0578181.01

Adopted

COMMUNITY DEVELOPMENT

Resolution #8

At a regular meeting of the Members of the Town of Riverhead Community Development Agency, Town of Riverhead, Suffolk County, New York, held at the Town of Riverhead Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on March 30, 1999, at 12:00 o'clock P.M., Prevailing Time.

The meeting was called to order by Supervisor Villella, and upon roll being called, the following were

PRESENT: Supervisor Vincent Villella
Councilman Philip Cardinale
Councilman Christopher Kent
Councilman Mark Kwasna
Councilman James Lull

ABSENT:

The following resolution was offered by Member COUNCILMAN KENT, who moved its adoption, seconded by Member COUNCILMAN KWASNA, to-wit:

THE VOTE

Cardinale ✓ Yes ___ No Kent ✓ Yes ___ No
Kwasna ✓ Yes ___ No Lull ✓ Yes ___ No
Villella ✓ Yes ___ No ___

THE RESOLUTION WAS ✓ WAS NOT ___
THEREUPON DULY DECLARED ADOPTED

RESOLUTION DATED MARCH 30, 1999.

A RESOLUTION DESIGNATING ATLANTIS HOLDING COMPANY LLC AS A QUALIFIED AND ELIGIBLE SPONSOR FOR REDEVELOPMENT OF APPROXIMATELY THREE AND TWO-TENTHS ACRES OF LAND, TOGETHER WITH THE BUILDINGS LOCATED THEREON, AND AUTHORIZING THE SALE BY THE AGENCY OF SUCH PROPERTY TO ATLANTIS HOLDING COMPANY LLC FOR REDEVELOPMENT.

WHEREAS, the Town of Riverhead Community Development Agency (the "Agency") is the owner of an approximately 3.2 acre parcel of land, together with the buildings located thereon, on East Main Street, Riverhead, New York (SCTM #0600-29-4-18.5419) (the "Property") which Property is located within the East Main Street Urban Renewal Area; and

WHEREAS, there has been submitted to the Agency a proposal for, and the Agency is considering, (i) designating Atlantis Holding Company LLC, a New York limited liability company ("Atlantis"), the "qualified and eligible sponsor" pursuant to Section 507(2) of the General Municipal Law and in accordance with the established rules and procedures provided by the Agency (the "Sponsor") for the redevelopment of the Property, and (ii) selling the Property, pursuant to Sections 507(2)(d) and 556(2) of the General Municipal Law, to Atlantis pursuant to a certain Land Disposition Agreement, dated as of April 1, 1999, by and between the Agency and Atlantis, which Land Disposition Agreement has also been submitted to the Agency and is on file in the Office of the Town Clerk of the Town of Riverhead and is available for public inspection during regular business hours

(the "Land Disposition Agreement") for $1,750,000 for redevelopment by the Sponsor as an entertainment facility; and

WHEREAS, Sections 507(2)(d) and 556(2) of the General Municipal Law require that a public hearing, following at least ten days public notice, be held by the Agency on the question of designating Atlantis the Sponsor for the redevelopment of the Property and selling the Property to Atlantis, as Sponsor; and

WHEREAS, the Town of Riverhead, Suffolk County, New York (the "Town"), pursuant to a coordinated review pursuant to Article 8 of the Environmental Conservation Law and the regulations promulgated thereunder by the State Department of Environmental Conservation ("SEQRA") declared itself "lead agency" for the sale of the Property, the Town has concluded its SEQRA analysis with respect to the sale of the Property and has determined the sale of the Property to be a Type I Action pursuant to SEQRA, the implementation of which, as proposed, the Town Board of the Town has determined will not result in any significant environmental effects; and

WHEREAS, on February 2, 1999, the Agency duly held said public hearing on the designation of Atlantis as the Sponsor for the redevelopment of the Property and the sale of the Property by the Agency to Atlantis, as Sponsor, after the requisite public notice; and

WHEREAS, a majority of the Town Board of the Town, acting as Members of the Agency, attended such public hearing; NOW, THEREFORE, BE IT

RESOLVED, by the Members of the Agency, as follows:

Section 1. Based upon the public hearing held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town on February 2, 1999 at 7:10 o'clock P.M., Prevailing Time, on the question of designating Atlantis the Sponsor for the redevelopment of the Property and the sale of the Property by the Agency to Atlantis, it is hereby determined to designate Atlantis the Sponsor pursuant to Section 507(2)(d) of the General Municipal Law for the redevelopment of the Property.

Section 2. The form and substance of the Land Disposition Agreement (in substantially the form preented to this meeting) are hereby approved.

Section 3. Based upon the public hearing held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town on February 2, 1999 at 7:10 o'clock P.M., Prevailing Time, on the question of designating Atlantis the Sponsor for the redevelopment of the Property and the sale of the Property by the Agency to Atlantis, the sale of the Property by the Agency to Atlantis is hereby authorized in accordance with Sections 507(2)(d) and 556(2) of the General Municipal Law and the terms of the Land Disposition Agreement.

Section 4. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Land Disposition Agreement and the Deed attached thereto and the Secretary of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantilaly the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 5. The Chairman of the Agency is hereby authorized and directed to distribute copies of this Resolution to Atlantis and to do such further things and perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 6. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Supervisor Villella	VOTING	Yes
Councilman Cardinale	VOTING	Yes
Councilman Kent	VOTING	Yes
Councilman Kwasna	VOTING	Yes
Councilman Lull	VOTING	Yes

The resolution was thereupon declared duly adopted.

* * * *

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

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

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on March 30, 1999, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

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

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

Newspaper and/or other news media	Date given
Times Review	April 1, 1999 Publication April 8th, 1999

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

Designated Location(s) of posted notice	Date of Posting
Town Clerk's Bulletin Board	March 31, 1999

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on March 31, __, 1999.

_____
Secretary

(CORPORATE SEAL)

Community Development
3/30/99

Adopted

TOWN OF RIVERHEAD

RESOLUTION # 9

AUTHORIZES SUPERVISOR TO SIGN DISPOSITION AGREEMENT WITH ATLANTIS HOLDING COMPANY, LLC

COUNCILMAN LULL OFFERED THE FOLLOWING RESOLUTION

WHICH WAS SECONDED BY COUNCILMAN CARDINALE

RESOLVED, that the Riverhead Town Board hereby authorizes Supervisor Vincent G. Villella, on behalf of the Town of Riverhead, to sign a Land Disposition Agreement of Understanding between the Town of Riverhead Community Development Agency and Atlantis Holding Company, LLC, with substantially similar form to the attached document.

