

**MINUTES OF A SPECIAL MEETING OF
THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
March 25, 2013**

Meeting was called to order by Chairman Tom Cruso at 5:35 p.m.

Present: Tom Cruso, Chairman
Elias (Lou) Kalogeras, Vice Chairman
Dawn Thomas, Asst. Treasurer/Secretary
Paul Thompson, Treasurer

Others in Attendance: Tracy James, Executive Director

Richard Ehlers, Agency Counsel

Denise Cooper, CFO

Lori LaPonte, CPA Albanese Sini & Reeves

Absent: Carl Gabrielsen, Secretary

Lou Kalogeras motioned to approve the agenda. Paul Thompson seconded. The Agenda was approved.

OLD BUSINESS: Tracy James explained to the board that a certified letter has been sent to Main Road Holdings, LLC on March 19th regarding the pilot agreement. The return receipt indicates the correspondence was received on March 21st. The business has 10 days to respond.

The Chairman took the next matter of business out of order and addressed the consideration of a request to refinance from JeJoPe. John Stype requested consideration to refinance property located at 711 Union Avenue, Aquebogue. This project was originally induced by the Agency in 2004 with a mortgage amount of \$1,050,000. The new loan is for 20 years in the amount of \$1,200,000. Because there is an increase in the amount of the mortgage and he is requesting an exemption from mortgage recording tax, the action necessitates a public hearing and approval by the agency. There is no request for extension of the pilot beyond the original end date of 2014.

Paul Thompson offered the following resolution which was seconded by Dawn Thomas.

RESOLUTION #24-13 A RESOLUTION CALLING A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY REGARDING REFINANCING BY JEJOPE, LLC.

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, by proceedings held by the Agency regarding the application of JEJOPE, LLC ("JEJOPE") financial assistance was granted for the construction and equipping of a building located at the northwest corner of NYS Route 25 and Union Avenue, Aquebogue, New York, for use by JEJOPE and, or Neefus-Stype Agency, Inc. ("Neefus-Stype") as an insurance agency building, and

WHEREAS, such facility was duly constructed and is currently occupied and used by JEJOPE and, or Neefus-Stype for the purpose of an insurance agency building, and

WHEREAS, JEJOPE has made application to refinance the property mortgage as previously authorized by this Agency, and

WHEREAS, there will be no change in the Payment in Lieu of Tax Agreement ("PILOT") which will terminate by its terms as currently provided, and

WHEREAS, Section 859-a of the General Municipal Law, being part of Article 18-A of the General Municipal Law, provides that, prior to providing financial assistance to any applicant with respect to any project, industrial development agencies, including the Agency, must hold a public hearing with respect to the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, it is now desired to call a public hearing with respect to the refinancing by JEJOPE, LLC of mortgage on property located at the northwest corner of NYS Route 25 and Union Avenue, Aquebogue, New York, for the continued operation of an insurance agency

office and the granting of a mortgage tax abatement on the value of the mortgage, a continuation of the PILOT under its existing terms and conditions, and sales and compensating use tax exemption as may be applicable.

NOW, THEREFORE, BE IT

RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. A public hearing will be held at the Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on April 15, 2013 at 5:00 p.m. prevailing time with respect to the refinancing by JEJOPE, LLC of mortgage on property located at the northwest corner of NYS Route 25 and Union Avenue, Aquebogue, New York for the continued operation of an insurance agency office and the granting of a mortgage tax abatement on the value of the mortgage, a continuation of the PILOT under its existing terms and conditions, and sales and compensating use tax exemption as may be applicable. At said public hearing, interested parties shall be provided reasonable opportunity, both orally and in writing, to present their views with respect to the contemplated action of the Agency as aforesaid described.

Section 2. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to JEJOPE, LLC, as described in Section 3 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 3. It is hereby determined that a general, functional description of the contemplated Agency assistance which is the subject of the public hearing is as follows: the refinancing by JEJOPE, LLC of mortgage on property located at the northwest corner of NYS

Route 25 and Union Avenue, Aquebogue, New York for the continued operation of an insurance agency office and the granting of a mortgage tax abatement on the value of the mortgage, a continuation of the PILOT under its existing terms and conditions, and sales and compensating use tax exemption as may be applicable.

