

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
October 12, 2012

A special meeting of the Board of Directors of New York City Land Development Corporation ("LDC") was held on Friday, October 12, 2012, at 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Robert Goldrich
Betty Woo

Also present were members of the staff of New York City Economic Development Corporation ("NYCEDC").

The meeting was called to order at 2:45 p.m. Mark Silversmith, Secretary of LDC, served as secretary of the meeting. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the August 9, 2012 Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the August 9, 2012 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Property Sale to 1734 Bathgate Ave LLC

Mr. Silversmith then summarized a proposed property sale to New York City Economic Growth Corporation ("EGC") and the proposed related property sale by EGC to 1734 Bathgate Ave LLC or an affiliated entity ("Bathgate"), and other related transactions and matters, including LDC's acquisition of such property from the City, substantially as described in Exhibit A hereto.

3. Property Sale to Memorial Hospital for Cancer and Allied Diseases and City University Construction Fund


Mr. Silversmith then summarized a proposed property sale to EGC and the proposed related property sale by EGC to Memorial Hospital for Cancer and Allied Diseases (a.k.a. Memorial Sloan-Kettering Cancer Center) or an affiliated entity and City University Construction Fund or an affiliated entity (collectively referred to as the "Purchaser"), and other related transactions and matters, including LDC's acquisition of

such property from the City, substantially as described in Exhibit B hereto.

A motion was made to approve the matters set forth for approval in the Proposed Resolution sections of Exhibits A and B hereto. Such motion was seconded and unanimously approved. In addition, the Board of Directors resolved that there is no reasonable alternative to the proposed transfers to EGC and the related transfers to Bathgate and the Purchaser that will achieve the same purpose as those transfers.

4. Adjournment

There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 2.55 p.m.


Secretary

Dated: October 16, 2012
New York, New York

Exhibit A

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PROPERTY SALE TO 1734 BATHGATE AVE LLC
Board of Directors Meeting**

OVERVIEW:

After the merger of New York City Economic Development Corporation ("NYCEDC") into New York City Economic Growth Corporation ("EGC" or "Seller"), the City proposes to sell the Site (defined below) to New York City Land Development Corporation ("LDC") to enable (1) LDC to sell the Site to EGC, then known as New York City Economic Development Corporation, and (2) EGC to sell the Site to 1734 Bathgate Ave LLC or an affiliated entity (the "Purchaser"). LDC is obligated by the City to transfer the Site it acquires to EGC. The purpose of these acquisitions and dispositions is to permit the project described below to be undertaken by the Purchaser for the purposes described below. The benefits to the public of the transfers to LDC and EGC are those that will result from the project undertaken by the Purchaser. LDC will purchase the Site from the City for \$1 and will sell the Site to EGC for \$1.

A description of the Purchaser, the proposed project to be undertaken by the Purchaser, the amount being paid to EGC and other matters related to the Site, dispositions and project are set forth below.

The terms of the proposed sale from EGC to the Purchaser are substantially as follows:

PURCHASER:

The Purchaser (1734 Bathgate Ave LLC or an affiliated entity)
47-00 Northern Boulevard
Long Island City, New York 11101

Krinos Holdings, Inc. ("Krinos") is the 100% owner of 1734 Bathgate Ave LLC, as well as the 100% owner of Krinos Foods LLC, a manufacturer and distributor of Greek and Mediterranean specialty foods, which will be the initial primary user of the Site. Krinos is owned 60% by Eric Moscahlaidis and 40% by Eeve Moscahlaidis.

**SITE
LOCATION:**

Block 2922, Lot 2 (the "Site")
a.k.a. 1734 Bathgate Avenue
Borough of the Bronx
Community Board No. 3

**SITE
DESCRIPTION:**

The Site is approximately 109,000 square feet of vacant land in the Bathgate section of the Bronx. It occupies the entirety of the block between East 174th Street and the Cross-Bronx Expressway Service Road and between Bathgate Avenue and 3rd Avenue. The proximity of the Cross-Bronx Expressway provides convenient access to the greater metropolitan region.

The Fourth Amended Bathgate Urban Renewal Plan identifies the Site for industrial development. In 2005, the Bathgate Industrial Business Zone ("IBZ"), including the Site, was created. The Bathgate IBZ provides certain benefits to promote industrial development.

ZONING:

The Site is zoned M1-4.

**PURCHASE
PRICE:**

Purchaser's price for the Site is \$3,500,000 (all cash).

**APPRAISED
VALUE:**

Pursuant to an appraisal dated June 11, 2012, the estimated fair market value of the fee simple interest of the Site for its highest and best use under current development controls, is \$3,500,000.

EMPLOYMENT:

It is anticipated that the project on the Site will create approximately 32 construction jobs and 5 new full-time-jobs and retain approximately 85 jobs.

**PROJECT
DESCRIPTION/
BACKGROUND:**

The Site has been owned by the City since 1976. There have been several attempts to sell the Site previously.

In April, 2012 NYCEDC issued an RFP seeking as-of-right industrial uses for the Site. In response to this RFP, Krinos proposed to purchase and develop the Site through 1734 Bathgate Ave LLC, a special purpose entity.

The Purchaser proposes to construct a new facility of at least 90,000 square feet on the Site. For 5 years following construction completion, Purchaser would be prohibited from conveying the Site (with limited exceptions). Additionally, for the first 3 years following construction completion, Purchaser would be required to use the Site in connection with the non-residential business operations and corporate purposes of Krinos Foods LLC, primarily in connection with Krinos Foods LLC's food distribution operations, including food manufacturing, distribution, warehousing and storage and ancillary office space. It is possible that use of space by affiliates of Krinos Foods LLC would also be undertaken during this period. For the fourth and fifth years following construction completion, the Site would be permitted to be used by other users, but only for industrial purposes, including manufacturing, distribution, warehousing and storage, and ancillary office space. (Self-storage would not qualify as industrial for purposes of this restriction.)

It is possible that New York City Industrial Development Agency financing will be sought for the proposed project.

PUBLIC APPROVALS:

It is anticipated that the Bronx Borough Board will approve the proposed sale pursuant to Section 384(b)(4) of the City Charter, on September 27, 2012.

PROPOSED RESOLUTION:

The approval of (1) LDC's purchase of the Site from the City for \$1, (2) the sale of the Site by LDC to EGC for \$1, and (3) LDC entering into any agreements and taking any other actions necessary for transactions substantially as described above to take place.

PROJECT CODE:

5200

Figure 1: Site Location Map

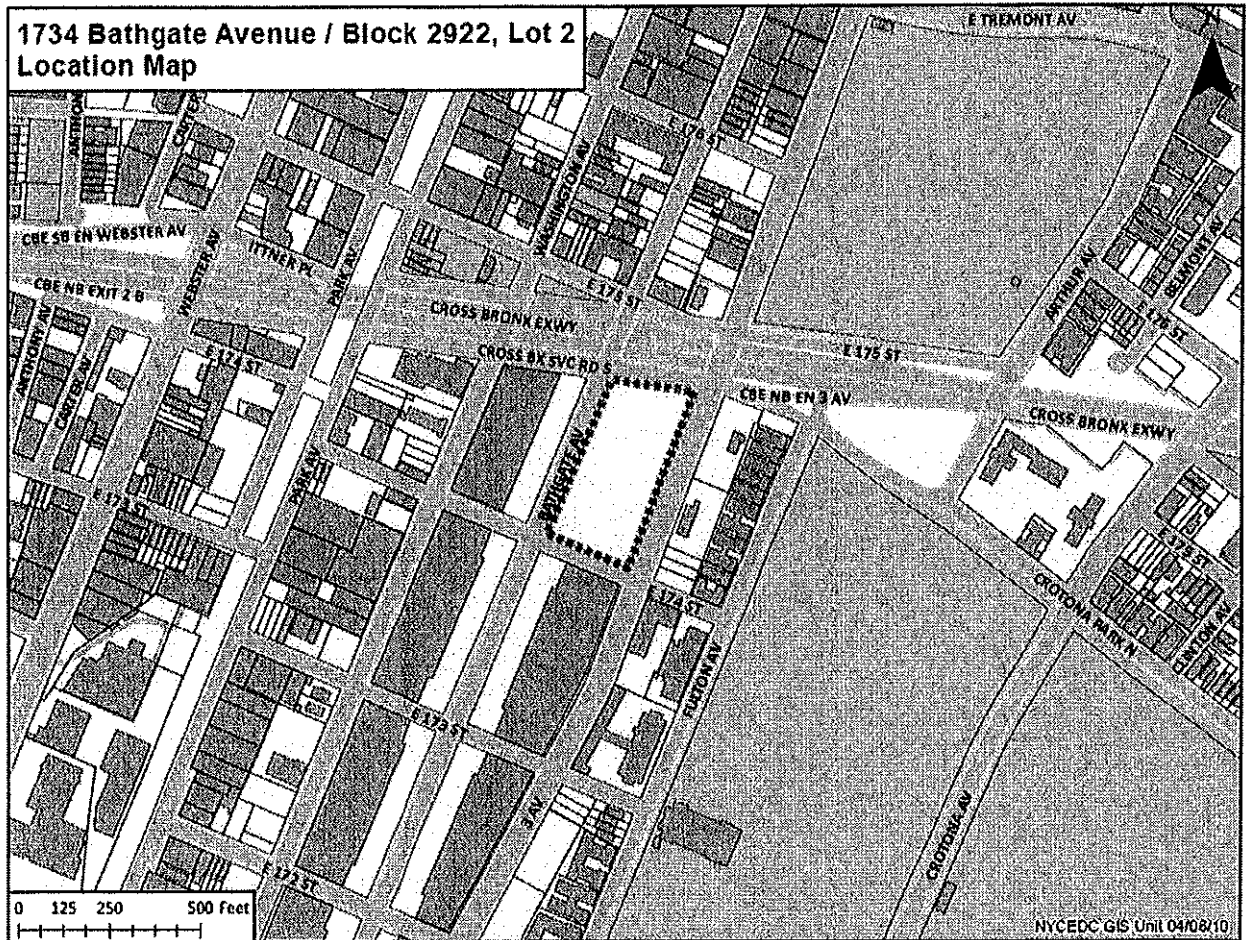


Exhibit B

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PROPERTY SALE TO
MEMORIAL HOSPITAL FOR CANCER AND ALLIED DISEASES AND
CITY UNIVERSITY CONSTRUCTION FUND
Board of Directors Meeting**

OVERVIEW:

After the merger of New York City Economic Development Corporation ("NYCEDC") into New York City Economic Growth Corporation ("EGC" or "Seller"), the City proposes to sell the Site (defined below) to New York City Land Development Corporation ("LDC") to enable (1) LDC to sell the Site to EGC, then known as New York City Economic Development Corporation, and (2) EGC to sell the Site to Memorial Hospital for Cancer and Allied Diseases (a.k.a. Memorial Sloan-Kettering Cancer Center) ("MSK") or an affiliated entity and City University Construction Fund ("CUCF") or an affiliated entity (collectively referred to as the "Purchaser"). LDC is obligated by the City to transfer the Site it acquires to EGC. The purpose of these acquisitions and dispositions is to permit the project described below to be undertaken by the Purchaser for the purposes described below. The benefits to the public of the transfers to LDC and EGC are those that will result from the project undertaken by the Purchaser. LDC will purchase the Site from the City for \$1 and will sell the Site to EGC for \$1.

A description of the Purchaser, the proposed project to be undertaken by the Purchaser, the amount being paid to EGC and other matters related to the Site, dispositions and project are set forth below.

The terms of the proposed sale from EGC to the Purchaser are substantially as follows:

PURCHASER:

The Purchaser (MSK or an affiliated entity and CUCF or an affiliated entity)

MSK is a medical not-for-profit corporation operating in New York and CUCF is a New York public benefit corporation created pursuant to the City University Construction Fund

Act, Article 125-B of the Education Law of the State of New York.

USERS: MSK and the City University of New York ("CUNY"), a New York educational corporation and instrumentality of the State of New York existing under Article 125 of the Education Law of the State of New York, and possibly affiliated entities

SITE LOCATION: Block 1485, Lot 15 (the "Site")
Borough of Manhattan
Community Board No. 8
525 East 73rd Street

SITE DESCRIPTION: The Site is approximately 68,000 square feet and contains the foundations of a former New York City Department of Sanitation ("DSNY") garage that has been demolished. It is located on 73rd Street between York Avenue and the FDR Drive.

**CONSIDERATION/
APPRAISED VALUE:** Purchaser's consideration for purchasing the Site is \$215,000,000 (all cash) and the reversion of title of Manhattan Block 962, part of Lot 100 (the "CUNY Property") to the City, valued at \$180,000,000. The appraised value of the Site for highest and best use was determined to be \$253,000,000 by an independent appraisal dated September 19, 2011.

The cash portion of the purchase price may be reduced by Purchaser's costs above \$20,000,000, if any, for removing, disposing and remediating any hazardous material on the Site. If the seller to the Purchaser, EGC, determines not to reduce the cash portion of the purchase price Purchaser may terminate the contract of sale and receive a refund of its down payment.

The cash portion of the purchase price shall be reduced by Purchaser's payments above \$11,000,000, if any, for improvements, if any, specified by City Planning in connection with an increase in the maximum floor area ratio ("FAR") of the Site from 10 to 12.

It is anticipated that the City will require that the Seller provide the City with all the funds the Seller receives from the sale of the Site, pursuant to the terms of the Seller's Amended and Restated Contract with the City.

**PROJECT DESCRIPTION/
PURPOSES/BENEFITS/
OTHER OFFERS:**

Purchaser was chosen pursuant to an RFP for the expansion or creation of a health care, education or scientific research facility. There was one other response to the RFP. The other respondent was the Hospital for Special Surgery which offered \$144,000,000. It proposed to use the Site for a hospital.

Purchaser will construct one or more buildings containing an aggregate minimum of 650,000 square feet of "floor area" (as such term is defined in Section 12-10 of the Zoning Resolution, but excluding any area used for parking), and complete such construction within 96 months from the date of the deed pursuant to which it purchases the Site (the "Deed"), subject to extension by reason of specified unavoidable delays. The building(s) will be used in connection with MSK and CUNY's respective core business operations and corporate purposes, primarily as a health care, education and/or research (basic, translational and/or clinical) facility.

If CUNY and MSK choose to construct two separate buildings, MSK will complete construction of its building within 96 months from the date of the Deed and CUCF will complete construction of its building within 120 months from the date of the Deed.

If MSK fails to obtain a Certificate of Need from the New York State Department of Health to operate a medical facility or the ULURP approval is for less than 10 FAR, then (1) the above use restrictions and construction requirements will not apply and the Site may be developed as of right and (2) the Purchaser may terminate the contract of sale and pay liquidated damages of \$30,000,000.

It is anticipated that the project will enable the expansion of MSK, one of the world's premier cancer centers, and will allow for a new public educational facility, which is anticipated to be a school of nursing. This will improve health care and educational opportunities in the City. In the event that the Site is developed for such uses or for other uses when permitted as provided above, the development at the Site would provide employment opportunities.

It is possible that a portion of the Site will be sold to MSK or an affiliated entity and the remaining portion to CUCF or an affiliated entity, for a combined purchase price equal to the purchase price for the Site.

ZONING:

The Site is currently zoned M3-2 and the Purchaser intends to seek to rezone the Site to R10.

PUBLIC APPROVALS:

It is anticipated that the Site will obtain ULURP approval for disposition in Fall 2013 and obtain approval from the Manhattan Borough Board pursuant to Section 384(b)(4) shortly thereafter.

**PROPOSED
RESOLUTIONS:**

The approval of (1) LDC's purchase of the Site from the City for \$1, (2) the sale of the Site by LDC to EGC for \$1, and (3) LDC entering into any other agreements and taking any actions necessary for transactions substantially as described above to take place.

The Board of Directors further resolves that there is no reasonable alternative to the proposed transfers to EGC and Purchaser that will achieve the same purpose as the transfers.

PROJECT CODE:

4759

East 73rd Street Site

