

**MINUTES OF REGULAR MEETING
RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
May 7, 2012**

The meeting was called to order by Chairman Tom Cruso at 6:50 p.m.

Present: Thomas Cruso
Lou Kalogeras
Dawn Thomas

Absent: Paul Thompson
Carl Gabrielsen

Others in Attendance: Richard Ehlers, Counsel
Tracy Stark-James, Executive Director IDA

By motion of Lou Kalogeras and second by Dawn Thomas the proposed agenda was adopted.

MINTUES

RESOLUTION #18-12 - APPROVES MINUTES OF A REGULAR MEETING OF APRIL 2, 2012

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

RESOLVED, the minutes of the regular meeting of April 2, 2012 as prepared and e-mailed 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: 3 yes

OLD BUSINESS:

Riverhead Charter School – Counsel reported that the LDC has received an application and deposit of \$4000. The School is seeking assistance for exemption on the federal income tax on financing. They do not need Real Property or Sales Tax relief. Counsel distributed and reviewed the notice of public hearing. Non Profit financing requires a 14 day public notice on TEFRA hearings.

RESOLUTION #19-12

**A RESOLUTION TAKING OFFICIAL ACTION TOWARD THE
ISSUANCE OF BONDS ON BEHALF OF THE RIVERHEAD CHARTER
SCHOOL IN AN AGGREGATE AMOUNT NOT TO EXCEED \$21,553,000
AND AUTHORIZING THE CALL OF A PUBLIC HEARING WITH
RESPECT TO THE PROJECT AND BOND ISSUANCE.**

WHEREAS, Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "Act") authorizes the creation of not-for-profit local development corporations operated for the exclusively charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community by attracting new industry to a community by encouraging the development of, or retention of, an industry in a community, lessening the burdens of government, and acting in the public interest;

WHEREAS, any one or more counties, cities, towns or villages of the State of New York (the "State"), or any combination thereof, or the New York job development authority in exercising its power under the public authorities law to encourage the organization of local development corporations, may cause such corporations to be incorporated by public officers or private individuals upon compliance with the requirements of Section 1411 of the Act;

WHEREAS, on January 19, 2011, the Town Board of the Town of Riverhead (the "Town") approved the incorporation of the Riverhead IDA Economic Job Development Corporation (the "Corporation") and thereby caused certain private individuals to incorporate the Corporation as a not-for-profit, local development corporation pursuant to Section 1411 of the Act;

WHEREAS, on January 31, 2011, a Certificate of Incorporation with respect to the Corporation was filed with the Department of State, Division of Corporations, State Records, and Uniform Commercial Code thereby establishing the Corporation as a not-for-profit local development corporation of the State for the purposes of, among other things, relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the Town by attracting new industry to the Town, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest;

WHEREAS, the Act authorizes a local development corporation to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, all or any of its property, or any interest therein;

WHEREAS, the Act authorizes a local development corporation to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein;

WHEREAS, the Corporation has been requested by representatives of the Riverhead Charter School, a New York not-for-profit corporation, currently providing tuition-free public education to children grades K through 6 (the "School"), to issue its special revenue bonds in an aggregate amount not to exceed \$21,553,000 (the "Bonds"), for the purpose of providing funds to finance

certain costs in connection with a proposed project (the "Project") consisting of (i) the reconstruction of the existing school facility located at 3685 Middle Country Road, Calverton, New York, currently known as the Riverhead Charter School and owned by the School; (ii) the refinancing of the School's existing mortgage on the Project Facility; and (iii) payment of costs incidental to the financing of the Project and issuance of the Bonds;

WHEREAS, the Corporation has received an application for financial assistance (the "Application") from the School with respect to the Project;

WHEREAS, the School has received an allocation of authority to issue "qualified school construction bonds" from the State in the amount of \$5,000,000 (the "Allocation") pursuant to the provisions of the American Recovery and Reinvestment Tax Act of 2009 and the Hiring Incentives to Restore Employment Act of 2010;

WHEREAS, the School wishes the Corporation to use the Allocation to issue a series of taxable qualified school construction bonds on behalf of the School as part of the issuance of the Bonds;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), in order for interest on a portion of the Bonds to be excludable from gross income for federal income tax purposes, among other things the issuance of such Bonds must be approved by the "applicable elected representative" of the Town after a public hearing on the Project and the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED, by the Directors of the Corporation as follows:

Section 1. Based upon the representations made by the School to the Corporation, the Corporation hereby makes the following findings and determinations:

- (a) following the receipt of the Application from the School, the Corporation intends to determine whether it is desirable and in the public interest for the Corporation to issue the Bonds in a principal amount not to exceed \$21,553,000 to finance the costs of the Project;
- (b) the Corporation has the authority to undertake the actions contemplated herein; and
- (c) based on preliminary information received to date, the Project will maintain and increase employment opportunities in the Town, lessen the burdens of government, and otherwise further the purposes of the Corporation.

