

JUNE 2010 MODIFICATION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
DBA THE EMPIRE STATE DEVELOPMENT CORPORATION
AND
BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION
BROOKLYN BRIDGE PARK
CIVIC AND LAND USE IMPROVEMENT PROJECT
MODIFIED GENERAL PROJECT PLAN

Adopted - July 26, 2005¹

Affirmed as modified - January 18, 2006

Modified Plan Adopted - December 18, 2006

Affirmed as Modified April 19, 2007²

Modified Plan Adopted - March 26, 2010³

Affirmed as Modified - June 15, 2010⁴

MODIFICATION

PROJECT IDENTIFICATION

The project is the creation of the Brooklyn Bridge Park (the "Project"). The approximately 85 acre Project, consisting of piers, upland and water area, would stretch along 1.3 miles of Brooklyn waterfront approximately bounded by Jay Street on the north, Atlantic Avenue on the south, Furman Street on the east, and the East River on the west, and would include Piers 1 through 6 (as more fully shown on the site map annexed hereto as Exhibit A).

MODIFIED GENERAL PROJECT PLAN - CONTINUED EXISTENCE

Except as modified by this Modification, the Modified General Project Plan, will remain in full force and effect, including, without limiting the foregoing, with respect to all construction of the Park and development of the Development Parcels (as defined below). Terms used in this Modification, and not otherwise defined in this Modification shall have the meanings given in the Modified General Project Plan. The Modified General Project Plan, as modified by this Modification is referred to herein as the "GPP."

PURPOSE AND NEED

In order to expedite the completion of the Project with new funding and additional local control, the Brooklyn Bridge Park Development Corporation ("BBPDC") intends to enter into ground leases and sub-ground leases and other necessary arrangements with Brooklyn Bridge Park Corporation ("BBPC"), a New York not-for-profit corporation,

¹ BBPDC - July 22, 2005

² BBPDC - May 3, 2007

³ BBPDC - March 10, 2010

⁴ BBPDC - June 9, 2010

established and controlled by the City of New York (the "City"), and others for the Park Parcels (as defined below) and Development Parcels. These agreements are anticipated to be structured as set forth below in the Structure of Transfer section below.

BROOKLYN BRIDGE PARK CORPORATION

BBPC is a New York not-for-profit corporation established and controlled by the City. It is contemplated that members of BBPC shall be City *ex officios* and that the Board of Directors of BBPC will initially consist of directors nominated by various public and local elected officials, a majority of which will be nominated by the Mayor. In addition to receiving input on local concerns through its Board of Directors, it is contemplated that BBPC will establish a Community Advisory Committee with formal reporting responsibilities to the BBPC Board of Directors.

STRUCTURE OF TRANSFER

As described below, BBPDC will transfer to BBPC sites within the Project area to which BBPDC currently has title, and BBPDC will acquire fee or leasehold interests in certain other sites and subsequently dispose of them to BBPC, provided, however, that if BBPDC is requested by BBPC to acquire such interests, all costs and expenses related thereto shall be borne by BBPC. BBPDC, BBPC, and the City will make such acquisitions and dispositions in a manner consistent and in compliance with the GPP. All documentation shall also include reasonably satisfactory indemnification and insurance undertakings.

In connection with these transfers, BBPC will (i) commit to completing, in accordance with the GPP, construction of the Park and the development of the Project, and (ii) provide new funding in an amount of \$55 Million (the "New Funding") in order to fund capital construction of the Project and costs and expenses related to such construction. The City will provided to BBPC the New Funding, subject to there being sufficient revenue available to BBPC, from the Project or alternative sources, to fully fund operation and maintenance of the portions of the Park to be constructed using the New Funding. The New Funding shall be in addition to the funding previously committed to the Project by the State and City, which neither will reduce. The City, BBPC and BBPDC will cooperate with respect to those parcels included in the Project but that are currently owned by the City and others (collectively the "Other Parcels") in order to create a seamless Park experience for Park visitors and, with respect to Other Parcels that are identified in the GPP as Development Parcels, new sources of revenue for the Project.

BBPC will have operational control of and financial responsibility for the Park and the Development Parcels. BBPC will control all revenues from the Park and the Development Parcels. BBPC will be responsible for and oversee all planning, construction, maintenance, and operation of the Project, including the ability to designate and select developers for the Development Parcels and to further transfer or dispose of the Development Parcels to its designees as well as to designate and select concessionaires and operators for the Park Parcels. It is intended that BBPDC will assign or transfer to BBPC, or enter such other agreements with BBPC as necessary, to ensure

that all funding, planning, construction operation and maintenance agreements currently in place with respect to BBPDC continue in effect and all funds currently held by or for BBPDC are controlled by BBPC. BBPC will receive an assignment of all revenues from the Park and Development Parcels, including down payments, fees, payments in-lieu-of taxes, payments in-lieu-of sales tax, payments in-lieu-of mortgage recording tax and ground rent.

Funds to maintain and operate the park are expected to be covered by revenues generated by development on Development Parcels, Park operations, or from alternative sources. BBPC's construction, operation, and maintenance of the Park, development of the Development Parcels, and conduct with respect to all other matters covered by GPP, shall be conducted and performed subject to and in accordance and compliance with the GPP.

1. Ground Leases for Park Parcels

BBPDC, as landlord, and BBPC, as tenant, will enter into one or more ground leases respecting the park purpose parcels currently owned or to be acquired by BBPDC within the Project area (the "BBPDC Park Parcels"). The BBPDC Park Parcels include:

- Portions of Piers 1-5 and their respective uplands areas
- Empire Fulton Ferry Park site "Parcel A" (as described below)

The BBPDC Park Parcels shall be subject to a restrictive declaration, running with the land comprising those parcels, which restricts such parcels to public use for park and recreational purposes. In addition to the restrictive declaration, the Empire Fulton Ferry Park site is additionally subject to the provisions of Letters Patent (the "Letters Patent"), a copy of which is annexed hereto as Exhibit B. The Letters Patent provides that portion of the Empire Fulton Ferry Park described in the Letters Patent as "Parcel A" shall be improved and maintained for park and recreation purposes, and in the event that Parcel A is not used for such purposes, the title thereto shall revert to the People of the State of New York and the Attorney General may institute an action in the Supreme Court for a judgment declaring a reversion of such title in the State of New York.

