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Minutes of a Community Development Agency Meeting held by the Town Board of the Town of Riverhead, at Town Hall, 200 Howell Avenue, Riverhead, New York, on Tuesday, March 21, 2000, at 2:00 P.M.

Present:

Robert Kozakiewicz,	Chairman
Philip Cardinale,	Member
Christopher Kent,	Member
James Lull,	Member
Edward Densieski,	Member

Also Present:

Andrea Lohneiss,	Director
Barbara Grattan,	Town Clerk
Dawn Thomas, Esq.,	Town Attorney

Chairman Kozakiewicz called the meeting to order at 5:22 a.m.

Chairman Kozakiewicz: "At this point in time, I'd like to open the Riverhead Community Development Agency meeting."

Resolution #5

Andrea Lohneiss: "Resolution #5 authorizes the Chairman to execute a license agreement with a company called Knoll, Inc. They have requested a one day license agreement for the filming of a commercial at Calverton on March 31st for a payment in the amount of \$1,250."

Member Kent: "So moved."

Member Densieski: "Second the motion."

Chairman Kozakiewicz: "Moved and seconded."

The Vote: "Densieski."

Member Densieski: "Andrea, before I vote, I didn't ask this at the work session, I'm sorry. Is there any cost to the town for security or anything? There's no cost to the town?"

Andrea Lohneiss: "No."

Member Densieski: "Then I vote yes."

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The Vote (Cont'd.): "Cardinale, yes; Kent, yes; Lull, yes; Kozakiewicz, yes. The resolution is adopted."

Resolution #6

Andrea Lohneiss: "Resolution #6 is a similar license agreement with a company called Top 20 Lacrosse Camps. They have requested the use of a portion of the property on the northern side adjacent to the picnic area for four days during the spring break for the schools for a four day lacrosse camp. And they are being asked by the town to pay \$400.00."

Member Kent: "I thought we agreed to \$200.00."

Andrea Lohneiss: "Perhaps you did. I wasn't in the meeting."

Chairman Kozakiewicz: "Fifty a day is what we said, right?"

Andrea Lohneiss: "Okay. That would be correct then. I was not in the work session. Could we- do we need a motion to amend or not? Yes?"

Chairman Kozakiewicz: "Well, we're "

Member Kent: "I move the resolution as amended."

Andrea Lohneiss: "Okay."

Member Kent: "I would just also make note that in the agreement itself it's supposed to be amended."

Andrea Lohneiss: "I also would like to point out an error that Mr. Mastropolo brought to my attention in paragraph 6th. The date, April 7th, is incorrect. It should be April 24th through April 27th."

Barbara Grattan: "April 24th did you say?"

Andrea Lohneiss: "Right. Page 2 of the license agreement itself. Paragraph 6. Okay motion as amended."

Member Densieski: "Once again I didn't ask the question at work session. Any additional cost to the town?"

Andrea Lohneiss: "No."

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Member Densieski: "I vote yes."

Andrea Lohneiss: "I'm asking for- that was a motion?"

Member Densieski: "Oh, I'm sorry. Sorry about that."

Barbara Grattan: "All right, you're seconding the motion?"

Member Lull: "I'll second."

Chairman Kozakiewicz: "Moved and seconded as amended."

The Vote: "Densieski, yes; Cardinale."

Member Cardinale: "I'm going to vote yes and just if we're talking about the record. We are voting both on 5 and 6 as members of the Community Development Agency so I assume, do you need to reopen the meeting for that purpose?"

Andrea Lohneiss: "He did."

Member Cardinale: "He did do that? Okay. Then I'm voting yes."

The Vote (Cont'd.): "Kent."

Member Kent: "Did we receive insurance or are they- "

Andrea Lohneiss: "We will before we execute the license agreement. It's subject to insurance acceptable to the town attorney."

Member Kent: "Okay, yes."

The Vote (Cont'd.): "Lull, yes; Kozakiewicz, yes. The resolution is adopted."

Resolution #8

Andrea Lohneiss: "Bob?"

Chairman Kozakiewicz: "We want to renumber that resolution 7?"

Andrea Lohneiss: "I'm asking."

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Chairman Kozakiewicz: "Yes, that would be the way to do it."

Resolution #7

Andrea Lohneiss: "Resolution #7 authorizes the Chairman to execute a license agreement with Michael Reilly Design. We have previously executed a license agreement with this company for the use of building 604 at Calverton. He's requested additional space of 5,400 square feet at \$2250 per month."

Member Kent: "There was a question at the work session of whether- I know we're getting \$5.00 a square foot on this and that's because we are covering the utilities."

Andrea Lohneiss: "It's because- it's a building that we are- Grubb & Ellis is occupying a portion of for- it's like a buildings and grounds building, so that it will not be possible for us to pro-rate the utilities for that building, so, yes."

Member Kent: "Okay. So the utilities are already on, basically heat and electric I would imagine."

Andrea Lohneiss: "Steam."

Member Kent: "So there is no way to compute how much of the cost and we're just basically charging a dollar extra?"

Andrea Lohneiss: "That's right."

Member Kent: "And do you think that would cover the utilities?"

Chairman Kozakiewicz: "It's been moved?"

Andrea Lohneiss: "No."

Member Cardinale: "So moved."

Member Kent: "I'll second it."

Chairman Kozakiewicz: "Moved and seconded."

The Vote: "Densieski."

Member Densieski: "I would love to see Michael Reilly come into the plant as many people as possible but I don't know of anywhere you

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can get industrial footage, and I made some calls, for \$5.00 including utilities and I think the giveaways have got to stop. I think it's enough. Similar places would probably rent for \$10 or \$15 a square foot. I say no."

The Vote (Cont'd.): "Cardinale."

Member Cardinale: "My understanding is this is, in fact, \$5.00 a square foot. We usually actually get four, don't we? But this includes utilities and I believe, yes. Although Ed and I have a similar frugal bent here, the problem here is the market is the market. It's- if we got people- somebody tell me if we got \$6.00, and \$7.00 and \$8.00 and \$10.00 a foot being offered. If we don't, I'll take for a six month license the best- what I can get. And if I can get five bucks and I can renegotiate it in six months if the market all of a sudden blossoms, I vote yes."

The Vote (Cont'd.): "Kent."

Member Kent: "I don't think we have anybody lined up to take this space other than this- other than Michael Reilly. I vote yes."

The Vote (Cont'd.): "Lull, yes; Kozakiewicz, yes."

Chairman Kozakiewicz: "Mr. Reilly has been eager to go onto the premises. He's looking once everything is set to make some major improvements to the building, employing, I think, upwards of 100 people. So I think he's the type of use that we're looking for. He's going to bring workers to the property and employees to the property, therefore, I vote yes."

Andrea Lohneiss: "Okay, the resolution is adopted."

Chairman Kozakiewicz: "The time of 5:29- "

Member Kent: "I would like to move- we have a tabled CDA resolution that I would like to call off the table at this time. It's resolution CDA 25, CDA Resolution 25 for 1999. It's a resolution designating Calverton Camelot LLC as a qualified and eligible sponsor for redevelopment of approximately 472 acres of land together with buildings located thereon and authorizing the sale by the Agency of such property and related rights to Calverton Camelot LLC for redevelopment. The resolution provides for a purchase price of \$17 million dollars. So moved."

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Andrea Lohneiss: "Is that a motion to take the resolution off the table?"

Member Kent: "I'm asking to take the resolution, put it on the table, you know, put it on the table for a vote."

Andrea Lohneiss: "Okay."

Member Cardinale: "Seconded to put it on the table."

Chairman Kozakiewicz: "Moved and seconded to take it off the table and put it on the table for a vote."

The Vote: "Densieski."

Member Densieski: "Yes to put it on the table, take it off and put it on the table."