BE IT FURTHER, RESOLVED, that the Town Clerk is directed to forward a certified copy of this resolution to Councilman Phil Cardinale, Councilman James B. Lull, Thomas M. Rothman, Esq. and Charles De Martin, Esq.

THE VOTE

Cardinale ✓ Yes ___ No Kent ✓ Yes ___ No
Kwasna ✓ Yes ___ No Lull ✓ Yes ___ No
Villella ✓ Yes ___ No ___
THE RESOLUTION WAS ✗ WAS NOT ___
THEREUPON DULY DECLARED ADOPTED

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LAND DISPOSITION AGREEMENT AND AGREEMENT OF SALE

between

THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY

as Seller

and

ATLANTIS HOLDING COMPANY LLC

as Buyer

Dated: as of March ___, 1999

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EXHIBITS

Exhibit A	Land
Exhibit B	Permitted Encumbrances
Exhibit C	Description of Environmental Contamination and Remediation
Exhibit D	Description of the Entertainment Facility
Exhibit E	Form of Deed

LAND DISPOSITION AGREEMENT AND AGREEMENT OF SALE

LAND DISPOSITION AGREEMENT AND AGREEMENT OF SALE (the "Agreement") made as of this _____ day of March, 1999, between THE TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY, an urban renewal agency of the State of New York ("Seller"), having an address at 200 Howell Avenue, Riverhead, New York 11901 and ATLANTIS HOLDING COMPANY LLC ("Buyer"), a New York limited liability company having an address at 323 Long Island Avenue, Holtsville, New York 11742.

W I T N E S S E T H:

WHEREAS, Seller is the owner of a certain parcel of land of approximately 3.1 acres located on East Main Street, Riverhead (SCTM #0600-29-4-18.5&19), as more particularly described on Exhibit A attached hereto (the "Land"), including the buildings situated thereon (the "Buildings") (the Land together with the Buildings being the "Property"); and

WHEREAS, on September 10, 1997, Seller prepared and sent to numerous parties, including Buyer, a request for proposals for the acquisition of the Property and the redevelopment thereof (the "Request for Proposals"), the Property to be redeveloped in accordance with certain criteria set forth in the Request for Proposals and in the Town of Riverhead East Main Street Urban Renewal Plan, duly adopted October 19, 1993 (the "Plan"); and

WHEREAS, the Property is specifically referred to in the Plan as being highly under utilized, property for which appropriate water-front related use is recommended and property upon which a tourist destination facility and an economic generator should be constructed; and

WHEREAS, in response to the Request for Proposals Buyer, on December 5, 1997, submitted a proposal for the acquisition and redevelopment of the Property, which response was clarified by letter dated January 28, 1998 and further clarified by Buyer at a meeting held with Seller on April 16, 1998; and

WHEREAS, in August, 1998, Seller, the Town of Riverhead (the "Town") and Buyer executed a Memorandum of Understanding (the "MOU") setting forth the intention of the Seller and Buyer for the sale of the Property by Seller to Buyer and the purchase and redevelopment of the Property by Buyer; and

WHEREAS, Buyer has made application to the Town of Riverhead Industrial Development Agency (the "IDA") for "financial assistance" with respect to the acquisition and redevelopment of the Project in accordance with the Plan; and

WHEREAS, to obtain such "financial assistance" Buyer must cause title to the Property to be conveyed to the IDA, with title to be reconveyed by the IDA to Buyer at a subsequent date in accordance with the provisions of a sale agreement between Buyer and the IDA; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, through delivery by Seller of the deed (as described in Section 11(a) hereof (the "Deed")) to the IDA, the Property for redevelopment in accordance with the Plan, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, and intending to be legally bound hereby, Seller and Buyer agree as follows:

1. Subject of Sale. Upon and subject to the terms and conditions herein contained, Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the Property. Except for the environmental contamination in the Property described in Exhibit C hereto, the Property is sold by Seller "as is" on the date of execution of this Agreement and shall be accepted by Buyer in such condition, reasonable wear and tear from the date of execution of this Agreement to the date of Closing (the "Closing" or the "Closing Date") excepted. Buyer acknowledges that it is familiar with the Property, has been permitted access to the Property to perform such due diligence concerning the Property as it deemed necessary or appropriate and that it has performed such due diligence.

The Property shall exclude any and all intangible property, including, without limitation, all books and records, delinquent tenant arrearages as of the Closing Date, Seller's policies of title or other insurance and all insurance proceeds with respect to events existing or occurring prior to, and other claims existing on, the Closing Date including, without limitation, the Seller's right to any rights or claims against any former owner of the Property with respect to or in any way in connection with any environmental contamination and any monetary or other recovery from or with respect to any such rights or claims either from any such owner, successor or assignee thereof, insurance or indemnity company or any department or agency of the State of New York or Federal government.

2. Purchase Price. (a) The purchase price for the Property (the "Purchase Price") is One Million Seven Hundred Fifty Thousand Dollars ($1,750,000), payable by Buyer as follows:

(i) One Hundred Thousand Dollars ($100,000) (the "Deposit") upon the execution and delivery of this Agreement by Seller and Buyer, by delivering to Seller Buyer's certified or bank check drawn on a bank which is a member of the New York Clearinghouse Association payable to the order of Seller; and

(ii) One Million Six Hundred Fifty Thousand Dollars ($1,650,000) on the Closing Date by wire transfer of immediately available funds to an account or accounts to be designated by Seller at or prior to the Closing Date, plus or minus prorations and other adjustments hereunder.

(b) The Deposit shall be held in a separate interest bearing trust account established by the Seller and shall be promptly returned to Buyer in the event the Property is not delivered by the Seller. Seller shall be required to deposit the Deposit in a money market account in the Suffolk County National Bank. Any deposit earnings on the Deposit shall be credited to the purchase price at Closing or returned to Buyer in the event the Property is not delivered by the Seller

3. Title Exceptions.

(a) Buyer shall accept title to the Property subject to the matters set forth on Exhibit B (collectively, the "Permitted Encumbrances"), except that affirmative insurance language will be included in the title policy with respect to exception 12.

