

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
July 26, 2011

Members Present

William C. Thompson, Jr., Chairman
Frank J. Branchini, Member
Donald A. Capoccia, Jr., Member
David B. Cornstein, Member
Fernando Mateo, Member

Authority Staff in Attendance: Gayle M. Horwitz, President and Chief Executive Officer
Daniel Baldwin, Senior Development Counsel
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant General Counsel and Assistant
Corporate Secretary
Gwen Dawson, Director, Strategic Planning
Sydney Druckman, Director, Special Projects
Anne Fenton, Senior Research Analyst
Kevin Finnegan, Senior Project Manager, Construction
Allyson Ford, Special Counsel
Stephanie Gelb, Vice President, Planning & Design
Antigona Gjini, Special Assistant to the President
Robert Holden, Vice President, Human Resources
Carl D. Jaffee, Senior Development Counsel and Corporate
Secretary
Wilson Kimball, Senior Vice President, Operations
Karl Koenig, Controller
Lisa Miller, Vice President, Internal Audit and Compliance
Stan Molinski, Director, Information Technology
Leticia Remauro, Vice President, Community Relations, Diversity
and Press
Robert M. Serpico, Senior Vice President, Finance and
Treasurer/Chief Financial Officer
Phyllis Taylor, Executive Vice President/General Counsel and
Chief Administrative Officer

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy
David Cheikin, Brookfield Properties
Sabrina Kanner, Brookfield Properties
Alex Liscio, Brookfield Properties
Julie Shapiro, Downtown Express
Carl Glassman, Tribeca Tribune

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:05 a.m.

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The first item on the agenda was the approval of the minutes of the June 21, 2011 meeting.

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

APPROVAL OF MINUTES OF THE JUNE 21, 2011 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on June 21, 2011 are hereby approved.

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Next, Mr. Thompson introduced and welcomed the Authority's new Member, Donald Capoccia.

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The next item on the agenda, presented by Ms. Horwitz, was the President's Report.

First, Ms. Horwitz described an emergency situation which had occurred the day before. She explained that Parks Enforcement Patrol ("PEP") and the NY Police Department's First Precinct worked together to resolve the situation which involved both an abandoned child and an incapacitated parent. Ms. Horwitz publicly thanked everyone involved in resolving the matter.

Next, Ms. Horwitz reminded the Members that the Authority's internal auditors, Withum Smith + Brown, commenced work on June 15th with a mandatory meeting with senior staff, have since met with each senior staff member and will shortly begin meetings with individual Members as they prepare their risk assessment. She anticipates that a final draft of the report will be ready within the next few weeks.

She then reported that the Authority issued a Request for Proposals for an Ice Rink Operator on June 10th but received no bids. Staff will continue to have discussions with rink operators about the feasibility of an ice rink for the next winter, she stated.

Next, Ms. Horwitz reported that the Authority and Hudson River Park Trust ("HRPT") are in discussions regarding the long term maintenance and ownership of West Thames Park. "While we continue to negotiate a mutually acceptable agreement, Battery Park City Parks Conservancy will be caring for the lawn and HRPT will continue to provide PEP officers for

security,” she said. She reported that she expects that the lawn will be reopened for public use on August 1st.

On June 22nd, she continued, 22 first graders from the Battery Park City School who are studying bird migration came to visit the Authority to share their observations regarding the issues that many birds have as they migrate, especially their tendency to fly into windows. The children made a special mobile for the Authority, she stated, which will reflect the light to warn the birds not to fly near the windows.

Further, she reported that the Authority’s summer programming is well underway, and for the next three Wednesdays, the Latin Sound Concert Series will be held in Wagner Park at 7 p.m.

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The next item on the agenda, introduced by Ms. Horwitz, was a request to authorize the execution of an agreement providing for the payment in the amount of \$632,000 to the Alliance for Downtown New York, Inc. (the “Downtown Alliance”) for calendar year 2011 for the promotion and improvement of the lower Manhattan business district and in furtherance of its long-term economic viability.

Ms. Horwitz reminded the Members that the Downtown Alliance manages the Downtown - Lower Manhattan Business Improvement District (the “BID”). While the Authority is not located within the boundaries of the BID and is not required to make any payments to the Alliance, she explained, the Authority and several other similarly situated organizations do make contributions. 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, she said. The very significant service that the Authority contributes to is the Downtown Connection Bus Service, a free bus service in Lower Manhattan.

The BID’s services have expanded over the years, she explained, in response to the tremendous growth in Lower Manhattan in terms of commercial and residential development. In light of this growth, the Authority has paid an annual fee representing a share of the cost of these services to the Battery Park City community.

Previously, she continued, Mr. Mateo questioned whether the commercial tenants who are direct recipients of the services provided by the BID participated in the fee arrangement between the BID and the Authority. They have not participated, she explained, but after the Members’ discussion, Mr. Serpico contacted the major commercial tenants in the World Financial Center (American Express, Brookfield, and Merrill Lynch/Bank of American) as well as Goldman Sachs and NYMEX, to begin discussions about such a contribution. The tenants did not dismiss the idea, she stated; however, they requested that the Authority provide them with a rationally-based formula for allocating the costs among them. Management is currently working on a methodology for assessing the costs and will update the Members on the results of the negotiations with the commercial tenants at the September meeting, she said.

In view of the importance of the services that the Alliance provides to Lower Manhattan, including Battery Park City, Management recommends that the Authority pay a fee of \$632,000 to the Downtown Alliance for the 2011 calendar year, Ms. Horwitz stated.

In response to inquiry by Mr. Branchini, Ms. Horwitz noted that she will be a member of the Downtown Alliance board of directors.

Mr. Thompson noted that he would like to see a way to be able to measure or monitor how well the Downtown Connection is doing. Ms. Horwitz stated that as a new board member, she will have a good opportunity to be able monitor its performance. Further, she agreed to work out a measurement and monitoring system in the form of monthly reports

Upon a motion made by Mr. Branchini and seconded by Mr. Capoccia, 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 his 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 2011 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 his 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 extend the agreement with the New York City Department of Parks and Recreation (the "NYCDPR") to provide parks enforcement patrol ("PEP") officers to patrol the parks, esplanade, and open spaces at Battery Park City to April 30, 2011 and to authorize an increase in the contract amount of \$445,567, bringing the total contract amount to \$4,965,567.

Ms. Horwitz reminded the Members that in May, 1994 the Authority entered into an agreement with the NYCDPR to provide parks enforcement patrol ("PEP") officers to patrol the parks, esplanade, and open spaces at Battery Park City and extending it each year. Overall, she said, PEP officers ensure the integrity of the parks, while protecting the public and quality of life in Battery Park City.

The Authority and PEP have worked together to develop and implement a quality of life undercover unit, which has significantly reduced incidents of graffiti and property damage, she stated. In addition, each officer has been provided with special disaster management training, which assists personnel to respond efficiently and effectively to emergency situations in Battery Park City, such as the incident described earlier.

The term of the current agreement expired on January 31, 2011 with an unspent balance of \$467,548.27, she explained, as the NYCDPR did not bill the Authority for the last quarter of the old contract until February 24, 2011, after the contract expired. Members are being asked to authorize payment of \$445,567 for the period from November 1, 2010 through January 31, 2011, which amount had in fact been previously authorized.

The NYCDPR also issued a bill on February 24, 2011 for the period covering February 1, 2011 through April 30, 2011 at the same rates as under the prior contract, Ms. Horwitz continued. The Members were requested to extend the term of the contract to that later date and to authorize payment of \$445,567 for that period while a new contract for PEP services is being negotiated.

In response to an inquiry by Mr. Mateo, Ms. Horwitz explained that the hourly rates applicable to PEP officers in Battery Park City are the same as those paid by the NYCDPR.

In response to an inquiry by Mr. Cornstein, Ms. Horwitz explained that PEP officers have peace officer status, enabling them to issue tickets to violators, which differentiates them from private security services. Ms. Taylor noted that PEP officers are trained in the enforcement of the City's parks rules and regulations so they already have that training, which private security officers would not have.

In response to an inquiry by Mr. Capoccia, Ms. Horwitz explained that the revenue from the violations and the traffic tickets goes to the NYCDPR. Responding to Mr. Capoccia's question as to whether those revenues are offset against the contract price, Ms. Horwitz noted that it is something she is looking into.

In response to a suggestion from Mr. Mateo to consider sponsorships for Battery Park City parks, Mr. Thompson recommended tabling that idea for future discussion.

Upon Mr. Mueller and Mr. Thompson's suggestions, Ms. Horwitz agreed to present the Members with comparable statistics regarding incident report from both PEPs and the Police Department, comparing Battery Park City to the rest of the City.

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

**AUTHORIZATION TO AMEND AGREEMENT WITH THE CITY OF NEW YORK
DEPARTMENT OF PARKS & RECREATION FOR PARKS ENFORCEMENT
PATROL OFFICERS TO PROVIDE PARK SECURITY SERVICES**

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 City of New York Department of Parks &

Recreation to provide certain services relating to security and enforcement of park regulations at Battery Park City (the "Amendment"), extending the term thereof for a three-month period through April 30, 2011, and be it further

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 authorize the payment of \$445,567 for the period of February 1, 2011 through April 30, 2011 to the City of New York Department of Parks & Recreation to provide certain services relating to security and enforcement of park regulations at Battery Park City (the "Amendment"), increasing the total contract amount to \$4,965,567; 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 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 interests 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 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. Horwitz, was a request to authorize an amendment to the contract with Stalco Construction, Inc. with respect to community center under construction on sStes 23 and 24 in the amount of \$544,277.48 for change order work, increasing the total amount of their contract from \$7,698,094.00 to \$8,242,371.48.

Ms. Horwitz explained that Stalco has been asked to provide additional work outside of the scope of its original contract. Change orders for such work are reviewed for validity by the Authority's construction manager and architect and then again by the Authority's internal Change Order Committee. Then they are presented to the Authority's President for final approval, she stated.

Since February 2010, Ms. Horwitz said, two change orders have been executed for Stalco contract, totaling \$138,791.00. Five additional change orders require approval by the Members as they are cumulatively greater than \$250,000. These include change orders suggested or mandated by Asphalt Green (the designated operator of the community center) and the Department of Buildings, transfers of work with the developer of the base buildings, concrete remediation, the lobby ceiling, and a fire suppression system in the commercial kitchen.

In response to inquiry by Mr. Capoccia, Mr. Finnegan said he has high confidence that the Authority will remain under budget for the completion of this project.

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

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH STALCO CONSTRUCTION, INC.

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 \$544,277.48, increasing the total contract amount from \$7,698,094.00 to \$8,242,371.48 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.

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The next item on the agenda, presented by Ms. Horwitz, was a request to authorize a contract with Simpson & Brown, Inc. in the amount of \$497,572.95 to provide general contracting services for the South Cove Wooden Quay Repair project.

Ms. Horwitz explained that because of the wave action and the natural current of the Hudson River, the South Cove, including The Quay, collects large pieces of debris that routinely become trapped underneath and knock around the underside of the Quay. The Quay is in need of several renovations as a result. First, she stated, the Quay should be raised one foot over Mean High Water ("MHW"), which could minimize the damage to the decking, with the possible exception of very high storm water conditions. It will also allow for the electrical system to be raised above the MHW, which will allow the protection of the electrical system and prevent ongoing damage to a newly installed system. Second, a total overhaul of the electrical system is required. The entire deck will be replaced, mitigating costly repairs and even costlier deterioration, she said. Finally, she stated, the hand rail posts have deteriorated on the water side and underwater whaler supports have also disappeared and need to be replaced.

Ms. Horwitz explained that the project was advertised on March 15, 2011 and a total of eleven firms requested and picked up proposal packets. Proposals were received from two firms and staff interviewed both proposers.

During the interview process, she reported, both proposers, Simpson & Brown and D'Onofrio General Contractors, demonstrated that they have extensive experience with marine work and they both had appropriate project schedules: 7 weeks for Simpson & Brown vs. 8 weeks for D'Onofrio. D'Onofrio's proposal was 39% higher in amount than Simpson & Brown's proposal. Therefore, she concluded, Management is recommending a contract with Simpson & Brown, Inc. in the amount of \$497,572.95 to provide general contracting services for the South Cove Wooden Quay Repair project.

As part of the proposal, she noted, there was an alternate price proposal for the use of Black Locust lumber. The construction department included this pricing alternate to possibly rebuild the entire quay in the Black Locust lumber. After reviewing the proposal to do the entire Quay using this type of lumber, it was decided that the added expense was not justified and would exceed the budgeted amount for the project, she stated.