As necessary to effectuate the Project, the City or BBPC will ground lease to BBPDC, or enter into licenses or other appropriate agreements with BBPDC and/or BBPC for, those parcels currently owned by the City within the Project area intended for recreational purposes ("City Park Parcels" and, with the BBPDC Park Parcels, the "Park Parcels"). BBPDC will sub-ground lease to BBPC those City Park Parcels received via lease from the City or BBPC. The City Park Parcels include:

- Pier 6 (exclusive of developable uplands areas)
- Pier 4 and respective uplands area
- Portion of Pier 1 (forming a part of Block 199 Lot 1)

- Portion of Pier 5 (forming a part of Block 245 Lot 15)
- Portion of Fulton Ferry Landing
- Portion of the Brooklyn Bridge Plaza
- Main Street Park

The ground lease(s) and sub-leases, as applicable (collectively, the "Park Leases"), will require BBPC to plan, construct, operate and maintain the Park Parcels in accordance with the GPP. The Park Leases will permit BBPC to enter into subleases, licenses and other appropriate agreements all in accordance and compliance with the GPP and to use the revenues from such agreements for the construction, operation, and maintenance of the Park Parcels. In addition, portions of Atlantic Avenue, Joralemon Street, Montague Street, Old Fulton Street, Water Street, and New Dock Street, may be integrated into the Park so that they may act as Park gateways and that views from these connections will be unobstructed and welcoming.

2. Ground Leases for BBPDC-owned Development Parcels

BBPDC will ground lease to BBPC the Development Parcels owned or to be acquired by BBPDC (excluding 360 Furman Street, discussed below). There will be one or more ground leases for each of:

- Pier 1 Site
- Empire Stores Site,
- If selected by BBPC for Development, Building 50 on Pier 5 (collectively, the "BBPDC Development Parcels").

The Empire Stores site will be subject to the provisions of the Letters Patent, a copy of which is annexed to hereto as Exhibit B. The Letters Patent shall provide that no demolition, construction, alteration, remodeling or excavations shall be undertaken except in accordance with the Second Amended Letter of Resolution (the "LOR") among the Office of General Services, the Office of Parks Recreation and Historic Preservation, the New York State Urban Development Corporation d/b/a Empire State Development Corporation ("ESDC") and BBPDC, dated February 26, 2010 and filed in the Office of General Services in Albany, New York and to be filed with the Letters Patent in the City Register's Office, Kings County, and this requirement shall be a covenant running with the land and shall inure to the benefit of the People of the State of New York and be binding upon BBPDC, its successors and assigns, including BBPC. A copy of the LOR is annexed hereto as Exhibit C and made part of the GPP as if set forth herein. The LOR requires that maintenance and rehabilitation of the Empire Stores will be conducted in a manner that is compatible in all respects with the architectural and historic significance of the following historic resources: the Brooklyn Bridge, the Manhattan Bridge, the Fulton Ferry Historic District, the D.U.M.B.O. Historic District, and the Brooklyn Heights

Historic District. The GPP continues to expressly provide that: “[t]he restored exterior shell of the former Tobacco Warehouse may be used to house a walled garden, café, or space for arts groups.”

The ground lease(s) for the BBPDC Development Parcels (“BBPDC Development Leases”) will permit BBPC to select the developer for each parcel and make all development and operational decisions regarding such parcels, provided that such decisions must be in accordance and compliance with the GPP. The BBPDC Development Lease(s) will also permit further transfer or disposition of the BBPDC Development Parcels to BBPC designees, as well as permit BBPC to enter into leases and other appropriate agreements that must be in accordance and compliance with the GPP. To the extent BBPC determines that it is necessary or desirable to provide for payments in-lieu-of taxes or other revenues directly to BBPDC, the BBPDC Development Lease(s) may require that BBPDC assign to BBPC, such payments in-lieu-of taxes or other revenues collected from tenants.

3. Ground Leases for City-owned Development Parcels

If requested by BBPC, the City may ground lease to BBPDC, or convey fee title to BBPDC for, the uplands of Pier 6 that are designated for development in the GPP and currently owned by the City (“City Development Parcel” and, with the “BBPDC Development Parcels”, the “Development Parcels”) and BBPDC will enter into a ground lease or sub-ground lease with BBPC or a City designee and all must be in accordance and compliance with the GPP.

The ground lease(s) or sub-ground lease(s) (as the case may be, “City Development Leases” and, with the BBPDC Development Leases, the “Development Leases”) for the City Development Parcels will permit BBPC to select the developer for each parcel and make all development and operational decisions regarding such parcels, which must be in accordance and compliance with the GPP. The City Development Lease(s) will also permit further transfer or disposition of the City Development Parcels to BBPC designees, as well as permit BBPC to enter into leases and other appropriate agreements that must be in accordance and compliance with the GPP. To the extent BBPC determines that it is necessary or desirable to provide for payments in-lieu-of taxes or other revenues directly to BBPDC, the City Development Lease(s) will require BBPDC to assign to BBPC such payments in-lieu-of taxes or other revenues collected from tenants.

4. John Street Site

The City, BBPC or, if requested by BBPC, BBPDC may acquire fee title to the John Street site located at Block 1, Lot 1 (the “John Street Site”). If BBPDC is requested to acquire the site, the City and/or BBPC shall pay all BBPDC’s costs and expenses, including the purchase price, applicable taxes, fees, assessments, and recording costs, if any, and reasonable fees and expenses of legal counsel. BBPC and BBPDC may enter into one or more ground leases or sub-ground leases for the site that must be in accordance and compliance the GPP.

