

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
June 19, 2012

Members Present

Frank J. Branchini, Chairman
Donald A. Capoccia, Jr., Member
David B. Cornstein, Member
Martha J. Gallo, Member

Authority Staff in Attendance: Gayle M. Horwitz, President and Chief Executive Officer
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant General Counsel and Assistant
Corporate Secretary
Gwen Dawson, Senior Vice President, Asset Management
Sydney Druckman, Director, Special Projects
Anne Fenton, Senior Research Analyst
Carl D. Jaffee, Senior Development Counsel & Corporate
Secretary
Matthew Monahan, Senior Vice President, Public Information
Robert M. Serpico, Senior Vice President, Finance and
Treasurer/Chief Financial Officer
Seema Singh, Senior Counsel
Phyllis Taylor, Executive Vice President/General Counsel and
Chief Administrative Officer

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy
Vince McGowan, Battery Park City Parks Conservancy
Matthew Fenton, Battery Park City Broadsheet
Therese Loeb Kreuger, Downtown Express

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:00 a.m.

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First, Mr. Branchini noted that the minutes from the June 5, 2012 meeting will be presented for approval at the next Member's meeting.

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The next item on the agenda, presented by Ms. Horwitz, was a request to authorize the execution of (1) the proposed Marketplace and Dining Terrace Agreement, (2) a letter agreement regarding the Project Operating Agreement for the World Financial Center ("WFC"), (3) an amendment to the retail percentage rent provisions of the WFC Tower B Severance Lease, and (4) a letter agreement regarding proposed WFC Tower D Lobby work.

Ms. Horwitz reminded the Members that Brookfield Financial Properties, L.P. (“BFP”) has proposed a self-funded \$250 million project involving the renovation, reconfiguration and upgrade of the retail and dining spaces in the WFC, and an upgrade of all of the lobbies of the WFC buildings. Ms. Horwitz stated that she wished to review the current state of the project to be sure that the Members are clear about its status. The Pavilion documents regarding the entry to the WFC from the new downtown transportation center were executed in December of 2011, she noted, and construction has already begun. She further noted that the Authority has received the second set of documents related to the renovation and construction of the Marketplace and Dining Terrace and the Tower D Lobby. Ms. Taylor noted that this has been a complex and time-consuming transaction and that she has relied extensively on Seema Singh and Megan Churnetski of the Legal Department staff.

Then, Ms. Singh continued by explaining that as BFP has now decided to approach the project in phases, rather than all at once, as originally envisioned, the Members are being asked to ratify their prior approval of this phase of the work which now entails slight modifications from the prior plan. The current phase, she explained, relates to the Marketplace and Dining Terrace and Tower D Lobby. This portion of the project is a \$60 million undertaking, and the documents relating to the project are slightly changed from the previous versions. Next, she highlighted those changes which included an update in the diversity provisions to reflect current law, maintaining a 20% MBE/WBE on the project, and a modification to the proposed operation of the Gourmet Marketplace in Tower B, which will now be run by one vendor as opposed to multiple vendors, as originally proposed. Ms. Singh continued by stating that Finance Department has reviewed the economics of the phased approach and is satisfied with it.

Additionally, she noted, BFP is requesting sales tax relief from the purchase of material and related hard costs pertaining to the pending project. Authority staff is currently considering their rationale and we will present a recommendation at the next Members’ meeting, she stated. The next phase of the project will be the courtyard retail portion and amendment of the severance leases, she said.

Mr. Cornstein inquired whether sales tax relief is more of a legal than a negotiated business term. Ms. Taylor stated that under the Severance Leases for the WFC towers, sales tax would be payable for these renovations.

Mr. Branchini stated that there should be a memo from the Finance Department in the file to the Members regarding its approval of the financial terms of these transactions.

Upon a motion made by Mr. Cornstein and seconded by Mr. Capoccia, the following resolutions were unanimously adopted:

RESOLUTIONS

(1) Approval of a Proposed Marketplace and Dining Terrace Agreement (the “MDTA”), among Battery Park City Authority (the “Authority”), Brookfield Financial Properties, L.P. (“BFP”), American Express Company (“Amex”), Merrill Lynch, Pierce Fenner & Smith Incorporated (“Merrill”), and various entities affiliated with the Authority, BFP, Amex and Merrill

RESOLVED, that the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the MDTA on behalf of the Authority, substantially in the form described at this Meeting, subject to such changes as the officer or officers executing the MDTA 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 MDTA; and be it further

RESOLVED, that the President of the Authority or her 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 transaction 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.

