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Our File No.  
35708-100

May 26, 2020

**HAND DELIVERED**

Yvette Aguiar, Riverhead Town Supervisor and  
Members of the Town Board  
200 Howell Avenue  
Riverhead, New York 11901

Re: Calverton Aviation & Technology LLC  
Agreement of Sale with Riverhead Community Development Agency ("CDA") and  
Town of Riverhead ("Town")

Town Supervisor and Members of the Board:

On behalf of our client, Calverton Aviation & Technology LLC ("CAT"), we recognize and appreciate the efforts the CDA and the Town have made to secure the required subdivision approvals necessary to satisfy the contingency under Section IX of the Agreement of Sale (the "Agreement"). Despite the time provided in the Agreement for the Town to secure those approvals and file the subdivision map in the Suffolk County Clerk's Office having passed, our client provided notice to the CDA and the Town that it has elected not to exercise its right to terminate the Agreement and that it intends to waive its termination right for another year. CAT made those determinations in reliance upon the Town's good faith and the diligent efforts being made to secure the subdivision approvals, file the subdivision map and proceed to Closing on the sale of the three proposed lots (the "Property").

CAT has paid its Initial Deposit and Second Deposit, completed its Due Diligence and provided the CDA and Town with its Notice to Proceed. To date, CAT has satisfied all of its obligations under the Agreement and continues to have the financial ability and the skills and experience necessary to purchase and complete the development of the Property and to perform all of its remaining obligations under the Agreement.

CAT believes that the Town will diligently pursue the required approvals to complete the subdivision, the approvals will be granted and the subdivision map will be filed. In reliance upon the Town diligently pursuing its obligations under the Agreement, CAT has authorized me to release the Second Deposit of \$500,000 being held in escrow to the Town provided that the Town agrees, in good faith, to diligently pursue approval of the subdivision, the filing of the subdivision map and proceed to satisfaction of all requirements for Closing.

CAT is ready, willing and able to close upon the acquisition of the Property in accordance with all of the terms and conditions of the Agreement. As required by the covenants contained in the Agreement, CAT is identifying and adding individuals and organizations to its team with complimentary talents and experience in development projects of the kind contemplated by the Agreement and comparable to the development to be undertaken by CAT at the Property. CAT will redevelop the Property consistent with the uses permitted in the Planned Development Zoning District and substantially consistent with the Intended Development Plan except as otherwise approved by the applicable governmental bodies, departments, agencies and boards.

CAT understands, covenants and agrees that the CDA and Town are selling the Property to CAT for CAT to complete the Proposed Urban Renewal Project, a redevelopment of the Property in accordance with the goals and objectives set forth in the Amended Town of Riverhead Reuse & Revitalization Plan for Enterprise Park at Calverton as adopted by the Urban Renewal Agency of the Town on August 2, 2016 and for use of the Property as permitted by the Planned Development Zoning District adopted by the Town for the Property.

CAT understands that it is in contract with an Urban Renewal Agency and must meet the public purpose requirements under New York State law. To meet those requirements, CAT is diligently pursuing companies to assist it with the redevelopment of the Property in accordance with covenants it made in the Agreement. CAT is in constant contact with companies interested in being part of the development of the CAT Hub at EPCAL.

Attracting and keeping such companies interested and committed to the project becomes difficult when months and years pass without a date certain for Closing and when the Town's commitment becomes uncertain as a result of the passage of time. Financial markets, lenders, investors and companies interested in being part of the project development respond best to certainty. One thing is certain, CAT remains committed to the acquisition and redevelopment of the Property in accordance with the Agreement and continues to attract the necessary financial commitment to construct the proposed project. As the Town moves closer to the required approvals and the date of Closing becomes imminent, the financial markets, investors and businesses will have even more confidence and interest in the project.

CAT is the project sponsor whose financial capability and development experience and expertise was vetted to determine if it was qualified and eligible to purchase the Property from the Urban Renewal Agency of the Town. The managing member of CAT, Triple Five Real Estate I LLC, has the capital available to close upon the purchase of the Property and the financial commitment in hand to complete the construction of Phase 1 of the project as detailed in the Intended Development Plan attached to the Agreement as Exhibit B.

The COVID-19 pandemic has had a negative impact upon the retail assets held by completely separate Triple Five entities. Triple Five is a diverse family-owned company that is not solely dependent upon its retail assets or any other asset which are each held independently of the other. The negative impacts upon the independently-held retail assets of Triple Five has no impact upon the Triple Five entity that is fully committed to the transaction with the CDA and Town and the development of the public purpose project at EPCAL. CAT, and its interests, are not connected to the retail assets of Triple Five, financially or otherwise.

New York State is coming out of the COVID-19 pandemic, but, due to the pandemic, the state's economy will change and, as a result, we will need to change. We must view this moment in

history as an opportunity to write our history. We will not be able to return to what we had before. We must take what we had before and build it back better.

Over twenty years ago, the Town was given an opportunity when the federal government granted the Property to the Town for economic development and job creation to replace what was lost when Grumman left the site. The actions taken by the Town over those twenty years and many administrations has brought EPCAL to this point. The time to capitalize on the gift is now.

The Town took the first step when it adopted its Reuse & Revitalization Plan for Enterprise Park at Calverton and the Planned Development Zoning District. The Town took a second step when it approved CAT as a qualified and eligible sponsor to redevelop EPCAL in accordance with the Town's adopted plan and zoning. The Town took a third step when it entered into the Agreement with CAT to redevelop the Property in accordance with the adopted plan and zoning. The original vision of the Town when it took ownership of the Property to oversee the redevelopment of the former weapons plant as an economic catalyst for the Town is at the precipice of realization.

CAT has assembled a development team with the experience and expertise to assist it with the completion of the Intended Development Plan. Triple Five and its affiliated entities are successfully engaged in multi-billion dollar projects all over the world and are confident that with the assistance of Arieli Capital, a company that has Triple Five as a major member, and other business development partners and interested companies, CAT will plan, design, construct, develop and operate a very successful technology hub at EPCAL at a time when it is needed most. Arieli Capital is currently working on a robust business development program for the CAT Hub at EPCAL that will be presented to the Town very soon and we believe that the proposed program will exceed all expectations.

We respectfully request that the Town not take a step back to where it was. The Town needs to move forward to create certainty and instill confidence to motivate private enterprise. We are at the point where decades of vision and ambition meets competence that will breed success. Believe in the vision, believe in yourselves, believe in the partnership you have entered into with CAT, restore optimism, create confidence, motivation will follow and private investment will flow.

Very truly yours,



Christopher E. Kent

cc: Dawn C. Thomas, Esq., Community Development Administrator  
Devon Higgins, Deputy Town Supervisor  
Robert F. Kozakiewicz, Town Attorney  
Frank A. Isler, Esq., Smith, Finkelstein, Lundberg, Isler & Yakaboski, LLP  
First American Title Insurance Company, Escrow Agent