

MINUTES OF MEETING OF MONDAY, FEBRUARY 4, 2008

Present: Sean McCabe
Hank Boerner
Angela DeVito
Kathleen Wojciechowski
Lori Taggert (Arrived at 5:06pm)
William Belmonte, Executive Director
Lucille Sullivan, CFO
Dick Ehlers, Counsel to the IDA

Absent: Jack Orben
Jim Csorny

Sean McCabe, Chairman of the Board of Directors, called the meeting to order at 5:00PM.

#10-08 APPROVES MINUTES OF MEETING OF 12/3/08

Kathleen Wojciechowski offered the following resolution, which was seconded by Angela DeVito:

RESOLVED, the minutes of the meeting of December 3, 2007 as prepared and submitted be and are hereby approved; and

BE IT FURTHER RESOLVED, that a copy of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

Vote: 4 yes (Lori Taggert was not yet present)

#11-08 APPROVES MINUTES OF MEETING OF 1/07/08

Angela DeVito offered the following resolution, which was seconded by Kathleen Wojciechowski:

RESOLVED, the minutes of the meeting of January 7, 2008 as corrected to include Angela DeVito marked as present, be submitted and are hereby approved; and

BE IT FURTHER RESOLVED, that a copy of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

Vote: 4 yes (Lori Taggert was not yet present)

#12-08 ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS

Angela DeVito offered the following resolution, which was seconded by Hank Boerner:

WHEREAS, the CFO has prepared and submitted a report of expenses of the RIDA for the period 1/1/08 to 1/31/08 as attached;

NOW, THEREFORE, BE IT RESOLVED, that said report of expenses dated 1/31/08 be and is hereby accepted, and expenses as listed are authorized for payment.

Vote: 5 yes

At this point in the meeting Ms. Sullivan led a discussion of her research into procurement policies and reported on her meetings with the Agency's auditors. There was a general discussion of internal controls and reporting requirements. Ms. Sullivan informed the Board that she would present the Audit Committee with a proposed procurement policy and based on the Audit Committee's feedback a proposed procurement policy should be ready to present to the Board at the next meeting on March 3, 2008.

The Board was next asked to consider passing a whistle-blower policy to comply with the requirements of the Public Authorities Accountability Act of 2005. The Executive Director had supplied the Board members with sample whistle-blower policy language at the December 3, 2007 meeting.

#13-08 ADOPTS WHISTLE-BLOWER POLICY OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Lori Taggert offered the following resolution which as seconded by Angela DeVito:

WHEREAS, the Public Authorities Accountability Act of 2005 (the "Act"), requires the Riverhead Industrial Development Agency to adopt whistle-blower policy guidelines; and

WHEREAS, the Board of Directors desires to adopt a whistle-blower policy;

NOW, THEREFORE, BE IT RESOLVED, that the By-Laws of the Riverhead Industrial Development Agency be amended by adding a new Article VI entitled "Whistle-Blower Policy" as follows:

(Full Text of Policy is provided on following pages)

Vote: 5 Yes

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The Board next discussed adoption of an indemnification policy. Mr. Belmonte informed the Board that he had made a request to the Town Attorney's office for information with respect to the Agency's members being covered by the Town's policy. Mr. Ehlers informed the Board that the Agency had formally received letters from the Town's accounting supervisor confirming indemnification coverage for Agency Board members. Mr. Belmonte was asked to contact Bill Rothhar to enquire about the issuance of such letters.

The Board next discussed adopting a Disposition of Property policy as required by the PAAA act of 2005

#14-08 ADOPTS DISPOSITION OF PROPERTY POLICY OF THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

Lori Taggert offered the following resolution which as seconded by Kathleen Wojciechowski:

WHEREAS, the Public Authorities Accountability Act of 2005 (the "Act"), requires the Riverhead Industrial Development Agency to adopt disposition of property guidelines; and

WHEREAS, the Board of Directors desires to adopt a disposition of property policy;

NOW, THEREFORE, BE IT RESOLVED, that the By-Laws of the Riverhead Industrial Development Agency be amended by adding a new Article VII entitled "Disposition of Property" as follows:

(Full Text of Policy is provided on following pages)

Vote: 5 Yes

At this point in the meeting Mr. Belmonte and the Board discussed the NYSEDC Recommended best practice policies which had been distributed to the Board in January of 2007 and again in January of 2008. Mr. Belmonte informed the Board that at the NYSEDC meeting he had been given survey results which showed slightly more than 50% of IDA's responding to the NYSEDC survey had adopted the guidelines. Ms. Taggert and Mr. Boerner added that many of the best practice recommendations had already been either adopted as policies or were current practices of the Riverhead Industrial Development Agency. The Board members acknowledged receipt of the best practices materials provided by NYSEDC and believed that the Agency is operating within the spirit of the recommendations without having to formally adopt the recommendations as policy.

