

WACHTEL & MASYR, LLP

110 EAST 59TH STREET
NEW YORK, NEW YORK 10022

TELEPHONE: (212) 909-9500
FACSIMILE: (212) 371-0320

LONG ISLAND OFFICE
1055 FRANKLIN AVENUE, SUITE 306
GARDEN CITY, N. Y. 11530
TELEPHONE: (516) 248-4300
FACSIMILE: (516) 478-6798

EUROPEAN OFFICE
VIA G. LA PIRA, 21
FLORENCE, ITALY 50121
TELEPHONE: (055) 284147
FACSIMILE: (055) 268594

JESSE MASYR

PARTNER

DIRECT DIAL: (212) 909-9513

DIRECT FAX: (212) 909-9429

masyr@wmlp.com

July 14, 2009

Via Email

Mr. Greg Faulkner
Chairman
Community Board #7
229A East 204th Street
Bronx, NY 10458

Dear Chairman Faulkner:

On behalf of my client, Related Retail Armory, LLC, I am writing in regard to the following conditions proposed by the Land Use Committee of Bronx Community Board #7 as part of its recommendation on the land use actions related to the redevelopment of the Kingsbridge Armory:

1. Develop a community benefits agreement
2. Undertake a market survey of the Kingsbridge area
3. Build the project with union labor
4. Create a first source hiring structure
5. Provide subsidized community space
6. Provide space for the creation of the World Peace Atrium
7. Capture storm water for surrounding landscaping
8. Provide space for a youth recreation facility
9. Provide Wifi/broadband access at the Armory
10. Create an ongoing community advisory group for the development

Allow me to respond to each item:

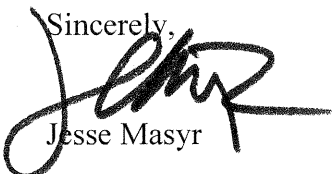
1. Related agrees that the development of the Armory must result in significant benefits to the Kingsbridge Armory community. Related further believes that commitments for such benefits must be documented and enforceable.
2. Related agrees that an independent market survey would be extremely helpful in understanding the types of stores that would be encouraged by the community and to that end is willing to fund such an effort.

3. Related is a proud union builder. Related has a long and extremely positive relationship with all of the building trades in New York City. We have always expected that we would redevelop the Armory with union labor, but we also want to be sure that there is significant opportunity for local hiring in the construction of the Armory.
4. Related supports the concept of first source hiring and will work with stakeholders throughout the process on the details of a hiring system.
5. Related agrees that a portion of the Armory should be reserved for community facility space at a rental rate below market. We believe that this can be worked out as part of the overall negotiated agreement between the stakeholders.
6. Related has already agreed to the creation of a World Peace Atrium.
7. Related supports measures wherever practical to develop the Armory with sustainable technologies. We think this is one of many good ideas to achieve that goal.
8. Related looks forward to working with the stakeholders to identify the appropriate community based organization that can, in concert with Related, create a youth recreation facility at the Armory.
9. The Armory will provide free Wifi.
10. We agree that an ongoing advisory group is a positive addition to the development.

While there are clearly specific details related to several of these items that will need to be addressed in consultation with the Borough President, the local Council Member and City officials as part of the ongoing ULURP process, we feel very positive that these enforceable commitments can be achieved.

Related has a proven track record of working with community groups and elected officials to find ways that make Related developments truly beneficial to the community and we are fully confident that we can achieve a similar success as the developer of the Kingsbridge Armory. As we have shared with you from the outset, our efforts have two guiding principles: 1) Related lives by its commitments; and 2) we can only make commitments that will not undermine the viability of the proposed development.

Within this context, the Committee's general goals as outlined above seem to be viable and achievable for Related to include as part of its development of the Armory and we look forward to continuing to work with the Community Board and other local leaders and elected officials to make its vision of Kingsbridge Armory redevelopment a valuable addition to the community.

Sincerely,

Jesse Masyr