The ground leases and sub-ground leases will (i) permit BBPC to select the developer for the developable portion of the John Street Site and control all development and operational decisions regarding the John Street Site, provided that such decisions must be in accordance and compliance with the GPP and (ii) permit further transfer or disposition of the developable portion of John Street Site to BBPC designees, as well as permit BBPC to enter into leases, licenses and other appropriate agreements for the park use portion of the John Street Site, that all must be in accordance and compliance with the GPP. To the extent BBPC determines that it is necessary or desirable to provide for payments in-lieu-of taxes or other revenues directly to BBPDC, the John Street Site lease(s) will require BBPDC to assign to BBPC such payments in-lieu-of taxes or other revenues collected from tenants.

5. 360 Furman Street

With respect to the 360 Furman Street site, generally Block 245, Lot 12, BBPDC may enter an administration agreement with BBPC ("360 Furman Administration Agreement") pursuant to which all of BBPDC's rights and interests as landlord under the Agreement of Lease between BBPDC, as landlord, and 360 Brooklyn Investors LLC ("LLC"), as tenant, and the Land Acquisition and Development Agreement between BBPDC and LLC, each dated as of February 29, 2008 and related agreements (that Agreement of Lease, that Land and Development Agreement and such related agreements, collectively, the "360 Furman Agreements") shall be administered by BBPC, in accordance and compliance with their terms and the GPP, through an assignment of BBPDC's rights or such other agreements, including leases or subleases, all in accordance and compliance with the GPP, that will transfer revenue, operating control and financial responsibility to BBPC. The 360 Furman Administration Agreement will provide that all revenues payable by the tenant to BBPDC including ground rent and payments in-lieu-of taxes will be paid or assigned to BBPC, to be used for the construction, operation and maintenance of the Project, and all obligations of BBPDC, to the extent feasible, will be assumed by BBPC.

6. Term of Agreements and Assignment of Revenues

The Park Leases, the Development Leases, the ground lease(s) and sub-leases respecting the John Street Site and the 360 Furman Administration Agreement ("Agreements") shall be for a 99-year term (except that the 360 Furman Administration Agreement may be for a term equal to the term of the Agreement of Lease with LLC) and provide for nominal rent, where applicable, as among the City, BBPDC and BBPC, except where necessary or convenient to provide that payments in-lieu-of taxes, payments in-lieu-of mortgage recording tax or payments in-lieu-of sales tax must be expressed as rent payable to BBPDC, in which event BBPC will receive an assignment of all such revenues. All Agreements shall further provide that at the end of the 99-year term, the fee interest in the leased parcels will be conveyed to the City or, at the City's option, to BBPC or another entity designated by the City, provided, however, that with respect to the 360 Furman Agreements the tenant under the Agreement of Lease may exercise Tenant's purchase option thereunder.

The Agreements will provide that if either BBPC or the City fails to act in accordance with the GPP, the Letters Patent, or the LOR (as defined below) or is in material breach of the Agreements or other agreements regarding the Project to which BBPDC is a party and such breach remains uncured pursuant to the applicable cure provisions of the relevant Agreement or agreement, BBPDC will be entitled to exercise appropriate remedies that may include, among other remedies, money damages, specific performance, and transfer of title to its owned properties to the City or BBPDC.

7. Additional Documentation

BBPDC will enter into such documentation as may be necessary to effectuate (i) the necessary fee title transfers, ground leases and sub-ground leases, (ii) the transfer to BBPC all of elements of the Project work and operational functions and responsibilities, (iii) the assignment of certain contracts and funding agreements to BBPC, (iv) the transfer of all funds currently held by or for BBPDC, net of any BBPDC properly-accrued liabilities, and all Project-related equipment and personal property and (v) the assignment of all revenues (e.g., down payments, fees, payments in-lieu-of taxes, payments in-lieu-of sales tax, payments in-lieu-of mortgage recording tax, and ground rent) from the Project's Development Parcels, the John Street Site and the Park Parcels. Such documentation will make provision from such revenues for incidental, out-of-pocket operational expenses of BBPDC related to the Project, as reasonably accrued by BBPDC, taking into account its limited role in the administration of the Project as contemplated by the GPP. At BBPC's option, BBPDC shall designate BBPC to collect and enforce payments in-lieu-of taxes. Such documentation shall also include reasonably satisfactory indemnification and insurance undertakings. Such documentation shall provide BBPC with operational control and responsibility for and all Project revenue, control of the Park Parcels and Development Parcels, and the right to select developers, concessionaires and operators and otherwise dispose of BBPC's interest in such parcels, subject to applicable law, the terms of such documentation and the GPP, and such responsibility, control and rights must be exercised and implemented in accordance and compliance with the GPP.

ENVIRONMENTAL REVIEW PROCESS AND PROJECT PLAN REVIEW

ENVIRONMENTAL REVIEW

The adoption and affirmation of the proposed Modification to the Modified General Project Plan to allow BBPDC to ground lease or sublease Project parcels to the BBPC and enter into the other leases and agreements contemplated by the Modification constitutes a Type II action as defined in Section 617.5(c)(26) of the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with adoption of this Modification.

As background, ESDC, as the lead agency and on behalf of BBPDC, conducted an environmental review for the Project. A Final Environmental Impact Statement was

prepared and SEQRA Findings have been adopted by the ESDC Board of Directors. This modification of the GPP does not change the Project analyzed in the FEIS in any way and does not affect the conclusions and determinations represented in the FEIS and the SEQRA Findings.

For any future Project actions requiring environmental review, ESDC will continue to serve as the lead agency on behalf of BBPDC and BBPC.

Furthermore, as ESDC is a signatory to the Letter of Resolution (as it may be amended from time to time, the "LOR") that stipulates the treatment of and procedures for archaeological and historic resources on the Project site, it will continue its role in ensuring that adherence to the LOR is followed through completion of the Project. A copy of the LOR is annexed hereto as Exhibit C and made part of the GPP as if set forth herein.

GENERAL PROJECT PLAN REVIEW

ESDC and BBPDC, in conformance with the requirements of the UDC Act, held a duly noticed public hearing on the proposed modification of the General Project Plan on April 26, 2010 at which oral and written comments were received from the general public. Further written comments were accepted through May 26, 2010. Based on those comments the Modified General Project Plan has been modified with respect to the proposed transfers and transactions and other items described in this Modification.