Member Cardinale: "Chris, is that the only copy we have? Can I take a look at it?"

Member Kent: "Yeah, I picked it up today."

Member Cardinale: "Thank you. Yes, to take it- "

The Vote (Cont'd.): "Cardinale, yes; Kent, yes; Lull, yes; Kozakiewicz, yes."

Andrea Lohneiss: "Okay, a motion on the resolution."

Member Kent: "So moved. I move the resolution."

Andrea Lohneiss: "Second?"

Member Cardinale: "Seconded."

The Vote: "Densieski."

Member Densieski: "Well, we didn't discuss this in work session. We've had no prior discussions until right now when Mr. Kent brought it up. I feel that the rash decisions of the previous Board, sign agreements before the metes and bounds were clear and now to make him a sponsor is a huge mistake to go along and coincide with all the huge mistakes they've made. I vote no."

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The Vote (Cont'd.): "Cardinale."

Member Cardinale: "Chris, would you show me on this- you had alluded to the fact that there's (inaudible) of \$17,000,000 as the price that we would be willing to accept appointing him sponsor. Could you just indicate where that is?"

Member Kent: "It's in the Whereas clauses. It states that the agreement for sale for \$17,000,000 for redevelopment by Camelot Camelot for industrial and/or commercial purposes. It's in the one, two, third Whereas clause."

Member Cardinale: "May I take a look at it?"

Member Densieski: "I'd also like to point out that the minor subdivision metes and bounds are not clear yet so I think we're making a mistake again."

Member Cardinale: "The third Whereas clause you said?"

Member Kent: "Yes."

Member Cardinale: "Okay. Yeah, it indicates a reference to the contract. In regard to this, as Vinny pointed out, this was on the agenda for the last meeting of '99. We had anticipated coming up for a vote on January 18th. I think that at this point what is important is to make clear the town's position in regard to going forward with this transaction with Mr. Burman and getting it closed promptly.

I would allude to what I said earlier about a less significant matter, the six month rental. I'm not ecstatic about \$17,000,000 and I'm sure he isn't either. But the market is the market. And the market is \$17,000,000. We got that deal. We haven't seen a better one. We're committed to a contract. This fellow is certainly qualified to develop this property. He impressed me at the public hearing as I think he impressed many people with his straightforwardness and with his indication of exactly what he intended to do to develop the property. If he does that, we're going to wind up with money, we're going to wind up with a better tax base, we're going to wind up with the core being handled and developed by outside private interest which I believe is appropriate because I do not believe that the town can appropriately develop real estate. I've seen how they operate over the last two and a half years and believe me I would not hire this town to manage my real estate. I don't think they can handle it and I think that Mr. Burman can. And I think Mr.

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Burman's success would be the town's success because he will- if successful as I believe he will be, he will establish a tax base there which will be the envy of our neighboring towns and I think that's enough.

For that reason, I believe it's appropriate as a sponsor and I'm going to vote yes."

The Vote (Cont'd.): "Kent."

Member Kent: "Rash decisions. I would say this is not a rash decision. We've been sitting- we've been considering this as a town for probably four years. I've been here for two years, two years three months, and basically this has been discussed- I've been involved with discussions on this since December of 1997, the month before I took office. I don't think this is a rash decision.

We had an initial contract for \$17,000,000. The purchaser walked away from it. They were dissatisfied. It went back out on the market, we got another offer for less acreage that did not include the runway, once again, for \$17,000,000. Actually I wish we could have sold the runway. I think the contract to sell the runway required them- the purchaser, not only to maintain it but to have it open and available for other users. I wish we could find that deal again because I don't believe the town can operate and maintain a runway the way it should be either.

I kind of agree with Phil. We shouldn't be in the real estate market. Look at the lessons we've learned. Take a look at the Rimland building. Take a look at the Suffolk Theater. Look how we handled the aquarium property. These things- a town does not own property and handle it well. I think we're better off getting out of it, selling it to a very responsible developer who's got the financial wherewithal to develop the property the way it should be developed.

He wants to commit not only \$17,000,000 but at least another 20 to \$25,000,000 in development. Just remember, every dollar he spends in development is money for us in taxes. So if he comes here and develops \$25,000,000 which I hope he does within the next five to seven years, we're going to be getting at least \$2,000,000 in taxes out of this plus the money we get on interest from the \$16,000,000 that we're going to be putting in some kind of fund.

So I hope we could close this thing tomorrow. I wish we could move him forward and get him doing the kind of development we need in

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this town, an industrial development that will provide industrial jobs. And if we can close tomorrow, I would.

So I vote yes. I think he's an eligible sponsor. I think he has the financial ability to do what he says he'll do and I think he will do it. And I'd like to embrace him and bring him into town and make him feel like he's wanted here not the feeling that he probably has today which is that we don't even want him anymore. We want him to walk away. I don't want him to walk away. I want him to come to town, I want him to develop that property the way it should be developed and he's eligible- he's an eligible sponsor and I think we should go forward with this deal. So I vote yes."

The Vote (Cont'd.): "Lull."

Member Lull: "One of the things that Ed said was absolutely on track is that we should not have moved forward as quickly as we did without seeing a survey, without seeing a map. When we first saw the map that we're dealing with, it became obvious that the project that we had working- the details that were- had been working on, were not, in fact, what we had suggested, what the reuse study had suggested and, in fact, did not leave us the availability of the runway.

And I know that people from other let's say several other positions in town about this property have talked to Mr. Burman and have found him very approachable on any topic, absolutely any topic. And, so, therefore, it is not a door that is being closed here. Not at all.

If we had enough confidence in Mr. Burman to make the contract with him the first time when he was working for First Industrial, it does not- it is logical that we had the same confidence to make it with him the second time. We must make a decision is as to whether or not to designate him as a sponsor. That is not a final step. There is subdivision approval yet to come and there's surveys and so forth that need yet to be finished. However, I do believe that it's important to move forward and I believe that I have been consistent with this throughout the entire three years- four years that I have been here.

I would like to see this deal move forward. There are other aspects of this property that we need to deal with but they do not really have anything to do with this deal except for the fact that this deal does, in fact, shall we say loosen the reins that the Town Board sometimes feels around our neck with the \$3,000 piece of

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property that we're trying to control. And I believe that this deal is the best thing to do at this point.

This does not finish the project by any means. Designating him as a sponsor isn't a final step. It does as Phil has expressed his concern, it does, in fact, remove one of our legal opportunities but, in fact, sooner or later those opportunities have to be dealt with and I think now is the time to deal with it. I vote yes."

The Vote (Cont'd.): "Kozakiewicz."

Chairman Kozakiewicz: "This thing has been talked about and talked about and talked about. I agree with Phil. Certainly I'm not ecstatic about the \$17,000,000. I don't see Microsoft or someone out there willing to buy it up, however, at a greater price. In December, I happened to be in attendance at that meeting when Mr. Burman representing the sponsor, Calverton Camelot LLC, made his presentation to the Board, answered their questions and responded to comments from the audience. And I also agree with Phil's comments. I think he did a very adequate job and a commendable job at that hearing.

There were certain issues that we were struggling with as a Board which is why this wasn't addressed in January at the January 18th meeting which I'm not sure if we (inaudible) a firm commitment on the January 18th meeting anyway. Be that as it may, there were certain issues which we had to get a certain comfort level as certainly I know I have to get a certain comfort level as being the new person on the block. I'm sure I can speak for Councilman Densieski in wanting to get a comfort level and a feel for what's going on.

I would have preferred that we held this open for a little bit longer. Certainly it's not to say that I'm opposed to the deal. I realize probably just as well as Chris does, as well as Phil does, that we've entered into a contract and once a party enters into a contract besides the fact that you (inaudible) somebody's good faith or handshake with respect to a contract, there are certain obligations and implications that tie into a contract and there's certain repercussions if you try to deviate or not live up to that contract.

