

Attachment A

Proposed Modified GPP and Proposed Modifications to the
Ground Lease Agreement

New York State Urban Development Corporation
d/b/a Empire State Development
Restoration Center Industrial Project
New York City (Kings County)

General Project Plan Modification
March 23, 2023

The General Project Plan for the Restoration Center Industrial Project, as affirmed and approved on May 20, 1977 and as further modified on May 17, 2018 and August 15, 2019 (the "GPP"), is further amended so that the UDC subsidiary will lease the property to RDC Commercial Center Inc. for an additional three (3) years, for a total period of 49 years and, accordingly, to reflect an amended Expiration Date of October 16, 2027. Additionally, the base rent payment will be modified to include the following updated base rent payment schedule:

	Begin	End	Rent Calculation
1	03/2/23	2/28/26	\$38,000 per year
2	3/1/26	10/16/27	15% of actual taxes

But for this amendment, the GPP remains unchanged, and remains in full force and effect.

Ground Lease Agreement Modifications
March 23, 2023

Article 2, Section 2.01 of the Ground Lease Agreement, dated as of September 21, 1978 as further amended in the First Amendment of Lease dated August 20, 2018, the Second Amendment of Lease, dated November 1, 2019, and a Third Amendment of Lease, dated November 19, 2021, by and between UDC-Commercial Center, Inc. ("Landlord"), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. ("Tenant"), and any other terms of the Ground Lease Agreement impacted thereby, is amended to extend the expiration date three (3) years, from "October 16, 2024" to "October 16, 2027" and from a term of "forty-six (46) years" to "forty-nine (49) years".

Article 3, Section 3.01(a) of the Ground Lease Agreement, dated as of September 21, 1978 as further amended in the First Amendment of Lease dated August 20, 2018, the Second Amendment of Lease, dated November 1, 2019, and a Third Amendment of Lease, dated November 19, 2021, by and between UDC-Commercial Center, Inc. ("Landlord"), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. ("Tenant"), and any other terms of the Ground Lease Agreement impacted thereby, is amended to extend the current "Base Rent" formula of Thirty-eight Thousand Dollars (\$38,000) for the period March 2, 2023 through and including February 28, 2026; and increase the "Base Rent" calculation to 15% of actual taxes for the period March 1, 2026 through and including the end of the Lease term (October 16, 2027).

But for the above modifications, the Ground Lease Agreement, as modified by the Second Amendment to Agreement of Lease, remains unchanged, and remains in full force and effect.

Attachment A

Proposed Modified GPP and Proposed Modifications to the
Ground Lease Agreement

New York State Urban Development Corporation
d/b/a Empire State Development
Restoration Center Industrial Project
New York City (Kings County)

General Project Plan Modification
August 15, 2019

The General Project Plan for the Restoration Center Industrial Project, as affirmed and approved on May 20, 1977 and as further modified on May 17, 2018 (the "GPP"), is further amended so that the UDC subsidiary will lease the property to the Developer for an additional five (5) years, for a total period of forty-six (46) years and, accordingly, to reflect an amended Expiration Date of October 16, 2024. Additionally, the base rent payment of Thirty-eight Thousand Dollars (\$38,000) per year will be modified to include the following updated base rent payment schedule:

Ext. Year	Begin	End	Rent Calculation
1	10/17/19	10/16/20	Extension of current formula
2	10/17/20	10/16/21	Extension of current formula
3	10/17/21	10/16/22	50% of actual taxes
4	10/17/22	10/16/23	75% of actual taxes
5	10/17/23	10/16/24	100% of actual taxes

But for these modifications, the GPP remains unchanged, and remains in full force and effect.

Ground Lease Agreement Modifications
August 15, 2019

Article 2, Section 2.01 of the Ground Lease Agreement, dated as of September 21, 1978 as amended in the First Amendment of Lease dated August 20, 2018, by and between UDC-Commercial Center, Inc. ("Landlord"), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. ("Tenant"), and any other terms of the Ground Lease Agreement impacted thereby, is amended to extend the expiration date five (5) years, from "October 16, 2019" to "October 16, 2024" and from a term of "forty-one (41) years" to "forty-six (46) years".

Article 3, Section 3.01(a) of the Ground Lease Agreement, dated as of September 21, 1978 as amended in the First Amendment of Lease dated August 20, 2018, by and between UDC-Commercial Center, Inc. ("Landlord"), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. ("Tenant"), and any other terms of the Ground Lease Agreement impacted thereby, is amended to extend the current "Base Rent" formula of Thirty-eight Thousand Dollars (\$38,000) for the first two lease extension years (October 17, 2019 – October 16, 2020; October 17,

2020 – October 16, 2021); increase the “Base Rent” calculation to 50% of actual taxes in the third year of the lease extension (October 17, 2021 – October 16, 2022); increase the “Base Rent” calculation to 75% of actual taxes in the fourth year of the lease extension (October 17, 2022 – October 16, 2023); and increase the “Base Rent” calculation to 100% of actual taxes in the fifth year of the lease extension (October 17, 2023 – October 16, 2024).

