

MINUTES OF SPECIAL MEETING OF MONDAY, MAY 10, 2010

Meeting was called to order by Chairperson Kathleen Wojciechowski at 5:18 p.m.

Present: Kathleen Wojciechowski, Chairperson
Lou Kalogeras, Vice-Chairperson
Angela DeVito, Secretary/Treasurer
Paul Thompson, Asst. Secretary/Asst. Treasurer

Anna Maria Villa, CEO/Executive Director
Richard Ehlers, Counsel

Absent: Sean McCabe, Member
Hank Boerner, Member

29-10 A RESOLUTION *APPROVING* THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO *COUNTRY LIMOUSINES, LLC, DARK HORSE RESTAURANT, LLC, DARK HORSE CATERING, LLC AND OTHER RELATED ENTITIES.*

At a regular meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on May 10, 2010 at 5:00 o'clock P.M., Prevailing Time.

The meeting was called to order by Chairperson Kathleen Wojciechowski, and upon roll being called, the following were

PRESENT: Kathleen Wojciechowski, Chairperson
Elias S. Kalogeras, Vice Chairperson
Angela DeVito, Secretary/Treasurer
Capt. Paul Thompson, Asst. Secretary/Asst. Treasurer

ABSENT: Sean McCabe, Member
Henry "Hank" Boerner, Member

The following resolution was offered by Member Angela DeVito, who moved its adoption, seconded by Member Paul Thompson, to-wit:

[Type text]

RESOLUTION DATED MAY 10, 2010.

A RESOLUTION **APPROVING** THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO **COUNTRY LIMOUSINES, LLC, DARK HORSE RESTAURANT, LLC, DARK HORSE CATERING, LLC AND OTHER RELATED ENTITIES.**

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 Country Limousines, LLC (hereinafter referred to as "Country Limousines"), on behalf of Country Limousines, Dark Horse Restaurant, LLC, Dark Horse Catering, LLC and other related entities (collectively, the "Related Parties"), each a limited liability company qualified to do business in the State of New York, with respect to the restoration by Country Limousines and the Related Parties of a distressed 1929 building being located at 1 East Main Street, Riverhead, consisting of an approximately 9,000 square foot building to be used as a restaurant and catering facility which is expected to include a take-out gourmet specialty food store and five duplex office/apartments designed with energy efficient technologies including solar hot water panels, recycled timbers for table tops, bar tops and shelving and recycled bottles for light fixtures, as well as roof planting boxes for rain water collection and the growing of herbs and spices, and incidental expenses in connection therewith, at an aggregate cost, including costs associated with the financing thereof, estimated to be \$1,640,000 (the "Project"); and

WHEREAS, the Project will be located in an area which was designated an empire zone pursuant to Section 854 of the General Municipal Law, Subsection 18(c), being part of Article 18-A of the General Municipal Law; and

[Type text]

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on April 26, 2010 with respect to the application for financial assistance and the Project and the proposed financial assistance requested by Country Limousines and the Related Parties 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. It is hereby determined that the Agency shall provide Country Limousines and the Related Parties with the following financial assistance with respect to the Project: (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 by granting a partial abatement of real property taxes attributable to any increase in assessed value of the real property comprising the Project over the present assessed value of such real property (\$127,500.00) for a period of ten (10) years. The financial assistance described in (i) and (ii) above is consistent with the uniform tax-exemption policy adopted by the Agency pursuant to Subdivision 4 of Section 874 of the General Municipal Law, because the Project is in a "distressed area," as that term is used in said uniform tax-exemption policy. The Executive Director of the Agency is hereby directed to proceed, at the expense of Country Limousines and the Related Parties, to cause agreements and documents to be prepared that will enable the aforesaid benefits to be provided to Country Limousines and the Related Parties, and to submit such agreements and documents to the Agency for approval. The financial assistance authorized hereby shall not be effective until closing.

Section 2. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call

which resulted as follows:

| | | |
|-------------------------------|--------|-----|
| <u>Kathleen Wojciechowski</u> | VOTING | AYE |
| <u>Elias S. Kalogeras</u> | VOTING | AYE |
| <u>Angela DeVito</u> | VOTING | AYE |
| <u>Paul Thompson</u> | VOTING | AYE |

The resolution was thereupon declared duly adopted.

* * * *

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-2-

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on **May 10, 2010**, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

| <u>Newspaper and/or other news media</u> | <u>Date given</u> |
|--|-------------------|
| RIVERHEAD NEWS REVIEW | APRIL 30, 2010 |

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

| <u>Designated Location(s) of posted notice</u> | <u>Date of Posting</u> |
|--|------------------------|
| Riverhead Town Hall/Town Clerk Bulletin Board | 4/29/10 |
| IDA Website | 4/29/10 |

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on _____, 2010.

Angela DeVito
Secretary

(CORPORATE
SEAL)

#30-10 - APPROVES MINUTES OF MEETING OF 4/26/10

Paul Thompson offered the following resolution, which was seconded by Angela DeVito

RESOLVED, the minutes of the meeting of April 26, 2010 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
2 absent**

31-10 ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS

Lou Kalogeras offered the following resolution, which was seconded by Paul Thompson.

WHEREAS, Denise Cooper, CPA, prepared and Anna Maria Villa, Executive Director, submitted a report of expenses of the Riverhead Industrial Development Agency for the period April 1 to April 30, 2010 as **attached**.

NOW, THEREFORE, BE IT RESOLVED, that said report of expenses dated December 31, 2009 be and is hereby accepted and expenses as listed are authorized for payment.

Vote: 4 yes
2 absent

Executive Director's Report.

Eight Month Review

I began working for the IDA on 8/13/09, and the following is a review of my financial/projects/jobs accomplishments through April 30, 2010:

In the first six months, I identified and brought in projects that resulted in the collection of \$148,610 in fees. Before the end of 2010, I anticipate collecting an additional \$187,035 in already approved projects, which will bring the total fee collection to \$335,645.

These six approved projects will add \$55,299,333 into the Riverhead economy, creating over 300 permanent jobs in the first year, creating 807 construction jobs.

In addition, I am on track to bring in 4 more projects, to be approved, by the end of 2010 with over \$200,000 in fees for a total of \$535,000 for the year ending 2010.

1st quarter of 2010 budget review as of March 31, 2010:

We exceeded our revenue budget of \$75,050 by \$67,603 (90%).

Our expenses were budgeted at \$52,276 and we expensed only \$39,521. A savings of \$12,800. (25%)

As of April 30, 2010 we have \$245,820.56.

Ms. Villa again discussed her concern over the current IDA Bond Counsel, Mr Randy Mayer of Fulbright & Jaworski. She said he is not responsive to her many requests and is not up-to date with IDA laws, rules and regulations. Ms. Villa requested that the Governance committee and the Audit committee meet to review the policies Mr. Mayer sent the Board on May 9. These are to be uploaded to the Agency's website for Disclosures (year ending December 2009). Ms. Villa also requested that Mr. Mayer provide this Agency with a certification stating that all policies and documents he sent to the Board are compliant with the PAAA 2005 and the PARA 2009. The Board suggested they meet May 17, 2010 to review, recommend and adopt the polices. A motion to accept came from Kathleen Wojciechowski and seconded by Angela DeVito. All were in favor. Motion carried.

The Director informed the Board about EBS Building Systems, approved for financial assistance in 2003, and due to a variety of reasons, was stalled and now is ready to receive and utilize the benefits. Mr. Ehlers, Agency Counsel, gave the Board additional details and recommended the need for another public hearing, and no application fee is necessary since they paid in 2003. After a discussion, a public hearing date was discussed for 6/10/10 with two yes votes from Lou Kalogeras and Paul Thompson and two nay votes from Kathleen Wojciechowski and Angela DeVito.

There being no further business the meeting was adjourned at approximately 6:05 p.m.

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

200 Howell Avenue
Riverhead, New York

April 26, 2010
5:00 p.m.

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B E F O R E :

SEAN MCCABE

LOU KALOGERAS

PAUL THOMPSON

KATHLEEN WOJCIECHOWSKI

ANNA MARIA VILLA

DICK EHLERS

ANGELA DEVITO

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MS. WOJCIECHOWSKI: I call this meeting to order at 5:05 p.m. We are here this evening to accept public comment regarding the application for financial assistance of Country Limousine LLC, Dark Horse Restaurant LLC, Dark Horse Catering LLC.