Given the fact that it has been brought off the floor and if it's sending a message as we have stated to Mr. Burman that we're not out there to kill his deal because that's never been my intention. I think I've stated that to Mr. Burman a number of times. I think the property needs to be redeveloped. I'm happy that we can get a Michael Reilly on the property and hope we can get some other very good

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industrial uses. I hope we can get some mixed aviation uses although that's been certainly a topic of discussion. I'm not proposing a jet port by all means, folks, but I know that the study did include flight training schools and uses that are aviation related. And I hope with all this argument over jet port, cargo port, general aviation, all these other issues, we don't lose track of the fact that the reuse study contemplated certain aviation uses and in all discussions we lose track of that.

I'm getting of track now. The question is whether I want to approve the Burman Lazarus- I mean Calverton Camelot LLC as a qualified sponsor. Given everything, my answer is yes."

Member Densieski: "May I have the floor, Mr. Supervisor?"

Chairman Kozakiewicz: "Yes, you may."

Member Densieski: "I feel that it's inappropriate that this was brought off the floor without letting the members of the Board know. When I wanted to have a statement- prepared statement at the time of this vote. If the Town Board members spent more time of things like Rimland, Suffolk Theater, the aquarium and, yes, Grumman, we wouldn't have all these crappy deals we got. We don't spend any time on these issues that's why it don't get done right. And last of all, Chris, I lost a lot of respect for you tonight bringing it off the floor without discussion. Thank you."

Andrea Lohneiss: "The resolution is adopted and that concludes the business of the CDA."

Chairman Kozakiewicz: "The time of 5:43 has arrived and we will close the CDA meeting."

Meeting closed: 5:43 p.m.

Barbara Heaton
Town Clerk

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Town of Riverhead Community Development Agency

Resolution # 5

Authorizes Chairman to Execute License Agreement with Knoll Inc.

Member COUNCILMAN KENT offered the following resolution,

which was seconded by Member COUNCILMAN DENSIESKI

WHEREAS, Knoll Inc. has requested to film a commercial involving a portion of the runway area at the Calverton Site on March 31 (April 7 rain date); and

WHEREAS, the Town of Riverhead will receive rental income in the amount of \$1,250 for one day's use.

THEREFORE, BE IT RESOLVED, that the CDA hereby authorizes the Chairman to execute a license agreement in the form attached hereto with Knoll Inc., subject to the provision of an insurance certificate demonstrating coverages acceptable to the Town Attorney.

AND BE IT FURTHER RESOLVED, that the Town Clerk shall provide a certified copy of this resolution to Community Development Agency Director Andrea Lohneiss, Town Attorney Dawn Thomas and Frank Palmieri, Grubb & Ellis.

The Vote:

Member Densieski	<u>Yes</u>
Member Cardinale	<u>Yes</u>
Member Kent	<u>Yes</u>
Member Lull	<u>Yes</u>
Chairman Kozakiewicz	<u>Yes</u>

LICENSE

LICENSE ("License"), made as of the 21st day of March 2000, by and between **THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY**, having an address at 200 Howell Avenue, Riverhead, New York 11901, Attention: Andrea Lohneiss ("Licensor"), and **KNOLL INC.**, a corporation having an address at 105 Wooster Street, NY, NY 10012, Attention: Heesun Choi ("Licensee").

W I T N E S S E T H:

WHEREAS, Licensor desires to license to Licensee, and Licensee desires to license from Licensor, the right to use a portion of the runway area at the Calverton Site on March 31, 2000 (April 7 rain date) (the "License Premises") located at the property formerly known as the Naval Weapons Industrial Reserve Plant, Department of Defense Number 466, Calverton, New York (the "Calverton Site"), upon all of the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, Licensor and Licensee, for themselves, their successors and assigns, hereby agree as follows:

1. **LICENSING**. Upon the terms and conditions hereinafter set forth, Licensor hereby licenses to Licensee, and Licensee hereby Licenses from Licensor, the right to use the License Premises.

2. **TERM OF LICENSE**. The term of this License (the "Term") shall commence on March 31, 2000 (April 7 rain date) (the "License Commencement Date") and shall end on March 31, 2000, (April 7 rain date) (the "Expiration Date") or on such earlier date upon which this License shall expire or be canceled or terminated pursuant to any of the conditions or covenants of this License or pursuant to law. Notwithstanding anything to the contrary contained in this License, Licensor shall have the right, exercisable in its sole discretion, to terminate this License effective immediately upon written notice from Licensor to Licensee, if (i) Licensee shall default under or be in breach, of any of its obligations, representations or warranties hereunder and (ii) such default continues for (x) five days after written notice from Licensor with respect to monetary defaults or (y) thirty days after written notice from Licensor with respect to nonmonetary defaults. If Licensor shall so terminate this License, from and after the termination date neither party hereto shall have any rights or obligations hereunder other than those that, pursuant to the express terms hereof, survive termination of this License; provided that Licensee shall remain liable to Licensor for any default or breach by Licensee that occurred prior to such termination. Furthermore, this License is not, and shall not be construed to be, a lease or a sublease and nothing contained in this License shall be construed as granting to Licensee any interest or right as tenant or subtenant or any other interest or right other than the interest of a Licensee in accordance with the terms and provisions hereof.

3. **CONDITION OF LICENSE PREMISES**. Licensee agrees to accept the License Premises "as is," and Licensor shall have no obligation to perform any work or repairs on behalf of Licensee. Licensee acknowledges that no representations with respect to the condition of the License Premises, or with respect to any improvements or fixtures thereon or attached thereto, have been made to it.

4. **LICENSE FEE**. Simultaneously with the execution hereof, Licensee shall pay to Licensor a fee in the amount of \$1,250.00 (the "Fee").

Licensee covenants and agrees that (i) in no event shall Licensee permit any motor vehicle to (1) enter the Calverton Site other than through the Access Point (as defined below) or

(2) park anywhere other than the Parking Area and (ii) a representative of Licensee shall be present at the Access Point at all times during the Event. Licensee further covenants and agrees not to permit any person that is not in a motor vehicle to enter the Calverton Site.

5. **PAYMENT.** The Fee and all other charges, costs and expenses payable by Licensee under this License shall be paid by certified check made payable to the order of The Town of Riverhead Community Development Agency and delivered to Andrea Lohneiss at the address provided for Licensor in the preamble to this License, without notice or demand therefor (except to the extent otherwise expressly provided herein) and without any deduction, credit, set-off, counterclaim or abatement whatsoever. In every case in which Licensee is required to pay to Licensor a sum of money and said sum (or any portion thereof) is not paid when due, interest at an annual rate of 12% shall be payable on such sum (or so much thereof as shall be unpaid) from the date said sum becomes due until the date the unpaid amount is paid.

6. **USE; COVENANTS.** (a) Licensee shall use the License Premises only for rehearsing for the purpose of filming a commercial on March 31, 2000 ((April 7 rain date), to prepare the License Premises for the same and to clean and restore the License Premises, in each case, in accordance with, and subject to, the terms and provisions of this License.

(b) Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the License Premises.

(c) No additions to, or alterations of, the License Premises shall be made without the prior consent of Licensor. Upon revocation or surrender of this License, to the extent directed by Licensor, Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the License Premises to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

(d) Licensee shall be liable for any loss of, or damage to, the Calverton Site incurred in connection with the Event and shall make such restoration or repair, or monetary compensation as may be directed by Licensor. Licensee shall maintain, at a minimum, the types and amounts of insurance evidenced by the certificates attached hereto as Exhibit A. Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks. Each policy of insurance required hereunder shall name Licensor and Grubb & Ellis Management Services, Inc. as additional insureds. In the event that any item or part of the Calverton Site shall require repair, rebuilding or replacement resulting from loss or damage, the risk of which is assumed under this Section 6, Licensee shall promptly give notice thereof to Licensor and shall, upon demand, either compensate Licensor for such loss or damage, or rebuild, replace or repair the item or items of the Calverton Site so lost or damaged, as Licensor may elect. In the event Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to Licensee, Licensee shall promptly refund to Licensor the amount of such proceeds.

