

2 Columbus Circle

1. The City of New York is the owner of 2 Columbus Circle. The City obtained title to the property by gift from the Gulf & Western Foundation ("G&W") in 1980. Under the deed of transfer (the "1980 Deed"), title to the property would have reverted back to the G&W if certain conditions were not met, i.e., that the property is no longer used as the City's principal public facility for visitors' services and cultural affairs.

Mechanically, the 1980 deed provides that the property shall be deemed to be used in compliance with the 1980 deed if all of the following are true:

- a. The Commissioner of the Department of Cultural Affairs maintains its office at the property.
- b. The public has access to the street level of the property.
- c. The auditorium is used for public exhibition, assemblage or information purposes.
- d. The facility is held out as the City's principal public facility for visitors' services and cultural affairs.

G&W's reversionary interest under the 1980 Deed has been succeeded to by Viacom as a result of its acquisition of the former Gulf & Western companies. As part of a 1996 corporate retention deal, EDC caused Viacom to transfer its reversionary interest in the property to EDC. Accordingly, if the City fails to comply with the use restrictions set forth in the 1980 Deed, then title to the property would revert to EDC. The 1980 Deed further provides that the City is entitled to receive notice in the event of any violations of the 1980 Deed restrictions and is afforded a 6 month cure period.

2. EDC has solicited and received proposals for the property and is currently considering such proposals. The timetable for the disposition of the property is for the time being uncertain. Timing may be impacted by developments at the adjacent Coliseum site.

3. The N.Y.C. Convention and Visitor's Bureau moved on September 5, 1997 to 810 Seventh Avenue (53rd Street), Third Floor.

4. 2 Columbus Circle will be delivered to the purchaser free of all occupancies.
5. To date, EDC has not delivered any default notice to the City.
6. EDC's acquisition of 2 Columbus Circle is pursuant to an existing valid and binding contractual arrangement (the 1980 Deed) between EDC, as successor in interest to G&W, and the City. Although no final decision has been made, since EDC is not a City agency and thereby not subject to ULURP, it would appear that no further governmental approval processes (i.e., ULURP) would be required in order for EDC to dispose of the property. Depending on how the site is to be developed by the purchaser, there may be actions that would be subject to ULURP.