

The minutes of the Special Meeting of the Village of Haverstraw Board of Trustees on Wednesday, July 27th, 2011.

PLEDGE OF ALLEGIANCE

ROLL CALL	Trustee Batista	- Present
	Trustee Bueno	- Absent
	Trustee Watson	- Present
	Trustee Dominguez	- Present
	Mayor Kohut	- Present

Mayor Kohut: The Mayor entertained a motion to reopen the Special Meeting with regard to funding for the GDC Parkside Project at Harbors, pursuant to the Land Acquisition Disposition Agreement (LADA).

RESOLUTION #169-2011

Motion by: Emily Dominguez

Seconded by: Francisco Batista

Motion carries: All

After reviewing the documents and discussions with the Board, the Mayor informed Andy Maniglia, representative for GDC, that the Board still had questions about the project.

Francisco Batista: Trustee Batista had a question about the filing of the documents since RCG Longview is not a mortgage company, but a financial investment firm.

Andy Maniglia: Mr. Maniglia responded that even though RCG Longview is not a mortgage company, this would still be considered a loan and the documentation would still be filed with the County the same as any other mortgage loan. While the institution is not a financial institution as indicated under the State Charter for a member or non-member bank, RCG is making a loan and the instrument on which they are lending the money does have to be filed as a mortgage.

Mel Post, 1422 Round Pointe Drive: Mr. Post inquired what the extent of collateral is that Mr. Ginsberg is putting up to secure this loan.

Andy Maniglia: Mr. Maniglia responded that the collateral would only involve Lot 8, the Parkside building; no other sections of Harbors would secure this mortgage. He again stated that this would be a short-term loan for construction purposes. This is part of the process to complete the Parkside building and upon reaching 60% to 80% occupancy they can apply for a bank loan. He mentioned that it is not just GDC that cannot get a loan at this time, but that the banks are just not making these types of loans to anyone.

Mel Post: Mr. Post feels that they are in for a tough time having to deal with the higher rates of an investment company over a financial institution.

Andy Maniglia: Mr. Maniglia agreed, stating that this is the incentive for Mr. Ginsberg to get out of this loan and get conventional financing as soon as possible.

Mel Post: Mr. Post inquired what will happen if Mr. Ginsberg does not meet the criteria of the loan.

Andy Maniglia: Mr. Maniglia stated RCG would take over if there is an ultimate default, mentioning that this is the developer's last resort. Mr. Maniglia believes that it will get done or he would not be making this proposal to the Board.

Barry Berman, 19 Turner Drive, Garnerville: Mr. Berman understands that a lot of developers are facing these types of problems today, however, he wants the board to look at the whole situation. He stated that every time the Village does something for Mr. Ginsberg and then request something in return, there is always some kind of entanglement; giving the baseball field as an example. He asked if the people of Harbors are going to assume the \$17 million if GDC defaults.

Mayor Kohut: The Mayor explained to Mr. Berman that, at this time, Mr. Ginsberg has to get short-term financing, which he cannot get through a financial institution, therefore, he is seeking a short-term construction loan through RCG to complete the Parkside Building. He then stated that the Village is not making a loan to Mr. Ginsberg and that is not what is being proposed to the board. He went on to explain that the LADA mandates that the developer get approval from the Village, if the lender is not a financial institution such as a bank. If GDC defaults on this loan, the only thing that would happen is that RCG Longview would become the owner of the building known as Parkside.

Barry Berman: Mr. Berman inquired if RCG would also take over the other buildings.

Mayor Kohut: The Mayor again stated that the only property that would be taken over by RCG Longview would be the Parkside building. He also explained that RCG would have to abide by all the particulars of the LADA, meaning that they could not make any adjustments to the site plans, etc. There is no risk at all for the Village of Haverstraw or the residents of Harbors.

Barry Berman: He inquired if the HOA at Harbors has been notified.

Mayor Kohut: The Mayor stated that the Harbors HOA had not been notified by the Village and that if Mr. Ginsberg had been able to obtain this financing through the Bank of America, he would not have been obligated to notify the Village at all. He then mentioned that RCG has been managing thousands of properties for decades and, with their know-how, it would actually be in the best interest of everyone involved if he were to default to them instead of the Bank of America who knows nothing about managing properties.

Marty Miller, 1424 Round Pointe Drive: Mr. Miller does not understand how Mr. Ginsberg, if he does not have the \$17 million now, will get it in the next 7 months. He is concerned about being misinformed and the misreading of documents by all concerned.

Andy Maniglia: Mr. Maniglia explained that banks are not making loans at this time, but are holding on to their money to increase their balance sheets, which is happening all over. The fact that the bank will not make this short-term loan is no reflection on Mr. Ginsberg's financial capabilities or his current status as a developer. Should he default, RCG is required to take over, manage the property and abide by the LADA and all the other documents involved in the original Harbors Project; seven documents in all. This short-term loan would enable Mr. Ginsberg to move forward and complete the building and upon reaching 60% to 80% occupancy, he could then go the Bank of America for permanent financing. Mr. Maniglia does not believe there will be any problem getting to the 80% because rentals are at the top of the market right now and rather than leave an unfinished building on the site he is looking for this short-term solution to complete the building and get it occupied.

Mel Post: Mr. Post inquired if RCG is obliged to pay HHOA fees, special taxation district fees, etc. in the event GDC defaults on the loan.

Andy Maniglia: Mr. Maniglia responded "yes", under Articles 11 and 12 of the LADA.

With no further questions from the floor, Mayor Kohut entertained a motion to approve Mr. Ginsberg's request for permission to borrow funds from RCG Longview to complete construction of the Parkside building.

RESOLUTION #170-2011

Motion by: Emily Dominguez
Seconded by: Terence Watson
Motion carries: All

Mayor Kohut entertained a motion authorizing the Mayor to sign the agreement allowing Mr. Ginsberg to move forward with this loan.

RESOLUTION #171-2011

Motion by: Emily Dominguez
Seconded by: Terence Watson
Motion carries: All

ROLL CALL VOTE

Trustee Batista	- Yes
Trustee Bueno	- Absent
Trustee Watson	- Yes
Trustee Dominguez	- Yes
Mayor Kohut	- Yes

Judith Curcio, Village Clerk/Treasurer: Ms. Curcio announced that the motion passes with a 4 – 0 vote.

Mayor Kohut: With no further business to be conducted by the Board, the Mayor entertained a motion to adjourn the meeting.

RESOLUTION #172-2011

Motion by: Emily Dominguez
Seconded by: Terence Watson
Motion carries: All

Respectfully submitted by,

Beverly A. Swift
Senior Steno Clerk
August 15, 2011
#37 on tape