(e) Without limiting the generality of any other provision of this Agreement, Licensee hereby covenants and agrees that (i) at all times during the Term, adequate private security shall be present at the Calverton Site to protect persons and property at the Calverton Site, (ii) only the gate at the south end of the Calverton Site (the "Access Point") shall be used for access, (iii) Licensee shall prohibit any person from smoking, or carrying, using or drinking any alcoholic beverage or illegal substance, at the Calverton Site and adequate signage stating

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that smoking and carrying, using or drinking alcoholic beverages or illegal substances is prohibited at the Calverton Site shall be posted at the Access Point and (iv) Licensee shall provide ample vehicles, personnel, equipment and containers to clean the License Premises and insure that the same is restored to as good condition, subject to reasonable wear and tear, on the Expiration Date as it was in on the License Commencement Date.

(f) In connection with the performance of work under this License, Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by Licensor setting forth the provisions of the nondiscrimination clause. Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

7. **ASSIGNMENT AND LICENSING.** Notwithstanding anything to the contrary contained in this License, Licensee shall not assign this License, License the License Premises in whole or in part or permit Licensee's interest in this License to be vested in any party other than Licensee by operation of law or otherwise. A transfer of more than fifty (50%) percent at any one time or, in the aggregate from time to time, of the stock, partnership or other ownership interests in Licensee, direct or indirectly, shall be deemed to be an assignment of this License.

8. **LICENSOR'S REMEDIES.** (a) If Licensee fails to perform any of its obligations hereunder in accordance with the terms hereof, then, after reasonable notice to Licensee not to exceed thirty (30) days, and an opportunity for Licensee to cure such failure, (except in case of emergency) Licensor may (but shall not be obligated to) cure such failure at the expense of Licensee, and the amount incurred by Licensor in connection with such cure shall be payable by Licensee to Licensor on demand.

(b) Except as provided in Paragraph 2 and in the immediately following sentence, in the event of a breach by Licensee hereunder, Licensor shall be limited to an action at law for damages. Notwithstanding the foregoing, in the event that Licensee holds over after the expiration of the Term, (i) Licensee shall be obligated to pay Licensor an amount equal to \$1,500 per diem for each day of the holdover term and (ii) Licensor shall have all of the rights and remedies available to it at law or in equity, including, without limitation, the right to exercise self help and to dispossess Licensee of the License Premises, change the locks on the License Premises, deny Licensee access to the License Premises and take possession of or dispose of any property at the License Premises, all at the cost and expense of Licensee. Except as provided in Paragraph 2, in no event shall Licensor have the right to enjoin the development, production, distribution or exploitation of the commercial hereunder.

9. **INDEMNITY.** (a) Licensee shall indemnify and hold Licensor harmless from and against any and all claims, actions, liabilities, losses, damages (including, without limitation, consequential and special damages), costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and expenses) arising from or in connection with (i) the use or occupancy by Licensee of the License Premises during the term hereof, or (ii) any work or thing done or any condition created by or any other act or omission of Licensee or its employees, agents, contractors, visitors or licensees, in the License Premises or any other part of the

Calverton Site in connection with Licensee's use of the License Premises, or (iii) Licensee's failure to perform any of the obligations imposed on it hereunder.

(b) The foregoing indemnity does not include any claims, actions, liabilities, losses, damages, costs and expenses resulting from Licensors gross negligence or willful misconduct.

10. **BROKERS.** Licensee represents that it has not dealt with any broker or finder with respect to this License. Licensee agrees to indemnify and hold Licensors harmless from and against any and all loss, liability, damage, cost and expense (including, but not limited to, court costs and reasonable attorneys' fees and expenses) which Licensors may incur or sustain in connection with any claim or action by any broker or finder that may be asserted against Licensors as a result of any conversations, correspondence or other dealings between Licensee and such broker or finder.

11. **NOTICES.** Any notices to be given under this License shall be in writing and shall be sent by registered or certified mail, return receipt requested. If such notice is directed to Licensee, it shall be addressed to Licensee at 105 Wooster Street, NY, NY 10012, Attention: Heesun Choi, and if such notice is directed to Licensors, it shall be addressed to Licensors at 200 Howell Avenue, Riverhead, New York 11901, Attention: Andrea Lohnneiss. Either party may, by notice in writing, direct that future notices be sent to a different address and to the attention of such other people as either Licensors or Licensee shall designate.

12. **HAZARDOUS SUBSTANCES.** (a) Generally. Licensee shall not generate, store, manufacture, refine, transport, treat, dispose of, or otherwise permit to be present on or about the License Premises, any Hazardous Substances (other than Hazardous Substances (x) customarily used in events such as the Event and (y) used, stored, transported, and disposed of in strict compliance with applicable law). As used herein, the term "Hazardous Substances" shall mean any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos or any materials containing asbestos, or any other hazardous or toxic substance or material as defined by any Federal, State or local environmental law, rule or regulation, including, without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, the Toxic Substances Control Act, as amended from time to time, the Hazardous Materials Transportation Act, as amended from time to time, and the regulations adopted and the publications promulgated pursuant to each of the foregoing:

(b) Indemnification. Licensee shall indemnify and hold Licensors harmless from and against any and all liabilities, damages, claims, losses, penalties, judgments, causes of action, costs and expenses (including, without limitation, court costs and the reasonable fees and expenses of counsel) which may be incurred by Licensors directly arising out of any breach by Licensee of the obligations imposed upon it under this Section 12. The foregoing indemnity shall survive the expiration or sooner termination of this License.

13. **MISCELLANEOUS.** (a) Merger. All prior understandings and agreements between the parties with respect to the subject matter hereof are merged within this License, which alone fully and completely sets forth the understanding of the parties with respect to the subject matter hereof. This License may not be changed or terminated orally or in any manner other than by a writing signed by the party against whom enforcement of the change or termination is sought.

(b) Successors and Assigns. This License shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The term "Licensor," as used in this License, shall mean only the owner from time to time of the License Premises, so that in the event of any transfer or assignment of the License Premises, the transferor or assignor shall be and hereby is entirely freed and relieved of all covenants, obligations and liability of Licensor under this License, and it shall be deemed, without further agreement, that the transferee or assignee has assumed and agreed to perform and observe all obligations of Licensor under this License during the period that such transferee or assignee is the owner of the interest of License Premises.

(c) Licensee represents that this License has been duly authorized, executed and delivered by Licensee and is enforceable against Licensee in accordance with its terms.

(d) Licensee shall own all rights of every kind associated with the commercial filmed hereunder and any and all photography and/or recordings made hereunder, including the right to utilize the same in connection with the commercial and in connection with any other productions, in any manner whatsoever, whether now known or hereafter devised in perpetuity and throughout the universe.

(e) Neither Licensor nor any tenant, nor other party now or hereafter having an interest in the Calverton Site, shall have any right of action based upon invasion of privacy, publicity, defamation, or other civil rights, in connection with the exercise of the permission and/or rights herein granted. Notwithstanding the foregoing, Licensee shall not use the name "Calverton" or "Riverhead", or any signage containing such names, and shall not use the names, pictures, or likenesses of any officials or employees of the Town of Riverhead in connection with or production of the commercial hereunder without the prior consent of Licensor, which consent shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, Licensor and Licensee do hereby execute this License as of the date and year first above written.