EXHIBIT A

PROJECT SITE MAP

Brooklyn Bridge Park Development Corporation Michael Van Valkenburgh Associates, Inc. Landscape Architects, P.C. April 2008

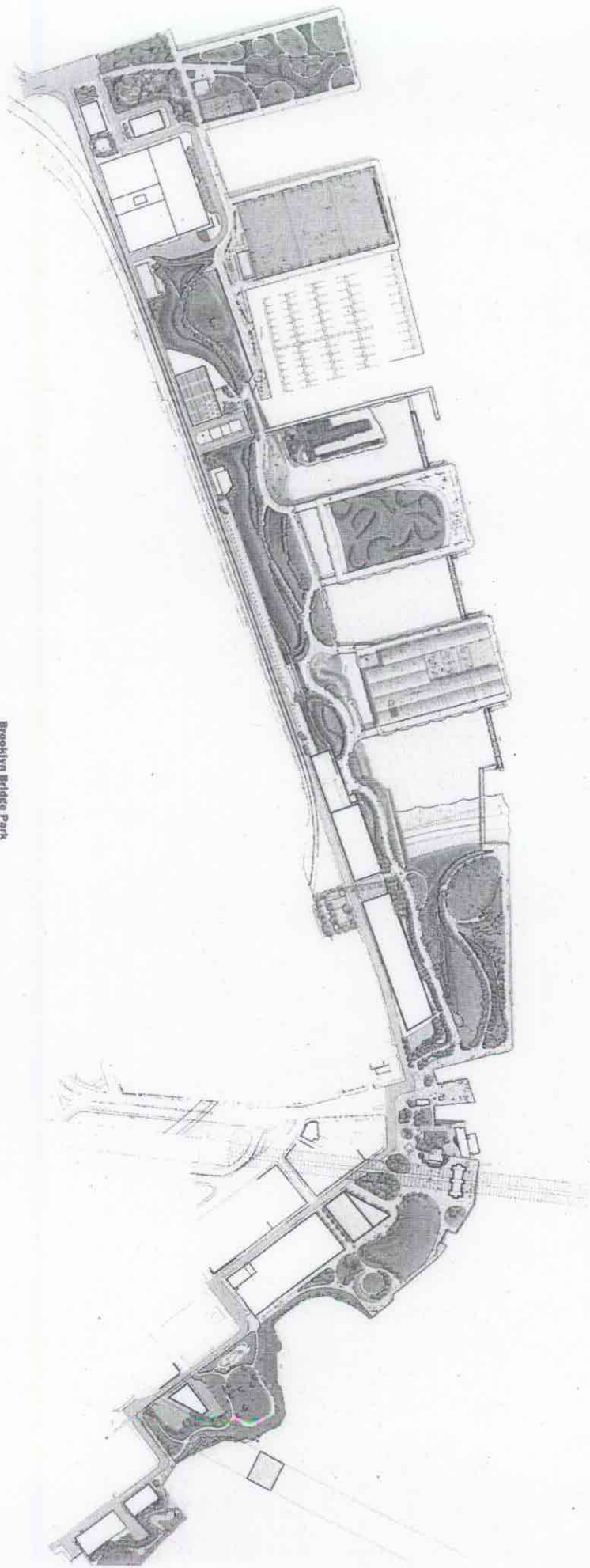


EXHIBIT B

**EMPIRE FULTON FERRY SITE
LETTERS PATENT**

*THE PEOPLE OF THE STATE OF NEW YORK, BY THE GRACE OF GOD,
FREE AND INDEPENDENT*

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

KNOW YE, That, pursuant to Section 6263-a of the New York State Urban Development Corporation Act and Findings of the Commissioner of General Services dated _____, 2010, and in consideration of the sum of One Dollar (\$1.00), lawful money of the United States of America, paid by the New York State Urban Development Corporation, d/b/a Empire State Development Corporation, acting through the Brooklyn Bridge Park Development Corporation, a public benefit corporation of the State of New York, having its principal office and place of business at 633 Third Avenue, New York, New York 10017, we have given and granted and by these presents do hereby give and grant unto the said BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION, its grantees or successors in interest, the right, title and interest of the People of the State of New York in and to the following described parcels, currently known as Empire Fulton Ferry State Park:

Parcel A

ALL those certain plots, pieces or parcels of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly side of New Dock Street, being 208 feet 6 inches northerly from the corner formed by the intersection of the northerly side of Water Street with the easterly side of New Dock Street; running thence easterly along the northerly side of a two story brick building and continuing to and along the northerly side of a four story brick building and a five story brick building a total distance of 692 feet 5 ¼ inches to a point on the westerly side of Main Street which is distant 190 feet 2 inches northerly from the corner formed by the intersection of the northerly side of Water Street with the westerly side of Main Street, as measured along the westerly side of Main Street; thence northerly along the westerly side of Main Street and the westerly side of Main Street if extended to the East River, 478 feet 8-3/4 inches to the pierhead line of the East River, established in 1857; thence southwesterly along the said pierhead line, 825 feet 2-

3/8 inches to the easterly side of New Dock Street; thence southerly along the easterly side of New Dock Street, 260 feet 9 1/4 inches to the corner, at the point or place of beginning.

