

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
MEMBERS' MEETING
One World Financial Center – 24th Floor
New York, NY 10281
December 2, 2008

Members Present

James F. Gill, Chairman
Charles Urstadt, Vice Chairman
David B. Cornstein, Member
Frank J. Branchini, Member
Robert J. Mueller, Member
Evelyn K. Rollins, Member
Andy K. Shenoy, Member

Authority Staff in Attendance: James Cavanaugh, President and Chief Executive Officer
Alexandra Altman, Executive Vice President and General Counsel
Daniel Baldwin, Senior Development Counsel
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant General Counsel and Assistant Corporate Secretary
Sidney Druckman, Director, Special Projects
Stephanie Gelb, Vice President, Planning & Design
Antigona Hajdaraj, Special Assistant to the President
Stephen E. Harper, Vice President, Safety & Site Management
Robert Holden, Vice President, Human Resources & Administration
Carl Jaffee, Senior Development Counsel and Corporate Secretary
Susan Kaplan, Director of Sustainability
Wilson Kimball, Senior Vice President, Operations
Susan Long, Vice President, Strategic Planning
Lisa Miller, Vice President, Internal Audit and Compliance
Stan Molinski, Director, Information Technology
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer
Antony Woo, Vice President, Construction

Others in Attendance: Tessa Huxley, Assistant Director, Battery Park City Parks Conservancy
Vince McGowan, Battery Park City Parks Conservancy
Randy Tancer, Battery Park City Parks Conservancy
Brian Krapf, George Artz Communications, Inc.
Matthew Fenton, Battery Park City Broadsheet

Julie Shapiro, Downtown Express

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:35 a.m.

The first item on the agenda was approval of the minutes of the October 28, 2008 meeting.

Upon a motion made by Mr. Urstadt and seconded by Mr. Branchini, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE OCTOBER 28, 2008 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on October 28, 2008 are hereby approved.

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The next item on the agenda was a summary of the report made to the Audit Committee on Internal Audit Procedures. Mr. Gill explained that the entire report was presented at the Audit Committee meeting, which directly preceded the Members' meeting and moved to the next item on the agenda.

Mr. Shenoy joined the meeting at this time.

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The next item on the agenda, presented by Mr. Cavanaugh, was a request to amend the Consultant Agreement between the Authority and Certified Site Safety, Inc., extending the term by three months and increasing the amount payable thereunder by an amount not to exceed \$118,751.25, bringing the total contract amount to \$361,251.25.

Mr. Cavanaugh reminded the Members that a construction accident occurred earlier this year at the new headquarters of Goldman Sachs which is being constructed on Battery Park City's Site 26. This incident resulted in the issuance of a Stop Work Order by the New York City Department of Buildings ("DOB"), he explained. In order to have the Stop Work Order lifted, he continued, Goldman Sachs is required to provide an independent Site Safety Manager.

To assure the independence of the Site Safety Manager, Mr. Cavanaugh stated, it was determined that the firm should be retained by the Authority. After a competitive bidding process, the Authority engaged Certified Site Safety, Inc. ("CSSI"), with DOB's approval, under a Consultant Agreement dated as of June 25, 2008, with the understanding that Goldman Sachs would reimburse the Authority for the costs of CSSI's services.

Delays have extended the building's construction schedule, Mr. Cavanaugh said, and it is now expected that full enclosure will not occur until the end of March, 2009. Accordingly, he

noted, the term of the contract with CSSI must be extended until March 31, 2009 for an additional \$118,751.25, bringing the total contract amount to \$361,251.25.

Upon a motion made by Mr. Cornstein and seconded by Mr. Shenoy, the following resolution was unanimously adopted:

AUTHORIZATION OF AMENDMENT TO AGREEMENT WITH CERTIFIED SITE SAFETY, INC. FOR INSPECTION SERVICES IN CONNECTION WITH THE CONSTRUCTION OF GOLDMAN SACHS HEADQUARTERS

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment") to the Consultant Agreement dated as of June 25, 2008 between the Authority and Certified Site Safety, Inc., for safety inspection services with respect to the Goldman Sachs headquarters building, so as to (1) extend the term of the Agreement by three months, from December 31, 2008 to March 31, 2009, and (2) increase the "not-to-exceed" amount for fees and expenses payable thereunder by \$118,751.25 for the additional services to be rendered during said extended period; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Authority subject to such changes as the officer or officers executing the Amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Amendment; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda was a request to authorize amendments to the Authority's ground leases with the Regatta, Liberty View and Cove Club Condominiums, to adjust the ground rents payable thereunder. Mr. Gill stated that the Members need more time to review and consider this item, and suggested postponing the vote on this item until the first Members' Meeting of 2009.

Mr. Urstadt noted that if there is not an immediate need for a vote, consideration of this matter should be postponed. He expressed his concern that these adjustments could have profound effects on the Authority's contributions to the City of New York and the amount of money that the City then spends for low and moderate-income housing programs. He suggested

that the Members carefully examine this issue and noted that the City should be involved in approving this action.

Ms. Rollins joined the meeting at this time.

Mr. Mueller noted the complexity of the ground rent situation among the various rental and condominium buildings in Battery Park City, and stated that the three buildings which are the subject of the proposed lease amendments would be inordinately burdened by the originally-scheduled rent increases.

Mr. Cavanaugh noted that the Governor's Office has reviewed and approved the proposed lease amendments. He explained that the first rent reset is scheduled to take place in April, 2009 and noted that if the amendments are not approved by that time, the rents will reset according to their original formula. Mr. Cavanaugh then urged the Members to attempt to resolve this issue at their next meeting. In response to an inquiry by Mr. Branchini, Mr. Cavanaugh explained that the City does not have to approve the amendments. In response to an inquiry by Mr. Urstadt, Ms. Altman recommended that the Authority advise the City of the proposed lease amendments.

Mr. Gill stated that the Authority always involves the City in its major decisions even if it not required to do so because of the fact that the City is the ultimate beneficiary of the Authority's revenue.

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The Members then unanimously voted to conduct an executive session to discuss the employment history of a particular individual. No formal votes or actions were taken during the executive session, upon the conclusion of which, the meeting of the Members resumed. There being no further business, the meeting thereupon adjourned at 11:55 a.m.

Respectfully submitted,



Carl D. Jaffee
Corporate Secretary