LICENSOR:

**THE TOWN OF RIVERHEAD COMMUNITY
DEVELOPMENT AGENCY**

By: _____
Name:
Title:

LICENSEE:

KNOLL INC.

By: _____
Name:
Title:

3/21/00

Adopted

Town of Riverhead Community Development Agency

Resolution # 6

Authorizes Chairman to Execute License Agreement with Top 20 Lacrosse Camps

Member Densieski offered the following resolution,

which was seconded by Member Lull:

WHEREAS, Top 20 Lacrosse Camps has requested use of a portion of the Calverton Enterprise Park, as indicated on Schedule A, from April 24 through April 27 to conduct low-cost lacrosse camps for youths; and

WHEREAS, the Town of Riverhead will receive rental income in the amount of \$200.

THEREFORE, BE IT RESOLVED, that CDA hereby authorizes the Chairman to execute a license agreement in the form attached hereto with Top 20 Lacrosse Camps, subject to the provision of an insurance certificate demonstrating coverages acceptable to the Town Attorney.

AND BE IT FURTHER RESOLVED, that the Town Clerk shall provide a certified copy of this resolution to Community Development Agency Director Andrea Lohneiss, Town Attorney Dawn Thomas and Frank Palmieri, Grubb & Ellis.

The Vote: COUNCILMAN KENT OFFERED THE RESOLUTION TO BE AMENDED, WHICH WAS SECONDED BY COUNCILMAN DENSIESKI.

Member Densieski	<u>YES</u>	
Member Cardinale	<u>YES</u>	
Member Kent	<u>YES</u>	
Member Lull	<u>YES</u>	The Resolution is ADOPTED.
Chairman Kozakiewicz	<u>YES</u>	

State of New York)
County of Suffolk) ss:
Town of Riverhead

THIS IS TO CERTIFY that I, the undersigned, Secretary/Treasurer of the Riverhead Community Development Agency, Town of Riverhead, County of Suffolk, have compared the foregoing copy with the original now on file in this office and which was duly filed on the 24th day of March 2000, and that the same is a true and correct transcript of said and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the said Riverhead Community Development Agency, this 24th day of March 2000.

Andrea Lohneiss
Secretary/Treasurer of the Community Development Agency

LICENSE

LICENSE ("License"), made as of the ___ day of March 2000, by and between **THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY**, having an address at 200 Howell Avenue, Riverhead, New York 11901, Attention: Andrea Lohneiss ("Licensor"), and **Top 20 Lacrosse Camps**, a corporation having an address at PO Box 575, Wading River, NY 11792, Attention: Thomas Rotanz, Director ("Licensee").

W I T N E S S E T H:

WHEREAS, Licensor desires to license to Licensee, and Licensee desires to license from Licensor, the right to use a portion of the former picnic grounds at the Calverton Site from April 24, 2000 through April 27, 2000 (the "License Premises") located at the property formerly known as the Naval Weapons Industrial Reserve Plant, Department of Defense Number 466, Calverton, New York (the "Calverton Site"), upon all of the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, Licensor and Licensee, for themselves, their successors and assigns, hereby agree as follows:

1. **LICENSING**. Upon the terms and conditions hereinafter set forth, Licensor hereby licenses to Licensee, and Licensee hereby Licenses from Licensor, the right to use the License Premises.

2. **TERM OF LICENSE**. The term of this License (the "Term") shall commence on April 24, 2000 (the "License Commencement Date") and shall end on April 27 (the "Expiration Date") or on such earlier date upon which this License shall expire or be canceled or terminated pursuant to any of the conditions or covenants of this License or pursuant to law. Notwithstanding anything to the contrary contained in this License, Licensor shall have the right, exercisable in its sole discretion, to terminate this License effective immediately upon written notice from Licensor to Licensee, if (i) Licensee shall default under or be in breach, of any of its obligations, representations or warranties hereunder and (ii) such default continues for (x) five days after written notice from Licensor with respect to monetary defaults or (y) thirty days after written notice from Licensor with respect to nonmonetary defaults. If Licensor shall so terminate this License, from and after the termination date neither party hereto shall have any rights or obligations hereunder other than those that, pursuant to the express terms hereof, survive termination of this License; provided that Licensee shall remain liable to Licensor for any default or breach by Licensee that occurred prior to such termination. Furthermore, this License is not, and shall not be construed to be, a lease or a sublease and nothing contained in this License shall be construed as granting to Licensee any interest or right as tenant or subtenant or any other interest or right other than the interest of a Licensee in accordance with the terms and provisions hereof.

3. **CONDITION OF LICENSE PREMISES**. Licensee agrees to accept the License Premises "as is," and Licensor shall have no obligation to perform any work or repairs on behalf of Licensee. Licensee acknowledges that no representations with respect to the

condition of the License Premises, or with respect to any improvements or fixtures thereon or attached thereto, have been made to it. Licensee shall provide at its own expense portable bathrooms at or near the License Premises for use during the Term. Further Licensee shall be responsible for leveling and/or mowing of the grounds. Both during and upon completion of the lacrosse camps Licensee shall be responsible for removal of trash generated during said event.

4. **LICENSE FEE.** Simultaneously with the execution hereof, Licensee shall pay to Licensor a fee in the amount of \$200.00 (the "Fee).

Licensee covenants and agrees that (i) in no event shall Licensee permit any motor vehicle to (1) enter the Calverton Site other than through the Access Point (as defined below) or (2) park anywhere other than the Parking Area and (ii) a representative of Licensee shall be present at the Access Point at all times during the Event. Licensee further covenants and agrees not to permit any person that is not in a motor vehicle to enter the Calverton Site.

5. **PAYMENT.** The Fee and all other charges, costs and expenses payable by Licensee under this License shall be paid by certified check made payable to the order of The Town of Riverhead Community Development Agency and delivered to Andrea Lohneiss at the address provided for Licensor in the preamble to this License, without notice or demand therefor (except to the extent otherwise expressly provided herein) and without any deduction, credit, set-off, counterclaim or abatement whatsoever. In every case in which Licensee is required to pay to Licensor a sum of money and said sum (or any portion thereof) is not paid when due, interest at an annual rate of 12% shall be payable on such sum (or so much thereof as shall be unpaid) from the date said sum becomes due until the date the unpaid amount is paid.

6. **USE; COVENANTS.** (a) Licensee shall use the License Premises only for the purpose of conducting youth lacrosse camps from April 24 through April 27, to prepare the License Premises for the same and to clean and restore the License Premises, in each case, in accordance with, and subject to, the terms and provisions of this License.

(b) Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the License Premises.

(c) No additions to, or alterations of, the License Premises shall be made without the prior consent of Licensor. Upon revocation or surrender of this License, to the extent directed by Licensor, Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the License Premises to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

(d) Licensee shall be liable for any loss of, or damage to, the Calverton Site incurred in connection with the Event and shall make such restoration or repair, or monetary compensation as may be directed by Licensor. Licensee shall maintain, at a minimum, the types and amounts of insurance evidenced by the certificates attached hereto as Exhibit A. Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks. Each policy of insurance required hereunder shall name Licensor and Grubb & Ellis Management Services, Inc. as additional insureds. In the event that

any item or part of the Calverton Site shall require repair, rebuilding or replacement resulting from loss or damage, the risk of which is assumed under this Section 6, Licensee shall promptly give notice thereof to Licensor and shall, upon demand, either compensate Licensor for such loss or damage, or rebuild, replace or repair the item or items of the Calverton Site so lost or damaged, as Licensor may elect. In the event Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to Licensee, Licensee shall promptly refund to Licensor the amount of such proceeds.