Parcel B

Beginning at a point on the easterly side of New Dock Street, being 208 feet 6 inches northerly from the corner formed by the intersection of the northerly side of Water Street with the easterly side of New Dock Street; running thence easterly along the northerly side of a two story brick building and continuing to and along the northerly side of a four story brick building and a five story brick building a total distance of 692 feet 5 1/4 inches to a point on the westerly side of Main Street which is distant 190 feet 2 inches northerly from the corner formed by the intersection of the northerly side of Water Street with the westerly side of Main Street, as measured along the westerly side of Main Street; thence southerly along the westerly side of said Main Street 129 feet 11 inches to a point thereon which is distant 60 feet 3 inches northerly from the corner formed by the intersection of the northerly side of Water Street with the westerly side of Main Street; thence westerly on a line forming an interior angle of 89 degrees 36 minutes 40 seconds with the westerly side of Main Street, 88 feet; thence southerly parallel with the westerly side of Main Street, 10 feet; thence westerly parallel with the northerly side of Water Street, 24 feet 8 inches; thence southerly on a line forming an interior angle of 89 degrees 32 minutes 30 seconds with the northerly side of Water Street, 50 feet to the northerly side of Water Street; thence westerly along the northerly side of Water Street 487 feet to the intersection of the northerly side of Water Street with the easterly side of New Dock Street; thence northerly along the easterly side of New Dock Street 208 feet 6 inches to the point or place of beginning.

Together with all the right, title and interest of, in and to New Dock, Water and Main Streets, to the center lines thereof, in front of and adjoining said premises.

Being portions of the same premises conveyed to The People of the State of New York from The Consolidated Edison Company of New York, Inc. by deed dated February 22, 1978 and recorded on March 13, 1978, in Reel 981 of Deeds, page 514.

This conveyance is made and accepted subject to the following terms and conditions:

1. This conveyance is made for the sole purpose of including Empire Fulton Ferry State Park in and part of Brooklyn Bridge Park in accordance with the Modified General project Plan adopted by Brooklyn Bridge Park Development Corporation and the Empire State Development Corporation on or about December 18, 2006, as amended, and on file in the Office of General Services in Albany, New York.

- 2 (a) No demolition, construction, alteration, remodeling or excavations shall be undertaken with respect to the Tobacco Warehouse, the Empire Stores building, except in accordance with the Second Amended Letter of Resolution among the Office of General Services, the Office of Parks Recreation and Historic Preservation, the Empire State Development Corporation and the Brooklyn Bridge Park Development Corporation, dated February 26, 2010 and filed in the Office of General Services in Albany, New York and to be filed with this Letters Patent in the City Register's Office, Kings County.
- (b) The terms and conditions in 2(a) above shall be a covenant running with the land and shall inure to the benefit of the People of the State of New York and be binding upon Brooklyn Bridge Park Development Corporation, its successors and assigns, the same as if they were in every case named and expressed.
3. Brooklyn Bridge Park Development Corporation acknowledges that assistance from the United States Department of the Interior, in the form of a grant from the Land and Water Conservation Fund, has been used in the development of a portion of the premises described herein, as more fully depicted on the map attached hereto as Exhibit "A" (hereinafter "Open Space"), and accordingly, such Open Space shall not be converted to a use other than public outdoor recreation, but shall be maintained in public outdoor recreation in perpetuity unless a conversion of such lands is obtained and adequate replacement lands provided and approved by the United States Secretary of the Interior pursuant to 16 USC § 2509.
4. The premises described in Parcel A shall be improved and maintained for park and recreation purposes. In the event that the premises described in Parcel A are not used for such purposes, the title thereto hereby conveyed shall revert to the People of the State of New York and the Attorney General may institute an action in the Supreme Court for a judgment declaring a reversion of such title in the State of New York.

TOGETHER WITH all and singular the rights, hereditaments and appurtenances to the same belonging or in any wise appertaining.

TO HAVE AND TO HOLD the above premises unto the said BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION, its grantees or successors in interest forever, subject to the aforesaid conditions.

IN WITNESS WHEREOF, our Commissioner of General Services has
executed these letters patent in our name this _____ day of _____, 2010

THE PEOPLE OF THE STATE OF NEW YORK

By _____
John C. Egan
COMMISSIONER OF GENERAL SERVICES

STATE OF NEW YORK
ss.:
DEPARTMENT OF STATE

I hereby certify that the Great Seal of the State of New York
was hereto affixed on the _____ day of _____, 2010

Deputy Secretary of State

Approved this _____ day
of _____, 2010

Office of the State Comptroller

By _____

Approved as to form this _____
of _____, 2010

Andrew M. Cuomo
Attorney General

By _____
Robert J. Fleury
Assistant Attorney General

The People of the State of New York

TO

Brooklyn Bridge Park Development Corporation

LETTERS PATENT

STATE OF NEW YORK
Department of State

Recorded in Book of Patents

No. _____ at page _____

Date:

Daniel E. Shapiro
First Deputy, Secretary of State

By _____

Linda Lasch
Miscellaneous Records

Return to:

EXHIBIT C

LETTER OF RESOLUTION

**SECOND AMENDMENT TO THE LETTER OF RESOLUTION
FOR THE BROOKLYN BRIDGE PARK PROJECT AMONG THE
NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE
STATE DEVELOPMENT CORPORATION, BROOKLYN BRIDGE PARK
DEVELOPMENT CORPORATION, THE NEW YORK STATE OFFICE OF GENERAL
SERVICES AND THE NEW YORK STATE OFFICE OF PARKS, RECREATION AND
HISTORIC PRESERVATION**

February 26, 2010

WHEREAS, a Letter of Resolution (LOR) for the Brooklyn Bridge Park (the "Project") (Attachment A) executed on January 18, 2006 by the New York State Urban Development Corporation d/b/a The Empire State Development Corporation (ESDC), Brooklyn Bridge Park Development Corporation (BBPDC), New York State Office of Parks, Recreation and Historic Preservation (OPRHP), and Empire Stores, LLC, established procedures for implementation pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law;

WHEREAS, Empire Stores, LLC, previously a potential tenant for the Empire Stores, has withdrawn its proposal to develop the property and is no longer a party to this MOU;

WHEREAS, the first amendment to the LOR that primarily affected the Cold Storage Warehouse buildings executed on February 28, 2009 remains in effect (Attachment B);

WHEREAS, to advance the Project the New York State Office of General Services (OGS) is conveying by letters patent Empire Fulton Ferry State Park to BBPDC in two parcels: Parcel A (open space) and Parcel B (Empire Stores and the Tobacco Inspection Warehouse);

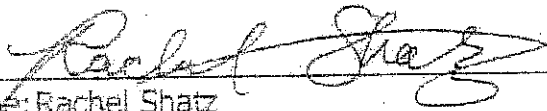
STIPULATIONS

ESDC and BBPDC will ensure that the following stipulations are implemented as part of the planning, design, and construction of the Project:

1. Maintenance and rehabilitation of the Empire Stores and the Tobacco Inspection Warehouse and renovation of the open space will be conducted in a manner that is compatible with and respects the architectural and historic significance of the Historic Resources identified in the LOR within the Project area.
2. All other stipulations in the 2006 Letter of Resolution and the 2009 Amendment, copies of which are attached hereto and made part hereof, remain in effect.