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

AUTHORIZATION TO ENTER INTO A CONTRACT WITH SIMPSON & BROWN, INC. TO PROVIDE GENERAL CONTRACTING SERVICES FOR THE SOUTH COVE WOODEN QUAY REPAIR PROJECT

RESOLVED, that in accordance with the materials present to this meeting, the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Simpson & Brown, Inc. to provide generally construction services for the South Cove Wooden Repair Project for an amount not to exceed \$497,572.95; 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 conclusively evidenced 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 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 for the Members to take five actions in relation to Brookfield Financial Properties' ("BFP") proposed \$250 million renovation, reconfiguration and upgrade of the retail and dining space in the WFC, and a major addition to the Common Areas, in the form of an entry pavilion on West Street (the "Pavilion"), and an upgrade of all lobbies (collectively, the "Project").

First, Ms. Horwitz introduced David Cheikin and Sabrina Kanner of BFP who made a presentation regarding the Project to the Members.

Second, Mr. Baldwin explained the five actions required of the Members in connection with the Project. He reported that over the past several months, the Authority, with the help of its environmental consultant was AKRF, Inc. and its environmental counsel, Sive Paget & Reisel, has been engaged in a detailed environmental review, which considered traffic, air quality, noise, natural resources, and a number of potential impacts associated with the Project. As such, the Authority's review indicates that the Project would not have a significant impact on the environment. Therefore, he stated, the Members are requested to approve the issuance of a Negative Declaration under the State Environmental Quality Review Act, and the regulations promulgated thereunder, concluding that the Project will not have a significant adverse effect on the environment.

Next, Mr. Baldwin explained that the Authority has been negotiating a very detailed agreement that would cover the various elements that are to be funded from the insurance proceeds from the destruction of the North Bridge in the 9/11/01 attack, and that's nearing completion. However, he said, knowing that Brookfield wanted to "jump start" this project, the Members are being asked to authorize the withdrawal by BFP of up to \$10,000,000 from those insurance funds to purchase steel and to pay certain other initial construction costs required for commencement of the construction of the Pavilion.

Then, Mr. Baldwin explained that the Members are being asked to approve an amendment of the Large Scale Commercial Development Plan for the World Financial Center ("WFC") dated as of June 10, 1980, as amended, to permit the construction of the Pavilion.

Further, Mr. Baldwin stated that the Members are requested to approve an amendment of the Site Plans annexed to the WFC Severance Leases for the as Exhibit A, to reflect the addition of the Pavilion, and to change the notations as to provided zoning square footage and construction square footage.

Finally, he said, the Members are also requested to approve both the elimination of existing easements, granted by the Authority to the City of New York (the "City"), providing access to the World Financial Center, which will be surrendered to the Authority by the City, and the grant by the Authority to the City of a new sidewalk and pedestrian easement, for access to the World Financial Center and Pavilion.

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

(1) AUTHORIZATION OF ISSUANCE OF NEGATIVE DECLARATION WITH REGARD TO BROOKFIELD/WORLD FINANCIAL CENTER RENOVATION PROJECT

WHEREAS, on September 11, 2001, an above-grade pedestrian bridge (the North Bridge), which spanned Route 9A/West Street in the area south of Vesey Street and connected the World Trade Center ("WTC") complex with the second floor of the World Financial Center ("WFC") where the main lobbies of the office buildings are located, was destroyed; and

WHEREAS, as part of the redevelopment of the WTC site, a permanent WTC PATH Terminal is being constructed, which connects to the WFC via an underground concourse running beneath Route 9A/West Street to an area just east of the east end of the Winter Garden; and

WHEREAS, Brookfield Financial Properties (“BFP”) has proposed to construct certain improvements at the WFC, including (i) the creation of a new entrance Pavilion on the east side of the Winter Garden to accommodate the connection between the WTC PATH Terminal and the WFC, (ii) reconfiguration of and improvements to retail and dining areas, and improvements to the WFC buildings’ entrances and lobbies (collectively, the “WFC Renovation Project” or the “Project”); and

WHEREAS, the construction of the Project requires certain approvals by the BPCA Members, which are actions subject to the New York State Environmental Quality Review Act (“SEQRA”) and the City Environmental Quality Review (“CEQR”); and

WHEREAS, the BPCA declared its intent to the New York City Department of City Planning (“DCP”) (the only other involved agency) to serve as lead agency for purposes of conducting the environmental review of the Project required under SEQRA and CEQR; and

WHEREAS, having received no objection from DCP, the BPCA has prepared a Full Environmental Assessment Form and Supplemental Environmental Studies (the “EAF”) to examine the potential environmental impacts of the Project; and

WHEREAS, the EAF examines the Project’s potential to result in significant adverse impacts in the following areas: land use, zoning and public policy; socioeconomics; community facilities; open space; shadows; historic resources; urban design and visual resources; natural resources; hazardous materials; water and sewer infrastructure; solid waste and sanitation services; energy; transportation; air quality; greenhouse gas emissions; noise; public health; neighborhood character; and construction impacts; and

WHEREAS, as detailed in the EAF, no significant adverse impacts would occur as a result of the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Notice of Determination of No Significance for the WFC Renovation Project is hereby approved.

(2) AUTHORIZATION OF WITHDRAWAL BY BROOKFIELD FINANCIAL PROPERTIES, L.P., OF UP TO \$10,000,000 FROM THE INSURANCE ACCOUNT

WHEREAS, there is currently on deposit in an escrow account with JP Morgan Chase (the “Insurance Account”), under joint control of Battery Park City BPCA (the “BPCA”), Brookfield Financial Properties, L.P. (“BFP”), and affiliates, and the major co-tenants and subtenants of the World Financial Center (the “WFC”), comprising Merrill, Lynch Pierce Fenner & Smith Incorporated (“Merrill”) and an affiliate, and American Express Company (“Amex”), and an affiliate (all of such parties collectively the “Insurance Parties”), under which the insurance proceeds from the destruction of the North Bridge in the 9/11/01 attack, in the amount of

\$38,000,000, were deposited into an interest-bearing escrow account for the parties' joint benefit at JP Morgan Chase Bank (the "Insurance Account"). The proceeds and accrued interest are referred to herein as "the Proceeds;" and

WHEREAS, pursuant to an escrow agreement dated as of December 28, 2005 among the Insurance Parties (the "Escrow Agreement"), until the Insurance Parties enter into a definitive agreement regarding use of the Proceeds (the "Definitive Agreement"), withdrawals from the account can be made only with their unanimous consent; and

WHEREAS, The Escrow Agreement states that, as an overall matter, the Insurance Parties intend to use the Proceeds for (i) restoration of the South Bridge and (ii) improvement of pedestrian access to the World Financial Center, which was significantly affected by the 9/11 attacks, "[which]...would include providing an appropriate connection to a pedestrian tunnel under West Street (surfacing to the east of the Winter Garden Entrance ...) if in the future the same is to be built;" and

WHEREAS, on prior occasions, the Insurance Parties have permitted the withdrawal of funds from the Insurance Account for certain purposes, prior to execution of the Definitive Agreement; and

WHEREAS, the BPCA is prepared to permit BFP to withdraw up to \$10,000,000, prior to execution of the Definitive Agreement, to enable BFP to purchase steel and to pay certain other initial construction costs required for commencement of the construction of the Pavilion, upon consent of the other Insurance Parties and execution of the appropriate documentation;

NOW, THEREFORE, BE IT RESOLVED, that the BPCA hereby authorizes BFP to withdraw up to \$10,000,000 from the Insurance Account, for the purposes, and subject to the conditions stated, in the concluding recital clause above.

(3) APPROVAL OF AN AMENDMENT OF THE LARGE SCALE COMMERCIAL DEVELOPMENT PLAN FOR THE WFC DATED AS OF JUNE 10, 1980, AS AMENDED (WITH THE MOST RECENT AMENDMENT BEING DATED FEBRUARY 28, 1995) (AS AMENDED, THE "LSCDP"), TO PERMIT THE CONSTRUCTION OF THE PAVILION.

WHEREAS, the commercial center of Battery Park City, of which the World Financial Center ("WFC") is the principal component, is governed by the LSCDP, which controls use, bulk and other land use requirements, and

WHEREAS, an amendment to the LSCDP, specifically permitting the construction of the Pavilion on "Site A," is required; and

WHEREAS, BPCA management has determined that the addition of the Pavilion is not a "major modification,"

NOW, THEREFORE, BE IT RESOLVED, that (subject to the various conditions set forth in said amendment, including, but not limited to, execution of the Definitive Agreement for use of insurance proceeds) the President of BPCA, or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the amendment to the LSCDP in the form presented to this meeting, subject to such changes as the officer or officers executing such

amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the BPCA, such approval to be conclusively evidenced by the execution and delivery of such documents; and be it further

RESOLVED, that the President of the BPCA, 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; and be it further

RESOLVED, that the amendment of the LSCDP shall also be deemed to constitute the amendment of the applicable portion of the Development Guidelines annexed to the Severance Leases as Exhibit G.

(4) APPROVAL OF THE AMENDMENT OF THE SITE PLANS ANNEXED TO THE SEVERANCE LEASES AS EXHIBIT D, TO REFLECT THE ADDITION OF THE PAVILION, AND TO CHANGE THE NOTATIONS THEREIN AS TO ZONING SQUARE FOOTAGE

BE IT RESOLVED, THAT, subject to execution of the Definitive Agreement for use of Insurance Proceeds by all required parties, the Site Plans are hereby amended to reflect the addition of the Pavilion, and to change the notations as to provided zoning square footage and constructed square footage. The precise numbers are being reviewed by BPCA and BFP but it is anticipated that the provided zoning square footage will decrease slightly from 7,020,323 zoning square feet (zsf) to 7,017,219 zsf. The zoning square footage, as constructed, will increase by 18,276 zsf (7,536 zsf for the Pavilion, and 10,740 zsf for the net increase of the reconfigured retail and dining space, and the curtain wall expansions due to the lobby renovations); and be it further

RESOLVED, that the President of the BPCA, or her designee(s) be, and each of them hereby is, authorized and empowered to approve such modifications to the amended Site Plans, before they are finalized as exhibits to the Severance Leases, as said officer or officers shall, with the advice of counsel, and of the members of the BPCA's Planning and Design Department, approve as necessary and appropriate and in the best interest of the BPCA, such approval to be conclusively evidenced by the execution and delivery of such documents; and be it further

RESOLVED, that the President of the BPCA, 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.

(5) APPROVAL OF (A) ELIMINATION OF EXISTING EASEMENTS, GRANTED BY THE BPCA TO THE CITY OF NEW YORK (THE "CITY"), IN 1983 AND 1991, PROVIDING ACCESS TO THE WORLD FINANCIAL CENTER, WHICH WILL BE SURRENDERED TO BPCA BY THE CITY, AND (B) THE GRANT BY BPCA TO THE CITY OF A NEW SIDEWALK AND PEDESTRIAN EASEMENT, FOR ACCESS TO THE WFC AND PAVILION

WHEREAS, the grant by the BPCA to the City of New York (the "City") of an easement to accommodate the flow of commuters entering the WFC through the Concourse and Pavilion, and proceeding to their destinations, is necessary in connection with the location of the Pavilion (the "New Easement"); and

WHEREAS, the surrender by the City to the BPCA of certain existing easements which intersect with the volume of the Pavilion (the "Existing Easements") is required (with the Existing and New Easements being as depicted on the drawing presented at this Meeting);

NOW, THEREFORE, BE IT RESOLVED, THAT, subject to the consent to such surrender and grant by BFP, Merrill and Amex as the major tenants and/or subtenants of property traversed by the New Easement, and by such other private parties (if any) whose consent may be required, the Members hereby consent to the surrender by the BPCA to the City of the Existing Easements and the grant by the BPCA to the City of the New Easements, the Members hereby authorize said surrender and grant; and be it further

RESOLVED, that in the case of the aforesaid surrender and grant, the preparation of appropriate documentation by the DCP, BFP, and the BPCA will be required (the "Implementing Documentation"), which includes, but is not limited to, (i) an application by the BPCA to modify the 1983 and 1991 easements, for submission to DCP, (ii) appropriate amendments to the 1983 Street Mapping Agreement and 1991 Street Mapping Agreement, and (iii) an easement agreement for the New Easement, without considerations; and be it further

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

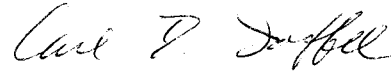
RESOLVED, that the President of the BPCA, or her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transaction contemplated 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.

* * *

Next, pursuant to a motion by Mr. Thompson and seconded by Mr. Branchini, the Members voted unanimously to conduct an executive session pursuant to Section 105.1(d) of the Public Officers Law for the purpose of discussing matters regarding proposed, pending or current

litigation. No actions were taken by formal vote at the executive session. The meeting of the Members thereupon resumed at 11:30 a.m. and there being no further business, the meeting thereupon adjourned.

Respectfully submitted,

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

Carl D. Jaffee
Corporate Secretary