(e) Without limiting the generality of any other provision of this Agreement, Licensee hereby covenants and agrees that (i) at all times during the Term, adequate private supervision shall be present at the Calverton Site to protect persons and property at the Calverton Site, (ii) only the gate at the north end of the Calverton Site (the "Access Point") shall be used for access, (iii) Licensee shall prohibit any person from smoking, or carrying, using or drinking any alcoholic beverage or illegal substance, at the Calverton Site, (iv) Licensee shall provide supervision at the access point and for keep participants in the designated area and (v) Licensee shall provide ample vehicles, personnel, equipment and containers to clean the License Premises and insure that the same is restored to as good condition, subject to reasonable wear and tear, on the Expiration Date as it was in on the License Commencement Date.

(f) In connection with the performance of work under this License, Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by Licensor setting forth the provisions of the nondiscrimination clause. Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

7. **ASSIGNMENT AND LICENSING**. Notwithstanding anything to the contrary contained in this License, Licensee shall not assign this License, License the License Premises in whole or in part or permit Licensee's interest in this License to be vested in any party other than Licensee by operation of law or otherwise. A transfer of more than fifty (50%) percent at any one time or, in the aggregate from time to time, of the stock, partnership or other ownership interests in Licensee, direct or indirectly, shall be deemed to be an assignment of this License.

8. **LICENSOR'S REMEDIES**. (a) If Licensee fails to perform any of its obligations hereunder in accordance with the terms hereof, then, after reasonable notice to Licensee not to exceed thirty (30) days, and an opportunity for Licensee to cure such failure, (except in case of emergency) Licensor may (but shall not be obligated to) cure such failure at the expense of Licensee, and the amount incurred by Licensor in connection with such cure shall be payable by Licensee to Licensor on demand.

(b) Except as provided in Paragraph 2 and in the immediately following sentence, in the event of a breach by Licensee hereunder, Licensor shall be limited to an action at law for

damages. Notwithstanding the foregoing, in the event that Licensee holds over after the expiration of the Term, (i) Licensee shall be obligated to pay Licensor an amount equal to \$250 per diem for each day of the holdover term and (ii) Licensor shall have all of the rights and remedies available to it at law or in equity, including, without limitation, the right to exercise self help and to dispossess Licensee of the License Premises, change the locks on the License Premises, deny Licensee access to the License Premises and take possession of or dispose of any property at the License Premises, all at the cost and expense of Licensee. Except as provided in Paragraph 2, in no event shall Licensor have the right to enjoin the development, production, distribution or exploitation of the event hereunder.

9. **INDEMNITY.** (a) Licensee shall indemnify and hold Licensor harmless from and against any and all claims, actions, liabilities, losses, damages (including, without limitation, consequential and special damages), costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and expenses) arising from or in connection with (i) the use or occupancy by Licensee of the License Premises during the term hereof, or (ii) any work or thing done or any condition created by or any other act or omission of Licensee or its employees, agents, contractors, visitors or licensees, in the License Premises or any other part of the Calverton Site in connection with Licensee's use of the License Premises, or (iii) Licensee's failure to perform any of the obligations imposed on it hereunder.

(b) The foregoing indemnity does not include any claims, actions, liabilities, losses, damages, costs and expenses resulting from Licensor's gross negligence or willful misconduct.

(c) This indemnification on the part of the Licensee shall include the Town of Riverhead, the Town of Riverhead Community Development Agency, Grubb & Ellis and all and any of its agents.

10. **BROKERS.** Licensee represents that it has not dealt with any broker or finder with respect to this License. Licensee agrees to indemnify and hold Licensor harmless from and against any and all loss, liability, damage, cost and expense (including, but not limited to, court costs and reasonable attorneys' fees and expenses) which Licensor may incur or sustain in connection with any claim or action by any broker or finder that may be asserted against Licensor as a result of any conversations, correspondence or other dealings between Licensee and such broker or finder.

11. **NOTICES.** Any notices to be given under this License shall be in writing and shall be sent by registered or certified mail, return receipt requested. If such notice is directed to Licensee, it shall be addressed to Licensee at PO Box 575, Wading River, NY 11792, Attention: Thomas Rotanz, and if such notice is directed to Licensor, it shall be addressed to Licensor at 200 Howell Avenue, Riverhead, New York 11901, Attention: Andrea Lohneiss. Either party may, by notice in writing, direct that future notices be sent to a different address and to the attention of such other people as either Licensor or Licensee shall designate.

12. **HAZARDOUS SUBSTANCES.** (a) Generally. Licensee shall not generate, store, manufacture, refine, transport, treat, dispose of, or otherwise permit to be present on or about the License Premises, any Hazardous Substances (other than Hazardous Substances (x) customarily used in events such as the Event and (y) used, stored, transported, and disposed of in

strict compliance with applicable law). As used herein, the term "Hazardous Substances" shall mean any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos or any materials containing asbestos, or any other hazardous or toxic substance or material as defined by any Federal, State or local environmental law, rule or regulation, including, without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, the Toxic Substances Control Act, as amended from time to time, the Hazardous Materials Transportation Act, as amended from time to time, and the regulations adopted and the publications promulgated pursuant to each of the foregoing.

(b) Indemnification. Licensee shall indemnify and hold harmless Licensor from and against any and all liabilities, damages, claims, losses, penalties, judgments, causes of action, costs and expenses (including, without limitation, court costs and the reasonable fees and expenses of counsel) which may be incurred by Licensor directly arising out of any breach by Licensee of the obligations imposed upon it under this Section 12. The foregoing indemnity shall survive the expiration or sooner termination of this License.

13. MISCELLANEOUS. (a) Merger. All prior understandings and agreements between the parties with respect to the subject matter hereof are merged within this License, which alone fully and completely sets forth the understanding of the parties with respect to the subject matter hereof. This License may not be changed or terminated orally or in any manner other than by a writing signed by the party against whom enforcement of the change or termination is sought.

(b) Successors and Assigns. This License shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The term "Licensor," as used in this License, shall mean only the owner from time to time of the License Premises, so that in the event of any transfer or assignment of the License Premises, the transferor or assignor shall be and hereby is entirely freed and relieved of all covenants, obligations and liability of Licensor under this License, and it shall be deemed, without further agreement, that the transferee or assignee has assumed and agreed to perform and observe all obligations of Licensor under this License during the period that such transferee or assignee is the owner of the interest of License Premises.

(c) Licensee represents that this License has been duly authorized, executed and delivered by Licensee and is enforceable against Licensee in accordance with its terms.

(d) Licensee shall own all rights of every kind associated with the lacrosse camps conducted hereunder and any and all photography and/or recordings made hereunder, including the right to utilize the same in connection with the lacrosse camps and in connection with any other productions, in any manner whatsoever, whether now known or hereafter devised in perpetuity and throughout the universe.

(e) Neither Licensor nor any tenant, nor other party now or hereafter having an interest in the Calverton Site, shall have any right of action based upon invasion of privacy, publicity, defamation, or other civil rights, in connection with the exercise of the permission and/or rights

lacrosse

herein granted. Notwithstanding the foregoing, Licensee shall not use the name "Calverton" or "Riverhead", or any signage containing such names, and shall not use the names, pictures, or likenesses of any officials or employees of the Town of Riverhead in connection with or conducting of the lacrosse camps hereunder without the prior consent of Licensor, which consent shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, Licensor and Licensee do hereby execute this License as of the date and year first above written.