(2) Approval of a Proposed Agreement regarding Project Operating Agreement among the Authority, BFP, Amex, and Merrill

RESOLVED, that the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Agreement regarding Project Operating Agreement ("Agreement re: POA") on behalf of the Authority, substantially in the form described at this Meeting, subject to such changes as the officer or officers executing the Agreement re: POA 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 Agreement re: POA; and be it further

RESOLVED, that the President of the Authority or her 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 transaction 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.

(3) Approval of a Proposed Amendment to the Tower B Severance Lease between the Authority and WFP Tower B Co. LP.

RESOLVED, that the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver an amendment, between the Authority as Landlord and WFP Tower B Co. LP, as Tenant (the "Tower B Lease Amendment"), to the Lease Agreement dated as of June 13, 1983 (as amended and assigned, the "Tower B Severance Lease"), on behalf of the Authority, substantially in the form described at this Meeting, subject to such changes as the officer or officers executing the 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 Tower B Lease Amendment; and be it further

RESOLVED, that the President of the Authority or her 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 transaction 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.

(4) Approval of a letter regarding proposed Tower D Lobby work (“Tower D Lobby Letter”), among the Authority, BFP and WFP Tower D Co. L.P.

RESOLVED, that the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Tower D Lobby Letter on behalf of the Authority, substantially in the form described at this Meeting, subject to such changes as the officer or officers executing the Tower D Lobby Letter 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 Tower D Lobby Letter; and be it further

RESOLVED, that the President of the Authority or her 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 transaction 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, presented by Ms. Horwitz, was a request to authorize the execution of an agreement providing for the payment of a fee in the amount of \$632,000 to the Alliance for Downtown New York, Inc. (the “Downtown Alliance”) for calendar year 2012.

Ms. Horwitz reminded the Members that the Downtown Alliance is a New York State not-for-profit organization that manages the Downtown-Lower Manhattan Business Improvement District (the “BID”). The Downtown Alliance receives its financial support primarily from a real estate special assessment that is levied by the City of New York on properties located within the geographical boundaries of the BID. Battery Park City is not located within the boundaries of the BID and is not required to make special assessment payments. Nonetheless, she continued, the Authority and several other organizations that are not legally obligated to make special assessment payments make voluntary payments to the BID in recognition of services provided by it.

The services provided by the BID generally include providing additional security in Lower Manhattan, as well as sanitation, economic development, tourism and transportation-related services, Ms. Horwitz noted. The BID’s services have expanded over the years in response to the tremendous growth in commercial and residential development in Lower Manhattan, she explained. The Authority continues to be very supportive of the BID because its programs and services complement the Authority’s mission and goals, she asserted. In addition, the Authority is represented on the Downtown Alliance’s Board of Directors.

In light of the above, Ms. Horwitz continued, the Authority has voluntarily paid an annual fee representing a portion of what the assessment would be for the commercial square footage in Battery Park City if it were privately owned and within the geographic boundaries of the BID. This payment has historically been made as a single lump sum payment covering a twelve- month period. This year, the Downtown Alliance has requested a fee of \$632,000 for

calendar year 2012, the same amount the Authority paid to the Alliance last year. The Authority began paying this fee in 1995 and generally pays 50 percent of the regular assessment amount.

Mr. Cornstein requested that, “before the check goes out,” Management should inquire into whether there are any additional services that the Authority might receive from the Downtown Alliance for its annual payment.

Mr. Capoccia inquired as to whether any progress has been made was made in discussions with the Battery Park City commercial tenants, who are direct recipients of the services provided by the BID, regarding their potential contribution to the Authority to reimburse a portion of its payment. In response, Ms. Horwitz stated that Management would get “some numbers” on contributions from tenants in Battery Park City at the next Members’ meeting. Mr. Capoccia stated that the plan for tenant contribution should be brought before the Members before the Members address this issue next year.