(b) Buyer has (x) made application with First American Title Insurance Company (the "Title Company") for a title insurance policy and, in connection therewith, caused title to the Property to be searched and examined by the Title Company and (y) ordered a survey or survey update of the Land and Buildings (the "Survey") from a surveyor licensed to do business in the State of New York (the "Surveyor"), and has caused the Title Company and the Surveyor to deliver directly to Seller copies of the Title Company's report, the results of any searches for Uniform Commercial Code financing statements filed against Seller or the Property, the tax and departmental searches and the survey reading and the Survey. Buyer shall instruct the Title Company to immediately deliver to the Seller any updates or continuations thereof and any supplements thereto. Within ten (10) days after the issuance of each update, continuation or supplement to the title report and Survey, Buyer shall deliver to Seller a written statement setting forth any liens or encumbrances affecting, or other defects in or objections to, title to the Property disclosed by such materials other than Permitted Encumbrances ("Additional Encumbrances"). The failure by Buyer to deliver any statement required by the immediately preceding sentence within the time period specified therefor shall constitute a waiver by Buyer of any and all Additional Encumbrances which may be or would have been disclosed by the materials to be covered by such statement.

(c) If Buyer notifies Seller of any Additional Encumbrances, Seller shall be entitled to reasonable adjournments of the Closing during which Seller may attempt to remove such Additional Encumbrances; provided, however, that Seller shall not be required to bring any action or proceeding, or take any steps,

or otherwise incur any expense to remove any Additional Encumbrances, unless such Additional Encumbrance arose after the date of this Agreement as a result of a willful or intentional act or omission of Seller or its officers, directors or agents (a "Seller's Encumbrance"). In the event that an Additional Encumbrance is a Seller's Encumbrance, Seller shall cure such Seller's Encumbrance. If for any reason Seller is unable or, except to the extent of Seller's obligations pursuant to the immediately preceding sentence, unwilling to remove any Additional Encumbrance other than Sellers' Encumbrances as of the Closing Date, as such date may be adjourned pursuant to this Paragraph (c), Seller shall so notify Buyer. If such notice is given by Seller, Buyer may elect to (i) terminate this Agreement by giving notice to Seller, in which event the Deposit shall be returned to Buyer at which time this Agreement shall be null and void and neither party shall have any rights or obligations under this Agreement, except for those provisions hereof that are specifically stated to survive a termination of this Agreement, or (ii) perform all of Buyer's obligations hereunder and accept title to the Property subject to such uncured Additional Encumbrances without any abatement of the Purchase Price or liability on the part of Seller unless such uncured Additional Encumbrance was a Seller's Encumbrance, in which event Seller shall cure such Seller's Encumbrance; provided, however, that Buyer shall in no event have the option to terminate this Agreement pursuant to the foregoing clause (i) if the Additional Encumbrance giving rise to such right arose as a result of an act or omission of Buyer or its officers, directors or agents. Buyer shall make its election between clauses (i) and (ii) of the immediately preceding sentence by written notice to Seller given not later than 5:00 P.M. on the fifth business day after the giving of the notice by Seller of its inability or unwillingness to remove any Additional Encumbrance (but in no event later than the Closing Date). If Buyer shall fail to give such written notice as aforesaid, it shall be deemed to have elected clause (i) above and this Agreement shall be terminated and Seller shall return the Deposit, together with any earnings on the Deposit, to the Buyer.

4. Expenses.

(a) Each party shall pay its own costs and expenses in connection with the transactions contemplated hereby, including the fees and expenses of its attorneys, accountants, consultants and engineers. All other real property and recording charges required to be paid in connection with the transfer of the Property to Buyer shall be paid by Buyer. Buyer shall pay (a) all expenses of or related to the issuance of Buyer's or Buyer's lender's policies of title insurance (including, without limitation, commitment fees, insurance premiums, endorsement charges, search charges and survey charges) and (b) all charges for a new or updated Survey of the Land and the Buildings. Buyer shall pay, indemnify, defend and hold Seller harmless from any sales taxes or other taxes, if any, (excluding any income taxes

payable by the Seller) relating to the transactions contemplated by this Agreement.

(b) The provisions of this Article 4 shall survive the Closing or termination of this Agreement.

5. Apportionments.

5.1. The parties shall apportion, as of 11:59 P.M. of the day preceding the Closing Date, the following in respect of the Property and the net amount thereof shall be added to (if such net amount is in Seller's favor) or deducted from (if such net amount is in Buyer's favor) the payment required pursuant to clause (a)(ii) of Article 2 hereof:

(a) Water, electricity, and sewer charges and rents and vault taxes, fees and charges, if any, on the basis of the fiscal period for which assessed, but if any of such charges shall be payable on the basis of meter readings, then such charges shall be apportioned on the basis of meter readings made on a date (prior to the Closing) which is as close to the Closing Date as is reasonably practicable;

(b) Fuel used in heating the Buildings on the basis of the written estimate by Seller's fuel supplier of the quantity on or about the day preceding the Closing and the Seller's cost therefor (including sales tax, if any);

(c) Special assessments and real property taxes which the Agency has paid on the Property, if any; and

(d) Buyer acknowledges that the Property is currently assessed as exempt upon the assessment rolls of the Town. Buyer agrees to pay to the Town at Closing a payment in lieu of taxes (the "PILOT") in an amount equal to that which Buyer would have had to pay in real property taxes and special assessments from the Closing Date to January 1 of the year following the taxable status date next succeeding the Closing Date. Buyer and Seller acknowledge that the acquisition of the Property will be financed, in whole or in part, by the Buyer through obligations to be issued by the Town of Riverhead Industrial Development Agency (the "IDA") and that Buyer and Seller anticipate that the IDA will acquire title to the Property on the Closing Date. In such event, any PILOT payment required hereunder shall be made by Buyer to the IDA in an amount as shall be set forth in a PILOT agreement negotiated by and between Buyer and the IDA.

(e) All other customary items of revenue or expense.

5.2. Any errors in the calculation of apportionments shall be corrected or adjusted as soon as practicable (but not more often than monthly) after the Closing. Seller and Buyer agree to cooperate and use their good faith and diligent efforts

to make such adjustments no later than thirty (30) days after the Closing. If it is impracticable to apportion certain items hereunder (including, without limitation, water and sewer charges) at the Closing, such items shall be apportioned as soon as practicable after the Closing.

5.3. For purposes of calculating prorations, Buyer shall be deemed to be in title to the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the year and month that shall have elapsed as of the Closing Date. Items of income and expense prorated hereunder for the period prior to the Closing Date will be for the account of Seller and items of income and expense prorated hereunder for the period on and after the Closing Date will be for the account of Buyer, all as determined by the accrual method of accounting. The obligations of the parties pursuant to this Paragraph shall survive the Closing.

5.4. The parties further agree to meet, in person or telephonically, two (2) business day prior to the Closing to agree upon the apportionments in accordance with the terms hereof.

