

FEBRUARY 19, 2014

CDA RESOLUTION LIST:

CDA

Res. #5 Authorizes the Chairman of the Town of Riverhead Community Development Agency to Enter into an Option Agreement for the Use of the Inactive Runway and Taxiway Areas

TOWN BOARD RESOLUTION LIST:

Res. #102 2014 Commercial Efficiency Program Pulaski Street Building Budget Adoption

Res. #103 2014 Commercial Efficiency Program Town Hall Budget Adoption

Res. #104 Police Athletic League Budget Adjustment

Res. #105 Authorizes Publication of a Help Wanted Advertisement RE: Attendance at Suffolk County Police Academy

Res. #106 Amends Resolution #680 from 2013

Res. #107 Classifies Action on Special Permit of 626 West Main Realty, LLC (West Main Street Atlantis Mart) and Calls Public Hearing

Res. #108 Ratifies the Appointment of Call-In Recreation Staff to the Recreation Department

Res. #109 Riverhead Scavenger Waste District Rate Adjustment for Tipping Fees at Scavenger Waste Plant

Res. #110 Riverhead Sewer Treatment Plant Upgrade Capital Project Budget Adjustment

Res. #111 Authorizes the Supervisor to Execute an Agreement with the Riverhead Business Improvement District Management Association, Inc. Regarding 2014 Calendar Year Events and Services

Res. #112 Amends Resolution 75 and Ratifies License Agreement with Pictometry International Corp. for One Year Term

**TOWN OF RIVERHEAD
COMMUNITY DEVELOPMENT AGENCY**

Resolution # 5

**AUTHORIZES THE CHAIRMAN OF THE TOWN OF RIVERHEAD COMMUNITY
DEVELOPMENT AGENCY TO ENTER INTO AN OPTION AGREEMENT FOR THE
USE OF THE INACTIVE RUNWAY AND TAXIWAY AREAS**

Councilman Dunleavy offered the following resolution,

which was seconded by Councilman Wooten,

WHEREAS, by Resolution number 17, adopted on November 15, 2012, the Town of Riverhead Community Development Agency ("CDA") authorized the execution of a six month license agreement with two (2) three month extensions between the CDA and Insurance Auto Auctions Corp. ("IAA") for storage of Storm Sandy automobiles upon the 7,000 runway and taxiways comprising approximately 52 acres of land; and

WHEREAS, IAA has expressed a desire to enter into an option allowing for use of the inactive runway and taxiways in an event that constitutes a catastrophe and has offered to pay an annual option fee of twenty-five (\$25,000) thousand dollars under the terms and conditions set forth in the agreement attached hereto.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Riverhead Community Development Agency hereby approves the execution of an option agreement with Insurance Auto Auctions Corp (IAA) and authorizes the Chairman to sign an option agreement in substantially the form attached; and

BE IT FURTHER RESOLVED, that all Town Hall Departments may review and obtain a copy of this resolution from the electronic storage device and, if needed, a copy may be obtained from the Office of the Town Clerk.

THE VOTE

Giglio Yes No Gabrielsen Yes No
Wooten Yes No Dunleavy Yes No
Walter Yes No

The Resolution Was Thereupon Duly Declared Adopted

OPTION AGREEMENT

This OPTION AGREEMENT (the "Option Agreement") is made and entered into this ____ day of _____, 2014, by and between Town of Riverhead Community Development Agency (the "Optionor") and Insurance Auto Auctions Corp., a Delaware corporation, its successors and assigns (the "Optionee").

RECITALS:

A. Optionor is the owner of that certain parcel of land commonly known as the runways and taxiways of Calverton Executive Airpark located in Riverhead, New York and legally depicted on Exhibit A attached hereto and made a part hereof (the "Optionor Property").

B. Optionee has previously licensed the Optionor Property in connection with its efforts during the aftermath of Superstorm Sandy for the purposes of storing certain of Optionee's vehicle inventory.

C. Optionee has requested Optionor provide Optionee with an ongoing right to license the Optionor Property for the storage of certain vehicle inventory (the "Use") upon the occurrence of an event which constitutes a "Catastrophe" as determined by any of the following parties (a) Optionee, (b) Optionee's customers or (c) any municipal official having jurisdiction over Optionor's Property.

D. Optionor is willing to provide Optionee with the Option on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor and Optionee agree as follows:

1. Option Payment. In consideration of the grant to Optionee of the Option, Optionee has paid to Optionor the sum of Twenty-Five Thousand Dollars (\$25,000.00) per year for each year that this Option remains in effect (the "Option Payment"). The Option Payment shall be non-refundable but shall be credited against license payments paid in any year that Optionee utilizes the Optionor Property for the Use. In the event that a portion of the Optionor Property is leased or sold, or being utilized by either National Grid Electric Service LLC or KeySpan Gas East Corporation or both under separate agreements, the Option Payment shall adjust proportionally based upon the portion of the Optionor's Property which remains subject to the terms hereof.

2. Optionee's Exercise of Option. Upon the designation of an event as a Catastrophe, Optionee shall have thirty (30) days to notify Optionor of Optionee's intention to utilize all or a portion (which shall not be less than 10 acres) of the Optionor's Property by written notice (the "Exercise Notice"). The parties acknowledge and agree that the terms of Optionee's occupancy of the Optionor's Property shall be on the same terms and conditions as that certain Temporary Use License Agreement dated on or about November 16, 2012, by and between Optionor and

With a copy to: Insurance Auto Auctions, Inc.
Attn: Richard P. Hoopis – Real Estate Counsel
Two Westbrook Corporate Center, Suite 500
Westchester, Illinois 60154

or to such other address or to the attention of such other person as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been received either at the time of personal delivery or, in the case of delivery service or certified or registered mail, as of the date of delivery by the United States Mail or overnight delivery service in the manner provided herein, or in the case of facsimile transmission, at the time transmitted. Any notice required by this Option Agreement or in any way related to the transaction contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this Section 7. Either party hereto may change the address for notice specified above by giving the other party ten (10) days advance written notice of such change of address.

6. General Provisions.

a. The captions of the Sections of this Option Agreement are for convenience only and not to be part of this Option Agreement and do not in any way limit or amplify the terms and provisions of this Option Agreement.

b. All matters affecting the validity and construction of this Option Agreement and any lease pursuant hereto shall be determined by the laws of the State of New York.

c. The parties hereto agree that all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, successors, executors, administrators and assigns.

d. In connection with this Option Agreement and the transactions contemplated hereby, each party to this Option Agreement will execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform its obligations under this Option Agreement and the transactions contemplated hereby.

e. This Option Agreement may be executed in any number of counterparts and each of such counterparts shall, for all purposes, be deemed to be an original; and all such counterparts shall together constitute but one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement on the day and year first above written.

OPTIONOR:

Town of Riverhead Community Development Agency

By: _____

Name: _____

Title: _____

OPTIONEE:

Insurance Auto Auctions, Inc.

By: _____

Name: _____

Title: _____

EXHIBIT A

Legal Description of Optionor Property