Ms. Gallo noted that many of the commercial tenants are already making contributions to the BID, but that the idea of seeking contributions to the Authority’s payments should be pursued

Upon a motion made by Mr. Capoccia and seconded by Ms. Gallo, the following resolution was unanimously adopted:

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE ALLIANCE FOR DOWNTOWN NEW YORK INC., FOR THE PAYMENT OF AN ANNUAL FEE

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority, or her designees be, and each of them hereby is, authorized and empowered to execute an agreement providing for (1) a payment to The Alliance for Downtown New York, Inc. (the “BID”) in the amount of \$632,000 for calendar year 2012 to assist the BID to carry out its corporate purposes with respect to the revitalization of downtown Manhattan and (2) the continuing representation of the Authority on the Board of Directors and the Executive Committee of the Bid for such period; and be it further

RESOLVED, that the President of the Authority, or her designees be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and the take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transaction contemplated in the foregoing resolution, 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, presented by Ms. Horwitz, was a request to authorize the issuance of three-year permits for the use of the Battery Park City Ballfields.

Ms. Horwitz explained that the Battery Park City Ballfields are comprised of a 1.75 acre parcel of land bounded by West Street to the east, Warren Street to the north, and Murray Street to the south, and apartment buildings to the west. They are designated in the City Zoning Resolution as public open spaces, which are to be improved at or above grade for use by the public as open areas for passive and/or active recreational uses, she explained. The Authority

has recently converted the surface of the fields from grass to an artificial turf, in order to extend the time the public may make use of the facility for various recreational purposes.

The Members are requested to authorize the issuance of three-year permits to the Downtown Little League, the Downtown Soccer League, the Downtown Football Giants and Manhattan Youth Recreation and Resources, Inc. ("Manhattan Youth"), for youth recreational activities on the Battery Park City Ballfields, Ms. Horwitz said.

In the past, she continued, permits to not-for-profit entities to use the Ballfields have been issued on a seasonal basis, but for planning purposes, including tournament opportunities and long term growth of the leagues, the leagues have requested multi-year permits to better facilitate operation of these youth activities. In 2001, she stated, the Authority, the Conservancy and the Community Board entered into a Memorandum of Understanding (the "MOU") which detailed the procedures for the use of the Ballfields. The MOU states that "[t]he Authority and BPCPC shall work cooperatively with the Committee to determine a schedule for the Community Facilities that allows for reasonable and appropriate use by these locally based community groups [for the Ballfields]," she quoted.

Next, Ms. Horwitz explained that pursuant to the Public Authorities Law, the granting of these permits for a three-year period constitutes a "disposition of real property," which requires an appraisal of the fair market value of the property by an independent appraiser pursuant to the Public Authorities Law. The Authority retained the firm of Federal Appraisal and Consulting to conduct such an appraisal, she said, and that firm concluded that the permit value of the Ballfields, with no real estate taxes payable by the permittee and with the Authority paying for utilities and maintenance, is \$164,000 per year, she stated.

The permits to be granted to these local organizations is expressly sanctioned by the Public Authorities Law, which permits transfers of interests in real property for less than fair market value if the proposed transfer is within the purpose, mission or governing statute of the public authority, Ms. Horowitz said. The provision of such recreational opportunities is directly contemplated by the Battery Park City Authority Act, she stated, citing which states that the creation of "a mixed commercial and residential community, with adequate utilities systems and civic and public facilities, such as schools, open public spaces, recreational and cultural facilities, is necessary for the prosperity and welfare of the people of the city of New York and of the state as a whole."

Under the Public Authorities Law, she continued, a condition of a transfer of an interest in real property for less than fair market value is that the board of an authority make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

In discussions with Community Board 1, the Authority has established that it reserves the right to consider applications for all Ballfield permits from any community organization, she explained. All such applications will be submitted to a local Ballfields Committee for comment and review. As the owner and operator of the Ballfields, she stated, all final permitting decisions and permissions will be determined by the Authority.