6. Sewers. Buyer acknowledges that the Property is within the Riverhead Sewer District and that the Riverhead Sewer District currently owns and maintains a 10" cast iron force main and a 10" cast iron gravity line running through the Property. Buyer acknowledges and represent to Seller that it is fully familiar with such force main and gravity line and the condition thereof, that such force main and gravity line are approximately sixty years old and that any construction that Buyer or its assignees or designees, agents or contractees may undertake on the Property may result in damage to either or both of such force main or gravity line. Buyer agrees that any repair to either of such force main or gravity line that the Town Board of the Town of Riverhead shall reasonably determine is necessary or required as a result of activity on the Property by Buyer or its assignees or designees, agents or contractees shall be promptly paid for by Buyer and that Buyer will be solely liable for any damage to either of such lines and for liability, direct or indirect, resulting from any such damage. Buyer further agrees that neither it nor its assignees or designees, agents or contractees will perform or permit any construction over either said force main or gravity line so as to prohibit or impede continued maintenance by the Town of Riverhead of the same. The Agency, agrees to let construction contracts, at such time as is hereafter provided, for the encasement of that portion of such force main lying between manhole No. 37 and the north end of the Property, a distance of approximately one hundred and five (105) feet, to diligently pursue said encasement to completion and to dedicate such encasement to the Riverhead Sewer District. At or prior to Closing, the Agency shall cause to be prepared an

estimate of the total cost of such encasement, which shall include construction, engineering, construction observation and supervision, dewatering, soil borings and incidental and necessary expenses in connection therewith, each as determined by the Agency to be necessary. The Agency, at or prior to Closing, shall present such estimate of the cost of such encasement to Buyer and Buyer shall, not more than three (3) business days after the Closing, pay the amount of such estimate to Seller. The Seller agrees to let such construction contract for such encasement within three (3) business days of receipt from the Buyer of the amount of such estimate. Seller shall deposit such payment in a separate account and shall expend such payment only for such cost. Upon completion of such encasement to the reasonable satisfaction of the Seller and the Riverhead Sewer District, any portion of such payment not expended by the Seller on such encasement shall be returned by Seller to Buyer. In the event that the cost of such encasement exceeds the estimate, Buyer will pay any amount in excess of the estimate to Seller within three (3) business days of receipt of a statement prepared by Seller and delivered to Buyer detailing the total cost of such encasement. The provisions of this Article 6 shall survive the Closing.

7. Conditions to Closing and the Closing.

(a) The obligations of Seller to consummate the transaction contemplated hereunder to occur on the Closing Date are each conditioned on the fulfillment of each of the following on and as of the Closing Date:

(i) The truth, in all material respects, of each and every representation and warranty (subject to changes in facts permitted hereunder or occurring from events beyond the reasonable control of Buyer) and the due performance of each and every material covenant, undertaking and agreement to be performed by Buyer and Seller under this Agreement;

(ii) Delivery by Buyer to Seller of each item to be delivered by Buyer pursuant to Article 11 hereof;

(iii) Designation by the Seller of the Buyer as a qualified and eligible sponsor as defined in and in accordance with the procedures specified in Sections 507(2)(a) and (d) of the General Municipal Law. Buyer acknowledges that such designation is a discretionary act of Seller and no assurance can be given by Seller that Seller will designate Buyer as a designated and qualified Sponsor for the disposition and redevelopment of the Property. If Seller does not designate Buyer as a qualified and eligible sponsor, Seller shall return the Deposit, together with any earnings on the Deposit, to the Buyer;

(iv) Evidence provided by Buyer, reasonably satisfactory to Seller, of construction and permanent financing for the construction of the Entertainment Facility described in Exhibit E (the "Entertainment Facility");

(v) Evidence provided by Buyer, reasonably satisfactory to Seller, that Buyer has all permits and consents required for construction and operation of the Entertainment Facility;

(vi) An executed copy of an agreement by and between Buyer and the Riverhead Foundation for Marine Research (the "Foundation") providing for the continued presence on the Property of the Foundation; and

(viii) Completion of the Seller Remediation Measures, as defined and provided in Paragraph 16 hereof. Acceptance by Buyer of the Deed on the Closing Date shall constitute Buyer's agreement that all Seller Remediation Measures have been satisfactory completed.

(b) The obligations of Buyer to consummate the transaction contemplated hereunder to occur on the Closing Date are each conditioned on the fulfillment of each of the following on and as of the Closing Date:

(i) The truth, in all material respects, of each and every representation and warranty (subject to changes in facts permitted hereunder or occurring from events beyond the reasonable control of Seller) and the due performance of each and every material covenant, undertaking and agreement to be performed by Seller under this Agreement;

(ii) The physical condition of the Property being the same as on the date hereof, subject to (x) reasonable wear and tear, (y) changes covered by the provisions of Articles 13 and 15 below and (z) work in progress, approved by Buyer in its reasonable discretion or required to be performed by Seller, or permitted to be performed by Seller or by the Foundation;

(iii) Delivery by Seller to Buyer of each item to be delivered by Seller pursuant to Article 11 hereof;

(iv) Delivery by the Title Company to Buyer of a title policy (or a marked-up commitment therefor) insuring marketable fee simple title to the Property, subject only to the Permitted Encumbrances and Additional Encumbrances; provided, however, that Buyer shall use commercially reasonable efforts to satisfy all of its obligations as provided for herein and Buyer's failure to do so shall be deemed to be a waiver of the condition set forth in this subparagraph (iv);

(v) Designation by Seller of Buyer as a qualified and eligible sponsor as defined in and in accordance with the

procedures specified in Section 507(2)(d) of the General Municipal Law; and

(vi) Approval by the IDA of the provision of "financial assistance" to the Buyer as contemplated by the MOU. If the IDA does not approve the provision of such financial assistance to the Buyer, Seller shall return the Deposit, together with any earnings on the Deposit, to the Buyer.

(c) The Closing shall take place at the offices of Willkie Farr & Gallagher, 787 Seventh Avenue, New York, New York at 10:00 A.M. on a date that is not more than thirty (30) days after the conditions to each of Buyer's and Seller's obligations to close the transaction contemplated herein have been satisfied.

(d) The obligations of Buyer to make the payments described herein and the obligations of Buyer and Seller to close the transaction contemplated herein are subject to the express conditions precedent set forth in this Agreement, each of which are either for the mutual benefit of Buyer or Seller, or for the sole benefit of either the Buyer or Seller as the case may be, and may be waived at any time by notice thereof by one party to the other party, which waiver shall become effective only upon the consent of the other party to such waiver; provided, however, that such consent shall not be required where a condition precedent which is the subject of a waiver is for the sole benefit of the party making the waiver. The waiver of any particular condition precedent shall not constitute the waiver of any other.

8. Seller's Representations. Seller represents and warrants to Buyer that as of the date hereof the following representations and warranties are true in all material respects and that the same shall be true in all material respects as of the Closing Date (except for changes in facts permitted hereunder or occurring from events beyond the control of Seller):

(a) Seller is a New York urban renewal agency duly organized, validly existing and in good standing under the laws of the State of New York, and has full power and authority to execute and deliver this Agreement and all other documents now or hereafter to be executed and delivered by it pursuant to this Agreement (the "Seller's Documents") and to perform all obligations arising under this Agreement and the Seller's Documents. This Agreement constitutes, and the Seller's Documents will each constitute, the legal, valid and binding obligation of Seller, enforceable in accordance with their respective terms, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally and except as may be limited by general equitable principles;

(b) This Agreement and the Seller's Documents do not and will not contravene any provision of the organizational

documents of Seller, any judgment, order, decree, writ or injunction, or any provision of any existing law or regulation to which Seller is a party or is bound. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not require any consent by any third party;

(c) There are no mortgage(s) or trust deed(s) to which Seller is a party presently encumbering the Property or any portion thereof;

(d) Seller has not granted any person, firm, corporation or entity other than Buyer any right or option to acquire the Property or any portion thereof and, to the best of Seller's knowledge, no person, firm, corporation or entity will obtain such right or option as a result of the execution of this Agreement;

(e) To the best of Seller's knowledge, there are no pending condemnation or eminent domain proceedings affecting the Property or any part thereof.

(f) Those provisions of this Article 8, and the representations and warranties set forth in such provisions, shall survive the Closing.

(g) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending, or, to the best of Seller's knowledge, threatened, against Seller, nor are any of such proceedings contemplated by Seller. In the event any proceeding of the character described in this Paragraph (g) is initiated or threatened prior to Closing, Seller shall promptly advise Buyer thereof in writing.

9. Buyer's Representations. Buyer represents and warrants to Seller that as of the date hereof the following representations and warranties are true in all material respects and shall be true in all material respects on the Closing Date:

9.1. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York and is authorized to do business in the State of New York. Buyer has full power and authority to execute and deliver this Agreement and all other documents now or hereafter to be executed and delivered by it pursuant to this Agreement (the "Buyer's Documents") and to perform all obligations arising under this Agreement and the Buyer's Documents. This Agreement constitutes, and the Buyer's Documents will each constitute, the legal, valid and binding obligation of Buyer, enforceable in accordance with their respective terms, covenants and conditions, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors, rights generally, and except as may be limited by general

equitable principles. Each person or entity comprising Buyer has duly authorized and approved this Agreement and the transaction contemplated hereby.

9.2. This Agreement and the Buyer's Documents do not and will not contravene any provision of the organizational documents comprising Buyer, any judgment, order, decree, writ or injunction, or any provision of any existing law or regulation to which Buyer is a party or is bound. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not require any consent by any third party.

9.3. Buyer is not aware of any misrepresentation or breach of warranty made by Seller herein.

9.4. Buyer shall use diligent, good faith efforts to satisfy all of Buyer's obligations which are conditions to the consummation of the transaction contemplated hereunder on the Closing Date.

9.5. Those provisions of this Article 9 and the representations and warranties set forth in such provisions, shall survive the Closing.

9.6. Construction of the Entertainment Facility shall be commenced not later than thirty (30) days after the completion of the sewer encasement project specified in Article 6 hereof, and shall be completed not later than three hundred sixty-five (365) days after such commencement of construction. Buyer covenants to Seller that it will diligently undertake such redevelopment through completion.

10. Violations. To the best of Seller's knowledge, neither the Land nor the Buildings are subject to any Violations (as hereinafter defined) on the date of execution of this Agreement. If Buyer becomes aware that the Land or the Buildings is or becomes subject to any notes or notices of violation of any law, rule, regulation or municipal ordinances, orders or requirements (collectively, "Laws"), that have been noted in or issued by any federal, state or municipal department having jurisdiction, and which have not been fully remedied and discharged of record ("Violations"), Buyer shall provide notice to Seller thereof. Buyer acknowledges that it is fully aware of the status of the Property with respect to Violations and compliance with all Laws on the date of execution of this Agreement and agrees that in no event shall Seller be obligated to cure or discharge any Violations that exist as of the date of execution of this Agreement or take any action to cause the Property to be in compliance with Laws to the extent the Property is not so in compliance as of the date of execution of this Agreement. Seller shall have no obligation to cure or discharge any Violations, or take any action to cause the Property to be in compliance with Laws, except that Seller shall use diligent, good

faith efforts to cure or discharge any Violations that arise after the date of execution of this Agreement and are created by a willful or intentional act or omission of Seller or its officers, directors or agents ("Seller's Violations").

If for any reason Seller is unable or, except to the extent of Seller's obligations pursuant to the last sentence of the immediately preceding paragraph, unwilling to cure or remove any Violation as of the Closing Date, Seller shall so notify Buyer. If such notice is given by Seller, Buyer shall elect to (i) terminate this Agreement by giving notice to Seller, in which event the Deposit shall be returned to Buyer, at which time this Agreement shall be null and void and neither party shall have any rights or obligations under this Agreement, except for those provisions hereof that are specifically stated to survive a termination of this Agreement, or (ii) perform all of Buyer's obligations hereunder and accept title to the Property subject to such Violations without any abatement of the Purchase Price or liability on the part of Seller; provided, however, that Buyer shall in no event have the option to terminate this Agreement pursuant to the foregoing clause (i) if the Violation giving rise to such right arose as a result of an act or omission of Buyer or its officers, directors or agents. Buyer shall make its election between clauses (i) and (ii) of the immediately preceding sentence by written notice to Seller given not later than 5:00 P.M. on the fifth business day after the giving of the notice by Seller of its inability or unwillingness to remove any Violation (but in no event later than the Closing Date). If Buyer shall fail to give such written notice as aforesaid, it shall be deemed to have elected clause (i) above and this Agreement shall be terminated and Seller shall return the Deposit, together with any earnings on the Deposit, to the Buyer.

11. Deliveries at Closing. The following deliveries shall be made at the Closing:

(a) Seller shall execute, acknowledge and deliver to the IDA the Deed, which shall be a bargain and sale deed, with covenant against grantor's acts, in the form of Exhibit F hereto, which shall contain the covenant required under Section 13 of the Lien Law and the "Restrictive Covenants" specified in Section 2 of the MOU, and pursuant to which Seller shall convey to the IDA all of Seller's right, title and interest in and to the Property.