Section 2. Fulbright & Jaworski L.L.P., New York, New York, is hereby appointed Bond Counsel to the Corporation ("Bond Counsel"), and is hereby authorized and directed to assist the Corporation, its officers, members, agents, and the School with the Project, the negotiation and drafting of any and all agreements with respect to the issuance of the Bonds, and the issuance of the Bonds. All fees and expenses of Bond Counsel to the Corporation shall be the responsibility of the School.

Section 3. The Corporation hereby authorizes, upon the advice of Bond Counsel, the (a) publication and mailing of a notice of public hearing in a form satisfactory to the Chair or Vice Chair of the Corporation, and (b) holding a public hearing relating to the issuance of the Bonds and the Project, as required by the Code.

Section 4. The Chair or Vice Chair is hereby authorized and directed to distribute copies of this resolution to the School and their counsel and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 5. It is hereby found and determined that all formal actions of the Corporation concerning and relating to the adoption of this resolution were adopted in an open meeting of the Corporation; and that all deliberations of the Corporation and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 6. If any one or more of the provisions of this resolution, or of any exhibit or attachment hereto, shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment hereto, but this resolution, and exhibits or attachments hereto shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 7. A copy of this resolution shall be available for public inspection at the office of the Corporation.

Section 8. This resolution shall take effect immediately.

Vote: 3 Yes

Defense and Indemnification – a copy of the public notice to amend Chapter 10 of the Town Code to add the Riverhead IDA Economic Job Development Corporation was distributed to the board. Counsel informed the board that it is on the agenda for the next Town Board meeting. Insurance coverage will be addressed post adoption of the amendment.

NEW BUSINESS:

Dawn Thomas motioned to table the discussion on the adoption of policies, Lou Kalogeras seconded. Motion moved to table discussion on policies.

There being no further business Paul Thompson motioned to adjourn the meeting and Lou Kalogeras seconded. The meeting was adjourned at 7:18 p.m.

6/15/12
Date


Secretary

A regular meeting of the Riverhead IDA Economic Job Development Corporation was convened in public session at 200 Howell Avenue, in Riverhead, New York on May 7, 2012, at 5:00 p.m., New York time.

The meeting was called to order by Tom Cruso, and upon roll being called, the following were

PRESENT: Tom Cruso, Chairman
Lou Kalogeras, Vice Chairman
Paul Thompson, Treasurer
Dawn Thomas, Asst Treasurer/Secretary

ABSENT: Carl Gabrielsen, Secretary

After the meeting had been duly called to order, Chairman Cruso announced that among the purposes of the meeting was the consideration of certain matters pertaining to a proposed project for the Riverhead Charter School.

The following resolution was duly moved by Lou Kalogeras seconded by Dawn Thomas, discussed and adopted with the following members voting:

| <u>MEMBER</u> | <u>AYE</u> | <u>NAY</u> | <u>ABSENT</u> | <u>ABSTAINED</u> |
|-----------------|------------|------------|---------------|------------------|
| Tom Cruso | Aye | | | |
| Lou Kalogeras | Aye | | | |
| Paul Thompson | Aye | | | |
| Dawn Thomas | Aye | | | |
| Carl Gabrielsen | | | absent | |

#19-12 RESOLUTION DATED MAY 7, 2012.

A RESOLUTION TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF BONDS ON BEHALF OF THE RIVERHEAD CHARTER SCHOOL IN AN AGGREGATE AMOUNT NOT TO EXCEED \$21,553,000 AND AUTHORIZING THE CALL OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT AND BOND ISSUANCE.

