INDUSTCO HOLDINGS, LLC
853 Broadway, Suite 2014
New York, New York 10003

April 20, 2011

Ms. Lorraine Grillo
President and Chief Executive Officer
New York City School Construction Authority
30-30 Thomson Avenue
Long Island City, New York 11101-3045

Re: Crotona Park East / West Farms Rezoning
& Related Actions (the "Proposed Action")
CEQR No. 10DCP17X
ULURP Nos. 100310ZMX, N100311ZRX, 100312ZSX and 100313ZSX

Dear Ms. Grillo:

Set forth below are the basic terms upon which Industco Holdings, LLC proposes to cause the owner of the School Site (defined below) or an affiliate or successor thereof ("Developer") to enter into an option agreement ("School Option Agreement") with the New York City School Construction Authority ("SCA") regarding the development of a public school serving pre-kindergarten through fifth grade students on a portion of Lot 15 on Block 3014 in the Bronx in connection with the Proposed Action.

1. Developer will provide SCA with an option to purchase for $1.00 a 14,770 square foot parcel of land located on the portion of Lot 15 on Block 3014 that is marked on the attached plan as "3C" (the "School Site") together with the necessary development rights to allow the construction of a 6-story elementary school serving grades pre-kindergarten through 5 and containing up to 88,620 square feet of zoning floor area on floors 1 - 6, plus cellar space, a roof top play area and mechanical penthouses (the "Elementary School").

2. SCA's option to purchase the School Site will expire on the date (the "Expiration Date") that is the later to occur of (x) thirty (30) days from the date Developer delivers written notice to SCA that Developer is ready to begin preliminary design of the building identified as "Building 3" on the attached plan and (y) September 30, 2015.

3. SCA will be responsible for the funding and development of the Elementary School, including, without limitation, design, construction, finishing and fit-out thereof, but, upon mutual agreement of SCA and Developer, Developer will construct the "core and shell" of the Elementary School at SCA's cost. Construction of the Elementary School will commence by the date (the "Construction Commencement Date") that is the later to occur of (x) one (1) year from the date that Developer commences excavation work for Building 3 and (y) June 30, 2017.

4. Developer will be responsible for the testing for and remediation of any existing hazardous materials located on the School Site (excluding hazardous materials that are considered typical for urban fill in New York City) that are required to be remediated pursuant to any Remedial Action Plan for the School Site approved by the New York City Mayor's Office of Environmental Remediation. Developer will provide SCA with the results of hazardous materials testing on the School Site promptly following the completion thereof. In the event Developer is unable to

provide the test results at least sixty (60) days prior to the Expiration Date, the Expiration Date and the Construction Commencement Date will be extended one day for each day that delivery of the test results is so delayed.

5. Developer and SCA will engage in a collaborative design development process, to be set forth in the School Option Agreement, which will include collaboration on the design of the façade and exterior of the Elementary School. Primary and service entrances for the Elementary School will be located along Boone Avenue; however, emergency egresses for the Elementary School may be located along the mid-block passage separating Building 2 and Building 3.

6. Developer and SCA will grant each other such easements, including, without limitation for light and air above the ground floor, egress, utilities and/or construction, as may be necessary for the development and utilization of the Elementary School and Building 3.

7. The terms proposed herein assume that the amount of zoning floor area (1,357,567 square feet) and massing for the buildings on the Developer-controlled properties being studied in the Draft Environmental Impact Statement for the Proposed Action will be approved following the public review process. In the event that the amount of floor area is reduced and/or the massing is altered during the review process, Developer and SCA agree that the proposed terms for the school mitigation will be subject to change, it being understood that the SCA and the New York City Planning Commission, as lead agency, reserve the right to determine whether such changes would continue to satisfy SEQRA/CEQR requirements.

8. By executing this letter of intent, the parties are merely expressing their interest in negotiating a mutually acceptable School Option Agreement and neither party shall be bound unless and until a School Option Agreement, with all required consents and approvals, has been obtained by the parties.

If the foregoing is consistent with your understanding, please counter-sign and return the enclosed duplicate copy of this letter of intent.

Sincerely,

INDUSTCO HOLDINGS, LLC

By: _____
Name: A. Gifford Miller
Title: Managing Member

ACCEPTED AND AGREED TO:

NEW YORK CITY SCHOOL CONSTRUCTION AUTHORITY

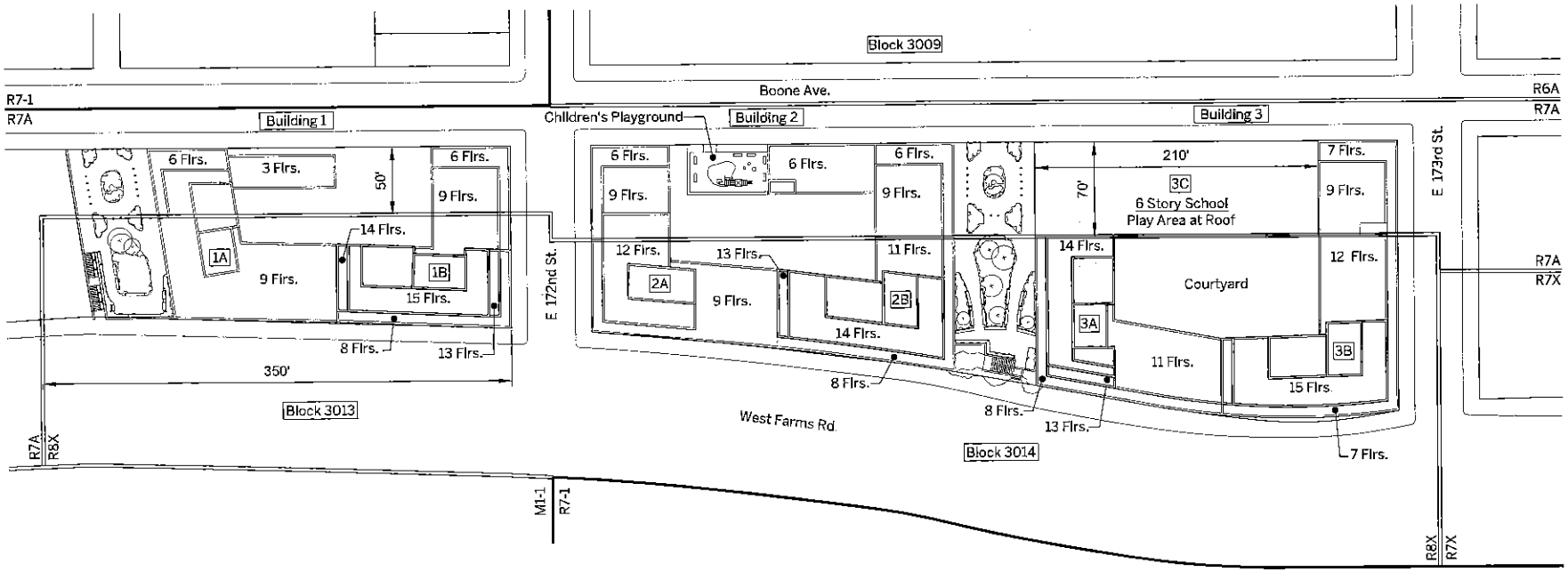
By: _____
Name: Lorraine Grillo
Title: President and CEO

cc: Alison McCabe, Esq.

DattnerArchitects

1385 Broadway, 15th Floor
New York, New York 10018
www.dattner.com

tel 212 247 2660
fax 212 245 7132



Legend

Existing Zoning District Boundary

New Zoning District Boundary

West Farms, Bronx

Proposed Rezoning

Zoning Boundaries

February 15, 2011

0' 40' 80' 160' N

OFFICE OF PARKS · RECREATION · HISTORIC PRESERVATION
NEW YORK STATE

New York State Office of Parks, Recreation and Historic Preservation

Historic Preservation Field Services Bureau • Peebles Island, PO Box 189, Waterford, New York 12188-0189
518-237-8643
www.nysparks.com

David A. Paterson
Governor

Carol Ash
Commissioner

September 20, 2010

Cece Saunders
Historical Perspectives Inc.
PO Box 3037
Westport, CT 06880-9998

Re: CEQR
Crotona Park East Rezoning/West Farms
Neighborhood/BRONX, Bronx County
09PR05898

Dear Ms. Saunders:

Thank you for requesting the comments of the State Historic Preservation Office (SHPO) concerning your project's potential impact/effect upon historic and/or prehistoric cultural resources. Our staff has reviewed the documentation that you provided on your project including the revised Archaeological Testing Protocol for this project which you prepared on August 16, 2010. Based on our review we concur with the revised protocol and look forward to reviewing the results of the proposed investigations.

Please contact me at extension 3291, or by e-mail at douglas.mackey@oprhp.state.ny.us, if you have any questions regarding these comments. When responding, please be sure to refer to the SHPO Project Review (PR) number noted above.

Sincerely

Douglas P. Mackey
Historic Preservation Program Analyst
Archaeology

Cc: Amanda Sutphin, NYCPLC (e-mail)

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THE CITY OF NEW YORK LANDMARKS PRESERVATION COMMISSION
1 Centre Street, 9N, New York, NY 10007 (212) 669-7700 www.nyc.gov/landmarks

ENVIRONMENTAL REVIEW

DEPARTMENT OF CITY PLANNING/10DCP017X 8/19/2010

Project number **Date received**

Project: Crotona Park East/West Farms Rezoning

Comments: The LPC is in receipt of the, "Archaeological Testing Protocol," prepared by HPI and dated 8/12/10. We note that it only includes properties controlled by one owner: B 3010 L 35, B 3014, L 9 and 15, and B 3016 L60 and does **NOT** include the following which were also found to have archaeological potential and should be tested: B 3009 L 38 and L 44, B 3015 L 87, and B 3016 L 71. The LPC concurs with the scope for the lots noted above.

Cc: SHPO



9/2/2010

SIGNATURE DATE

25582_FSO_ALS_09022010.doc