(b) Seller and Buyer shall each deliver to the other such evidence as may be reasonably required by the other of the due authorization, execution and delivery by such party of this Agreement and the Seller's Documents or the Buyer's Documents, as the case may be.

(c) Buyer and Seller shall each deliver to the Title Company certified or official bank checks to the order of the appropriate governmental officials (or shall arrange for a wire transfer of immediately available federal funds to one or more

bank accounts of the Title Company) in payment of all applicable real property documentary or transfer taxes in connection with the execution, delivery, recording and/or filing of the Deed, payment of which Buyer and Seller are respectively responsible for under Article 4, Paragraph (a) hereof, and Buyer shall execute, acknowledge and deliver to the Title Company any tax return(s) required in connection therewith.

(d) Seller shall execute, acknowledge and deliver such affidavits as the Title Company shall reasonably require to cause the Title Company to issue to Buyer and/or its lender title insurance policies with respect to the Property

(e) Buyer shall pay the balance of the Purchase Price to Seller in accordance with the provisions of Articles 2 and 5 hereof.

(f) Seller and Buyer shall execute and deliver to the other a certificate updating the representations and warranties made by each of them in Articles 8 and 9 hereof, respectively.

(g) Seller and Buyer shall each execute and deliver to each other a closing statement reflecting, among other things, the apportionments made pursuant to Article 5 hereof.

(h) Seller and Buyer shall each execute and deliver to the other such other instruments and documents and shall pay such sums of money as may be required pursuant to any of the other provisions of this Agreement. Each instrument and document to be delivered at the Closing, the form of which is not attached to this Agreement as an exhibit, shall be consistent with the applicable provisions of this Agreement and shall be in the form or contain the information or provisions provided for in this Agreement.

12. Default.

(a) In the event that Buyer shall default under this Agreement, Buyer and Seller agree that the damages that Seller shall sustain as a result thereof shall be substantial and shall be difficult to ascertain. Buyer and Seller therefore agree that if Buyer fails to perform any or all of the terms, covenants, conditions and agreements to be performed by Buyer hereunder at or prior to the Closing, Seller's sole remedy shall be to receive as liquidated damages the Deposit, together with any earnings on the Deposit, and thereafter neither Buyer nor Seller shall have any further liability or obligation to the other hereunder, except for such liabilities and obligations as are expressly stated to survive the Closing or any termination of this Agreement. Seller shall be authorized to pursue any remedy at law or in equity if Buyer fails to perform any of the terms, covenants, conditions and agreements to be performed by Buyer hereunder which are stated hereunder to survive the Closing or any termination of this Agreement. Seller shall also be

authorized to institute and pursue any counterclaim to any action brought by Buyer for any cause of action alleged by Buyer against Seller, whether such cause of action relates to facts and circumstances arising prior to, at, or after the Closing.

(b) If Seller breaches any covenant, representation or warranty contained herein or otherwise defaults in its obligations hereunder, Buyer's sole remedy shall be either (a) the right of specific performance or (b) the right to terminate this Agreement by notice to Seller given at any time after Seller shall have failed, for a period of thirty (30) days after notice from Buyer (or after one hundred twenty (120) days if Seller diligently commences to cure such default, but such default is not curable within thirty (30) days), to cure such breach or default; and upon receipt of such notice of termination Seller shall promptly refund the Deposit, together with any earnings on the Deposit, to Buyer, whereupon this Agreement shall be deemed terminated and Seller shall not have any further liability or obligation to Buyer hereunder nor shall Buyer have any further liability or obligation to Seller hereunder, except for such liabilities or obligations as are specifically stated to survive the termination of this Agreement. Solely in the event that Buyer elects the remedy of specific performance pursuant to clause (a) of the immediately preceding sentence, subject to the provisions of Paragraph (c), Buyer shall maintain any right it may have to make a claim for damages against Seller in an amount equal to the actual damages, if any, suffered by Buyer on account of Seller's default hereunder. Notwithstanding the foregoing, in no event shall Buyer have any right to make a claim against Seller for, or recover any amount on account of, special, punitive or consequential damages.

(c) Notwithstanding anything to the contrary contained herein, except for costs relating to environmental contamination and remediation specified in Article 16 hereof, Seller shall not have any liability to Buyer in excess of One Hundred Thousand Dollars ($100,000.00) in the aggregate with respect to matters which are expressly stated herein to survive the Closing or arising hereunder, including, without limitation, that set forth under clause (b) of Paragraph (b) above, or under any certificates and other documents executed at the Closing. Buyer shall not enter any judgment or collect an amount in excess of said amount. The provisions of this Paragraph (c) shall survive the Closing.

(d) In any litigation described in this Article, the costs and expenses of counsel to the prevailing party to such litigation shall be paid, notwithstanding any cost limitation contained herein, by the other party.

13. Operation of the Property Until Closing.

Between the date hereof and the Closing, Seller hereby covenants with Purchaser as follows:

(a) Seller shall continue to operate and maintain the Property in the ordinary course of business in accordance with present practices. Seller shall reasonably cooperate with Buyer and provide Buyer with reasonable access to the Property at reasonable times and upon reasonable notice so that Buyer may monitor the operation of the Property.

(b) Seller will allow Buyer and its employees, agents, contractors and representatives (collectively, "Buyer's Representatives") to enter upon the Property prior to the Closing at reasonable times and upon reasonable notice, subject to Seller's prior consent, which will not be unreasonably withheld, conditioned or delayed, for the purpose of making surveys, inspections, engineering studies and any other tests, examinations or studies which the Buyer may deem necessary (collectively, "Investigations"). Buyer shall (i) fully comply with all laws, rules and regulations applicable to the Property and/or the Investigations and all other activities undertaken in connection therewith, (ii) not interfere with the use, occupancy or operation of the Property by Seller and (iii) permit Seller to have a representative present during all Investigations undertaken hereunder. Buyer shall promptly provide Seller with copies of all studies, reports and other materials obtained or prepared by Buyer in the course of any and all Investigations. Buyer hereby agrees to indemnify, defend and hold harmless Seller and Seller's officers, directors, employees, agents, contractors and tenants from and against any and all loss, cost, expense, damage, claim and/or liability (including, without limitation, reasonable attorneys' fees and disbursements), suffered or incurred by Seller or any of such other entities or persons and arising out of or in connection with (i) Buyer's and/or Buyer's Representatives' entry upon the Property, (ii) any Investigations and other activities conducted on the Property by Buyer or Buyer's Representatives, and (iii) any liens or encumbrances filed or recorded against the Property as a consequence of any and all Investigations and other activities undertaken by Buyer or Buyer's Representatives. Buyer's indemnification herein provided shall not be applicable to any cost or expense of Seller resulting from Buyer or Buyer's Representative discovery and reporting of any condition and, or, violation reportable and reported by Buyer or Buyer's Representative pursuant to any law, rule or regulation of any governmental authority. The indemnity set forth in this Paragraph (b) shall survive the Closing or any termination of this Agreement.