WHEREAS, Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "Act") authorizes the creation of not-for-profit local development corporations operated for the exclusively charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community by attracting new industry to a community by encouraging the development of, or retention of, an industry in a community, lessening the burdens of government, and acting in the public interest;

WHEREAS, any one or more counties, cities, towns or villages of the State of New York (the "State"), or any combination thereof, or the New York job development authority in exercising its power under the public authorities law to encourage the organization of local development corporations, may cause such corporations to be incorporated by public officers or private individuals upon compliance with the requirements of Section 1411 of the Act;

WHEREAS, on January 19, 2011, the Town Board of the Town of Riverhead (the "Town") approved the incorporation of the Riverhead IDA Economic Job Development Corporation (the "Corporation") and thereby caused certain private individuals to incorporate the Corporation as a not-for-profit, local development corporation pursuant to Section 1411 of the Act;

WHEREAS, on January 31, 2011, a Certificate of Incorporation with respect to the Corporation was filed with the Department of State, Division of Corporations, State Records, and Uniform Commercial Code thereby establishing the Corporation as a not-for-profit local development corporation of the State for the purposes of, among other things, relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the Town by attracting new industry to the Town, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest;

WHEREAS, the Act authorizes a local development corporation to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, all or any of its property, or any interest therein;

WHEREAS, the Act authorizes a local development corporation to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may

determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein;

WHEREAS, the Corporation has been requested by representatives of the Riverhead Charter School, a New York not-for-profit corporation, currently providing tuition-free public education to children grades K through 6 (the "School"), to issue its special revenue bonds in an aggregate amount not to exceed \$21,553,000 (the "Bonds"), for the purpose of providing funds to finance certain costs in connection with a proposed project (the "Project") consisting of (i) the reconstruction of the existing school facility located at 3685 Middle Country Road, Calverton, New York, currently known as the Riverhead Charter School and owned by the School; (ii) the refinancing of the School's existing mortgage on the Project Facility; and (iii) payment of costs incidental to the financing of the Project and issuance of the Bonds;

WHEREAS, the Corporation has received an application for financial assistance (the "Application") from the School with respect to the Project;

WHEREAS, the School has received an allocation of authority to issue "qualified school construction bonds" from the State in the amount of \$5,000,000 (the "Allocation") pursuant to the provisions of the American Recovery and Reinvestment Tax Act of 2009 and the Hiring Incentives to Restore Employment Act of 2010;

WHEREAS, the School wishes the Corporation to use the Allocation to issue a series of taxable qualified school construction bonds on behalf of the School as part of the issuance of the Bonds;

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), in order for interest on a portion of the Bonds to be excludable from gross income for federal income tax purposes, among other things the issuance of such Bonds must be approved by the "applicable elected representative" of the Town after a public hearing on the Project and the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED, by the Directors of the Corporation as follows:

Section 1. Based upon the representations made by the School to the Corporation, the Corporation hereby makes the following findings and determinations:

- (a) following the receipt of the Application from the School, the Corporation intends to determine whether it is desirable and in the public interest for the Corporation to issue the Bonds in a principal amount not to exceed \$21,553,000 to finance the costs of the Project;
- (b) the Corporation has the authority to undertake the actions contemplated herein; and
- (c) based on preliminary information received to date, the Project will maintain and increase employment opportunities in the Town, lessen the burdens of government, and otherwise further the purposes of the Corporation.

Section 2. Fulbright & Jaworski L.L.P., New York, New York, is hereby appointed Bond Counsel to the Corporation ("Bond Counsel"), and is hereby authorized and directed to assist the Corporation, its officers, members, agents, and the School with the Project, the negotiation and drafting of any and all agreements with respect to the issuance of the Bonds, and the issuance of the Bonds. All fees and expenses of Bond Counsel to the Corporation shall be the responsibility of the School.

Section 3. The Corporation hereby authorizes, upon the advice of Bond Counsel, the (a) publication and mailing of a notice of public hearing in a form satisfactory to the Chair or Vice Chair of the Corporation, and (b) holding a public hearing relating to the issuance of the Bonds and the Project, as required by the Code.

Section 4. The Chair or Vice Chair is hereby authorized and directed to distribute copies of this resolution to the School and their counsel and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 5. It is hereby found and determined that all formal actions of the Corporation concerning and relating to the adoption of this resolution were adopted in an open meeting of the Corporation; and that all deliberations of the Corporation and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 6. If any one or more of the provisions of this resolution, or of any exhibit or attachment hereto, shall be held invalid, illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment hereto, but this resolution, and exhibits or attachments hereto shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 7. A copy of this resolution shall be available for public inspection at the office of the Corporation.

Section 8. This resolution shall take effect immediately.