At this point in the meeting, Mr. Belmonte brought to the Board's attention an engagement letter provided by Greenstone/Fontana. Mr. Belmonte recommended to the

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Board that the Agency hire Greenstone/Fontana as consultants to develop a marketing plan for the Agency. The Board did not feel comfortable approving the engagement without first interviewing the principals of Greenstone/Fontana. Mr. Belmonte agreed to make a request of the principals of Greenstone/Fontana to appear at the next board meeting to speak with the Board with respect to their proposal and engagement letter.

There being no further business, the meeting was adjourned at 6:00pm.

Riverhead Industrial Development Agency Whistleblower Policy

To help ensure that the Riverhead Industrial Development Agency (the “Organization”) complies with the highest standards of financial reporting and lawful and ethical behavior, the Audit Committee recommends and the Board of Directors establishes the following procedure for the reporting of illegal or unethical conduct in connection with the Organization’s finances or other aspects of its operations, and the retention and treatment of such complaints, including confidential, anonymous submissions received from employees.

Should any person know or have a reasonable belief that persons associated with the Organization plan to engage or have engaged in illegal or unethical conduct in connection with the finances or other aspect of the Organization’s operations, that person should immediately file a complaint with the Executive Director (a “Complaint”). Employees of the Organization may submit Complaints on a confidential, anonymous basis. If the Complaint concerns the Executive Director or the complainant is not comfortable reporting to the Executive Director, then the complainant should notify the Chairman of the Board instead. Issues arising under the Organization’s equal employment opportunity policy, including the policy against harassment, employee benefit policies and issues generally handled by individuals responsible for the Organization’s personnel practices and procedures are not covered by this Policy. Mechanisms for resolving such issues are addressed in separate procedures.

The Executive Director or Chairman of the Board will report all Complaints to the chair of the appropriate committee, such as the Audit or Governance Committee, or if the chair is the subject of the Complaint, to another member of the committee, prior to the next regularly scheduled meeting. In appropriate circumstances, the Executive Director or Chairman of the Board may report a Complaint to the co-chairperson. Reports to the co-chair or other committee member or to the Board chairperson will include a copy of the Complaint, its date, nature and source (unless the complainant is an employee who has requested confidentiality and/or anonymity), how it was communicated, whether the Executive Director regards the Complaint as credible, and proposals to address it. The chair or other committee member will promptly report the Complaint to the full committee, except that the Complaint will not be shared with an individual who is the subject of the Complaint. Likewise, if a Complaint is reported to the Board chairperson, she or he will promptly report the Complaint to the full Board, except to any individual who is the subject of the Complaint. All credible allegations will be followed up promptly, with further investigation conducted if needed to resolve disputed facts. In conducting its investigations, the Organization will respect an employee’s request for confidentiality and/or anonymity and will strive to keep the identity of other complainants as confidential as possible, consistent with the need to conduct an adequate review and investigation.

The committee to which a Complaint has been reported will inform the Board if any Complaint is confirmed, or if the committee otherwise believes that the Board should be

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made aware of the situation. The committee will have ultimate authority over the treatment of any Complaints reported to it, subject to the Board's oversight. The committee or, in the case of Complaints reported to the full Board, the Board will ensure that records of all Complaints are maintained in accordance with the Organization's document retention policy.

The Organization will take appropriate action in response to any Complaints, including, but not limited to, disciplinary action (up to and including termination) against any person who, in the Organization's assessment, has engaged in misconduct and reporting such misconduct to the relevant civil or criminal authorities as required by law.

The Organization will not knowingly, with the intent to retaliate, take any action harmful to any person, including interference with lawful employment or livelihood, for reporting a Complaint in good faith pursuant to this policy or to law enforcement officers, governmental agencies or bodies, or persons with supervisory authority over the complainant. Likewise, there will be no punishment or other retaliation for providing information regarding a Complaint in good faith to, or otherwise assisting in any investigation regarding a Complaint conducted by, the Organization, law enforcement officers, governmental agencies or bodies, or persons with supervisory authority over the complainant. Finally, there will be no punishment or other retaliation for filing a Complaint in good faith, or otherwise participating or assisting in a proceeding filed or about to be filed (with any knowledge of the Organization) regarding any Complaint.

An individual who deliberately or maliciously provides false information may be subject to disciplinary action (up to and including termination).

**Riverhead Industrial Development Agency
Disposition of Property Policy**

WHEREAS, the Riverhead Industrial Development Agency is required by the provisions of Title 5-A of Article 9 of the Public Authorities Law, as added by the Public Authorities Accountability Act of 2005, to adopt guidelines detailing the Corporation's operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the disposal of property, which shall be reviewed and approved annually by the Board of Directors; and

WHEREAS, the Board of Directors desires to adopt Guidelines for the Disposition of Property;

NOW, THEREFORE, BE IT RESOLVED, that the following is the disposition of property policy of the Riverhead Industrial Development Agency:

Section 1. The Riverhead Industrial Development Agency shall not acquire real property without the Corporation first adopting a policy and procedures with respect to both acquisition and disposition of real property.

Section 2. This resolution shall take effect immediately upon its adoption