Article 24, Section 24.01 of the Ground Lease Agreement, dated as of September 21, 1978 as amended in the First Amendment of Lease dated August 20, 2018, by and between UDC-Commercial Center, Inc. (“Landlord”), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. (“Tenant”), and any other terms of the Ground Lease Agreement impacted thereby, is amended to include as an “Event of Default,” Tenant’s Certification of a Uniform Land Use Review Process application for the Premises prior to its execution of its purchase option.

Exhibit D to the Ground Lease Agreement, dated as of September 21, 1978 as amended in the First Amendment of Lease dated August 20, 2018, by and between UDC-Commercial Center, Inc. (“Landlord”), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. (“Tenant”), is amended to include a 30-year restrictive declaration with the conveyance of the Premises.

But for the above modifications, the Ground Lease Agreement remains unchanged, and remains in full force and effect.

Attachment B

Proposed Modified GPP and Proposed Modification to the
Ground Lease Agreement

New York State Urban Development Corporation
d/b/a Empire State Development
Restoration Center Industrial Project
New York City (Kings County)

General Project Plan Modification
May 17, 2018

The General Project Plan for the Restoration Center Industrial Project, as affirmed and approved in 1977 (the "GPP"), is amended so that the UDC subsidiary will lease the property to the Developer for an additional one (1) year, for a total period of forty-one (41) years and, accordingly, to reflect an amended Expiration Date of October 16, 2019. But for this modification, the GPP remains unchanged, and remains in full force and effect.

Ground Lease Agreement Modification
May 17, 2018

Article 2, Section 2.01 of the Ground Lease Agreement, dated as of September 21, 1978, by and between UDC-Commercial Center, Inc. ("Landlord"), a wholly-owned subsidiary of New York State Urban Development Corporation, and RDC Commercial Center Inc. ("Tenant"), and any other terms of the Ground Lease Agreement impacted thereby, is amended to extend the expiration date one (1) year, from "October 16, 2018" to "October 16, 2019" and from a term of "forty (40) years" to "forty-one (41) years". But for this modification, the Ground Lease Agreement remains unchanged, and remains in full force and effect.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESTORATION CENTER INDUSTRIAL PROJECT
Brooklyn, New York

GENERAL PROJECT PLAN

The purpose of the Project is to help arrest blight and to eliminate potentially blighting influences and to make a substantial impact upon the Bedford Stuyvesant section of Brooklyn by providing office and retail space and generating job opportunities. RDC Commercial Center, Inc., a wholly owned subsidiary of Bedford Stuyvesant Restoration Corp. (referred to as the "Developer") has developed 129,000 square feet of a 177,000 square foot retail office complex. RDCCC now wishes, in cooperation with the New York State Urban Development Corporation (referred to as "UDC"), to develop the remaining 48,000 square feet of the retail office complex (referred to as the "Project") and carry out a sale/leaseback of the Project with UDC.

This office and retail project should assist in the revitalization of the Bedford Stuyvesant area by increasing the retail opportunities within the area so as to reverse the pattern of consumer buying outside the community. It also will create jobs for area residents and demonstrate a continuing momentum and commitment to the redevelopment activities now organized by Bedford Stuyvesant Restoration Corp.

To this end, the UDC has caused this General Project Plan for the continued planning, preparation, and development of the Project to be prepared. Upon approval hereof, in the manner provided by the New York State Urban Development Corporation Act, the Corporation proposes to undertake or cause to be undertaken the redevelopment described herein.

1. General Project Plan Objectives.

Bedford Stuyvesant suffers from many of the same problems that plague the poorer sections of other large East Coast Cities: deteriorated housing conditions; small, high-priced retail establishments; limited growth caused by the present land use pattern; few employment opportunities; and commercial vacancies that contribute to physical deterioration.

The central objective of the Project is to create retail and office space to generate additional shopper traffic by assisting the Developer to construct an additional 48,000

- 2 -

square feet of retail and office space in the heart of Bedford Stuyvesant's shopping section. The Project will involve the planning and development of the space as an addition to an existing 129,000 square foot office and retail complex located on the south side of Fulton Street, between New York and Brooklyn Avenues. When complete the Project would include 109,000 square feet of retail space, and 68,000 square feet of office space.

This Project will keep and create job opportunities in the area and add vitality to the retail and service shops. In addition, the construction of the Project will provide much needed construction jobs that will aid the economy of the City.

2. Project Site.

- A. Location: The Project and existing improvements are located on a site of approximately 140,000 square feet on the south side of Fulton Street between New York and Brooklyn Avenues, Brooklyn, New York.
- B. Utilities: All municipal utilities located in the surrounding street systems are adequate to meet the needs of the proposed office and retail complex.
- C. Transportation: Public transportation to the Project is excellent. Subway stops are one block away to either the east or west. Bus routes run in all directions within one block. The Nostrand Avenue stop on the Long Island Railroad is one block away.

3. Basic Program

The implementation plan for this project calls for UDC or a subsidiary of UDC to participate in the following developmental activities with respect to the Project:

- A. Review of architecture and engineering plans for the construction of the 48,000 square foot addition to the existing retail and office space;
- B. Acquisition of the entire retail office complex by purchase;
- C. Lease of the entire retail office complex to the Developer;
- D. Supervision of the construction work to be undertaken by the Developer;

- E. Analysis of construction and operating costs;
- F. Long-term supervisory control over the Project pursuant to the lease.

4. Acquisition of Project Properties

The Developer will convey to UDC for nominal consideration the entire retail office complex including the completed portions. Simultaneously with this conveyance, the UDC subsidiary will lease the property to the Developer for a period of 40 years. The Developer will have the option to buy back the property at any time when it is able to pay the then full real estate taxes. The lease and purchase agreement between UDC and the Developer will reflect the following essential provisions, which further define the Project and UDC participation therein:

- A. Development Program: The development program presently calls for the acquisition of the entire retail office complex by a UDC subsidiary to permit the construction of a one-story, 30,000 square foot supermarket and renovation of an adjoining 18,000 square foot retail-office building. The new construction will take place at the eastern portion of the site, an L-shaped parcel bounded by Fulton and Herkimer Streets and Brooklyn Avenue.
- B. Use of the Property: The buildings must be operated for commercial and office uses.
- C. Ownership, Management and Project Supervision: Under the lease arrangement, legal title to the Project will be vested in a UDC subsidiary. The maintenance, operation and insurance of the Project property will be the responsibility of the Developer. The lease also will contain controls to assure that a high standard of management will be maintained throughout the entire period of the lease.
- D. Schedule of Development: The acquisition and lease of the property are expected to occur during the early months of 1977. Construction of the retail and office space is expected to begin shortly thereafter and take approximately one year.
- E. Relocation: There are no tenants to be relocated from the site.
- F. Construction: The Project will be subject to continuing supervision and inspection by UDC during construction to assure that it is carried out in a manner consistent with this General Project Plan. The lease agreement between the Developer and UDC will contain provisions to assure that during construction:

- a. Renovations and improvements to be undertaken are of high quality and meet the requirements of this Plan and the New York State Building Construction Code or the New York City Building Code.
- b. The buildings, grounds and improvements are continually in good repair, properly maintained and in a safe, clean and orderly condition.
- c. The property is not utilized in a manner that is offensive by reason of odors, fumes, dust, smoke, noise or pollution, or other nuisance, nor hazardous by reason of danger of fire or explosion.

G. Payments in Lieu of Taxes: The Developer will be required to make rent payments sufficient to fund UDC's payment-in-lieu-of-tax obligations as described below.

5. Taxes

The UDC and the City of New York will execute an agreement providing for payments in lieu of taxes during the entire lease term. The Developer will be obligated through the lease to make such payments in the form of rent payments on the retail office complex to the UDC subsidiary which will turn them over to the City. The Payment in Lieu of Tax Agreement will contain the following essential provisions:

A. Payments: The Developer would pay an annual rent to UDC that is computed in accordance with the following schedule:

1. Base rent of \$33,557 per year, equal to the tax liability in 1972-1973, the year prior to the commencement of construction.

2. Additional rent equal to:

35% of the first \$40,000 of net cash flow in excess of \$110,000 per year;

50% of the next \$50,000;

60% of the next \$50,000;

65% of the next \$50,000;

70% of the next \$50,000;

75% of net cash flow in excess of \$350,000.

It is anticipated that the Project will be able to pay the full then-current real estate taxes within 25 years after completion.


- B. Services, Improvements and Assessments: The Developer will pay all other charges, such as sewer and water rents.

Bedford-Cityview

Flushing Avenue

Washington Avenue

- HOUSING
- EXTERIOR RENOVATION
- ★ NEIGHBORHOOD CENTER

 Project Site

Broadway

Ralph Avenue

Fulton Street

Atlantic Avenue

St. Mary's Hospital

Smyth Avenue

Ellis Avenue

Greenpo... Hospital

Summer Houses

Mary Houses

Forpkins Park

Boys Home

Children's Museum

Seaside

Eastern Parkway

Postmark Avenue

Bedford Avenue

Pratt Institute

Gene Avenue

W. 13th Street

Washington Avenue