I have on file an affidavit of Karen Kine as the Principal Clerk of the News Review newspaper certifying the publication of the following notice of public hearing in the April 15, 2010 issue of the News Review as the official newspaper of the Riverhead Industrial Development Agency. As so designated by the Board of Directors at its regular meeting of January 4th of 2010. I make the notice of public hearing and the resolution calling said hearing a part of the record of this proceeding of Country Limousine LLC, Dark Horse Restaurant LLC, Dark Horse Catering LLC.

Further, I make a part of

1 the record of this proceeding the
2 affidavit of Anna Maria Villa as
3 Executive Director of the Riverhead
4 Industrial Development Agency
5 attesting to the service of the Notice of
6 Public Hearing in this matter upon the
7 Chief Fiscal Officers of the affected
8 taxing jurisdictions as required by the
9 laws of the State of New York.

10 Would the applicant step forward?
11 Introduce yourself for the record? And
12 is there anyone else in the audience that
13 would like to address the applicant?

14 MR. SMITH: Good afternoon,
15 my name is Allen Smith. This is
16 Dorothy Wuma, who is the principal owner
17 and applicant. A brief overview of the
18 project is, those of us who have lived
19 here a little longer than others would
20 know it as the Black Clock Shop that is
21 the southeast corner of Peconic and Main
22 Street. Ms. Wuma has acquired the
23 property, as it's accurately stated in
24 the application. She is not seeking
25 bond financing. She's using her own

1 funds to spend. Somewhat north of a
2 million and a half dollars in this
3 renovation and is requesting the
4 incentive that are set forth in the
5 notice. If there is anyone that has
6 questions of the particulars, we're
7 prepared to answer them.

8 MS. WOJCIECHOWSKI: Any
9 questions?

10 MR. KALOGERAS: I have
11 none.

12 MR. McCABE: I have none.

13 MS. WOJCIECHOWSKI: Is there
14 anyone in the audience as a member of
15 the public who would like to speak?

16
17 (No response.)

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19 MS. WOJCIECHOWSKI: I declare
20 the meeting closed. Thank you.

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22 (Whereupon, the hearing closed at
23 5:08 p.m.)

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C E R T I F I C A T I O N

I, Jessica DiLallo, a Notary Public for and within the State of New York, do hereby certify:

THAT, the witness(es) whose testimony is herein before set forth, was duly sworn by me, and

THAT the within transcript is a true record of the testimony given by said witness(es).

I further certify that I am not related either by blood or marriage to any of the parties to this action; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this day, May 1, 2010.

(Jessica DiLallo)