LICENSOR:

**THE TOWN OF RIVERHEAD COMMUNITY
DEVELOPMENT AGENCY**

By: _____
Name:
Title:

LICENSEE:

Top 20 Lacrosse Camps

By: _____
Name:
Title:



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bed Park
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park area
ces

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TC

Town of Riverhead Community Development Agency

Resolution # 7

Adopted

Authorizes Chairman to Execute License Agreement

Member Cardinale offered the following resolution,

which was seconded by Member Kent :

WHEREAS, on October 19, 1999, upon the request of contract vendee, Calverton Camelot LLC., the CDA approved a license agreement for Michael Reilly Design for use of Building 06-04 at the Calverton site beginning November 1, 1999 for up to six months; and

WHEREAS, Calverton Camelot LLC. has requested a license agreement on behalf of Michael Reilly Design for 5,400 square feet of Building 06-13 beginning April 1, 2000 for up to six months; and

WHEREAS, the Town Board desires to encourage additional jobs and revenue to the Town pending closing on the property by the Buyer; and

WHEREAS, this Town Board has balanced such interests and hereby makes the following findings:

1. The proposed license agreements are of short duration;
2. That proposed uses under the license agreements are consistent with the objectives of the Town's Zoning Ordinance;
3. There is a clear mutuality of purpose and goals in this action being that the same elected representatives serve as members of the CDA and the Town Board; and

WHEREAS, the CDA will realize net income of \$2,250 per month for 5,400 square feet of Building 06-13 during the license period.

THEREFORE, BE IT RESOLVED, that the CDA hereby authorizes the Chairman to execute the license agreement substantially in the form attached hereto.

AND BE IT FURTHER RESOLVED, that the Town Clerk shall provide a certified copy of this resolution to Community Development Agency Director Andrea Lohneiss.

The Vote:

Member Densieski	<u>No</u>
Member Cardinale	<u>Yes</u>
Member Kent	<u>Yes</u>
Member Lull	<u>Yes</u>
Chairman Kozakiewicz	<u>Yes</u>

LICENSE

LICENSE ("License"), made as of the ___ day of March, 2000, by and between THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY, having an address at 200 Howell Avenue, Riverhead, New York 11901, Attention: Andrea Lohneiss ("Licensor"), and MICHAEL REILLY DESIGN, a corporation having an address at P.O. Box 251, Bridgehampton, New York Attention: Michael Reilly ("Licensee"):

W I T N E S S E T H:

WHEREAS, Licensor desires to license to Licensee, and Licensee desires to license from Licensor, the right to use approximately 5,400 square feet in building #06-13 (the "License Premises") located at the property formerly known as the Naval Weapons Industrial Reserve Plant, Department of Defense Number 466, Calverton, New York (the "Calverton Site"), upon all of the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements herein contained, Licensor and Licensee, for themselves, their successors and assigns, hereby agree as follows:

1. LICENSING. Upon the terms and conditions hereinafter set forth, Licensor hereby licenses to Licensee, and Licensee hereby licenses from Licensor, the right to use the License Premises.

2. TERM OF LICENSE. The term of this License (the "Term") shall commence on April 1, 2000 (the "License Commencement Date") and shall end on the earlier of (a) October 1, 2000 and (b) the date on which the closing shall occur under that certain Agreement of Sale dated as of June 15, 1999 between Licensor and Calverton/Camelot LLC (in either case, the "Expiration Date") or on such earlier date upon which this License shall expire or be canceled or terminated pursuant to any of the conditions or covenants of this License or pursuant to law. Notwithstanding anything to the contrary contained in this License, Licensor shall have the right, exercisable in its sole discretion, to terminate this License effective immediately upon written notice from Licensor to Licensee, if (i) Licensee shall default under or be in breach, of in any of its obligations, representations or warranties hereunder and (ii) such default continues for (x) five days after written notice from Licensor with respect to monetary defaults or (y) thirty days after written notice from Licensor with respect to nonmonetary defaults. If Licensor shall so terminate this License, from and after the termination date neither party hereto shall have any rights or obligations hereunder other than those that, pursuant to the express terms hereof, survive termination of this License; provided that Licensee shall remain liable to Licensor for any default or breach by Licensee that occurred prior to such termination. Furthermore, this License is not, and shall not be construed to be, a lease or a sublease and nothing contained in this License

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shall be construed as granting to Licensee any interest or right as tenant or subtenant or any other interest or right other than the interest of a Licensee in accordance with the terms and provisions hereof.

3. CONDITION OF LICENSE PREMISES. Licensee agrees to accept the License Premises "as is," and Licensor shall have no obligation to perform any work or repairs on behalf of Licensee. Licensee acknowledges that no representations with respect to the condition of the License Premises, or with respect to any improvements or fixtures thereon or attached thereto, have been made to it. Licensee shall be responsible for all start-up costs and expenses and for all costs and expenses associated with the operation of the License Premises; including without limitation, utility usage costs.

4. SECURITY DEPOSIT. Licensee shall deposit with Licensor on the date hereof an amount equal to \$2,250 as security for the faithful performance and observance by Licensee of the terms, conditions and provisions of this License. If a default shall occur and be continuing hereunder, Licensor may apply or retain the whole or any part of the security so deposited to the extent necessary to cure such default. Upon termination of this License, Licensor shall return to Licensee such deposit, less any amounts to which Licensor is entitled pursuant to the terms hereof.

5. LICENSE FEE. Licensee shall pay to Licensor, in accordance with Section 6 hereof (a) on the date hereof an amount equal to \$6,750 and (b) on the first business day of each month commencing with July, 2000, an amount equal to \$2,250 (all of the amounts to be paid by Licensee hereunder, collectively, the "Fee"). In the event that the Term shall terminate on a day other than the last day of a calendar month or in the event that the Term shall terminate prior to June 30, 2000, Licensor and Licensee shall equitably prorate the amount of the Fee actually paid to Licensor for such period.

Licensee covenants and agrees that in no event shall Licensee permit any motor vehicle to (1) enter the Calverton Site other than through the Access Point (as defined below) or (2) park anywhere other than in the parking area depicted on Exhibit E attached here (the "Parking Area"). Licensee shall be solely responsible for keeping the Parking Area free and clear of debris and snow. Licensee further covenants and agrees not to permit any person that is not in a motor vehicle to enter the Calverton Site. Notwithstanding the foregoing, Licensee shall be permitted to admit pedestrians into the Calverton Site to the extent necessary to ensure the safety of such pedestrians.

6. PAYMENT. The Fee and all other charges, costs and expenses payable by Licensee under this License shall be paid by certified check made payable to the order of The Town of Riverhead Community Development Agency and delivered to Andrea Lohneiss at the address provided for Licensor in the preamble to

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this License, without notice or demand therefor (except to the extent otherwise expressly provided herein) and without any deduction, credit, set-off, counterclaim or abatement whatsoever. In every case in which Licensee is required to pay to Licensor a sum of money and said sum (or any portion thereof) is not paid when due, interest at an annual rate of 12% shall be payable on such sum (or so much thereof as shall be unpaid) from the date said sum becomes due until the date the unpaid amount is paid.

7. USE; COVENANTS. (a) Licensee shall use the License Premises only for the design and manufacturing of household and commercial woodworking (the "Uses"), to prepare the License Premises for the same and to clean and restore the License Premises, in each case, in accordance with, and subject to, the terms and provisions of this License.

(b) Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the License Premises.

(c) No additions to, or alterations of, the License Premises shall be made without the prior consent of Licensor or in violation of any applicable building codes. Upon revocation or surrender of this License, to the extent directed by Licensor, Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the License Premises to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

(d) Licensee shall be liable for any loss of, or damage to, the Calverton Site incurred in connection with the Uses and shall make such restoration or repair, or monetary compensation as may be directed by Licensor. Licensee shall maintain, at a minimum, the types and amounts of insurance evidenced by the certificates attached hereto as Exhibit A. Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks. Each policy of insurance required hereunder shall name Licensor and Grubb & Ellis Management Services, Inc. as additional insureds. In the event that any item or part of the Calverton Site shall require repair, rebuilding or replacement resulting from loss or damage, the risk of which is assumed under this Section 7, Licensee shall promptly give notice thereof to Licensor and shall, upon demand, either compensate Licensor for such loss or damage, or rebuild, replace or repair the item or items of the Calverton Site so lost or damaged, as Licensor may elect. In the event Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to Licensee, Licensee shall promptly refund to Licensor the amount of such proceeds.