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STATE OF NEW YORK)
) SS:
COUNTY OF SUFFOLK)

I, the undersigned (Assistant) Secretary of the Riverhead IDA Economic Job Development Corporation, DO HEREBY CERTIFY:

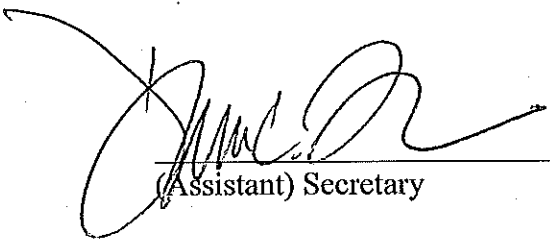
That I have compared the annexed extract of the minutes of the meeting of the Riverhead IDA Economic Job Development Corporation (the "Corporation"), including the resolution and exhibits contained therein, held the 7th day of May, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Corporation and of such resolution 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 all members of the Corporation had due notice of said meeting, that the meeting was in all respects duly held and that, said meeting was open to the general public, in the same manner as if the meeting were required to be held in conformity with Article 7 of the Public Officers Law (Open Meetings Law). Public notice of the time and place of said meeting was duly given in accordance with such Article 7, in the same manner as if the meeting were required to be held in conformity with Article 7 of the Public Officers Law (Open Meetings Law).

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

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 5 day of June, 2012.



(Assistant) Secretary

(SEAL)

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to section 147(f) of the Internal Revenue Code of 1986 (the "Code") will be held on behalf of the Riverhead IDA Economic Job Development Corporation (the "Corporation") by its Board of Directors on the 4th day of June, 2012, at 5:00 p.m., local time, in the Town Hall, 200 Howell Avenue, in Riverhead, New York, in connection with the following matter:

Riverhead Charter School, a not-for-profit corporation of the State of New York (the "School"), operating as a tuition-free public school and providing primary education for children grades K through 6, has requested that the Corporation assist the School with a project (the "Project") by the issuance of the Corporation's special revenue bonds in one or more issues or series in an aggregate principal amount not to exceed \$21,553,000 (the "Bonds") for the purpose of providing funds to finance:

- (i) the reconstruction of the existing school facilities, consisting of three buildings, located at 3685 Middle Country Road, Calverton, New York (the "Facility") in the Town of Riverhead, known as the Riverhead Charter School, which is currently owned and operated by the School;
- (ii) the refinancing of the School's existing mortgage on the Facility;
- (iii) a debt service reserve fund to secure the Bonds, if such fund is necessary or convenient; and
- (iv) the paying of certain cost and expenses incidental to the issuance of the Bonds.

The Corporation proposes to issue the Bonds in an aggregate principal amount not to exceed \$21,553,000, to pay the costs of the Project. It is expected that a portion of the Bonds will be issued as tax-exempt obligations section 103 of the Code. The Bonds will be special obligations of the Corporation payable solely from certain amounts payable under an agreement with the School, including payments to be made by the School under a lease agreement, and certain other assets of the Corporation pledged to the repayment of the Bonds. **THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK, ANY POLITICAL SUBDIVISION THEREOF OR ANY AGENCY THEREOF, INCLUDING THE TOWN OF RIVERHEAD, SUFFOLK COUNTY AND THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY, AND NEITHER THE STATE OF NEW YORK, NOR ANY POLITICAL SUBDIVISION THEREOF, NOR ANY AGENCY THEREOF, INCLUDING THE TOWN OF RIVERHEAD, SUFFOLK COUNTY AND THE RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY, SHALL BE LIABLE THEREON.**

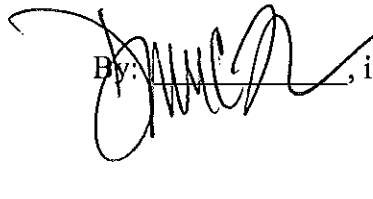
Approval of the issuance of the Bonds by the Supervisor of the Town of Riverhead may be necessary in order for the interest on the Bonds or a portion thereof to be excluded from gross income for Federal income tax purposes.

A copy of the School's application to the Corporation in connection with the Project is available for inspection at the Corporation's offices at 200 Howell Avenue, Riverhead, New York during normal business hours, Monday through Friday, and will be available for inspection and review at the above-scheduled Public Hearing.

A representative of the Corporation will at the above-stated time and place hear all persons with views in favor of or opposed to either the location or nature of the Project, or the proposed financial assistance being contemplated by the Corporation. In addition, at, or prior to, such hearing, interested parties may submit to the Corporation written materials pertaining to such matters.

Dated: May 7, 2012

RIVERHEAD IDA ECONOMIC JOB
DEVELOPMENT CORPORATION

By: , its Secretary