Section 4. The Secretary of the Agency is hereby authorized and directed to cause a copy of this resolution to be published once in the March 28, 2013 edition of The News Review, the newspaper hereby designated as the official newspaper of the Agency for this purpose, and being a newspaper having a general circulation in, and available to residents of the Town.

Section 5. This resolution shall take effect immediately.

Vote: 4 Yes

Continuing in order of the agenda from that point, the Chairman then offered consideration of an amendment to resolution #20-13 A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO THERIAC ENTERPRISES OF RIVERHEAD, LLC (21st CENTURY ONCOLOGY)"

#25-13 – AMENDS RESOLUTION #20-13 ENTITLED "A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO THERIAC ENTERPRISES OF RIVERHEAD, LLC (21st CENTURY ONCOLOGY)"

Lou Kalogeras offered the following resolution, which was seconded by Dawn Thomas.

RESOLVED, that resolution #20-13 adopted March 11, 2013 be and hereby is amended to authorize the publication of the attached Notice of Public Hearing in the March 28, 2013 edition of The News Review with public hearing on the application for financial assistance of Theriac Enterprises of Riverhead, LLC (21st Century Oncology) to be held at 5 p.m. on April 15, 2013 at Riverhead Town Hall, 200 Howell Avenue, Riverhead, New York.

A RESOLUTION AUTHORIZING THE SCHEDULING AND NOTICE OF A PUBLIC HEARING WITH RESPECT TO THE PROVIDING OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD

INDUSTRIAL DEVELOPMENT AGENCY TO THERIAC ENTERPRISES OF RIVERHEAD, LLC (21st
CENTURY ONCOLOGY)

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from THERIAC ENTERPRISES OF RIVERHEAD, LLC, as property owner, and NEW YORK RADIATION THERAPY MANAGEMENT SERVICES, LLC dba 21st Century Oncology, as facility user, each being a limited liability company qualified to do business in the State of New York ("21st Century Oncology"), with respect to the complete renovation of a vacant one-story building on a 1.9 acre parcel located at 896 Old Country Road, Riverhead, New York (S.C.T.M. 0600-108.00-3-24) including asbestos removal and construction of a radiation vault for its reuse for the provision of radiation oncology and other medical services at an aggregate cost, including costs associated with the financing thereof, estimated to be \$8,173,586 (the "Project"); and

WHEREAS, Section 859-a of the General Municipal Law, being part of Article 18-A of the General Municipal Law, provides that, prior to providing financial assistance to any applicant with respect to any project, industrial development agencies, including the Agency, must hold a public hearing with respect to the project and the proposed financial assistance being contemplated to be provided by the agency; and

WHEREAS, it is now desired to authorize the scheduling of a public hearing with respect to the application for financial assistance and the Project and the proposed financial assistance

now being contemplated by the Agency to be provided to 21st Century Oncology with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. A public hearing will be held at the Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, on April 15, 2013 at 5:00 p.m. prevailing time with respect to the Project and the proposed financial assistance now being contemplated to be provided to 21st Century Oncology by the Agency with respect to the Project, as described in Section 4 of this Resolution, and to hear all persons interested in the subject thereof, concerning the same. At said public hearing, interested parties shall be provided reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance now being contemplated to be provided to 21st Century Oncology by the Agency with respect to the Project.

Section 2. The Agency has declared itself "lead agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to 21st Century Oncology with respect to the Project, as described in Section 4 of this Resolution and as authorized pursuant to Article 18-A of the General Municipal Law, and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 3. It is hereby determined that a general, functional description of the Project is as follows: the complete renovation of a vacant one-story building on a 1.9 acre parcel located at 896 Old Country Road, Riverhead, New York (S.C.T.M. 0600-108.00-3-24)

including asbestos removal and construction of a radiation vault for its reuse for the provision of radiation oncology and other medical services at an aggregate cost, including costs associated with the financing thereof, estimated to be \$8,173,586.

Section 4. It is hereby determined that the financial assistance that the Agency is now contemplating providing to 21st Century Oncology with respect to the Project is (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property, and (ii) a partial abatement of real property taxes, and (iii) the provision of an exemption from Mortgage Recording Taxes. The financial assistance described in (i), (ii) and (iii), above, would be consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law.

Section 5. The Secretary of the Agency is hereby authorized and directed to cause a copy of this resolution to be published once in the March 28, 2013 edition of The News Review, the newspaper hereby designated as the official newspaper of the Agency for this purpose, and being a newspaper having a general circulation in, and available to residents of the Town.

