

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

April 4, 2013

MINUTES

In Attendance

Directors:

Avi Schick, Chairman
Amanda Burden (via telephone)
Peter Davidson (via telephone)
Robert Douglass (via telephone)
Robert Harding
Caswell Holloway (via telephone)
Catherine McVay Hughes
Thomas Johnson (via telephone)
Kate D. Levin
Kevin Rampe (via telephone)
Robert K. Steel
Carl Weisbrod

Staff Attending:

For Lower Manhattan Development Corporation:

Daniel Ciniello, Senior Vice President - Operations
David Emil, President
Robert Miller, Chief Financial Officer
Stephen Konopko, Vice President – Internal Audit

For Sheldon Silver:

Judy Rapfogel

Also Present:

The Media
The Press

The meeting of the Lower Manhattan Development Corporation (“LMDC”) was called to order at 8:33 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.

Chairman Schick then asked the Directors to ratify and approve the Minutes of the January 31, 2013 Directors meeting.

Upon motion duly made and seconded, the following resolutions were unanimously adopted:

Approval of January 31, 2013 Meeting Minutes

RESOLVED, that the minutes of the meeting of the Corporation held on January 31, 2013, as presented to this meeting, are hereby approved and all actions taken by the Corporation’s employees, Officers, or Directors in furtherance of the matters referred to therein are hereby ratified and approved as actions of the Corporation.

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Chair Schick then asked Director Rampe to provide the Audit and Budget Report.

Director Rampe first noted that the Committee met to review the funding authorizations that are being presented for consideration today and that the Committee recommends that the items be considered for approval by the Board.

Director Rampe further noted that the Committee also reviewed the proposed operating budget for LMDC for the fiscal year starting April 1, 2013 and ending March 31, 2014 as well as the proposed operating budget for LMCCC for the period starting April 1, 2013 and ending December 31, 2013.

Director Rampe stated that the Committee recommends the adoption of both budgets as they have been presented to the Board.

Director Rampe further mentioned with regard to the LMCCC budget, that funds will not be expended until the appropriate funds have been received from LMDC's funding partners, the MTA, the Port Authority and the New York State Department of Transportation.

Director Rampe added that the Committee met with the internal auditor and approved the upcoming fiscal year audit plan.

Chair Schick then welcomed Catherine McVay Hughes as a member of the Board. He then thanked LMDC management and staff for their diligent and successful work on the final tranche of LMDC's grant to the Memorial Museum. Chair Schick continued and stated that this funding was approved at the January 2013 LMDC Directors' meeting and that management and staff were able to process the payment and get all agreements signed and invoices processed since that approval date.

Chair Schick then reported on the Bovis litigation. In that regard, Chair Schick noted, among other things, that since the last Board meeting, there was an argument at the Appellate Division. The argument, he noted, was largely the Bovis appeal of the trial court's decision which narrowed and limited their claims against LMDC. Once they filed that Appeal, Chair Schick continued, LMDC decided to cross appeal to see if LMDC could get the Appeals Court to further narrow the Bovis claims.

The Chair noted that a decision is expected between June and October of 2013.

Chair Schick then called for a motion to conduct an Executive Session pursuant to Paragraph (d) of Subdivision 1 of Section 105 of the New York Open Meetings Law to provide the Directors with a further update with regard to the Bovis litigation.

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

Authorization to Conduct an Executive Session Pursuant to Paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pursuant to paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law, to discuss the pending litigation with Bovis Lend Lease.

* * *

All persons were requested to leave the room with the exception of the Directors and

Members of the senior staff. The Executive Session ended at 9:24 a.m. It was noted for the record that no votes were taken during the Executive Session.

Mr. Miller then provided a brief overview of the LMDC and the LMCCC budgets. First, Mr. Miller noted that the LMDC budget represents an approximately 20 percent reduction from the prior year and an eight percent reduction over what is expected to be LMDC's expenditures for the current year. This reduction, he noted, is mostly owing to a reduction in full-time staff. He added that LMDC has also been achieving savings in a variety of small ways.

With regard to the LMCCC budget, Mr. Miller explained, that this is a nine month budget from April 1, 2013 through December 31, 2013. This, he explained, is because the executive orders that created the LMCCC expire on December 31st.

Mr. Miller added that the budget is roughly a proportional reduction over the current year budget and that it essentially represents a three quarter's year budget that is slightly smaller than the prior year's budget.

Mr. Miller further noted that although LMDC is seeking authorization for the full amount, LMDC will not incur these costs unless LMDC has actually received the funds from the other Funding Partners.

Chair Schick then noted regarding the Funding Partners that they have been meeting

their obligations in a timely fashion. Mr. Miller added that there is a cash balance on hand to cover a substantial portion of this period of time and that LMDC does not anticipate difficulty with those contributions.

Following the full presentation, Chair Schick called for questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Lower Manhattan Development Corporation Budget for FY2013-2014

RESOLVED, that the budget of the Corporation for fiscal year 2013-2014 is hereby adopted as presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are authorized and directed to implement and carry out said budget for the Corporation and are directed to inform the Board of material variances from the budget; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects.

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Approval of Lower Manhattan Construction Command Center Budget for FY2013-2014

RESOLVED, that the budget for Lower Manhattan Construction Command Center ("LMCCC") operations for fiscal year 2013-2014 is hereby adopted as presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures in support of LMCCC operations that are supported by funds from state funding entities are contingent on the receipt of funds by Lower Manhattan Development Corporation from the Federal Transit Administration, Port Authority of New York and New Jersey, the Metropolitan Transportation Authority and/or the New York State Department of Transportation sufficient to fund these expenditures and in accordance with any agreements LMDC has with these entities; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are authorized and directed to implement and carry out said budget for LMCCC operations and are directed to inform the Board of material variances from the LMCCC budget; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects.

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The Chair then asked the Directors to authorize LMDC to amend its contract with Winston and Strawn to increase the authorized expenditures by up to an additional \$4,400,000 and to extend the contract term by one year through March 2014 to cover the costs associated with the pending litigation as reported on at this meeting.

Following the full presentation, the Chair 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 Winston & Strawn LLP

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Winston & Strawn LLP for legal services in connection with the pending litigation relating to the abatement and deconstruction of 130 Liberty Street, to increase the authorized expenditures thereunder by up to an additional \$4,400,000 and to extend the contract term by one year through March 31, 2014, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from LMDC's settlement with the prior insurers of the Deutsche Bank building, the Legal Affairs Department Budget and/or through 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; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects.

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There being no further business, the meeting was adjourned at 9:32 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Corporate Secretary