In response to inquiry by Ms. Gallo, Ms. Horwitz explained that the permitting fees for the Little League and Soccer League would be \$700 per season. For Manhattan Youth's after school program the fee is \$350 and for Manhattan Youth Day Camp the fee is \$500. The

Football Giants fee would be \$350 per season, she stated, explaining that the fees are charged because there are lighting charges and staff costs associated with using the fields, and the fee holds individual teams responsible for taking care of the fields.

Upon a motion made by Mr. Capoccia and seconded by Mr. Cornstein, the following resolutions were unanimously adopted:

AUTHORIZATION TO ISSUE PERMITS FOR USE OF THE BATTERY PARK CITY BALLFIELDS

BE IT RESOLVED, that in accordance with the materials presented to this meeting that the President of the Authority or her or her designee(s) be, and each of them hereby is, authorized to grant permits of three year duration for the use of the Battery Park City Ballfields to the Downtown Little League, the Downtown Soccer League, the Downtown Football Giants, and Manhattan Youth Recreation and Resources, Inc. (the "Permits"); and be it further

RESOLVED, that there is no reasonable alternative to the proposed below-market transfers of the use of the Ballfields that would achieve the same purpose of such transfers to these organizations; and be it further

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

RESOLVED, that the President of the Authority or her 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 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, presented by Ms. Dawson, was a request to authorize contract amendments with regard to Pier A construction.

Ms. Dawson reminded the Members that in the course of the Pier A project the Authority has encountered a number of significant issues with the integrity of the building, which have in turn caused several construction delays so that we could appropriately address the issues. The core and shell work is currently scheduled for substantial completion on December 31, 2012, she said.

Last fall, she explained, the Authority addressed the issue of the building envelope and agreed to take a different approach for the building envelope including the walls, the siding, the significant part of the roof system and the gutter system. At that point, staff deferred a decision

on two components of the roof, because of lack of access for an inspection of the portions of the roof.

It was concluded that the condition of those roof sections had also deteriorated to a point at which they could not be repaired, she stated. Consequently, the replacement of these additional roof sections was recommended. The cost of this work has been negotiated between Stalco and the construction manager, the LiRo Group ("LiRo"), in an amount not to exceed \$380,000, she reported. The current value of the Stalco contract is \$16,098,000.58, she noted.

Ms. Dawson continued by explaining that the second requested amendment is for Liro. She reminded the Members that they approved the amendment of the Authority's on-call construction manager ("CM") contract with LiRo so that LiRo could perform CM services for the Pier A project through the time of its projected completion. Due to the construction delays and the extended construction period, LiRo's CM contract must be amended to cover an additional nine months' worth of CM services, she stated. LiRo has submitted a proposal to cover the extended CM services for a total increase of \$647,091.53, she reported. Approximately \$125,000 of the total fees proposed by LiRo reflect construction acceleration costs associated with completion of the core and shell work by December 31, 2012, in accordance with the revised schedule, she explained. These acceleration-associated fees include the cost of having both a general construction superintendent and a mechanical, electrical and plumbing coordinator on the site for the bulk of the remaining project duration.

Next, Ms. Dawson stated that the third requested amendment is for the Ove Arup & Partners P.C. ("Arup") contract. She reminded the Members that in September of last year they approved a contract in the amount of \$550,000 with Arup for services to be rendered as the Authority's owner's representative with respect to the resolution of Pier A design and repair issues. She explained that in addition to the core and shell work on the Pier A building structure, certain elements are required to be designed and constructed to comply with New York City's Waterfront Zoning Ordinance. In addition, the design and construction of the upland plaza is subject to the review and approval of the Public Design Commission ("PDC") in relation to obtaining the Temporary Certificate of Occupancy for Pier A. H3 Hardy Collaboration Architecture's contract was amended to cover the design services associated with the Pier A Plaza. However, she said, due to the number and extent of unforeseen issues and conditions within the Pier A building H3 and the Authority agreed that the Authority should retain a different design team to complete the site design necessary for Waterfront Zoning and PDC approvals.

Therefore, Ms. Dawson continued, the Authority requested that Arup submit a proposal the services through design and development drawings with the understanding that a new request for proposals will be issued by the Authority for a design team to take the Plaza project through construction drawings and construction administration. Arup has submitted a proposal to perform the design services for a total cost of \$245,000, she reported.

Mr. Capoccia asked if the cost for LiRo of \$70,000 per month through December made sense. Ms. Dawson responded that based on the personnel that will be provided, the number is justified. Mr. Capoccia stated that because the Authority is paying a premium now for a level of effort to get the work done by December 31st, LiRo should agree to get the job done by December 31st or continue to provide construction management services after December 31st at no further cost.

Upon a motion made by Mr. Capoccia and seconded by Mr. Cornstein, the following resolutions were unanimously adopted, conditioned upon an acceptable negotiated proposal regarding Liro's willingness to proceed beyond December 31st at no further cost, as determined by Mr. Capoccia:

AUTHORIZATION TO EXECUTE CONTRACT AMENDMENTS WITH STALCO CONSTRUCTION, INC., THE LIRO GROUP AND OVE ARUP & PARTNERS WITH RESPECT TO PIER A

BE IT RESOLVED, that, in accordance with the information presented at this meeting, the President of the Authority, or her designee(s), is hereby authorized and empowered to execute, on behalf of the Authority, the following amendments to existing contracts relating to Pier A:

- A. An amendment to the existing Stalco Pier A contract in order to increase the contract value by \$380,000, from \$16,098,000.58 to \$16,478,000.58;
- B. An amendment to the existing LiRo Pier A contract in order to increase the contract value by \$647,091.53, from \$1,210,006 to \$1,857,097.53; and
- C. An amendment to the existing Arup Pier A contract in order to increase the value of the contract by \$245,000, from \$550,000 to \$795,000.

RESOLVED, that the President of the Authority, or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the contract amendments on behalf of the Authority subject to such changes as the officer or officers executing such contract amendments 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 such documents; and be it further

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

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Next, upon a motion by Mr. Capoccia and seconded by Mr. Cornstein, the Members voted unanimously to conduct an executive session pursuant to Section 105.1 of the Public Officers Law for the purpose of discussing matters regarding litigation, ground lease amendments and personnel. No actions were taken by formal vote at the executive session, and the meeting of the Members thereupon resumed after the conclusion of the executive session.

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Upon resumption of the meeting of the Members, the following items were presented by Ms. Horwitz for authorization by the Members:

- A. An amendment to the existing Stalco Site 23/24 Community Center contract in order to increase the contract value by \$332,329.00, from \$8,454,204.07 to \$8,786,533.07;

B. An amendment to the existing Olympic Plumbing & Heating Services, Inc. Site 23/24 Community Center contract in order to increase the contract value by \$35,850.00 from \$1,885,892.00 to \$1,921,742.00;

C. An amendment to the existing R&S United Site 23/24 Community Center contract in order to increase the contract value by \$81,035.00 from \$5,094,884.54 to \$5,175,919.54; and

D. An amendment to the existing SJ Electric Site 23/24 Community Center contract in order to increase the contract value by \$11,341.00, from \$3,222,477.00 to \$3,233,818.00.

Upon a motion made by Mr. Capoccia and seconded by Mr. Cornstein, the following resolutions were unanimously adopted:

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH STALCO CONSTRUCTION, INC. FOR THE SITES 23 AND 24 COMMUNITY CENTER/BALL FIELDS MAINTENANCE FACILITY

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or her designee(s) be, and each of them hereby is, authorized to execute an amendment to the contract with Stalco Construction, Inc. in the amount of \$332,329.00, increasing the total contract amount from \$8,454,204.07 to \$8,786,533.07 for additional construction change order work required for the completion of the Site 23/24 Community Center/Ball field Maintenance Facility, and be it further

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

RESOLVED, that the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and then 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 further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH OLYMPIC PLUMBING & HEATING SERVICES, INC. FOR THE SITES 23 AND 24 COMMUNITY CENTER/BALL FIELDS MAINTENANCE FACILITY

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or her designee(s) be, and each of them hereby is, authorized to execute an amendment to the contract with (the "Contract") with Olympic Plumbing & Heating Services, Inc. in the amount of \$35,850.00, increasing the total contract amount from \$1,885,892.00 to \$1,921,742.00 for additional construction change order work required for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility electrical work; and be it further

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

RESOLVED, that the President of the Authority or her 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.

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH R&S UNITED SERVICES INC. FOR HVAC WORK AT SITES 23 AND 24 COMMUNITY CENTER/BALL FIELDS MAINTENANCE FACILITY

BE IT RESOLVED, that the President of the Authority or her designee(s) be, each of them hereby is, authorized and empowered execute an amendment to the contract with (the "Contract") with R&S United Services Inc. in the amount of \$81,035.00, increasing the total contract amount from \$5,094,884.54 to \$5,175,919.54 for additional construction change order work required for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility HVAC; and be it further

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

RESOLVED, that the President of the Authority or her 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.

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH SJ ELECTRIC INC. FOR ELECTRICAL WORK AT SITES 23 AND 24 COMMUNITY CENTER/BALL FIELDS MAINTENANCE FACILITY

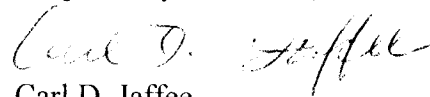
BE IT RESOLVED, that the President of the Authority or her designee(s) be, each of them hereby is, authorized and empowered execute an amendment to the contract with (the "Contract") with SJ Electric Inc. in the amount of \$11,341.00, increasing the total contract amount from \$3,222,477.00 to \$3,233,818.00 for additional construction change order work required for the Sites 23 and 24 Community Center/Ball Fields Maintenance Facility HVAC; and be it further

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

RESOLVED, that the President of the Authority or her 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.

Upon a motion by Mr. Branchini, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:16 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carl D. Jaffee".

Carl D. Jaffee
Corporate Secretary



FOR FILING WITH MINUTES of JUNE 19, 2012 MEETING

Corporate Action: Authorization of phases of the renovation of the four World Financial Center buildings ("WFC") by Brookfield Financial Properties ("BFP"), and of the implementing documentation: (1) installation of a Marketplace and Dining Terrace (the "MDT"), (2) a letter agreement relating to certain Common Areas, (3) amendment to percentage rent calculations for Tower B and (4) renovation of the Tower D Lobby.

From: Robert M. Serpico

Subject: Affirmation of the Amendment to Percentage Rent Calculations for WFC Tower B Approved at the June 19th, 2012 Board Meeting

Background:

As the Members were advised at the July 2011, October 2011, and March 2012 meetings, BFP has proposed a self-funded \$250 million project involving the renovation, reconfiguration and upgrade of the retail and dining space in the WFC, and an upgrade of all of the lobbies for the WFC (the "Project"). BFP also began the installation of an entry pavilion fronting the Winter Garden to the east, which is being funded primarily from an insurance escrow account. The various components of the Project were described at prior meetings and the Members authorized Management to negotiate documentation for the various phases of development, including the pavilion, MDT, lobby upgrades and courtyard retail.

Over seven months has elapsed from the October 2011 meeting in which specific details of the Project were discussed with the Members. One of the substantive changes from the previous discussions of the Project is that instead of going forward with everything at once, BFP is approaching the Project in distinct phases.

At the March 2012 Board meeting, the Members authorized the amendment of each of the WFC Severance Leases for Towers B, C and D, adjusting the Retail Percentage Rent in order to accommodate the proposed Project.

At the June 19, 2012 Board meeting, the Members authorized phases of the renovation of the four World Financial Center buildings ("WFC") by Brookfield Financial Properties ("BFP"), and of the implementing documentation: (1) installation of a Marketplace and Dining Terrace (the "MDT"), (2) a letter agreement relating to certain Common Areas, (3) amendment to percentage rent calculations for Tower B and (4) renovation of the Tower D Lobby.

The Members have requested a statement be included in the coporate records that approval of this phase for an amendment to percentage rent calculations for Tower B is financially consistent with the overall plan approved by the Members for WFC Serverance Leases for Towers B, C and D, adjusting the Retail Percentage Rent in order to accommodate the Project.

Affirmation:

I, Robert M. Serpico as Chief Financial Officer can affirm that the WFC lease amendment to percentage rent calculations for Tower B approved by the Members at the June 19th, 2012 reflect the proportionate share of the overall revised retail plan to adjust retail percentages rents for the WFC Serverance Leases for Towers B, C and D approved by the Members on March 8, 2012. The economics and benefits to the Authority are proportionately the same under the phased approach.