Section 6. This resolution shall take effect immediately.

Vote: 4 Yes

Presentation of 2012 Financial Audit

Tracy James then introduced the auditor Lori LaPonte from Albanese Sini & Reeves who presented the 2012 Audited Financials for the IDA. She issued an unqualified opinion which is a clear opinion and indicates that she found no problems. She stated that she had met with the audit committee prior to the meeting and reviewed the draft audit. Although there was a decrease in fixed assets as a result of writing off some software, the liabilities remained fairly consistent. She explained that there was a significant increase in revenue (\$72,000) over the prior year and that expenses only increased nominally. She noted the commitments on page 14 of the audit are the only 2 new disclosures and they consist of the Empire Zone contract and the Agency's office lease. The ED made a note to correct the name of zone program to Town of

Riverhead/Suffolk County Empire Zone. Ms. LaPonte continued that she issued a clean opinion on internal controls and although the prior auditor looked at segregation of duties and noted it as a deficiency, it is her opinion that with the board involvement the agency covers the segregation of duties for the size of the agency and only noted it as an "other finding" in the audit. Ms. LaPonte also explained how the audit committee and staff concluded that the LDC with its limited activity was still considered a component unit of the IDA.

Tracy James then reviewed the Audit Committee's response to the findings, the Assessment of Effectiveness of Internal Controls and the Statement of Internal Controls with the board.

23-13 A RESOLUTION ADOPTING, RATIFYING AND CONFIRMING 2012 FINANCIAL AUDIT AND ANNUAL REPORTS

The following resolution was offered by Lou Kalogeras

And seconded by Dawn Thomas

WHEREAS, in accordance with the Public Authorities Law, it is a recommendation of the Audit Committee of the Riverhead Industrial Development Agency that the following policies be reviewed annually, adopted, ratified and confirmed, and

WHEREAS, the following policies and reports recommended by the Audit committee include the 2012 Audit and Financials, Audit Committee Response to Findings, and Statement of Internal Controls, and

WHEREAS, after discussion, the Board of Directors of the Riverhead Industrial Development Agency the Board wishes to adopt the 2012 Audit and Financials, Audit Committee Response to Findings, and Statement of Internal Controls.

NOW, THEREFORE, BE IT RESOLVED, that the attached reports be and hereby are adopted, ratified and confirmed.

(see attached reports)

Vote: 4 Yes

The ED distributed a draft copy of the 2012 PARIS report in substantial form that is to be submitted and certified by March 31, 2013. The ED explained that she did not print out each individual project (only a summary of the projects), but that a certified copy would be provided to the board after the report is submitted. After a brief discussion regarding project monitoring and checks and balances, the ED explained that both the CEO and CFO sign off and certify the information that is submitted on behalf of the agency. The board moved to approve the submission of the report.

26-13 A RESOLUTION APPROVING AND AUTHORIZING SUBMISSION OF THE 2012 PARIS REPORT

The following resolution was offered by Paul Thompson

And seconded by Dawn Thomas

WHEREAS, Public Authorities Law, as amended in 2005 by the Public Authorities Accountability Act, requires state and local authorities to file specific financial and budgetary information with the ABO and Public authorities have been submitting these reports through the Public Authorities Reporting Information System (PARIS), and

WHEREAS, in accordance with the Public Authorities Law, the information must be submitted to the State 90 days after the fiscal year end date which is March 31st, and

WHEREAS, the PARIS report has been presented in substantial form to the board for review and authorization for final submission and certification by the CFO and CEO, and

NOW, THEREFORE, BE IT RESOLVE, after discussion, the Board of Directors of the Riverhead Industrial Development Agency approves and authorizes the final submission of the PARIS report for 2012.

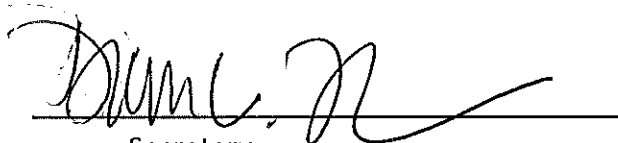
(see attached report)

Vote: 4 Yes

Date for the next meeting is the annual meeting April 15, 2013

Paul Thompson motioned to adjourn the meeting, Lou Kalogeras seconded.
There being no further business, the meeting was adjourned at 6:22pm

6/21/13
Date


Secretary