(e) Without limiting the generality of any other provision of this Agreement, Licensee hereby covenants and agrees that

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Licensee shall provide ample vehicles, personnel, equipment and containers to clean the License Premises and insure that the same is restored to as good condition, subject to reasonable wear and tear, on the Expiration Date as it was in on the License Commencement Date.

(f) In connection with the performance of work under this License, Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by Licensor setting forth the provisions of the nondiscrimination clause. Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

(g) Licensor shall have the sole authority to determine what entity or entities shall provide the following services to the Calverton Site: any and all telecommunications products and services including but not limited to telephone, intellipath, ISDN, data circuits, satellite communications services, fiber, cable, electric and water. Licensee shall not install or contract for the installation of any of the foregoing services without the express written consent of Licensor.

7. ASSIGNMENT AND LICENSING. Notwithstanding anything to the contrary contained in this License, Licensee shall not assign this License, License the License Premises in whole or in part or permit Licensee's interest in this License to be vested in any party other than Licensee by operation of law or otherwise. A transfer of more than fifty (50%) percent at any one time or, in the aggregate from time to time, of the stock, partnership or other ownership interests in Licensee, direct or indirectly shall be deemed to be an assignment of this License.

8. LICENSOR'S REMEDIES. (a) If Licensee fails to perform any of its obligations hereunder in accordance with the terms hereof, then, after reasonable notice to Licensee not to exceed thirty (30) days, and an opportunity for Licensee to cure such failure, (except in case of emergency) Licensor may (but shall not be obligated to) cure such failure at the expense of Licensee, and the amount incurred by Licensor in connection with such cure shall be payable by Licensee to Licensor on demand.

(b) Except as provided in Section 2 and in the immediately following sentence, in the event of a breach by Licensee hereunder, Licensor shall be limited to an action at law for damages. Notwithstanding the foregoing, in the event that Licensee holds over after the expiration of the Term, (i) Licensee shall be obligated to pay Licensor an amount equal to

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\$750 per diem for each day of the holdover term and (ii) Licensor shall have all of the rights and remedies available to it at law or in equity, including, without limitation, the right to exercise self help and to dispossess Licensee of the License Premises, change the locks on the License Premises, deny Licensee access to the License Premises and take possession of or dispose of any property at the License Premises, all at the cost and expense of Licensee. Except as provided in Section 2, in no event shall Licensor have the right to enjoin Licensee's performance of the Uses.

9. INDEMNITY. (a) Licensee shall indemnify and hold Licensor harmless from and against any and all claims, actions, liabilities, losses, damages (including, without limitation, consequential and special damages), costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and expenses) arising from or in connection with (i) the use or occupancy by Licensee of the License Premises during the term hereof, or (ii) any work or thing done or any condition created by or any other act or omission of Licensee or its employees, agents, contractors, visitors or licensees, in the License Premises or any other part of the Calverton Site in connection with Licensee's use of the License Premises, or (iii) Licensee's failure to perform any of the obligations imposed on it hereunder.

(b) The foregoing indemnity does not include any claims, actions, liabilities, losses, damages, costs and expenses resulting from Licensor's gross negligence or willful misconduct.

10. BROKERS. Licensee represents that it has not dealt with any broker or finder with respect to this License. Licensee agrees to indemnify and hold Licensor harmless from and against any and all loss, liability, damage, cost and expense (including, but not limited to, court costs and reasonable attorneys' fees and expenses) which Licensor may incur or sustain in connection with any claim or action by any broker or finder that may be asserted against Licensor as a result of any conversations, correspondence or other dealings between Licensee and such broker or finder.

11. NOTICES. Any notices to be given under this License shall be in writing and shall be sent by registered or certified mail, return receipt requested. If such notice is directed to Licensee, it shall be addressed to Licensee at P.O. Box 251, Bridgehampton, New York 11932 Attention: Michael Reilly, and if such notice is directed to Licensor, it shall be addressed to Licensor at 200 Howell Avenue, Riverhead, New York 11901, Attention: Andrea Lohneiss. Either party may, by notice in writing, direct that future notices be sent to a different address and to the attention of such other people as either Licensor or Licensee shall designate.

12. HAZARDOUS SUBSTANCES. (a) Generally. Licensee shall not generate, store, manufacture, refine, transport, treat,

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dispose of, or otherwise permit to be present on or about the License Premises, any Hazardous Substances (other than Hazardous Substances (x) customarily used in for uses such as the Uses and (y) used, stored, transported, and disposed of in strict compliance with applicable law). As used herein, the term "Hazardous Substances" shall mean any flammables, explosives, radioactive materials, hazardous wastes, hazardous and toxic substances or related materials, asbestos or any materials containing asbestos, or any other hazardous or toxic substance or material as defined by any Federal, State or local environmental law, rule or regulation, including, without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, the Toxic Substances Control Act, as amended from time to time, the Hazardous Materials Transportation Act, as amended from time to time, and the regulations adopted and the publications promulgated pursuant to each of the foregoing.

(b) In addition to the foregoing, (A) Licensee hereby agrees to comply at all times with and to cause the License Premises to be in compliance at all times with the Suffolk County Health Department Regulations and (B) Licensee shall file for a fire prevention permit and hazardous materials permit.

(c) Indemnification. Licensee shall indemnify and hold harmless Licensor from and against any and all liabilities, damages, claims, losses, penalties, judgments, causes of action, costs and expenses (including, without limitation, court costs and the reasonable fees and expenses of counsel) which may be incurred by Licensor directly arising out of any breach by Licensee of the obligations imposed upon it under this Section 12. The foregoing indemnity shall survive the expiration or sooner termination of this License.

13. CROSS-DEFAULT. To the extent that the Licensor and Licensee are parties to any other similar agreements, any default under such similar agreements shall be deemed to be a default under this License, and any default under this License shall be deemed to be a default under such similar agreements.

14. MISCELLANEOUS. (a) Merger. All prior understandings and agreements between the parties with respect to the subject matter hereof are merged within this License, which alone fully and completely sets forth the understanding of the parties with respect to the subject matter hereof. This License may not be changed or terminated orally or in any manner other than by a writing signed by the party against whom enforcement of the change or termination is sought.

(b) Successors and Assigns. This License shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The term "Licensor," as used in this License, shall mean only the owner from time to time of the License Premises, so that in the event

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of any transfer or assignment of the License Premises, the transferor or assignor shall be and hereby is entirely freed and relieved of all covenants, obligations and liability of Licensor under this License, and it shall be deemed, without further agreement, that the transferee or assignee has assumed and agreed to perform and observe all obligations of Licensor under this License during the period that such transferee or assignee is the owner of the interest of License Premises.

(c) Licensee represents that this License has been duly authorized, executed and delivered by Licensee and is enforceable against Licensee in accordance with its terms.

(d) Neither Licensor nor any tenant, nor other party now or hereafter having an interest in the Calverton Site, shall have any right of action based upon invasion of privacy, publicity, defamation, or other civil rights, in connection with the exercise of the permission and/or rights herein granted. Notwithstanding the foregoing, Licensee shall not use the name "Calverton" or "Riverhead", or any signage containing such names, and shall not use the names, pictures, or likenesses of any officials or employees of the Town of Riverhead in connection with the Uses without the prior consent of Licensor, which consent shall not be unreasonably withheld or delayed.

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IN WITNESS WHEREOF, Licensor and Licensee do hereby execute this License as of the date and year first above written.

LICENSOR:

THE TOWN OF RIVERHEAD COMMUNITY
DEVELOPMENT AGENCY

By: _____
Name:
Title:

LICENSEE:

MICHAEL REILLY DESIGN

By: _____
Name:
Title: