



**MINUTES OF A
MEETING OF THE DIRECTORS OF THE
CONEY ISLAND DEVELOPMENT CORPORATION
March 2, 2010**

A special meeting of the of the Directors (the “Directors”) of the Coney Island Development Corporation (“CIDC” or the “Corporation”) was held, pursuant to a written notice by the President, on March 2, 2010, at Education Hall, at the New York Aquarium, West 8th Street and Surf Avenue, Brookyn, NY 11224.

The following Directors of the Corporation were present:

Carl Hum
Marty Levine
Astrudge McLean
Cynthia Reich
Chuck Reichenthal
Sheryl Robertson
Joshua Sirefman
Julius Spiegel
Terry Stanley
Andrew Steininger
Sol Adler (via conference call)

The following individuals were also present: Nathan Bliss (Assistant Secretary of the Corporation), Daniel Mulé, Hunter Goldman, Richard Naddeo, Elizabeth Ernish, Terri Sasanow, Senior Counsel of the New York City Law Department, and additional members of the public.

The meeting was chaired by Joshua Sirefman and called to order at 7:21 pm Nathan Bliss, Assistant Secretary of the Corporation, served as secretary of the duly constituted meeting, at which a quorum was present. At the direction of Mr. Sirefman, Mr. Bliss presented the following items to the Directors.

I. Presentation of Asser Levy Amphitheater Rehabilitation Project
(Grimshaw Architects)

Mr. Bliss introduced Mr. Paulo de Faria, a project manager with Grimshaw Architects, the Design Team for the Asser Levy Amphitheater Rehabilitation Project, who provided a presentation on the schematic design for the project. After the presentation, Directors asked questions of Mr. de Faria regarding the proposed design, it operations, and the schedule. Ms. Ernish of the Brooklyn Borough

President’s Office and Mr. de Faria responded to questions and provided a general update on the design and construction schedule.

II. Approval of Minutes of September 23, 2009 Meeting of the Directors..... 1

Mr. Bliss informed the Directors that the minutes of the last meeting of the Directors had been included in their distribution packets. Mr. Bliss asked if there were any questions or comments on the minutes. There being none, the Directors approved the minutes for the meeting of September 23, 2009.

III. Submission of Quarterly Investment Report; Submission of Annual Investment Report; and Adoption of Investment Guidelines and Procedures 2

Mr. Bliss introduced the second item on the agenda dealing with the quarterly and annual investment reports and the CIDC’s Investment Guidelines. The Public Authorities Accountability Act requires that the CIDC annually adopt investment guidelines. Pursuant to CIDC’s existing Investment Guidelines, CIDC staff submits quarterly investment reports to the Board for informational purposes, and submits an Annual Investment Report to the Board for its approval. As the CIDC had no investments, the CIDC’s auditor did not perform a separate audit for investments. Instead, the CIDC’s annual audit report for Fiscal Year 2009 indicates that the CIDC had no investments. Therefore it was proposed that the Board adopt the CIDC annual audit report as its “Annual Investment Report”. Mr Bliss explained that the Board resolution served to (i) acknowledge receipt of the Quarterly Report on Investments for the quarters ended September 30, 2009 and December 31, 2009, (ii) approve the “Annual Investment Report” in the form of CIDC’s annual audit report for Fiscal Year 2009, and (iii) readopt the Investment Guidelines, each in the forms attached to the resolution.

Mr. Sirefman asked if there were any questions or comments. There being none, the Directors unanimously approved the resolution.

IV. Property Disposition Policies, Guidelines and Procedures Adopted Pursuant to the Public Authorities Accountability Act of 2005 3

Mr. Bliss introduced the third item and explained that the Public Authority Accountability Act of 2005 requires the Board of Directors to adopt and annually review and approve policies for disposition of real and personal property and make appointments of Contracting Officers for real and personal property dispositions, form a Governance Committee, and adopt policies regarding the payment of salary, compensation and reimbursements to, and rules for the time and attendance of, senior management. Mr. Bliss explained that as a result of recent amendments to the PAAA, certain changes need to be made to the property disposition guidelines, the charter of the Governance Committee and the senior management policies. Mr. Bliss explained that the proposed resolution would serve to adopt amendments to the CIDC’s property disposition policies for real

and personal property, and reappoint such Contracting Officers; adopt revised policies with regard to the payment of salary, compensation and reimbursements to, and rules for the time and attendance of, management; adopt amendments to the CIDC's Governance Committee charter and appoint members and a chairperson of the Governance Committee, all as contemplated in or in the forms attached to the resolution.

Mr. Sirefman asked if there were any questions or comments on the minutes. There being none, the Directors unanimously approved the resolution.

V. Amendment to the Bylaws of the Corporation..... 4

Mr. Bliss explained that the current Bylaws of the Corporation require that the Corporation's Members and Directors set the place, time and date for the annual meetings of the Members and Directors, respectively. The Bylaws currently give the President the authority to call special meetings of each of the Members and the Directors, and to prescribe the time and time and place of regular meetings of each of the Members and Directors. For the ease of administration of the Corporation's affairs, Mr. Bliss explained that it is proposed that the Bylaws be amended to allow the President the authority to prescribe the place, time and date of the annual meetings of each of the Members and Directors.

Mr. Sirefman asked if there were any questions or comments on the minutes. There being none, the Directors unanimously approved the resolution.

VI. Updates

Mr. Bliss provided some general updates to the Board members regarding activities since the previous meeting of the Board. Mr. Bliss said that in mid-November, that the Mayor and the New York City Economic Development Corporation ("NYCEDC") announced the purchase of roughly 6.9 acres of property in the amusement area from Thor Equities. Since that announcement, the transaction has closed and NYCEDC has taken title to the property.

Mr. Bliss explained that within days of the purchase agreement with Thor Equities, that NYCEDC released a Request for Proposals ("RFP") for an amusement operator to program the sites that had been acquired, beginning in Summer 2010. The RFP included specific guidance to respondents regarding the proposed operations and development of the sites, in keeping with the larger redevelopment goals of the City. CIDC and NYCEDC traveled to the annual International Association of Amusement Parks and Attraction ("IAAPA") Expo the week following the release of the RFP and marketed the opportunity to the industry. Mr. Bliss said that two information sessions—one at the IAAPA Expo and an identical session in New York—as well as a site visit to Coney Island were very well attended.

Mr. Bliss said that RFP responses were due in mid-December and, following a quick but thorough review and interview process, that NYCEDC designated Central Amusement International, Inc. (“CAI”) as the winning respondent. Mr. Bliss explained that CAI is a company that is affiliated with Zamperla, Inc., one of the largest manufacturers and distributors of amusement rides in the world. Mr. Bliss said that CAI also operates the amusement park at Wollman Rink in Central Park. Mr. Bliss said that CAI would be attending the next meeting of the Board to provide an overview on their plans and schedule for installing the new Luna Park amusement park and the new Scream Zone amusement park in Coney Island. Mr. Adler requested that a brief description of the company and the lease structure be circulated to the Board in advance of the next meeting.

Mr. Bliss said that work would be proceeding essentially non-stop until Memorial Day at the Luna Park site in order to maintain the schedule. Mr. Bliss said that construction fencing has been installed and that West 10th Street is no longer available for parking during the construction of the park. Mr. Bliss said that CIDC and NYCEDC would keep everyone informed as progress continues, and acknowledged that the Community Board has been understanding and accommodating as the construction ramps up.

There being no further general updates, Mr. Bliss concluded by thanking the Board for their support over the past few very busy month.

At approximately 8:00 pm, Mr. Sirefman at this point said that the meeting move into executive session for the discussion of attorney-client privileged matters. Mr. Sirefman explained that the meeting would be closed to the general public during the executive session, but that it would reopen to the public immediately following. Only the Directors, Mr. Bliss, Assistant Secretary of the Corporation, and Terri Sasanow, a Senior Counsel of the New York City Law Department remained. Everyone else left.

VII. Formation of a New Special Committee of the Corporation 5

After the meeting moved out of executive session, Mr. Sirefman presented a motion to approve resolutions forming a Special Committee of the Board, as indicated in Attachment A hereto. There being no questions, the Board unanimously adopted the resolution.

There being no further business, the meeting was adjourned at 8:17pm

CONEY ISLAND DEVELOPMENT CORPORATION
Action of Directors
Board of Directors Meeting
March 2, 2010

Proposed Resolutions:

- To create a special committee to monitor activities undertaken in connection with a statewide investigation of local development corporations' compliance with section 1411 of the New York State Not-for-Profit Corporation Law and other issues that have arisen or will arise during the course of that investigation, which will be comprised of the following members of the Board: Joshua Sirefman; Terry Stanley; Cynthia Reich; and Sheryl Robertson.
- The Special Committee shall establish procedures for regular reporting to the Committee by the Law Department on the status of the investigation.
- The Special Committee shall provide periodic reports to the Board regarding the investigation no less frequently than at each meeting of the Board.
- The Board may periodically present questions to the Special Committee relating to the investigation.
- The Special Committee shall keep regular minutes of its meetings.
- The Special Committee may periodically present questions to corporation management in connection with its work.
- The Special Committee may recommend to the Board changes in CIDC policies or protocols or additional action by the Board.