Signature Pages to Follow

NEW YORK STATE URBAN DEVELOPMENT
CORPORATION D/B/A EMPIRE STATE
DEVELOPMENT CORPORATION

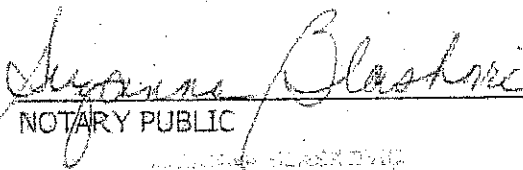


Name: Rachel Shatz
Title: VP, Planning & Environmental Review

ACKNOWLEDGEMENT

STATE OF NEW YORK)
COUNTY OF *New York*) ^{ss.:}

On the 19th day of February, in the year 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Rachel Shatz, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


NOTARY PUBLIC

Notary Public for the State of New York
My Commission Expires 02/19/2011

BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION

Regina Myer

Name: *Regina Myer*
Title: *President, Brooklyn Bridge Park Development Corporation*

ACKNOWLEDGEMENT

STATE OF NEW YORK)

COUNTY OF *New York*) ss.:

On the *14th* day of February, in the year 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared *Regina Myer*, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Suzanne Blaskovic

NOTARY PUBLIC

SUZANNE BLASKOVIC
NOTARY PUBLIC, State of New York
#0000076016
County of *Queens*
2011

NEW YORK STATE OFFICE OF GENERAL SERVICES

John C. Egan
Name: John C. Egan
Title: Commissioner

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF Albany)

On the 2nd day of February, in the year 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared John C. Egan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

[Signature]
NOTARY PUBLIC

THOMAS A. POHL
Notary Public, State of New York
Appointed in Saratoga County
My Commission Expires 1/20/13
62953072541

Ruth Pierpont

Ruth Pierpont
Director of Field Services

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On the 16th day of February, in the year 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Ruth Pierpont, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Linda C. Christopher

NOTARY PUBLIC

LINDA C. CHRISTOPHER
Notary Public, State of New York
No. 01CH4513171
Qualified in Albany County
Commission Expires Jan. 31, 20 14

AMENDMENT TO THE LETTER OF RESOLUTION
AMONG THE
NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE
STATE DEVELOPMENT CORPORATION, BROOKLYN BRIDGE PARK
DEVELOPMENT CORPORATION,
THE NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC
PRESERVATION AND EMPIRE STORES, LLC
REGARDING THE
BROOKLYN BRIDGE PARK AND EMPIRE STORES

WHEREAS, a Letter of Resolution for the Brooklyn Bridge Park Project (Attachment A), executed in 2006 by the New York State Urban Development Corporation d/b/a The Empire State Development Corporation (ESDC), Brooklyn Bridge Park Development Corporation (BBPDC), New York State Office of Parks, Recreation and Historic Preservation (OPRHP), and Empire Stores, LLC, established procedures for implementation pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law;

WHEREAS, the stipulations of the Letter of Resolution pertained to appropriate mitigation measures to address the Adverse Impact identified in the project Environmental Impact Statement due to demolition of the Cold Storage Warehouse buildings (CSW), and to avoid any construction-related damage on historic and archaeological resources;

WHEREAS, the Letter of Resolution stipulated that that ESDC/BBPDC encourage future developments on the CSW site to retain and reuse portions of the original building, to the extent feasible and practical;

WHEREAS, construction on the portion of Brooklyn Bridge Park surrounding the CSW site began in December 2008 and is expected to last approximately 12-18 months;

WHEREAS, BBPDC plans to re-use wood salvaged from CSW in several parks buildings, benches and playgrounds;

WHEREAS, BBPDC found it necessary to delay the disposition of the CSW site for future development until market conditions are more favorable;

WHEREAS the park surrounding the CSW is likely to be completely developed prior to the disposition of the CSW site for future development due to this delay;

WHEREAS, delaying the disposition of the CSW site for future development requires delaying the potential demolition of the CSW buildings in order to allow the future development to retain and reuse portions of the buildings.

WHEREAS, delaying the demolition of the CSW buildings until after the surrounding park is complete would impose significant logistical, financial, and scheduling difficulties on the project.

WHEREAS, BBPDC submitted a Construction Protection Plan for Phase I construction to OPRHP on August 14, 2008 that was approved by OPRHP on September 12, 2008.

WHEREAS, this Construction Protection Plan included provisions for the protection of the CSW buildings during the construction of Phase I of the park.

WHEREAS, Empire Stores, LLC is no longer the conditionally designated developer for the Empire Stores site and is no longer a Brooklyn Bridge Park developer;

WHEREAS, it is intended that the 2006 Letter of Resolution be amended to clarify the procedures that will be implemented to mitigate the Adverse Impact identified in the proposed Environmental Impact Statement due to demolition of the CSW buildings, and to avoid any construction-related damage on historic and archeological resources;

STIPULATIONS

BBPDC will ensure that the following stipulations are implemented as part of the subsequent planning, design, and construction of the Brooklyn Bridge Park Project:

1. OPRHP concurs that the demolition of CSW buildings is warranted at this time;
2. Where financially feasible, BBPDC will salvage the long leaf yellow pine from the CSW buildings, with a goal of salvaging a minimum of 70% of the available wood. The salvaged wood will be made available for reuse in the following order of priority:
 - a. Incorporation as a design element in Brooklyn Bridge Park, (e.g., cladding for park buildings, park benches, and Pier 6 playground);
 - b. A reserve stockpile for replacement, as necessary, of the salvaged wood used in the park;
 - c. Incorporation into the rehabilitation and adaptive reuse of the Empire Stores, if deemed appropriate by BBPDC;
 - d. Incorporation into future development on the CSW sites, if deemed appropriate by BBPDC;
 - e. Use in any other public park in New York, provided that the entity responsible for such park pays all costs and expenses with respect to the storage, shipment, delivery and installation of the salvaged wood; and
 - f. If the salvaged wood has not been reused in accordance with items a through e above within five years of the date of this Amendment, BBPDC may attempt to sell the salvaged lumber to a salvage lumber broker, and if there is no financially feasible offer for the salvaged lumber, then BBPDC

may use or dispose of the lumber in such manner as BBPDC deems appropriate;

Where financially feasible, BBPDC will salvage the ornamental metal stars at the end of the tie rods from the CSW buildings. The salvaged ornaments will be made available for reuse in the following order of priority:

- a. Incorporation as a design element elsewhere in Brooklyn Bridge Park if deemed appropriate by BBPDC;
- b. Incorporation into the rehabilitation and adaptive reuse of the Empire Stores if deemed appropriate by BBPDC;
- c. Incorporation into future development on the CSW site, if deemed appropriate by BBPDC; and
- d. Use in any other public park in New York, provided that the entity responsible for such park pays all costs and expenses with respect to the storage, shipment, delivery, and installation of the salvaged wood;

BBPDC will examine the cost impact, construction feasibility, aesthetic appropriateness and financial feasibility of reusing salvaged brick from the CSW buildings in the rehabilitation and adaptive reuse of the Empire Stores. If BBPDC deems it appropriate and financially feasible, BBPDC may salvage a portion of the bricks from the CSW to for reuse in Empire Stores;

5. Specific salvage plans for the wood, ornamental metal stars, and bricks shall be presented to OPRHP for review and consultation;
6. Design Plans for future development on the CSW site shall be presented to OPRHP for review and consultation;
7. Based on the above, the CSW is hereby removed from the Construction Protection Plan for Phase I of Brooklyn Bridge Park construction;
8. All other stipulations pertaining in the 2006 Letter of Resolution will remain in effect as modified by this amendment.

NEW YORK STATE URBAN DEVELOPMENT
CORPORATION D/B/A EMPIRE STATE
DEVELOPMENT CORPORATION

By: _____
Title: _____
Date: _____

BROOKLYN BRIDGE PARK DEVELOPMENT
CORPORATION

By: _____
Title: _____
Date: _____

NEW YORK STATE OFFICE OF PARKS,
RECREATION, AND HISTORIC PRESERVATION

By: _____
Title: _____
Date: _____

**LETTER OF RESOLUTION
AMONG
THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT CORPORATION,
BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION,
THE NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC
PRESERVATION,
AND
EMPIRE STORES, LLC
REGARDING
THE BROOKLYN BRIDGE PARK AND EMPIRE STORES
BROOKLYN, KINGS COUNTY**

WHEREAS, the proposed project - the result of collaboration between New York State and New York City under the aegis of the Brooklyn Bridge Park Development Corporation (BBPDC), a subsidiary of the New York State Urban Development Corporation (UDC), doing business as the Empire State Development Corporation (ESDC) - is the creation of the Brooklyn Bridge Park, an approximately 85-acre park that would stretch along approximately 1.3 miles of Brooklyn's East River waterfront from Jay Street in the north, to Atlantic Avenue in the south (the "Project");

WHEREAS, the park would dramatically transform a largely underused and publicly inaccessible waterfront into an important new public amenity that would serve the borough and the region. The proposed park would be created from those areas encompassing Piers 1 through 6 and related upland property, the existing Empire-Fulton Ferry State Park and New York City Department of Parks and Recreation-operated Main Street Park, and the Con Edison property on John Street east of the Manhattan Bridge ("John Street Site"), creating a continuous waterfront esplanade along the entire site. The park would include landscaped areas and ecological habitats; recreational facilities for sports such as soccer and basketball; a marina for recreational boating; protected waters for kayaking; and a limited amount of development essential to the park's creation, including retail, restaurant, residential, and hotel space;

WHEREAS, although the State and City will underwrite the cost of park construction, once completed, the park itself must be self-sufficient. The funds to support park operations and maintenance must flow from revenue-generating park components. These features will be limited to a small area of parkland and must be consistent with maintaining an urban environment supportive of the mission of the park. The new buildings that would result include two residential buildings in the Pier 6 upland area, a hotel and residential development in the Pier 1 upland area, and a new residential building at the northwest corner of Pearl and John Streets. In addition to the increased activity the residential and commercial land uses would bring to the site, they would provide the park with the financial resources needed to ensure its care and maintenance;

WHEREAS, the Project would have an overall positive effect on historic resources by maintaining a number of architectural resources for reuse, opening up greater views of the Brooklyn Bridge and Manhattan Bridge, creating views to the historic waterfront, and the rehabilitation and adaptive reuse of the Empire Stores in the Fulton Ferry Historic District, which is a resource eligible for listing on the State and National Registers of Historic Places, to include new retail, restaurant and commercial uses;

WHEREAS, Empire Stores, LLC ("Empire LLC") has entered into a Memorandum of Understanding with BBPDC to develop the Empire Stores to include new retail, restaurant and commercial uses;

WHEREAS, ESDC is the lead agency in the preparation of the Environmental Impact Statement ("EIS") being prepared under the State Environmental Quality Review Act ("SEQRA") and City Environmental Quality Review ("CEQR"), for the proposed park;

WHEREAS, through the preparation of the EIS and consultation with The New York State Office of Parks, Recreation and Historic Preservation (OPRHP), it has been determined that the Cold Storage Warehouse buildings at 66 Furman Street are a resource eligible for listing on the State and National Registers of Historic Places.

WHEREAS, all prudent and feasible alternatives have been explored for the reuse of the Cold Storage Warehouse buildings for use as residential and hotel facilities as needed to provide the revenue generating requirements of the Park;

WHEREAS, the demolition of the Cold Storage Warehouse buildings constitute an Adverse Impact;

WHEREAS, ESDC in consultation with OPRHP has determined that the project may have an Impact upon the following Historic Resources within the project area

1. Brooklyn Bridge, Spans the East River between Brooklyn and Manhattan
2. Manhattan Bridge, Spans the East River between Brooklyn and Manhattan
3. Fulton Ferry Historic District, roughly bounded by the East River and Doughty, Water, Front and Main Streets
4. D.U.M.B.O. Historic District, Roughly bounded by the East River and John Street, Front and York Streets, Main and Washington Streets, and Jay and Bridge Streets
5. Brooklyn Heights Historic District, roughly bounded by Cadman Plaza West (Old Fulton Street), Atlantic Avenue and Furman, Henry, Clinton and Court Streets

WHEREAS, the EIS identified historic resources located on the Project site that may be affected during construction of the Project, such as the Brooklyn Bridge's stone piers and the Tobacco Inspection Warehouse;

WHEREAS, a Phase IA Archaeological Study prepared for the project area concludes that construction of new buildings may impact potential archaeological resources. The areas that have been identified as containing potential archaeological resources are: Empire Stores, residential building sites in the Pier 6 upland area, the hotel/residential site in the Pier 1 upland area, and the John Street site;

WHEREAS, the purpose of this Letter of Resolution ("LOR") is to ensure that appropriate mitigation measures are undertaken to address the identified Adverse Impact due to the demolition of the Cold Storage Warehouse buildings, and to avoid any construction-related damage on historic and archaeological resources;

NOW, THEREFORE, as referenced in the EIS and in accordance with Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law, ESDC, BBPDC, Empire LLC and OPRHP agree that the Project may proceed subject to the Stipulations specified below:

STIPULATIONS

1. ESDC/BBPDC will undertake a Historic American Building's Survey (HABS) Level II photographic documentation of the Cold Storage Warehouse building. This documentation will be conducted by a recognized professional credentialed for preparing such reports. The HABS report will be reviewed by ESDC/BBPDC and OPRHP for its completeness and acceptance. Copies of the documentation will be provided to the Brooklyn Historical Society, the Museum of the City of New York, and two copies to OPRHP (one for their records and one to be forwarded to the New York State Archives).
2. ESDC/BBPDC will use best efforts to encourage future development on the Cold Storage Warehouse site to retain and reuse portions of the original building, to the extent feasible and practical. Design plans shall be developed in consultation with OPRHP and submitted at the preliminary (35%) and pre-final (75%) completion stages for OPRHP comment. If OPRHP makes substantive comments during the pre-final design review, OPRHP may request the opportunity to review the final design.
3. A Construction Protection Plan (CPP) will be prepared in coordination with a licensed professional engineer, and developed and implemented in consultation with OPRHP for the Brooklyn Bridge's stone piers during the demolition of the Purchase Building and to avoid any construction-related damage to the Tobacco Inspection Warehouse and any other historic resources within 90 feet of the project site. The construction protection plan shall meet the requirements specified in the New York City Department of Buildings (NYCBOD) Technical Policy and Procedure Notice #10/88


concerning procedures for avoidance of damage to historic structures resulting from adjacent construction. The CPP shall describe in detail the construction procedures of the Project related to Historic Properties and the construction procedures associated with other projects under construction in the vicinity of each of the Historic Properties. This plan shall be submitted to OPRHP for review and approval prior to implementation.

4. Rehabilitation of the Empire Stores will be conducted in a manner that is compatible with and respects the architectural and historic significance of the resource and in accordance with the Secretary of the Interior's Standards for Rehabilitation. Interior and exterior design plans shall be developed in consultation with OPRHP and submitted at the preliminary (35%) and pre-final (75%) completion stages for OPRHP comment. If OPRHP makes substantive comments during the pre-final design review, OPRHP may request the opportunity to review the final design.
5. As final design for the park is advanced, consultation with SHPO will be conducted to review whether proposed construction may have an adverse impact to potential archaeological resources for those portions of the park that have been identified as potentially sensitive for 18th – 19th Century deposits. This consultation will evaluate if potential resources can be avoided and attempt to identify ways to accomplish avoidance. In the event that archaeologically sensitive areas cannot be avoided, testing methods, and if necessary, mitigation measures will be developed in consultation with SHPO and implemented as early as possible in order to avoid undue delays during construction.
6. BBPDC will share with OPRHP proposed renderings for the new building to be built in the D.U.M.B.O. Historic District at John Street. Design plans shall be developed in consultation with OPRHP and submitted at the preliminary (35%) and pre-final (75%) completion stages for OPRHP comment. If OPRHP makes substantive comments during the pre-final design review, OPRHP may request the opportunity to review the final design.
7. If construction activities or Project plans change such that the Project may newly affect an Historic Property, ESDC shall notify OPRHP and invite OPRHP to participate in consultation to determine the appropriate course of action.

Any party to this LOR may propose to ESDC that the LOR be amended, whereupon ESDC shall consult with the other parties to this LOR to consider such amendment. Any amendment must be agreed upon in writing by all parties to this agreement.

This LOR shall take effect on the date it is signed by the last signatory and will remain in effect until the Stipulations have been met.

EMPIRE STATE DEVELOPMENT CORPORATION

BY:  DATE: January 18, 2006
Eileen Mildenerger

TITLE: Chief Operating Officer & Executive VP

BROOKLYN BRIDGE PARK DEVELOPMENT CORPORATION

BY: Wendy Leventer DATE: January 18, 2006
Wendy Leventer

TITLE: President

NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC
PRESERVATION

BY: Richard A. Purpura DATE: 1/17/06

TITLE: Historic Preservation Field Services Director

EMPIRE STORES, LLC

BY:  _____

DATE: 1/18/06

TITLE: Jeshayahu Boymelgreen, Manager