

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the Offices of the Corporation
One Liberty Plaza - 20th Floor
New York, New York 10006

September 7, 2010

MINUTES

In Attendance

Directors:

Avi Schick, Chairman
Lawrence T. Babbio, Jr.
Peter Davidson
Robert Douglass
Robert Harding (via telephone)
Caswell Holloway
Tom Johnson
Kate D. Levin
Robert Lieber
Julie Menin
Kevin Rampe (via telephone)
William Rudin (via telephone)
John Zuccotti (via telephone)

Staff Attending:

For Lower Manhattan Development Corporation:

David Emil, President
Irene Chang-Cimino, General Counsel and
Corporate Secretary
Daniel Ciniello, Senior Vice President
Errol Cockfield, Vice President -
Communications & Community Affairs
Robert Miller, Chief Financial Officer
Stephen Konopko, Vice President - Internal
Audit
Andrew Wu, Deputy General Counsel
Other Staff

For the Lower Manhattan Construction Command Center:

Robert Harvey, Acting Executive Director

Counsel to the Board:

Richard J. Davis, Esq., Weil, Gotshal & Manges
Matthew M. Speiser, Esq., Weil, Gotshal & Manges
(via telephone)

For Speaker Silver:

Judy Rapfogel

Also Present:

The Public
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:35 a.m. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

First, Chairman Schick noted that, as has become the practice, since the Directors had received the resolutions for consideration in advance of today's meeting, he would not read the entire resolution into the record.

Chairman Schick then called for the approval of the Minutes of the July 29, 2010 Directors' Meeting.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES

RESOLVED, that the minutes of the meeting of the Corporation held on July 29, 2010, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting, as set forth in such minutes, are ratified and approved as actions of the Corporation.

* * *

The Chairman then asked Director Johnson to provide the Audit and Finance Report.

Director Johnson noted that the Committee met to review the purpose, cost justification and the availability of funds for the funding authorizations being presented for consideration today and that the Committee recommends that the items be considered for approval by the Board. Director Johnson further stated that LMDC's fiscal year ended March 31, 2010 and that an independent audit report was issued.

In that regard, Director Johnson noted, that the financial statements were found to be fairly stated with no internal control efficiencies or financial reporting or instance of non-

compliance noted.

Director Johnson added that the Committee also met with the Internal Auditor and that there is nothing of note to report on from that meeting.

The Chairman then opened his report by noting that the report includes an action item which seeks ratification of a contract amendment that was authorized pursuant to LMDC's emergency contract authorization procedures.

Chairman Schick provided the relevant details regarding this authorization and called for questions or comments regarding same. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Ratification of Contract Amendment

RESOLVED, that the amendment the Corporation entered into with respect to its agreement with Regional Scaffolding and Hoisting Co., Inc. and Safeway Environmental Corp., a New York joint venture, for the exterior scaffolding and related services at 130 Liberty Street to increase the authorized expenditures thereunder by up to \$250,000, to an amount not to exceed \$21,258,213 and to extend the term for an additional three-month period through March 31, 2010, is hereby ratified and approved in all respects.

* * *

Chairman Schick then provided the remainder of the Chairman's Report noting the various recent activities including the status of the deconstruction of 130 Liberty. He also provided the latest information with regard to a lawsuit that Bovis continues to pursue seeking an additional \$80 million.

Chairman Schick then asked the Directors to authorize LMDC to amend its contract with Dewey & LeBoeuf LLP. Following his brief presentation, the Chairman called for questions and comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Contract with Dewey & LeBoeuf LLP

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Dewey & LeBoeuf LLP for legal advice and services relating to 130 Liberty Street, to increase the authorized expenditures thereunder by up to \$500,000, to an amount not to exceed \$1,500,000 in the aggregate, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated through funds included in the Legal Affairs Department Budget for the fiscal year 2010-2011 and through funds included in Partial Action Plans 7 and S-2 as may be appropriate; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

DRAFT - SUBJECT TO REVIEW AND REVISION

Next, Mr. Harvey asked the Directors to authorize LMDC to amend its contract with PB Associates for website hosting, maintenance and support services relating to LMCCC's website.

Following Mr. Harvey's full presentation, the Chairman called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Contract with PB Americas, Inc.

RESOLVED, that the Corporation is hereby authorized to amend its agreement with PB Americas, Inc. for website hosting, maintenance and support services related to the LMCCC's website, www.LowerManhattan.info, to extend the term for an additional two-month period through December 31, 2010, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

The Chairman then led a discussion with regard to the follow-up to last July's Board meeting when LMDC proposed the reallocation of certain unused utility funds.

DRAFT - SUBJECT TO REVIEW AND REVISION

Among other things, the Chairman explained, that several working groups will be established and each will be charged with a specific area of focus with regard to the reallocation of these funds. The working groups, he continued, will come back with recommendations for projects within those areas to the full Board for consideration.

Director Menin expressed concern that an RFP will not be a part of the process. In the discussion that followed, Mr. Emil reiterated the fact that the working groups cannot approve items but instead must return to the full Board for a vote on any and all proposed Projects.

Director Menin expressed further concern that an RFP that was approved for publication in April has not yet been finalized and has yet to be released. Chairman Schick and Mr. Emil provided an update on the status of that RFP.

Director Lieber then asked the Chairman to provide an outline of the next steps as well as a proposed timeframe for same. The Chairman stated he would rather allow the Committees to meet first and establish next steps and timeframes at a later date.

DRAFT - SUBJECT TO REVIEW AND REVISION

There being no further business, the meeting was adjourned
at 9:06 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary