, obligations and undertakings on the part of the Agency to be performed under and pursuant to the Dispute Settlement, including, without limitation, the payment of any and all sums due to the City thereunder, is hereby authorized and approved

Section 5. Any acts of the Chairperson, any person or persons designated and authorized to act by her, or any person or persons who are members of the Agency, on the Agency's behalf which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of those resolutions are hereby severally ratified, confirmed, approved and adopted as acts in the name of and on behalf of the Agency.

Section 6. This resolution shall take effect immediately.

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STATE OF NEW YORK)
) ss:
COUNTY OF DUTCHESS)

I, the undersigned, Secretary of the City of Poughkeepsie Industrial Development Agency, DO HEREBY CERTIFY:

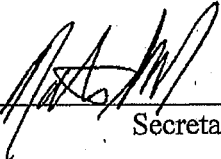
That I have compared the annexed extract of minutes of the meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on February 13, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolutions are in full force and effect and have not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 13th day of February, 2019.

By:  _____
Secretary