(c) Notwithstanding any limitation set forth herein, Seller may (i) take such actions, if any, with respect to the Property reasonably necessary to comply with the terms of any insurance requirements or to comply with laws, rules or regulations of any governmental authority and (ii) take such actions with respect to the Property reasonably necessary to prevent loss of life, personal injury or property damage.

(d) If and when Seller obtains knowledge of the same, Seller shall promptly notify Buyer of any change in any condition with respect to the Property or of any event or circumstance which makes any representation or warranty under this Agreement materially untrue or misleading, or any covenant of either party under this Agreement incapable or less likely of being performed.

14. Redevelopment of and Use of the Property.

The Buyer acknowledges that the Seller is selling the Property to the Buyer for redevelopment in accordance with applicable zoning, for uses appertaining to the Property set forth in the Plan and, without limitation, as a "Tourist Destination Facility and Economic Generator". For purposes of the Restrictive Covenants in the Deed and for this Agreement, "Tourist Destination Facility and Economic Generator" shall include the following:

(i) Distribution and showcase of agricultural products grown or manufactured on eastern Long Island; wine tasting and distribution, agro-tourism;

(ii) Aquarium;

(iii) Manufacturer's outlet center;

(iv) Museum;

(v) Convention center (defined as a combination of a hotel, a restaurant, and meeting rooms) so long as such uses are provided by the underlying zoning ordinance; and

(vi) The Entertainment Facility.

Buyer and Seller agree that the Town Board of the Town of Riverhead may amend, from time to time, what constitutes a Tourist Destination Facility and Economic Generator. Buyer and Seller further agree that the Property is currently zoned for and the Plan currently permits the redevelopment of the Property for the Entertainment Facility.

15. Casualty and Condemnation.

(a) If, prior to the Closing Date, all or any significant portion (as defined in this Paragraph (a) of the Property is taken by eminent domain (or is the subject of a pending taking which has not yet been consummated), Seller shall notify Buyer of such fact promptly after obtaining knowledge thereof and either Buyer or Seller shall have the right to terminate this Agreement by giving notice to the other not later than ten (10) days after the giving of Seller's notice. For the purposes hereof, a "significant portion" of the Property shall mean such a portion of the Property as shall have a value, as reasonably determined by Seller and Purchaser's respective

consultants in excess of Two Hundred Fifty Thousand Dollars ($250,000). If neither Seller nor Buyer elects to terminate this Agreement as aforesaid, or if an "insignificant portion" (i.e., anything other than a significant portion) of the Property is taken by eminent domain (or becomes the subject of a pending taking), there shall be no abatement of the Purchase Price and Seller shall assign to Buyer (without recourse) at the Closing the rights of Seller to the awards, if any, for the taking, and Buyer shall be entitled to receive and keep all awards for the taking of the Property or such portion thereof.

(b) If, prior to the Closing Date, a material part (as defined in this Paragraph (b)) of the Property is destroyed or damaged by fire or other casualty, Seller shall promptly notify Buyer of such fact and either Purchaser or Seller shall have the right to terminate this Agreement by giving notice to the other not later than ten (10) days after the giving of Seller's notice. For the purposes hereof, a "material part" of the Property shall mean a part of the Property as shall have a value, as reasonably determined by Seller and Buyer's respective consultants, in excess of Five Hundred Thousand Dollars ($500,000). If neither Seller nor Buyer elects to terminate this Agreement as aforesaid, or if there is damage to or destruction of an "immaterial part" (i.e., anything other than a material part) of the Property by fire or other casualty, there shall be no abatement of the Purchase Price and Seller shall assign to Buyer (without recourse) at the Closing the rights of Seller to the proceeds, if any, under Seller's insurance policies covering the Property with respect to such damage or destruction, and Buyer shall be entitled to receive and keep any Moines received from such insurance policies.

(c) If this Agreement is terminated pursuant to this Article 15, the Deposit shall be returned to Buyer, at which time this Agreement shall be null and void and neither party shall have any rights or obligations under this Agreement, except for those provisions hereof that are specifically stated to survive a termination of this Agreement.

(d) The provisions of this Article 15 shall be construed as express provisions in lieu of the provisions of § 5-1311 of General Obligations Law of the Sate of New York and the Uniform Vendor and Purchaser Risk Act, if adopted in the State of New York, which the parties agree shall be inapplicable to the transactions contemplated hereby.

16. Environmental Contamination and Remediation. Seller acknowledges that certain environmental contamination had occurred on and in the Property and Seller and Buyer agree that such environmental contamination is described in the Groundwater Investigation Report, dated March 22, 1999, prepared by H2M Group with respect to the Property, which Groundwater Investigation Report is attached hereto as Exhibit C, and that remediation measures required by Buyer of Seller to remediate such

environmental contamination prior to the Closing Date are set forth on pages 13 and 14 of Exhibit C (the "Seller Remediation Measurers"). Seller agrees, prior to the Closing, to commence and complete all of the Seller Remediation Measures. Seller further acknowledges that the Groundwater Investigation Report attached hereto as Exhibit C describes, at page 11, Potential Groundwater Impacts from the Mobile Station (the "Mobile Spill") which Mobile Spill may require additional investigation or remediation if deemed necessary by the New York State Department of Environmental Conservation ("DEC"). While the Groundwater Investigation Report concludes that any such additional investigation or remediation should be the responsibility of the Mobile Station, Seller agrees that if DEC requires additional investigation or remediation of the Mobile Spill by Buyer, Seller shall perform and pay all costs of any such additional investigation or remediation of the Mobile Spill for Buyer to the same extent as if Seller were the owner of the Property. Buyer and Seller agree that after Seller has completed all of the Seller Remediation Measures, except for the Mobile Spill, Seller shall thereafter have no liability, of any nature, to the Buyer for any environmental contamination, of any nature, existing or claimed to have been existing on or in the Property on or prior to the Closing Date. The provisions of this Article 16 shall survive the Closing.