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| <p>A</p> <p>accept 3:4 accurately 4:23 acquired 4:22 action 6:12 address 4:13 affidavit 3:9 4:2 afternoon 4:14 Agency 1:7 3:16 4:4 Allen 4:15 ANGELA 2:11 Anna 2:9 4:2 answer 5:7 applicant 4:10,13 4:17 application 3:5 4:24 April 1:16 3:13 assistance 3:6 attesting 4:5 audience 4:12 5:14 Avenue 1:14</p> <hr/> <p>B</p> <p>B 2:3 Black 4:20 blood 6:12 Board 3:17 bond 4:25 brief 4:17</p> <hr/> <p>C</p> <p>C 6:3,3 call 3:2 calling 3:20 Catering 3:8,23 certify 6:6,11 certifying 3:11 Chief 4:7 Clerk 3:10 Clock 4:20 closed 5:20,22 comment 3:5 corner 4:21 Country 3:6,22</p> | <p>D</p> <p>Dark 3:7,7,22,23 day 6:16 declare 5:19 designated 3:16 Development 1:7 3:16 4:4 DevITO 2:11 DICK 2:10 DiLallo 6:5,19 Director 4:3 Directors 3:17 dollars 5:2 Dorothy 4:16 duly 6:8</p> <hr/> <p>E</p> <p>E 2:3,3 6:3 EHLERS 2:10 either 6:11 evening 3:4 Executive 4:3</p> <hr/> <p>F</p> <p>F 2:3 6:3 file 3:9 financial 3:6 financing 4:25 Fiscal 4:7 following 3:12 forth 5:4 6:8 forward 4:10 funds 5:1 further 3:25 6:11</p> <hr/> <p>G</p> <p>given 6:10 Good 4:14</p> <hr/> <p>H</p> <p>half 5:2 hand 6:15 hearing 3:13,19,20 4:6 5:22 hereunto 6:15 Horse 3:7,7,22,23 Howell 1:14</p> | <p>I</p> <p>incentive 5:4 Industrial 1:7 3:15 4:4 interested 6:13 Introduce 4:11 issue 3:13</p> <hr/> <p>J</p> <p>January 3:18 Jessica 6:5,19 jurisdictions 4:8</p> <hr/> <p>K</p> <p>KALOGERAS 2:6 5:10 Karen 3:10 KATHLEEN 2:8 Kine 3:10 know 4:20</p> <hr/> <p>L</p> <p>laws 4:9 Limousine 3:6,22 little 4:19 lived 4:18 LLC 3:7,7,8,22,23 3:24 longer 4:19 LOU 2:6</p> <hr/> <p>M</p> <p>Main 4:21 Maria 2:9 4:2 marriage 6:12 matter 4:6 6:14 McCABE 2:5 5:12 meeting 3:3,18 5:20 member 5:14 million 5:2</p> <hr/> <p>N</p> <p>N 6:3 name 4:15 New 1:14 4:9 6:6 News 3:11,14 newspaper 3:11,15</p> | <p>north 5:1 Notary 6:5 notice 3:12,19 4:5 5:5</p> <hr/> <p>O</p> <p>O 2:3 6:3 Officers 4:7 official 3:14 order 3:3 outcome 6:13 overview 4:17 owner 4:16</p> <hr/> <p>P</p> <p>part 3:20,25 particulars 5:6 parties 6:12 PAUL 2:7 Peconic 4:21 prepared 5:7 principal 3:10 4:16 proceeding 3:21 4:1 project 4:18 property 4:23 public 3:4,13,19 4:6 5:15 6:5 publication 3:12 p.m 1:16 3:3 5:23</p> <hr/> <p>Q</p> <p>questions 5:6,9</p> <hr/> <p>R</p> <p>R 2:3 6:3 record 3:21 4:1,11 6:9 regarding 3:5 regular 3:17 related 6:11 renovation 5:3 requesting 5:3 required 4:8 resolution 3:20 response 5:17 Restaurant 3:7,23</p> | <p>Review 3:11,14 Riverhead 1:7,14 3:15 4:3</p> <hr/> <p>S</p> <p>SEAN 2:5 seeking 4:24 service 4:5 set 5:4 6:8,15 Shop 4:20 Smith 4:14,15 Somewhat 5:1 southeast 4:21 speak 5:15 spend 5:1 State 4:9 6:6 stated 4:23 step 4:10 Street 4:22 sworn 6:8</p> <hr/> <p>T</p> <p>T 6:3,3 taxing 4:8 testimony 6:7,10 Thank 5:20 THOMPSON 2:7 transcript 6:9 true 6:9</p> <hr/> <p>V</p> <p>Villa 2:9 4:2</p> <hr/> <p>W</p> <p>way 6:13 we're 5:6 WHEREOF 6:15 WITNESS 6:15 witness(es) 6:7,10 WOJCIECHOW... 2:8 3:2 5:8,13,19 Wuma 4:16,22</p> <hr/> <p>Y</p> <p>York 1:14 4:9 6:6</p> <hr/> <p>1</p> <p>1 6:16</p> |
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1:54 PM
04/30/10
Cash Basis

Riverhead Industrial Development Agency
Profit & Loss
April 2010

| | <u>Apr 10</u> |
|---|--------------------------|
| Ordinary Income/Expense | |
| Income | |
| 46400 · Other Types of Income | |
| 46410 · Interest Income | 23.82 |
| Total 46400 · Other Types of Income | <u>23.82</u> |
| Total Income | <u>23.82</u> |
| Gross Profit | 23.82 |
| Expense | |
| 62100 · Contract Services | |
| 62140 · Legal Fees | 2,790.00 |
| 62145 · Website Development | 225.00 |
| 62150 · Outside Contract Services | 8,982.50 |
| Total 62100 · Contract Services | <u>11,997.50</u> |
| 62800 · Facilities and Equipment | |
| 62840 · Equip Rental and Maintenance | 122.00 |
| 62890 · Rent, Parking, Utilities | 1,331.27 |
| Total 62800 · Facilities and Equipment | <u>1,453.27</u> |
| 65000 · Operations | |
| 65020 · Postage, Mailing Service | 98.11 |
| 65040 · Supplies | 184.73 |
| 65050 · Telephone, Telecommunications | 154.80 |
| Total 65000 · Operations | <u>437.64</u> |
| 65100 · Other Types of Expenses | |
| 65110 · Advertising Expenses | 2,696.88 |
| Total 65100 · Other Types of Expenses | <u>2,696.88</u> |
| 68300 · Travel and Meetings | |
| 68330 · Mileage Reimbursement | 145.03 |
| Total 68300 · Travel and Meetings | <u>145.03</u> |
| Total Expense | <u>16,730.32</u> |
| Net Ordinary Income | <u>-16,706.50</u> |
| Net Income | <u><u>-16,706.50</u></u> |

1:55 PM

04/30/10

Accrual Basis

Riverhead Industrial Development Agency

Trial Balance

As of April 30, 2010

| | Apr 30, 10 | |
|--|-------------------|-------------------|
| | Debit | Credit |
| 10000 · JP Morgan Chase Bank NA | 245,820.56 | |
| 10100 · Certificate of Deposit | 0.00 | |
| 10200 · Pilot Account | 250.02 | |
| 11000 · Accounts Receivable | | 0.04 |
| 12000 · Prepaid Expenses | 1,331.27 | |
| 12000 · Prepaid Expenses:12010 · Prepaid Insurance Benefits | 0.00 | |
| 12001 · Undeposited Funds | 0.00 | |
| 12100 · Inventory Asset | 75.31 | |
| 15000 · Furniture and Equipment | 1,479.95 | |
| 15500 · Accumulated Depreciation-F&E | | 699.57 |
| 16000 · Office Equipment | 4,046.45 | |
| 16500 · Accumulated Depreciation-Equip | | 4,046.45 |
| 20000 · Accounts Payable | 122.00 | |
| 21000 · Accrued Expenses | | 13,230.00 |
| 2110 · Direct Deposit Liabilities | 0.00 | |
| 21200 · Pilot Payments Payable | 0.01 | |
| 24000 · Payroll Liabilities | 0.00 | |
| 24000 · Payroll Liabilities:24001 · FWT Payable | 0.00 | |
| 24000 · Payroll Liabilities:24002 · FICA Payable | 0.00 | |
| 24000 · Payroll Liabilities:24003 · MEDI Payable | 0.00 | |
| 24000 · Payroll Liabilities:24010 · Federal Payroll Tax Liabilities | 0.00 | |
| 24000 · Payroll Liabilities:24020 · NYS income taxes payable | 0.00 | |
| 24000 · Payroll Liabilities:24030 · Employee Pension Withholding | 0.00 | |
| 26000 · Compensated Absences | 0.00 | |
| 30000 · Opening Balance Equity | 0.00 | |
| 32000 · Retained Earnings | | 148,723.51 |
| 46400 · Other Types of Income:46410 · Interest Income | | 67.31 |
| 47200 · Program Income:47240 · Program Service Fees | | 142,610.00 |
| 62100 · Contract Services:62110 · Accounting Fees | 0.00 | |
| 62100 · Contract Services:62140 · Legal Fees | 5,715.00 | |
| 62100 · Contract Services:62145 · Website Development | 2,725.00 | |
| 62100 · Contract Services:62150 · Outside Contract Services | 37,478.75 | |
| 62800 · Facilities and Equipment:62840 · Equip Rental and Maintenance | 366.00 | |
| 62800 · Facilities and Equipment:62890 · Rent, Parking, Utilities | 3,993.81 | |
| 65000 · Operations:65010 · Books, Subscriptions, Reference | 35.00 | |
| 65000 · Operations:65020 · Postage, Mailing Service | 399.67 | |
| 65000 · Operations:65040 · Supplies | 340.39 | |
| 65000 · Operations:65050 · Telephone, Telecommunications | 619.20 | |
| 65100 · Other Types of Expenses:65110 · Advertising Expenses | 2,696.88 | |
| 65100 · Other Types of Expenses:65120 · Insurance - Liability, D and O | 527.16 | |
| 66000 · Payroll Expenses:66050 · Other Employment taxes | 11.49 | |
| 68300 · Travel and Meetings:68310 · Conference, Convention, Meeting | 65.00 | |
| 68300 · Travel and Meetings:68320 · Travel | 582.12 | |
| 68300 · Travel and Meetings:68330 · Mileage Reimbursement | 287.15 | |
| 69800 · Uncategorized Expenses | 408.69 | |
| TOTAL | 309,376.88 | 309,376.88 |