17. Notices. All notices and other communications which either party is required or desires to send to the other shall be in writing and shall be personally delivered or delivered by overnight courier, in each case with receipt acknowledged, or sent by registered or certified mail, postage prepaid, return receipt requested. Notices shall be deemed to have been given (a) on the date three (3) business days after timely deposit in the US mail return receipt requested or (b) on the date of receipt thereof (including all required copies thereof) if delivered personally or one (1) business day after timely deposit with a by overnight courier. Notices shall be addressed as follows:

(a) if to Seller, to:

Community Development Agency
c/o Town of Riverhead
200 Howell Avenue
Riverhead, New York 11901
Attn.: Ms. Andrea Lohneiss
Telecopy No.: (516) 727-6712

with a copy to:

Willkie Farr & Gallagher
787 Seventh Avenue
New York, New York 10019
Attn.: Thomas M. Rothman, Esq.
Telecopy No.: (212) 728-8111

(b) if to Buyer, to:

Atlantis Holding Company LLC
323 Long Island Avenue
Holtsville, New York 11742
Attention: James Bissett
Telecopy No. (516) 289-3521

with a copy to:

Charles P. DeMartin, Esq.
870 West Jericho Turnpike
Huntington, New York 11743
Telecopy No. (516) 367-6711

or to such other person and/or address as shall be specified by either party in a notice given to the other pursuant to the provisions of this Article 16.

18. Broker. Each of Seller and Buyer represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with this Agreement, and each of Seller and Buyer covenants to pay, hold harmless and indemnify the other from and against any and all cost, expense or liability (including, but not limited to, attorneys fees of counsel selected by the indemnified party) for any compensation, commissions, fees or other charges claimed by any other broker or agent with respect to this Agreement or the negotiation hereof arising out of any acts of Seller or Buyer, respectively. The provisions of this Article 17 shall survive the Closing or termination of this Agreement.

19. Assignment. Buyer shall not assign or transfer this Agreement or any of its rights hereunder without Seller's prior written consent in each instance, which consent may be granted or withheld in Seller's sole and absolute discretion. No consent given by Seller to an assignment shall be construed as a consent to any other assignment, and any unpermitted assignment made by Buyer shall be void. If any rights and obligations of Seller hereunder shall be assigned, Seller shall promptly notify Buyer of such assignment, the assignee will be substituted in place of Seller in the documents executed or delivered pursuant to this Agreement and the assignee shall assume in writing all of Seller's duties and obligations hereunder.

20. Further Assurances. The parties agree to do such other and further acts and things, and to execute and deliver such instruments and documents, as either may reasonably request from time to time, whether at or after the Closing, in furtherance of the purposes of this Agreement.

The provisions of this Article 19 shall survive the Closing.

21. Press Release. Seller and Buyer shall each have the right to issue, or cause to be issued, a press release upon the consummation of the transactions described in this Agreement. Buyer shall have the right to advertise the Entertainment Facility at its discretion. The provisions of this Article 20 shall survive the termination of this Agreement.

22. Miscellaneous.

22.1. This Agreement and the Exhibits attached hereto, together with the Seller's Documents, the Buyer's Documents and the MOU constitute the entire agreement between the Seller and the Buyer with respect to the subject matter hereof, and all understandings and agreements heretofore or simultaneously had between the parties are merged in, superseded by and contained in this Agreement and the MOU, which MOU shall survive the execution of this Agreement; provided, however, that any conflict between the provisions of this Agreement and the MOU shall be resolved in favor of the provisions of this Agreement

22.2. This Agreement may not be waived, changed, modified or discharged orally, but only by an agreement in writing signed by the parties hereto; and any consent, waiver, approval or authorization shall be effective only if signed by the party granting such consent, waiver, approval or authorization.

22.3. The table of contents, captions, Paragraph and Article titles and Exhibit names contained in this Agreement are for convenience and reference only and shall not be used in construing this Agreement.

22.4. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without the aid of any custom, canon or rule of law requiring construction against the draftsman. In any such litigation the parties to this Agreement waive personal service of any summons, complaint or other process and agree that service thereof may be made as provided in Article 16 above.

22.5. The terms "hereof," "herein," and "hereunder" and words of similar import shall be construed to refer to this Agreement as a whole, and not to any particular article or provision, unless expressly so stated.

22.6. The word "person" shall mean any natural person, a partnership, a corporation, limited liability company, a business trust and any other form of business or legal entity.

22.7. The Exhibits attached hereto are hereby made part of this Agreement.

22.8. All words or terms used in this Agreement, regardless of the number or gender in which they are used, shall

be deemed to include any other number and any other gender as the context may require.

22.9. Subject to the provisions of Article 18 above, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. None of the provisions of this Agreement are intended to be, nor shall they be construed to be, for the benefit of any third party except the Town of Riverhead, which is hereby made a third-party beneficiary of this Agreement.

22.10. (a) The acceptance by Buyer of the Deed shall be deemed to be an acknowledgment, for all purposes, of the full performance and discharge of every representation, agreement and obligation on the part of Seller to be performed by it pursuant to the provisions of this Agreement. This paragraph shall not apply to any provisions which specifically state that they shall survive the Closing.

(b) The provisions of this Paragraph 21.10 shall survive the Closing.

22.11. If any party obtains a judgment against any other party by reason of breach of this Agreement, reasonable attorneys' fees and disbursements as fixed by the court shall be included in such judgment.

22.12. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision to the person or circumstance other than those in respect of which it is invalid or unenforceable, except those provisions which are made subject to or conditioned upon such invalid or unenforceable provisions, shall not be affected thereby.

22.13. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed one and the same instrument.

22.14. For the purposes of this Agreement, "to the best of Seller's knowledge" shall mean matters as to which the Seller shall have actual knowledge without any duty or responsibility to make any inquiry, review or investigation. Actual knowledge shall not be deemed to exist merely by assertion by Buyer of a claim that the Seller should have known of such facts or circumstances, if the Seller did not have actual knowledge thereof.

22.15. Either Seller nor Buyer may record this Agreement or a memorandum of this Agreement.

22.16. The term "business day" shall mean any day other than a Saturday, Sunday or bank holiday in the City of New York, State of New York.

22.17. This Agreement shall be dated as of, and shall not be effective until, the date upon which each of Seller and Buyer shall have executed and delivered this Agreement to the other party.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

SELLER:

TOWN OF RIVERHEAD
COMMUNITY DEVELOPMENT AGENCY

By: _____
Name:
Title:

BUYER:

ATLANTIS HOLDING COMPANY LLC

By: _____
Name:
Title: