



**Department of
Environmental
Conservation**

BROWNFIELD CLEANUP PROGRAM (BCP) APPLICATION TO AMEND BROWNFIELD CLEANUP AGREEMENT AND AMENDMENT

Please refer to the attached instructions for guidance on completing this application.

Submission of a full BCP application will be required should this application be determined to be a major amendment. If the amendment seeks to add or subtract more than an insignificant acreage of property to the BCA, applicants are encouraged to consult with the DEC project team prior to submitting this application.

PART I. BROWNFIELD CLEANUP AGREEMENT AMENDMENT APPLICATION

1. Check the appropriate box(es) below based on the nature of the amendment modification(s) requested:

<input type="checkbox"/>	Amendment to modify the existing BCA (check one or more boxes below):
<input type="checkbox"/>	Add applicant(s)
<input type="checkbox"/>	Substitute applicant(s)
<input type="checkbox"/>	Remove applicant(s)
<input type="checkbox"/>	Change in name of applicant(s)
<input type="checkbox"/>	Amendment to reflect a transfer of title to all or part of the brownfield site:
	<p>a. A copy of the recorded deed must be provided. Is this attached? Yes <input type="radio"/> No <input type="radio"/></p> <p>b. <input type="checkbox"/> Change in ownership <input type="checkbox"/> Additional owner (such as a beneficial owner)</p> <p>c. Pursuant to 6 NYCRR Part 375-1.11(d), a Change of Use form should have been submitted prior to a transfer of ownership. If this has not yet been submitted, include the form with this application. Is this form attached? Yes <input type="radio"/> No <input type="radio"/> Submitted on: _____</p>
<input checked="" type="checkbox"/>	Amendment to modify description of the property(ies) listed in the existing BCA
<input type="checkbox"/>	Amendment to expand or reduce property boundaries of the property(ies) listed in the existing BCA
<input checked="" type="checkbox"/>	Sites in Bronx, Kings, New York, Queens or Richmond Counties ONLY: amendment to request determination that the site is eligible for tangible property credit component of the brownfield redevelopment tax credit.
<input type="checkbox"/>	Other (explain in detail below)

2. REQUIRED: Please provide a brief narrative describing the specific requests included in this amendment: This amendment has two purposes: (1) to correct the Site acreage from .210 acres (as stated in the BCA) to .249 acres (as stated in the recorded environmental easement, attached as Exhibit A, and the environmental easement survey, attached as Exhibit B); and (2) to advise that volunteer 1885 Atlantic Realty LLC entered into an affordable housing Regulatory Agreement with the City of New York, Department of Housing Preservation and Development, dated 12/19/2023, recorded 1/5/2024 in the Office of the City Register of New York, CRFN 2024000003832 (attached as Exhibit C).

SECTION I: CURRENT AGREEMENT INFORMATION*This section must be completed in full. Attach additional pages as necessary.*

BCP SITE NAME: 1885 Atlantic Avenue Redevelopment	BCP SITE CODE: C224347
NAME OF CURRENT APPLICANT(S): 1885 Atlantic Realty LLC	
INDEX NUMBER OF AGREEMENT: C224347-02-22	DATE OF ORIGINAL AGREEMENT: 02/16/2022

SECTION II: NEW REQUESTOR INFORMATION*Complete this section only if adding new requestor(s) or the name of an existing requestor has changed.*

NAME:				
ADDRESS:				
CITY/TOWN:			ZIP CODE:	
PHONE:	EMAIL:			
REQUESTOR CONTACT:				
ADDRESS:				
CITY/TOWN:			ZIP CODE:	
PHONE:	EMAIL:			
REQUESTOR'S CONSULTANT:		CONTACT:		
ADDRESS:				
CITY/TOWN:			ZIP CODE:	
PHONE:	EMAIL:			
REQUESTOR'S ATTORNEY:		CONTACT:		
ADDRESS:				
CITY/TOWN:			ZIP CODE:	
PHONE:	EMAIL:			
			Y	N
1. Is the requestor authorized to conduct business in New York State?			<input type="radio"/>	<input type="radio"/>
2. If the requestor is a corporation, LLC, LLP, or other entity requiring authorization from the NYS Department of State (NYSDOS) to conduct business in NYS, the requestor's name must appear exactly as given above in the NYSDOS Corporation & Business Entity Database. A print-out of entity information from the NYSDOS database must be submitted with this application. Is this print-out attached?			<input type="radio"/>	<input type="radio"/>
3. Requestor must submit proof that the party signing this application and amendment has the authority to bind the requestor. This would be documentation showing the authority to bind the requestor in the form of corporate organizational papers, a Corporate Resolution or an Operating Agreement or Resolution for an LLC. Is this proof attached?			<input type="radio"/>	<input type="radio"/>
4. If the requestor is an LLC, the names of the members/owners must be provided. Is this information attached?			N/A <input type="radio"/>	<input type="radio"/>
5. Describe the new requestor's relationship to all existing applicants:				

SECTION III: CURRENT PROPERTY OWNER/OPERATOR INFORMATION*Complete this section only if a transfer of ownership has taken place. Attach additional pages if necessary.*

Owner listed below is: <input type="checkbox"/> Existing Applicant <input type="checkbox"/> New Applicant <input type="checkbox"/> Non-Applicant	
OWNER'S NAME:	CONTACT:
ADDRESS:	
CITY/TOWN:	ZIP CODE:
PHONE:	EMAIL:
OPERATOR:	CONTACT:
ADDRESS:	
CITY/TOWN:	ZIP CODE:
PHONE:	EMAIL:

SECTION IV: NEW REQUESTOR ELIGIBILITY INFORMATION*Complete this section only if adding new requestor(s). Attach additional pages if necessary.*

If answering "yes" to any of the following questions, please provide additional information as an attachment. Please refer to ECL § 27-1407 for details.

	Y	N
1. Are any enforcement actions pending against the requestor regarding this site?	<input type="radio"/>	<input type="radio"/>
2. Is the requestor presently subject to an existing order for the investigation, removal or remediation relating to contamination at the site?	<input type="radio"/>	<input type="radio"/>
3. Is the requestor subject to an outstanding claim by the Spill Fund for the site? Any questions regarding whether a party is subject to a spill claim should be discussed with the Spill Fund Administrator.	<input type="radio"/>	<input type="radio"/>
4. Has the requestor been determined in an administrative, civil or criminal proceeding to be in violation of (i) any provision of the subject law; (ii) any order or determination; (iii) any regulation implementing ECL Article 27 Title 14; or (iv) any similar statute or regulation of the state or federal government? If so, provide additional information as an attachment.	<input type="radio"/>	<input type="radio"/>
5. Has the requestor previously been denied entry to the BCP? If so, include information relative to the application, such as site name, address, DEC site number, reason for denial, and any other relevant information.	<input type="radio"/>	<input type="radio"/>
6. Has the requestor been found in a civil proceeding to have committed a negligent or intentionally tortious act involving the handling, storing, treating, disposing or transporting or contaminants?	<input type="radio"/>	<input type="radio"/>
7. Has the requestor been convicted of a criminal offense (i) involving the handling, storing, treating, disposing or transporting of contaminants; or (ii) that involves a violent felony, fraud, bribery, perjury, theft, or offense against public administration (as that term is used in Article 195 of the Penal Law) under federal law or the laws of any state?	<input type="radio"/>	<input type="radio"/>
8. Has the requestor knowingly falsified statements or concealed material facts in any matter within the jurisdiction of the Department, or submitted a false statement or made use of or made a false statement in connection with any document or application submitted to the Department?	<input type="radio"/>	<input type="radio"/>

SECTION IV: NEW REQUESTOR ELIGIBILITY INFORMATION (continued)		Y	N
9. Is the requestor an individual or entity of the type set forth in ECL 27-1407.9(f) that committed an act or failed to act, and such act or failure to act could be the basis for denial of a BCP application?		<input type="radio"/>	<input type="radio"/>
10. Was the requestor's participation in any remedial program under DEC's oversight terminated by DEC or by a court for failure to substantially comply with an agreement or order?		<input type="radio"/>	<input type="radio"/>
11. Are there any unregistered bulk storage tanks on-site which require registration?		<input type="radio"/>	<input type="radio"/>
12. THE NEW REQUESTOR MUST CERTIFY THAT IT IS EITHER A PARTICIPANT OR VOLUNTEER IN ACCORDANCE WITH ECL § 27-1405(1) BY CHECKING ONE OF THE BOXES BELOW:			
<input type="checkbox"/> PARTICIPANT A requestor who either (1) was the owner of the site at the time of the disposal of contamination or (2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the disposal of contamination.		<input type="checkbox"/> VOLUNTEER A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the disposal of a hazardous waste or discharge of petroleum. NOTE: By checking this box, a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site certifies that they have exercised appropriate care with respect to the hazardous waste found at the facility by taking reasonable steps to: (i) stop any continuing discharge; (ii) prevent any threatened future release; (iii) prevent or limit human, environmental or natural resource exposure to any previously released hazardous waste. If a requestor's liability arises solely as a result of ownership, operation of or involvement with the site, they must submit a statement describing why they should be considered a volunteer – be specific as to the appropriate care taken.	
13. If the requestor is a volunteer, is a statement describing why the requestor should be considered a volunteer attached?		N/A <input type="radio"/>	Y <input type="radio"/> N <input type="radio"/>
14. Requestor's relationship to the property (check all that apply): <input type="checkbox"/> Prior Owner <input type="checkbox"/> Current Owner <input type="checkbox"/> Potential/Future Purchaser <input type="checkbox"/> Other: _____			
15. If the requestor is not the current site owner, proof of site access sufficient to complete the remediation must be submitted. Proof must show that the requestor will have access to the property before being added to the BCA and throughout the BCP project, including the ability to place an easement on the site. Is this proof attached?		N/A <input type="radio"/>	Y <input type="radio"/> N <input type="radio"/>

SECTION V: PROPERTY DESCRIPTION AND REQUESTED CHANGES

Complete this section only if property is being added to or removed from the site, a lot merger or other change to site SBL(s) has occurred, or if modifying the site address for any reason.

1. Property information on current agreement (as modified by any previous amendments, if applicable):

ADDRESS: 1885 Atlantic Avenue

CITY/TOWN Brooklyn, NY

ZIP CODE: 11233

CURRENT PROPERTY INFORMATION	TOTAL ACREAGE OF CURRENT SITE: .210			
PARCEL ADDRESS	SECTION	BLOCK	LOT	ACREAGE
1885 Atlantic Avenue	3	1714	30	.210

2. Requested change (check appropriate boxes below):



^{Correction} a. Addition of property ^{size} (may require additional citizen participation depending on the nature of the expansion – see instructions)

PARCELS ADDED:

CORRECTED

PARCEL ADDRESS	SECTION	BLOCK	LOT	ACREAGE
1885 Atlantic Avenue	3	1714	30	.249

CORRECTION

TOTAL ACREAGE ~~TO BE ADDED:~~ .039



b. Reduction of property

PARCELS REMOVED:

PARCEL ADDRESS	SECTION	BLOCK	LOT	ACREAGE

TOTAL ACREAGE TO BE REMOVED: _____



c. Change to SBL (e.g., lot merge, subdivision, address change)

NEW PROPERTY INFORMATION:

PARCEL ADDRESS	SECTION	BLOCK	LOT	ACREAGE

CORRECTED

3. TOTAL ~~REVISED~~ SITE ACREAGE: .249

4. For all changes requested in this section, documentation must be provided. Required attachments are listed in the application instructions. Is the required documentation attached?

Y	N
<input checked="" type="radio"/>	<input type="radio"/>

.249 is the acreage as measured for the recorded environmental easement, attached as **Exhibit A**, and as stated in the environmental easement survey, attached as **Exhibit B**

**APPLICATION TO AMEND BROWNFIELD CLEANUP AGREEMENT AND AMENDMENT SUPPLEMENT
QUESTIONS FOR SITE SEEKING TANGIBLE PROPERTY CREDITS IN NEW YORK CITY ONLY**

Complete this section only if the site is located within the five counties comprising New York City and the requestor is seeking a determination of eligibility for tangible property credits. Provide supporting documentation as required. Refer to the application instructions for additional information.

	Y	N
1. Is the site located in Bronx, Kings, New York, Queens or Richmond County?	<input checked="" type="radio"/>	<input type="radio"/>
2. Is the requestor seeking a determination that the site is eligible for the tangible property credit component of the brownfield redevelopment tax credit?	<input checked="" type="radio"/>	<input type="radio"/>
3. Is at least 50% of the site area located within an environmental zone pursuant to Tax Law 21(6)? Please see DEC's website for more information. See BCA	<input checked="" type="radio"/>	<input type="radio"/>
4. Is the property upside down as defined below? From ECL 27-1405(31): "Upside down" shall mean a property where the projected and incurred cost of the investigation and remediation which is protective for the anticipated use of the property equals or exceeds seventy-five percent of its independent appraised value, as of the date of submission of the application for participation in the brownfield cleanup program, developed under the hypothetical condition that the property is not contaminated.	<input type="radio"/>	<input checked="" type="radio"/>
5. Is the project and affordable housing project as defined below? See Exhibit C From 6 NYCRR 375-3.2(a) as of August 12, 2016: (a) "Affordable housing project" means, for purposes of this part, title fourteen of article twenty-seven of the environmental conservation law and section twenty-one of the tax law only, a project that is developed for residential use or mixed residential use that must include affordable residential rental units and/or affordable home ownership units. (1) Affordable residential rental projects under this subdivision must be subject to a federal, state, or local government housing agency's affordable housing program, or a local government's regulatory agreement or legally binding restriction, which defines (i) a percentage of the residential rental units in the affordable housing project to be dedicated to (ii) tenants at a defined maximum percentage of the area median income based on the occupants' household's annual gross income. (2) Affordable home ownership projects under this subdivision must be subject to a federal, state, or local government housing agency's affordable housing program, or a local government's regulatory agreement or legally binding restriction, which sets affordable units aside for homeowners at a defined maximum percentage of the area median income. (3) "Area median income" means, for purposes of this subdivision, the area median income for the primary metropolitan statistical area, or for the county if located outside a metropolitan statistical area, as determined by the United States Department of Housing and Urban Development, or its successor, for a family of four, as adjusted for family size.	<input checked="" type="radio"/>	<input type="radio"/>

APPLICATION SUPPLEMENT FOR NYC SITES (continued)	Y	N
<p>6. Is the project a planned renewable energy facility site as defined below?</p> <p>From ECL 27-1405(33) as of April 9, 2022:</p> <p>"Renewable energy facility site" shall mean real property (a) this is used for a renewable energy system, as defined in section sixty-six-p of the public service law; or (b) any co-located system storing energy generated from such a renewable energy system prior to delivering it to the bulk transmission, sub-transmission, or distribution system.</p> <p>From Public Service Law Article 4 Section 66-p as of April 23, 2021:</p> <p>(b) "renewable energy systems" means systems that generate electricity or thermal energy through use of the following technologies: solar thermal, photovoltaics, on land and offshore wind, hydroelectric, geothermal electric, geothermal ground source heat, tidal energy, wave energy, ocean thermal, and fuel cells which do not utilize a fossil fuel resource in the process of generating electricity.</p>	<input type="radio"/>	<input checked="" type="radio"/>
<p>7. Is the site located within a disadvantaged community, within a designated Brownfield Opportunity Area, and meets the conformance determinations pursuant to subdivision ten of section nine-hundred-seventy-r of the general municipal law?</p> <p>From ECL 75-0111 as of April 9, 2022:</p> <p>(5) "Disadvantaged communities" means communities that bear the burdens of negative public health effects, environmental pollution, impacts of climate change, and possess certain socioeconomic criteria, or comprise high-concentrations of low- and moderate-income households, as identified pursuant to section 75-0111 of this article.</p>	<input type="radio"/>	<input checked="" type="radio"/>

PART II. BROWNFIELD CLEANUP PROGRAM AMENDMENT**EXISTING AGREEMENT INFORMATION**

BCP SITE NAME: 1885 Atlantic Avenue Redevelopment

BCP SITE CODE: C224347

NAME OF CURRENT APPLICANT(S): 1885 Atlantic Realty LLC

INDEX NUMBER OF AGREEMENT: C224347-02-22

DATE OF ORIGINAL AGREEMENT 02/16/2022

Declaration of Amendment:

By the requestor(s) and/or applicant(s) signature(s) below, and subsequent signature by the Department, the above application to amend the Brownfield Cleanup Agreement described above is hereby approved. This Amendment is made in accordance with and subject to all of the BCA and all applicable guidance, regulations and state laws applicable thereto. All other substantive and procedural terms of the Agreement will remain unchanged and in full force and effect regarding the parties to the Agreement.

Nothing contained herein constitutes a waiver by the Department or the State of New York of any rights held in accordance with the Agreement or any applicable state and/or federal law or a release for any party from obligations held under the Agreement or those same laws.

STATEMENT OF CERTIFICATION AND SIGNATURES: NEW REQUESTOR

Complete the appropriate section (individual or entity) below only if this Amendment adds a new requestor. Attach additional pages as needed.

(Individual)

I hereby affirm that the information provided on this form and its attachments is true and complete to the best of my knowledge and belief. I am aware that any false statement made herein is punishable as a Class A misdemeanor pursuant to section 210.45 of the Penal Law. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am _____ (title) of _____ (entity); that I am authorized by that entity to make this application; that this application was prepared by me or under my supervision and direction; and that information provided on this form and its attachments is true and complete to the best of my knowledge and belief. I am aware that any false statement made herein is punishable as a Class A misdemeanor pursuant to Section 210.45 of the Penal Law.

_____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

STATEMENT OF CERTIFICATION AND SIGNATURES: EXISTING APPLICANT(S)

An authorized representative of each applicant must complete and sign the appropriate section (individual or entity) below. Attach additional pages as needed.

(Individual)

I hereby affirm that I am a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: _____ Signature: _____

Print Name: _____

(Entity)

I hereby affirm that I am Authorized Signatory (title) of 1885 Atlantic Realty LLC (entity) which is a party to the Brownfield Cleanup Agreement and/or Application referenced in Section I above and that I am aware of this Application for an Amendment to that Agreement and/or Application. My _____ signature below constitutes the requisite approval for the amendment to the BCA Application, which will be effective upon signature by the Department.

Date: 06/17/24 Signature: Print Name: Jacob Kohn**PLEASE SEE THE FOLLOWING PAGE FOR SUBMITTAL INSTRUCTIONS****REMAINDER OF THIS AMENDMENT WILL BE COMPLETED SOLELY BY THE DEPARTMENT**

Status of Agreement:

<input type="checkbox"/> PARTICIPANT A requestor who either (1) was the owner of the site at the time of the disposal of contamination or (2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the disposal of contamination.	<input checked="" type="checkbox"/> VOLUNTEER A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the contamination.
--	--

Effective Date of the Original Agreement: 02/16/2022

Signature by the Department:

DATED: 7/24/24NEW YORK STATE DEPARTMENT OF
ENVIRONMENTAL CONSERVATION

By:

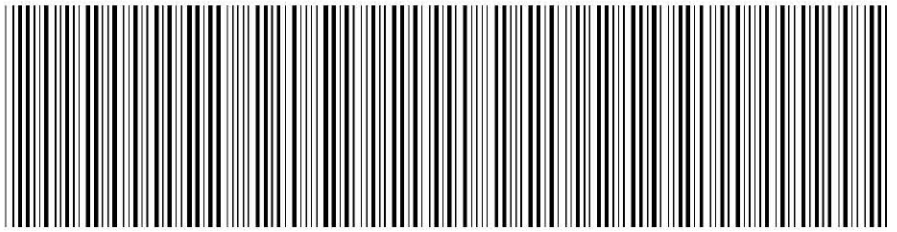

Janet E. Brown, Assistant Director
Division of Environmental Remediation

EXHIBIT A

Recorded Environmental Easement

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.



2024030501085001001E5D49

RECORDING AND ENDORSEMENT COVER PAGE

PAGE 1 OF 10

Document ID: 2024030501085001

Document Date: 02-20-2024

Preparation Date: 03-05-2024

Document Type: EASEMENT

Document Page Count: 9

PRESENTER:

SIVE PAGET & RIESEL, P.C.
560 LEXINGTON AVENUE, 15TH FLOOR
NEW YORK, NY 10022
212-421-2150
NDUNCAN@SPRLAW.COM

RETURN TO:

SIVE PAGET & RIESEL, P.C.
560 LEXINGTON AVENUE, 15TH FLOOR
NEW YORK, NY 10022
212-421-2150
NDUNCAN@SPRLAW.COM

PROPERTY DATA

Borough	Block	Lot	Unit	Address
BROOKLYN	1714	30	Entire Lot	1885 ATLANTIC AVENUE
Property Type: RESIDENTIAL VACANT LAND Easement				

CROSS REFERENCE DATA

CRFN _____ or DocumentID _____ or _____ Year _____ Reel _____ Page _____ or File Number _____

PARTIES

GRANTOR/SELLER:

1885 ATLANTIC REALTY LLC
40 OSER AVE., SUITE 4
HAUPPAUGE, NY 11788

GRANTEE/BUYER:

PEOPLE OF NEW YORK BY DEPT. ENVIRONMENTAL
CONSERVA
625 BROADWAY
ALBANY, NY 12233

FEES AND TAXES

Mortgage :

Mortgage Amount: \$ 0.00

Taxable Mortgage Amount: \$ 0.00

Exemption:

TAXES: County (Basic): \$ 0.00

City (Additional): \$ 0.00

Spec (Additional): \$ 0.00

TASF: \$ 0.00

MTA: \$ 0.00

NYCTA: \$ 0.00

Additional MRT: \$ 0.00

TOTAL: \$ 0.00

Recording Fee: \$ 82.00

Affidavit Fee: \$ 0.00

Filing Fee:

\$ 100.00

NYC Real Property Transfer Tax:

\$ 0.00

NYS Real Estate Transfer Tax:

\$ 0.00

RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE

CITY OF NEW YORK

Recorded/Filed 03-06-2024 12:09

City Register File No.(CRFN):

2024000057343



Colette McChia-Jacques

City Register Official Signature

**ENVIRONMENTAL EASEMENT GRANTED PURSUANT TO ARTICLE 71, TITLE 36
OF THE NEW YORK STATE ENVIRONMENTAL CONSERVATION LAW**

THIS INDENTURE made this 20th day of February, 2024, between Owner, 1885 Atlantic Realty LLC, having an office at 40 Oser Avenue, Suite 4, Hauppauge, New York 11788 (the "Grantor"), and The People of the State of New York (the "Grantee"), acting through their Commissioner of the Department of Environmental Conservation (the "Commissioner", or "NYSDEC" or "Department" as the context requires) with its headquarters located at 625 Broadway, Albany, New York 12233,

WHEREAS, the Legislature of the State of New York has declared that it is in the public interest to encourage the remediation of abandoned and likely contaminated properties ("sites") that threaten the health and vitality of the communities they burden while at the same time ensuring the protection of public health and the environment; and

WHEREAS, the Legislature of the State of New York has declared that it is in the public interest to establish within the Department a statutory environmental remediation program that includes the use of Environmental Easements as an enforceable means of ensuring the performance of operation, maintenance, and/or monitoring requirements and the restriction of future uses of the land, when an environmental remediation project leaves residual contamination at levels that have been determined to be safe for a specific use, but not all uses, or which includes engineered structures that must be maintained or protected against damage to perform properly and be effective, or which requires groundwater use or soil management restrictions; and

WHEREAS, the Legislature of the State of New York has declared that Environmental Easement shall mean an interest in real property, created under and subject to the provisions of Article 71, Title 36 of the New York State Environmental Conservation Law ("ECL") which contains a use restriction and/or a prohibition on the use of land in a manner inconsistent with engineering controls which are intended to ensure the long term effectiveness of a site remedial program or eliminate potential exposure pathways to hazardous waste or petroleum; and

WHEREAS, Grantor, is the owner of real property located at the address of 1885 Atlantic Avenue in the City of New York, County of Kings and State of New York, known and designated on the tax map of the New York City Department of Finance as tax map parcel number: Block 1714 Lot 30, being the same as that property conveyed to Grantor by deed dated March 16, 2022 and recorded in the City Register of the City of New York as CRFN #2022000136883. The property subject to this Environmental Easement (the "Controlled Property") comprises approximately .249 +/- acres, and is hereinafter more fully described in the Land Title Survey dated December 22, 2021, updated April 12, 2023, and revised May 9, 2023 prepared by Ramzan Alli, which will be attached to the Site Management Plan. The Controlled Property description is set forth in and attached hereto as Schedule A; and

WHEREAS, the Department accepts this Environmental Easement in order to ensure the protection of public health and the environment and to achieve the requirements for remediation established for the Controlled Property until such time as this Environmental Easement is extinguished pursuant to ECL Article 71, Title 36; and

NOW THEREFORE, in consideration of the mutual covenants contained herein and the terms and conditions of Brownfield Cleanup Agreement Index Number: C224347-02-22, Grantor conveys to Grantee a permanent Environmental Easement pursuant to ECL Article 71, Title 36 in, on, over, under, and upon the Controlled Property as more fully described herein ("Environmental Easement").

1. Purposes. Grantor and Grantee acknowledge that the Purposes of this Environmental Easement are: to convey to Grantee real property rights and interests that will run with the land in perpetuity in order to provide an effective and enforceable means of encouraging the reuse and redevelopment of this Controlled Property at a level that has been determined to be safe for a specific use while ensuring the performance of operation, maintenance, and/or monitoring requirements; and to ensure the restriction of future uses of the land that are inconsistent with the above-stated purpose.

2. Institutional and Engineering Controls. The controls and requirements listed in the Department approved Site Management Plan ("SMP") including any and all Department approved amendments to the SMP are incorporated into and made part of this Environmental Easement. These controls and requirements apply to the use of the Controlled Property, run with the land, are binding on the Grantor and the Grantor's successors and assigns, and are enforceable in law or equity against any owner of the Controlled Property, any lessees and any person using the Controlled Property.

A. (1) The Controlled Property may be used for:

**Restricted Residential as described in 6 NYCRR Part 375-1.8(g)(2)(ii),
Commercial as described in 6 NYCRR Part 375-1.8(g)(2)(iii) and Industrial
as described in 6 NYCRR Part 375-1.8(g)(2)(iv)**

(2) All Engineering Controls must be operated and maintained as specified in the Site Management Plan (SMP);

(3) All Engineering Controls must be inspected at a frequency and in a manner defined in the SMP;

(4) The use of groundwater underlying the property is prohibited without necessary water quality treatment as determined by the NYSDOH or the New York City Department of Health and Mental Hygiene to render it safe for use as drinking water or for industrial purposes, and the user must first notify and obtain written approval to do so from the Department;

(5) Groundwater and other environmental or public health monitoring must be performed as defined in the SMP;

(6) Data and information pertinent to Site Management of the Controlled Property must be reported at the frequency and in a manner defined in the SMP;

(7) All future activities on the property that will disturb remaining

contaminated material must be conducted in accordance with the SMP;

(8) Monitoring to assess the performance and effectiveness of the remedy must be performed as defined in the SMP;

(9) Operation, maintenance, monitoring, inspection, and reporting of any mechanical or physical components of the remedy shall be performed as defined in the SMP;

(10) Access to the site must be provided to agents, employees or other representatives of the State of New York with reasonable prior notice to the property owner to ensure compliance with the restrictions identified by this Environmental Easement.

B. The Controlled Property shall not be used for Residential purposes as defined in 6NYCRR 375-1.8(g)(2)(i) and raising livestock or producing animal products for human consumption, and the above-stated engineering controls may not be discontinued without an amendment or extinguishment of this Environmental Easement.

C. The SMP describes obligations that the Grantor assumes on behalf of Grantor, its successors and assigns. The Grantor's assumption of the obligations contained in the SMP which may include sampling, monitoring, and/or operating a treatment system, and providing certified reports to the NYSDEC, is and remains a fundamental element of the Department's determination that the Controlled Property is safe for a specific use, but not all uses. The SMP may be modified in accordance with the Department's statutory and regulatory authority. The Grantor and all successors and assigns, assume the burden of complying with the SMP and obtaining an up-to-date version of the SMP from:

Site Control Section
Division of Environmental Remediation
NYSDEC
625 Broadway
Albany, New York 12233
Phone: (518) 402-9553

D. Grantor must provide all persons who acquire any interest in the Controlled Property a true and complete copy of the SMP that the Department approves for the Controlled Property and all Department-approved amendments to that SMP.

E. Grantor covenants and agrees that until such time as the Environmental Easement is extinguished in accordance with the requirements of ECL Article 71, Title 36 of the ECL, the property deed and all subsequent instruments of conveyance relating to the Controlled Property shall state in at least fifteen-point bold-faced type:

This property is subject to an Environmental Easement held by the New York State Department of Environmental Conservation pursuant to Title 36 of Article 71 of the Environmental Conservation

Law.

F. Grantor covenants and agrees that this Environmental Easement shall be incorporated in full or by reference in any leases, licenses, or other instruments granting a right to use the Controlled Property.

G. Grantor covenants and agrees that it shall, at such time as NYSDEC may require, submit to NYSDEC a written statement by an expert the NYSDEC may find acceptable certifying under penalty of perjury, in such form and manner as the Department may require, that:

(1) the inspection of the site to confirm the effectiveness of the institutional and engineering controls required by the remedial program was performed under the direction of the individual set forth at 6 NYCRR Part 375-1.8(h)(3).

(2) the institutional controls and/or engineering controls employed at such site:

(i) are in-place;

(ii) are unchanged from the previous certification, or that any identified changes to the controls employed were approved by the NYSDEC and that all controls are in the Department-approved format; and

(iii) that nothing has occurred that would impair the ability of such control to protect the public health and environment;

(3) the owner will continue to allow access to such real property to evaluate the continued maintenance of such controls;

(4) nothing has occurred that would constitute a violation or failure to comply with any site management plan for such controls;

(5) the report and all attachments were prepared under the direction of, and reviewed by, the party making the certification;

(6) to the best of his/her knowledge and belief, the work and conclusions described in this certification are in accordance with the requirements of the site remedial program, and generally accepted engineering practices; and

(7) the information presented is accurate and complete.

3. Right to Enter and Inspect. Grantee, its agents, employees, or other representatives of the State may enter and inspect the Controlled Property in a reasonable manner and at reasonable times to ensure compliance with the above-stated restrictions.

4. Reserved Grantor's Rights. Grantor reserves for itself, its assigns, representatives, and successors in interest with respect to the Property, all rights as fee owner of the Property, including:

A. Use of the Controlled Property for all purposes not inconsistent with, or limited by the terms of this Environmental Easement;

B. The right to give, sell, assign, or otherwise transfer part or all of the underlying fee interest to the Controlled Property, subject and subordinate to this Environmental Easement;

5. Enforcement

A. This Environmental Easement is enforceable in law or equity in perpetuity by Grantor, Grantee, or any affected local government, as defined in ECL Section 71-3603, against

the owner of the Property, any lessees, and any person using the land. Enforcement shall not be defeated because of any subsequent adverse possession, laches, estoppel, or waiver. It is not a defense in any action to enforce this Environmental Easement that: it is not appurtenant to an interest in real property; it is not of a character that has been recognized traditionally at common law; it imposes a negative burden; it imposes affirmative obligations upon the owner of any interest in the burdened property; the benefit does not touch or concern real property; there is no privity of estate or of contract; or it imposes an unreasonable restraint on alienation.

B. If any person violates this Environmental Easement, the Grantee may revoke the Certificate of Completion with respect to the Controlled Property.

C. Grantee shall notify Grantor of a breach or suspected breach of any of the terms of this Environmental Easement. Such notice shall set forth how Grantor can cure such breach or suspected breach and give Grantor a reasonable amount of time from the date of receipt of notice in which to cure. At the expiration of such period of time to cure, or any extensions granted by Grantee, the Grantee shall notify Grantor of any failure to adequately cure the breach or suspected breach, and Grantee may take any other appropriate action reasonably necessary to remedy any breach of this Environmental Easement, including the commencement of any proceedings in accordance with applicable law.

D. The failure of Grantee to enforce any of the terms contained herein shall not be deemed a waiver of any such term nor bar any enforcement rights.

6. Notice. Whenever notice to the Grantee (other than the annual certification) or approval from the Grantee is required, the Party providing such notice or seeking such approval shall identify the Controlled Property by referencing the following information:

County, NYSDEC Site Number, NYSDEC Brownfield Cleanup Agreement, State Assistance Contract or Order Number, and the County tax map number or the Liber and Page or computerized system identification number.

Parties shall address correspondence to: Site Number: C224347
Office of General Counsel
NYSDEC
625 Broadway
Albany New York 12233-5500

With a copy to: Site Control Section
Division of Environmental Remediation
NYSDEC
625 Broadway
Albany, NY 12233

All notices and correspondence shall be delivered by hand, by registered mail or by Certified mail and return receipt requested. The Parties may provide for other means of receiving and communicating notices and responses to requests for approval.

7. Recordation. Grantor shall record this instrument, within thirty (30) days of execution of this instrument by the Commissioner or her/his authorized representative in the office of the

recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

8. Amendment. Any amendment to this Environmental Easement may only be executed by the Commissioner of the New York State Department of Environmental Conservation or the Commissioner's Designee, and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

9. Extinguishment. This Environmental Easement may be extinguished only by a release by the Commissioner of the New York State Department of Environmental Conservation, or the Commissioner's Designee, and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

10. Joint Obligation. If there are two or more parties identified as Grantor herein, the obligations imposed by this instrument upon them shall be joint and several.

11. Consistency with the SMP. To the extent there is any conflict or inconsistency between the terms of this Environmental Easement and the SMP, regarding matters specifically addressed by the SMP, the terms of the SMP will control.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, Grantor has caused this instrument to be signed in its name.

1885 Atlantic Realty LLC:

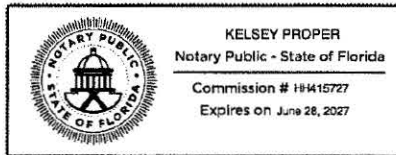
By: Jacob Kohn

Print Name: Jacob Kohn

Title: Authorized Signer Date: 02/14/2024

Grantor's Acknowledgment

Florida ~~NY~~
STATE OF ~~NEW YORK~~)
) SS:
COUNTY OF Broward)



On the 14th day of February, in the year 20 24, before me, the undersigned, personally appeared Jacob Kohn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name 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.

Kelsey Proper [Signature]
Notary Public - State of ~~New York~~ Florida

Notarized remotely online using communication technology via Proof.
Driver's License used for ID.

THIS ENVIRONMENTAL EASEMENT IS HEREBY ACCEPTED BY THE PEOPLE OF THE STATE OF NEW YORK, Acting By and Through the Department of Environmental Conservation as Designee of the Commissioner,

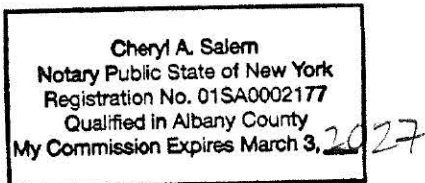
By: Andrew Guglielmi
Andrew O. Guglielmi, Director
Division of Environmental Remediation

Grantee's Acknowledgment

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

On the 20th day of February in the year 2024 before me, the undersigned, personally appeared Andrew O. Guglielmi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/ executed the same in his/her/ capacity as Designee of the Commissioner of the State of New York Department of Environmental Conservation, and that by his/her/ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Cheryl A. Salem
Notary Public - State of New York



SCHEDULE "A" PROPERTY DESCRIPTION

LEGAL DESCRIPTION
DEED AND ENVIRONMENTAL EASEMENT

All that certain plot, piece or parcel 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 the corner formed by the intersection of the Westerly side of Ralph Avenue with the Northerly side of Atlantic Avenue;

RUNNING thence Westerly along the Northerly side of Atlantic Avenue, a distance of 116 feet 0 inches;

THENCE Northerly parallel with Ralph Avenue, a distance of 98 feet 7 inches;

THENCE Easterly parallel with Atlantic Avenue, a distance of 29 feet 0 inches;

THENCE Southerly parallel with Ralph Avenue, a distance of 7 feet 0 inches;

THENCE Easterly parallel with Atlantic Avenue, a distance of 87 feet 0 inches to the Westerly side of Ralph Avenue;

THENCE Southerly along the Westerly side of Ralph Avenue, a distance of 91 feet 7 inches to the Northerly side of Atlantic Avenue at the point or place of BEGINNING;

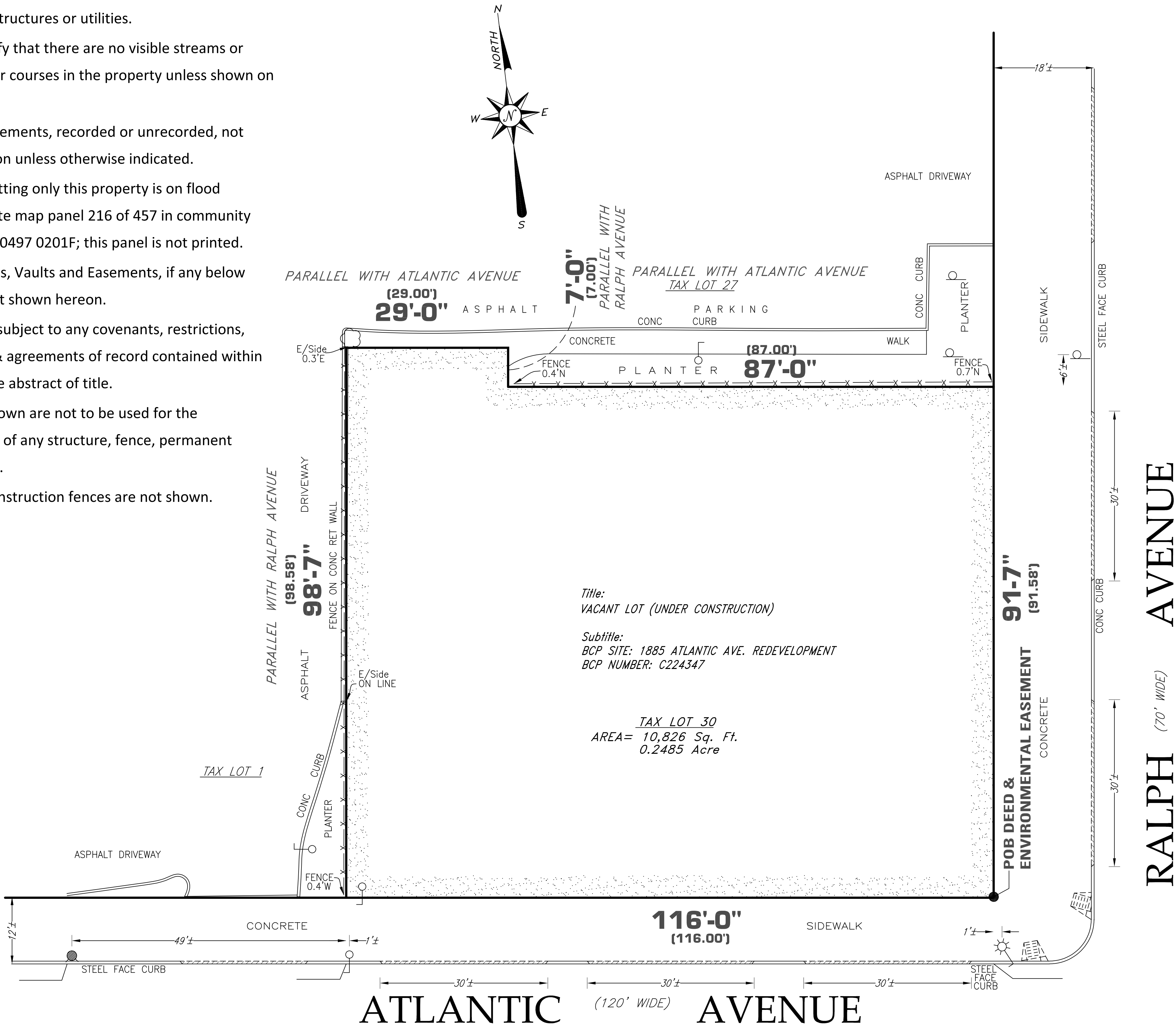
The above described property having an area of 10,826 Square Feet or 0.2485 Acre more or less.

EXHIBIT B

Environmental Easement Survey

NOTES:

- No investigation has been made with respect to subsurface structures or utilities.
- This is to certify that there are no visible streams or natural water courses in the property unless shown on this survey.
- Nonvisible easements, recorded or unrecorded, not shown hereon unless otherwise indicated.
- By graphic plotting only this property is on flood insurance rate map panel 216 of 457 in community panel No. 360497 0201F; this panel is not printed.
- Encroachments, Vaults and Easements, if any below surface is not shown hereon.
- This survey is subject to any covenants, restrictions, easements & agreements of record contained within an up to date abstract of title.
- The offsets shown are not to be used for the construction of any structure, fence, permanent addition, etc.
- Temporary construction fences are not shown.



RECORD DESCRIPTION &
ENVIRONMENTAL EASEMENT DESCRIPTION

AS DESCRIBED IN CRFN 2022000136883

All that Certain Plot, Piece or parcel 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 the corner formed by the intersection of the Westerly side of Ralph Avenue with the Northerly side of Atlantic Avenue;

RUNNING thence Westerly along the Northerly side of Atlantic Avenue, a distance of 116 feet 0 inches;

THENCE Northerly parallel with Ralph Avenue, a distance of 98 feet 7 inches;

THENCE Easterly parallel with Atlantic Avenue, a distance of 29 feet 0 inches;

THENCE Southerly parallel with Ralph Avenue, a distance of 7 feet 0 inches;

THENCE Easterly parallel with Atlantic Avenue, a distance of 87 feet 0 inches to the Westerly side of Ralph Avenue;

THENCE Southerly along the Westerly side of Ralph Avenue, a distance of 91 feet 7 inches to the Northerly side of Atlantic Avenue at the point or place of BEGINNING;

The above described property having an area of 10,826 Square Feet or 0.2485 Acre more or less.

NOTE:

This property is subject to an environmental easement held by the New York State

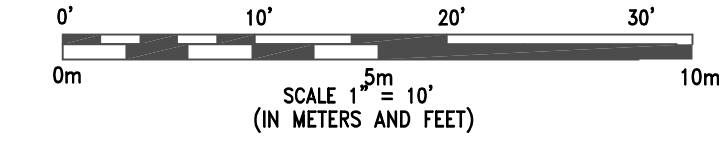
Department of Environmental Conservation pursuant to Title 36 of Article 71 of
the New York Environmental Conservation Law.

The engineering and institutional controls for this Easement are set forth in more
detail in the Site Management Plan (SMP). A copy of the SMP must be
obtained by any party with an interest in the property. The SMP can be
obtained from NYS Department of Environmental Conservation, Division of
Environmental Remediation, Site Control Section, 625 Broadway, Albany, NY
12233 or at derweb@dec.ny.gov.

LEGEND	
	LIGHT POLE
	STREET SIGN
	HYDRANT
	CURB CUT
	PEDESTRIAN RAMP
	TREE
	TRAFFIC LIGHT
	CHAIN LINK FENCE
	PROPERTY LINE
	METAL POST
	POINT OF BEGINNING

Tax Block: 1714
Tax Lot: 30

PROPERTY SITUATED AT
1885 ATLANTIC AVENUE
BOROUGH OF BROOKLYN
COUNTY OF KINGS
CITY & STATE OF NEW YORK



May 9, 2023	Map Revised
April 12, 2023	Survey Updated & Environmental Easement Added
December 22, 2021	Date of Survey
DATE	DESCRIPTION

UNAUTHORIZED ALTERATION OR ADDITION TO THIS SURVEY IS A VIOLATION OF SECTION 7209, OF THE NEW YORK STATE EDUCATION LAW. COPIES OF THIS SURVEY NOT BEARING THE LAND SURVEYOR'S INKED SEAL OR EMBOSSED SEAL SHALL NOT BE CONSIDERED TO BE A VALID TRUE COPY. CERTIFICATIONS INDICATED HEREON SHALL RUN ONLY TO THE PERSON FOR WHOM THE SURVEY IS PREPARED AND ON HIS BEHALF TO THE TITLE COMPANY, GOVERNMENTAL AGENCY AND LENDING INSTITUTION LISTED HEREON, AND TO THE ASSIGNEES OF THE LENDING INSTITUTION. CERTIFICATIONS ARE NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS.



NY Land Surveyor P.C.
77-16 164 Street, Suite 301 Fresh Meadows, NY 11366
Tel: 718-591-6600 Tel: 212-732-1575
www.nylandsurveyor.com
nylandsurveyor@gmail.com

EARL B. LOVELL-S.P. BELCHER, INC. & JACK ALLISON HALL

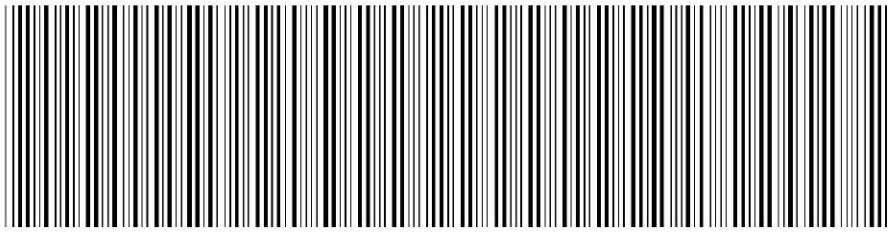
Limits of Environmental Easement denoted thus:

EXHIBIT C

Affordable Housing Regulatory Agreement

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.



2024010500070004003E0F83

RECORDING AND ENDORSEMENT COVER PAGE

PAGE 1 OF 51

Document ID: 2024010500070004

Document Date: 12-19-2023

Preparation Date: 01-05-2024

Document Type: SUNDRY AGREEMENT

Document Page Count: 50

PRESENTER:

CHASE ABSTRACT, LLC
84-86 COLUMBIA AVENUE
CHA-100411101K
CEDARHURST, NY 11516
718-484-0631
RECORDINGS@CHASEABSTRACT.NET

RETURN TO:

ALYSON LANZER, ESQ.
DEPT OF HOUSING PRESERVATION AND
DEVELOPMENT
100 GOLD STREET, ROOM 5-S7
NEW YORK, NY 10038

Borough	Block	Lot	Unit	Address
BROOKLYN	1714	30	Entire Lot	1889 ATLANTIC AVENUE
Property Type: APARTMENT BUILDING				

CROSS REFERENCE DATA

CRFN _____ or DocumentID _____ or _____ Year _____ Reel _____ Page _____ or File Number _____

PARTIES

PARTY 1:

1885 ATLANTIC REALTY LLC
40 OSER AVENUE
HAUPPAUGE, NY 11788

PARTY 2:

THE CITY OF NEW YORK
DEPT OF HOUSING PRESERVATION AND
DEVELOPMENT, 100 GOLD STREET
NEW YORK, NY 10038

FEES AND TAXES

Mortgage :

Mortgage Amount: \$ 0.00

Taxable Mortgage Amount: \$ 0.00

Exemption:

TAXES: County (Basic): \$ 0.00

City (Additional): \$ 0.00

Spec (Additional): \$ 0.00

TASF: \$ 0.00

MTA: \$ 0.00

NYCTA: \$ 0.00

Additional MRT: \$ 0.00

TOTAL: \$ 0.00

Recording Fee: \$ 287.00

Affidavit Fee: \$ 0.00

Filing Fee:

\$ 0.00

NYC Real Property Transfer Tax:

\$ 0.00

NYS Real Estate Transfer Tax:

\$ 0.00

RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE

CITY OF NEW YORK

Recorded/Filed 01-05-2024 12:04

City Register File No.(CRFN):

2024000003832



Colette McChia-Jacques

City Register Official Signature

REGULATORY AGREEMENT

BY AND BETWEEN
THE CITY OF NEW YORK
AND
1885 ATLANTIC REALTY LLC

The property affected by this instrument lies within:

<u>Block</u>	<u>Lot</u>
1714	30
<u>Address:</u>	1889 Atlantic Avenue
<u>County:</u>	Kings

PLEASE RECORD AND RETURN TO:
Alyson Lanzer, Esq.
Department of Housing Preservation
and Development
Office of Legal Affairs
100 Gold Street, Room 5-S7
New York, NY 10038
CHA-100411101K

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT made as of December 19th, 2023 by and between **1885 ATLANTIC REALTY LLC**, a New York limited liability company formed pursuant to the laws of the State of New York, having its office at 40 Oser Avenue, Hauppauge, NY 11788 (the "Applicant"), and the **CITY OF NEW YORK** (the "City"), a municipal corporation acting by and through its **DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT** (the "Department"), having an office at 100 Gold Street, New York, New York 10038.

WHEREAS, the Applicant is the owner in fee simple of the premises located in the County of Kings, City and State of New York, known as 1889 Atlantic Avenue, Brooklyn, New York, Block 1714, Lot 30 on the Tax Map of the City (as improved pursuant to this Regulatory Agreement), (the "Premises"), more particularly described in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Applicant intends to construct improvements on such Premises, which improvements will constitute Affordable Housing within the meaning of Section 23-911 of the New York City Zoning Resolution (the "Resolution") and the Inclusionary Housing Program Guidelines (the "Guidelines") (the Guidelines and Resolution are collectively referred to as the "Program"); and

WHEREAS, the Department has been duly authorized to administer the Program, including the execution of a Regulatory Agreement between the Department and Applicant for Floor Area Compensation under the Program (the "Agreement"); and

WHEREAS, Applicant has filed with the Department an Affordable Housing Plan pursuant to Section 23-961(d) of the Resolution, attached hereto and made a part hereof as Exhibit B (the "Plan"), and the Department has evaluated and approved the Plan as such terms and requirements of the Plan are reflected in this Agreement; and

WHEREAS, Applicant intends to provide Low Income Floor Area (as defined in Section 23-911 of the Resolution (the "Affordable Housing Units") to be affordable to and occupied by families having incomes less than or equal to the Low Income Limit in order to enable one or more new multiple dwellings (the "Compensated Development(s)"), to be eligible under the Program for Floor Area Compensation pursuant to Section 23-932 (R10) or Section 23-154 (Inclusionary Housing designated areas) of the Resolution; and

WHEREAS, the parties hereto wish to enter into this Agreement to set forth the rights and obligations hereunder;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

1. Capitalized terms not specifically defined herein shall have the meaning set forth in the Program.
2. Applicant will create, through new construction sixteen (16) Affordable Housing Units pursuant to the building plans submitted to and approved by the Department ("Building Plans"), located at the Premises (the "Building"). Attached hereto as part of Exhibit C, is a list identifying each Affordable Housing Unit.
3. The sixteen (16) Affordable Housing Units are to be occupied by Low Income Households, as defined in the Resolution, which will permit Floor Area Compensation in conformance with the Resolution.

4. The authority pursuant to the Resolution to create additional Floor Area in the Compensated Development(s), granted in accordance with this Agreement, may be used on-site on the Premises only by Applicant or by whomever Applicant directs the Department, in writing, to receive such authority, subject to the geographic and zoning limitations set forth in the Resolution and subject to the requirements of the Program.
5. The parties hereto agree that the site of the subject Affordable Housing Units is eligible for the construction of Low Income Floor Area pursuant to the Program and the requirements of Sections 23-90 (Inclusionary Housing), inclusive of the Resolution and based on an opinion of counsel, the site meets the requirements of RPTL §421-a. The parties also agree that Applicant shall complete the subject Affordable Housing Units application for tax exemption under the RPTL §421-a, unless the Department has waived, in writing, the necessity for such tax exemption. The parties hereto further agree that (a) Applicant shall not permit the Building Plans to be professionally certified to the City of New York Department of Buildings ("DOB"), (b) Applicant shall submit such Building Plans to a DOB plan examiner for review, (c) applicable zoning calculations also shall be approved by a DOB plan examiner, and (d) construction of the Affordable Housing Units, as described in the request, is in accordance with the Program requirements and with the Building Plans, with respect to the Affordable Housing Units, (which Program requirements and Building Plans are collectively defined as "Construction Requirements"). The Construction Requirements that relate to the Program requirements or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall not be altered without the Department's written approval.

Applicant shall complete the construction of the Affordable Housing Units within three (3) years from the date of this Agreement ("Completion Deadline"). The construction of the Affordable Housing Units shall be deemed complete upon the Department's issuance, for presentation to the DOB, of a Completion Notice in accordance with Section 9 of this Agreement ("Completion").

6. This Agreement is subject to the Applicant's compliance with the requirements set forth in the Program. The Department acknowledges that, as of the date of this Agreement, Applicant has satisfied applicable requirements set forth in Sections 23-90 (Inclusionary Housing), inclusive of the Resolution.
7. The Affordable Housing Units created pursuant to this Agreement will be occupied solely by tenants who are Low Income Households at the time of such tenant's Initial Occupancy of such housing and shall be operated as Affordable Housing for Low Income Households for the life of the increased Floor Area of the Compensated Development(s). Such obligation shall run with the tax lot(s) within the zoning lot containing such Affordable Housing Units.
8. (i) The rents charged by Applicant for the Affordable Housing Units upon Rent-up of such units shall (a) not exceed the rents set forth in the schedule attached hereto as Exhibit D, which have been established by the Department pursuant to Section 23-961(b) of the Resolution, (b) be registered with the New York State Division of Housing and Community Renewal or any successor agency ("DHCR"), and (c) thereafter shall be subject to Rent Stabilization for the term of this Agreement and upon termination of this Agreement in accordance with Section 8(v). Applicant shall register all Affordable Housing Units with DHCR upon the earlier to occur of: (A) the occupancy of the last remaining unit, or (B) one year from the Completion Deadline (hereinafter, the "DHCR Registration Deadline").

(ii) Rents for existing tenants of the Affordable Housing Units upon renewal of leases for such units or at any time during the term of the lease shall be the lesser of (a) the rent allowed by Rent Stabilization, or (b) the Maximum Monthly Rent for Low Income Households, or (c) for units rented to households with incomes, at Initial Occupancy, below the Low Income Limit, the last rent charged for such unit plus the percentage increase established by the Rent Guidelines Board or its successor entity at the time of such renewal or at any time during the lease.

(iii) Upon rental of an Affordable Housing Unit that becomes vacant after Initial Occupancy, to a new tenant, the rent shall be the lesser of the rent allowed by Rent Stabilization or the Maximum Monthly Rent for Low Income Households.

(iv) Notwithstanding anything to the contrary contained herein, Applicant shall not utilize any exemption or exclusion from any requirement of Rent Stabilization to which Applicant might otherwise be or become entitled with respect to one or more Affordable Housing Units, including, but not limited to, any exemption or exclusion from the rent limits, renewal lease requirements, registration requirements, or other provisions of Rent Stabilization due to (i) the vacancy of a unit where the rent exceeds a prescribed maximum amount, (ii) the fact that tenant income and/or a unit's rent exceeds prescribed maximum amounts, (iii) the nature of the tenant, or (iv) any other factor.

(v) In the event that the Affordable Housing Units are not located in the Compensated Development and the increased Floor Area of the Compensated Development generated by such Affordable Housing Units ceases to exist, the Affordable Housing Units shall continue to remain subject to Rent Stabilization so long as the existing tenants in occupancy remain tenants pursuant to the provisions of Rent Stabilization.

(vi) Applicant shall grant all tenants of the Affordable Housing Units the same rights that they would be entitled pursuant to Rent Stabilization. In addition, Applicant shall register the Affordable Housing Units with DHCR pursuant to Rent Stabilization, and such units shall be subject to Rent Stabilization without regard to whether such Affordable Housing Units are statutorily subject to Rent Stabilization. Applicant shall ensure that these rights are stated in each lease for an Affordable Housing Unit. If any court declares that Rent Stabilization is statutorily inapplicable to an Affordable Housing Unit, such Affordable Housing Unit shall remain in Rent Stabilization in accordance with this Agreement and the lease for such Affordable Housing Unit for the remainder of the Regulatory Period.

9. Applicant agrees not to request or accept a Certificate of Occupancy ("C of O") or a Temporary Certificate of Occupancy ("T C of O") for any portion of the Compensated Development that utilizes Floor Area Compensation until the Department issues a Completion Notice to such Compensated Development.

The Department shall issue a Completion Notice upon Applicant's compliance with the following requirements (a) through (o) of this Section 9:

- (a) (1) submission of proof that each Affordable Housing Unit that is not located in the portion of the Compensated Development that utilizes Floor Area Compensation, has received a C of O or a T C of O, and (2) where applicable each Affordable Housing Unit that is located in the portion of the Compensated Development that utilizes Floor Area Compensation has received certification from DOB that such Affordable Housing Unit is eligible to receive its C of O or T C of O upon the Department's issuance of a Completion Notice; and

- (b) at the discretion of the Department, performance by the Department of a site inspection which establishes to the satisfaction of the Department that (i) the Affordable Housing Units meet the requirements of Sections 23-96(b), (c) and (d) of the Resolution and (ii) the Building meets the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8; and
- (c) omitted; and
- (d) funding of the Special Reserve Fund in accordance with Section 15 of this Agreement; and
- (e) submission of proof, satisfactory to the Department, that the Affordable Housing Units are being rented in accordance with Sections 8, 21 and 22 of this Agreement and that Applicant has entered into leases with tenants for at least ten percent (10%) of the Affordable Housing Units in accordance with the Program, pursuant to which the tenants may begin occupancy upon the issuance of a C of O or T C of O; and
- (f) submission of certificates of insurance required by Section 12 of this Agreement with all premiums for the current year fully paid; and
- (g) submission on or after the date that DOB either certifies to the Department that DOB is prepared to issue the C of O or the T C of O for all of the Affordable Housing Units or that DOB has issued the C of O or the T C of O for all of the Affordable Housing Units, as the case may be, of (i) a policy of fee title insurance dated as of the date the Applicant acquired title to the Premises or, in the case of transfer of ownership of the property containing the Affordable Housing Units in accordance with Section 23 of this Agreement, dated on or after the date of such transfer or a title policy insuring the lien of mortgage of the primary lender for the Building and/or the Premises or such lender's credit enhancer, dated as of the date of the closing of the financing of such mortgage, will satisfy the foregoing (the "Title Policy"), where such Title Policy (a) has been issued by a title company in good standing licensed to issue title insurance in New York State and contains the Standard New York Endorsement (Owner's Policy) in substantially the form that appears as Exhibit E hereto, (b) such Title Policy evidences fee simple ownership of the Applicant in the Premises, and the absence of liens and other encumbrances on the Premises other than those approved by the Department, (ii) proof of payment of premiums therefore, and (iii) title continuations run by the title company from the date of the Title Policy to the date of submission of such Title Policy together with a letter from the title company confirming the absence of liens and encumbrances on the Premises other than those previously approved by the Department and mechanics liens which have been bonded; and
- (h) submission of an executed contract between the Department and the Administering Agent in accordance with Section 11 of this Agreement; and
- (i) submission of a Memorandum of Regulatory Agreement, where applicable, and stamped as recorded separately in the Office of the City Register in accordance with Section 24 and Section 29 respectively, of this Agreement; and

- (j) submission of proof that any required subordination and non-disturbance agreement was recorded immediately following execution thereof and that Applicant fully complied with the requirements of Section 19 of this Agreement; and
 - (k) submission of, (1) proof of registration of the building on the Premises that contains the Affordable Housing Units and all occupied Affordable Housing Units with the DHCR, and, if the Building is not fully occupied, an affidavit stating that Applicant shall register all remaining Affordable Housing Units as they become occupied; (2) proof that such building is entirely free of violations of record issued by any City or State agency pursuant to the Multiple Dwelling Law, the Building Code, the Housing Maintenance Code and the Program, and (3) submission of an affidavit stating that Applicant shall complete multiple dwelling registration of the building on the Premises, that contains the Affordable Housing Units, in accordance with the New York City Housing Maintenance Code; and
 - (l) certification that the representations, warranties and statements made by the Applicant that are contained in this Agreement and in any other documents executed in connection with this Agreement remain true and correct as of the date on which the foregoing conditions have been satisfied; and
 - (m) submission of proof that the Building Plans were reviewed by a DOB plan examiner and submission of a zoning sheet approved by DOB after the issuance of a temporary certificate of occupancy; the Department's issuance of the Completion Notice shall be based upon such DOB approved calculations; and
 - (n) where applicable, submission of proof of completion of all applications for tax exemptions and/or abatements and that Applicant has fully complied with Section 5 of this Agreement. With respect to an application for real property tax exemption benefits pursuant to Article XI of the Private Housing Finance Law ("Article XI"), Applicant shall be deemed to have complied with this Section 9(n) when Applicant has provided the Department with all information the Department deems necessary for it to submit a request, on behalf of Applicant, to the New York City Council for real property tax exemption benefits for the Affordable Housing pursuant to Article XI; and
 - (o) compliance with the terms of this Agreement and the Program.
10. Warranties. Applicant shall obtain and retain commercially reasonable warranties of the work on the Affordable Housing Units from the general contractor and all subcontractors performing such work and, at the Department's request, shall submit such warranties for inspection.
11. Renting Affordable Housing Units. Applicant has contracted with Affordable for NY, Inc. a not-for-profit organization qualified by the Department to participate in the Program, to act as Administering Agent for the Affordable Housing Units ("Administering Agent"). The Administering Agent shall ensure that Affordable Housing Units are rented at Rent-up and each subsequent vacancy, in compliance with the Plan and all of the requirements of the Program. Within sixty (60) days of the DHCR Registration Deadline, the Administering Agent shall submit an affidavit to the Department attesting that the Monthly Rent registered and charged for each Affordable Housing Unit, complied with the Monthly Rent requirements for such unit, at Initial Occupancy. Each year after the DHCR Registration Deadline, in the month of March, the Administering Agent shall submit an affidavit to the

Department attesting that each lease or sublease of an Affordable Housing Unit or renewal thereof, during the preceding year, complied with the applicable Monthly Rent requirements of the Program. A contract between the Administering Agent and the Department ("Administering Agent Agreement") is attached and made a part hereof as Exhibit F. The Department reserves the right to replace the Administering Agent in the event that the Affordable Housing Units are not rented at Rent-up and each subsequent vacancy thereafter in compliance with the Program. Applicant may not terminate its agreement with the Administering Agent without simultaneously entering into a new Administering Agent Agreement approved in writing by the Department.

Nothing stated herein limits or modifies in any way whatsoever the requirement contained in Section 7 herein that the Affordable Housing Units be operated as such for the life of the increased floor area of the Compensated Development(s).

12. Insurance.

(a) Insurance.

- (i) Applicant shall obtain and maintain in force all-risk casualty insurance, including broad form extended coverage that, in the event of a casualty to the Building containing the Affordable Housing Units, will pay an amount of insurance equal to the full replacement value of the Building containing the Affordable Housing Units.
- (ii) Applicant shall obtain and maintain in force commercial general liability insurance and other insurance of commercially reasonable types and amounts with respect to the Building containing the Affordable Housing Units.

(b) Casualty.

- (i) In the event of a casualty, Applicant and/or the Administering Agent shall promptly notify the Department thereof. The Department agrees that, subject to the terms and conditions set forth in this Section 12, the proceeds of the insurance on the Premises may be utilized as determined by the lender or lenders participating in the financing of the Building (collectively, the "Financiers", and individually each a "Financier") in accordance with the documents governing such Financiers' loan(s), copies of which have been provided to the Department (the "Loan Documents"). Applicant shall promptly inform the Department of the disposition of such insurance proceeds.
- (ii) (A) In the event of a partial casualty, to the extent that any additional Floor Area created pursuant to this Agreement continues to exist or is reconstructed after such casualty, the Affordable Housing Units shall be reconstructed so as to maintain in the Building the same ratio of Affordable Housing to the additional Floor Area as existed prior to such casualty, notwithstanding the availability of, or priority of payment of, insurance proceeds, and the terms of this Agreement shall remain in full force and effect.

(B) If the Applicant and Financiers determine that due to the nature of the casualty and the condition of the remaining structure, it is not practicable

to include the Affordable Housing Units as originally configured in the replacement building, the Affordable Housing Units may be reconstructed in a location other than the Premises in accordance with the requirements of this Agreement and the Program.

- (iii) In the event of a total casualty, where all additional Floor Area created pursuant to this Agreement ceases to exist and the Applicant elects not to utilize the additional Floor Area in the restored building, if any, then all proceeds shall be applied in accordance with the Loan Documents.
- (iv) Applicant agrees that if the Building containing the Affordable Housing Units is reconstructed as provided in Section 12(b)(ii), then: (A) at such time as the restored portion of the Building or any new building is ready for occupancy, the Affordable Housing Units on each restored floor shall be made available for occupancy and re-rented concurrently with the market rate units on the same floor; (B) Applicant shall restore, repair, replace, rebuild, alter or otherwise improve the Affordable Housing Units in accordance with this Agreement and the Program in effect as of the date hereof; (C) such construction shall be free of all violations under the New York City Building Code, the New York State Multiple Dwelling Law and the New York City Housing Maintenance Code, and (D) Applicant shall, upon request of the Department, amend this Agreement to reflect any changes to the number, configuration or location of the Affordable Housing Units in any replacement building or off site location for the Affordable Housing Units made in accordance with this Section 12.
- (v) The Department acknowledges and agrees that Applicant has the right to require the Financiers under any current or future mortgage to use the insurance proceeds for the rebuilding of the Premises (with certain protective procedures).

- 13. Construction Monitoring. The Department may monitor the construction of the Affordable Housing Units in any reasonable manner, including inspection of the Premises. Upon request (a) Applicant shall give the Department notice of planning and construction progress meetings by telephone or in writing and (b) the Department may (i) participate in planning and construction progress meetings, (ii) review construction contracts, plans, specifications and materials samples and (iii) review proposed changes to the foregoing. Applicant shall give to the Department (x) following the Department's request for any documents or materials pursuant to the preceding sentence, notice of proposed changes to such documents or materials, and (y) notice of any casualty to or other material event concerning the work on the Affordable Housing Units.
- 14. Disclosure of Financial Arrangements. Upon the request of the Department, Applicant shall fully disclose the financial terms and arrangements relating to the Affordable Housing Units and sale or use by Applicant of the Completion Notice. In the event that the Department obtains information pursuant to this Section 14, the Department shall thereafter disclose such information to third parties only as required by law, except that such data may be used and disclosed without attribution to Applicant as part of an analysis of the Program.
- 15. Special Reserve Fund. Simultaneous with or prior to the issuance of a Completion Notice, Applicant will fund a special operating reserve fund (the "Special Reserve Fund") in the amount of either: (1) **Twenty Seven Thousand Four Hundred Fifty Dollars and 90/100**

(\$27,450.90), which represents \$2.25 per square foot of Affordable Housing as stated in the architect self-certification submitted to the Department on May 18, 2023 (the "Architect Certification") or (2) if, in accordance with Section 9(m), the DOB approves zoning calculations that differ from the Architect Certification, then \$2.25 per square foot of Affordable Housing as stated in such DOB approved zoning calculations, which shall be placed in a blocked reserve account to be administered by the Department or its designee. The Special Reserve Fund and the interest accrued thereon shall belong to the Premises and the owner of such Premises and shall be used solely for the benefit of the Affordable Housing Units. The Special Reserve Fund is separate from the Building reserve fund built into the rent roll that will accumulate over time. The proceeds of the Special Reserve Fund shall be available to pay for unanticipated increases in the cost of operating and maintaining the Affordable Housing Units (including, but not limited to, escalating real estate taxes), or for capital repairs or improvements, the cost of which cannot be covered by the Building's capital reserve fund. Expenditures from the Special Reserve Fund shall be made solely at the discretion of the Department and may be made by the Department on behalf of Applicant.

If the Department authorizes any expenditures to be made from the Special Reserve Fund, Applicant shall replenish the Special Reserve Fund in the amount of the total sum of all such authorized expenditures by applying the excess of collected rents over actual operating expenses until all such repayments have been made. Such repayments into the Special Reserve Fund shall be made prior to the payment of any unpaid developer, syndication or partnership fees. In addition, such repayments shall be supported by the most recent financial statements, an independent auditor's report and a rent roll for the Premises. Applicant may choose to replenish such Special Reserve Fund on a calendar year basis or on a fiscal year basis. In addition, upon sale, transfer or other disposition of the Affordable Housing Units or any interest therein, Applicant, shall repay, in full, all amounts withdrawn from and owed to the Special Reserve Fund.

16. Inspection.

- (a) The Department shall have full authority to inspect the Affordable Housing Units without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. The Department shall have authority to inspect the Affordable Housing Units other than during business hours on three (3) days prior notice.
- (b) The Department shall have full authority to inspect the books and records of Applicant and the Administering Agent without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. Applicant and the Administering Agent shall furnish copies of all books and records with respect to the Affordable Housing Units, to the Department, without cost to the Department, upon five (5) days prior written request.

17. Operating Accounts. Applicant shall provide the Department with the names and locations of all bank accounts established with respect to the management and operation of the Affordable Housing Units by Applicant (the "Operating Accounts"). All such accounts shall confer plenary authority on the Department to freeze such accounts, which authority the Department shall exercise subject to Section 18 of this Agreement. Furthermore, Applicant shall provide the Department with annual operating statements for the Affordable Housing Units.

18. Remedies of the Department.

- (a) If Applicant violates any of the terms of this Agreement, or if any of the representations and warranties by Applicant set forth in Section 9(l) of this Agreement are determined to be false, then the Department may declare a default under this Agreement.
- (b) Upon declaration of a default under this Agreement, the Department shall give Applicant and the Administering Agent, as applicable, notice thereof by facsimile, hand delivery or reputable overnight courier and a reasonable opportunity to cure (if such default can be cured). If at the end of the cure period (if any) the default has not been cured, then the Department shall provide Applicant and the Administering Agent, as applicable, notice thereof and shall provide Applicant and the Administering Agent an opportunity to be heard on not less than three (3) days prior written notice. Following such hearing, upon the existence of an uncured default under this Agreement, the Department may (i) assume responsibility for management of the Affordable Housing Units directly or through a third party designated by it, (ii) freeze the Operating Accounts, (iii) seek specific performance of this Agreement or an injunction against its violation, (iv) have a receiver of its choice appointed during the pendency of any litigation, (v) seek monetary damages against Applicant, and/or (vi) terminate this Agreement with respect to any portion of the Affordable Housing Units for which a Completion Notice pursuant to Section 9 has not been issued. In the event that the Department exercises its rights under clause (ii) of this Section 18(b) and provided that there are sufficient funds in the Operating Accounts then the Department shall use the funds in such Operating Accounts to make payments due under the loan documents for previously approved mortgage loans of the Applicant and to pay for reasonable and customary operating expenses for the Affordable Housing Units.
- (c) If an Affordable Housing Subordination Agreement has been entered into by a Financier in accordance with Section 19 of this Agreement, the Department shall terminate this Agreement at any time prior to the issuance of the Completion Notice at the request of such Financier, or its successors or assigns, if such Financier, its successors or assigns, commences foreclosure proceedings or receives a deed in lieu of foreclosure with respect to the mortgage loan that is the subject of such Affordable Housing Subordination Agreement. If the Department terminates this Agreement pursuant to this Section 18(c): (1) all benefits granted pursuant to this Agreement to any project will be revoked and (2) this Agreement shall become null and void. The Department shall provide written confirmation of termination in recordable form upon the written request of Applicant and/or Financier.
- (d) The remedies set forth in Section 18(b) shall be cumulative with any other remedies available to the Department at law or in equity and exercise of one or more remedies set forth in Section 18(b) shall not limit the Department in the exercise of one or more other remedies set forth therein or otherwise available to the Department at law or in equity.
- (e) The Department may exercise the remedies set forth in Section 18(b) without the notice, opportunity to cure or hearing provided therein if the Department determines that exigent circumstances require immediate action to protect the Premises or the tenants thereof. The Department will provide notice and a hearing as provided in Section 18(b) promptly following the exercise of its remedies as set forth therein.

- (f) If the Department elects to assume responsibility for management of the Affordable Housing Units pursuant to Section 18(b), Applicant shall (and shall cause the Administering Agent to) immediately deliver possession of the Affordable Housing Units and all books and records kept in connection therewith to the Department or the person designated by the Department and shall cooperate fully in effectuating the smooth transfer of management and control of the Affordable Housing Units, including execution of written instruments and provision of notice to third parties.
- (g) Applicant hereby grants the Department and its designees an irrevocable license to enter and remain on the Premises for the purpose of managing the Affordable Housing Units as provided in this Section 18.

19. Debt Restrictions. In accordance with Section 23-96(f) of the Resolution, Applicant shall not mortgage or otherwise encumber the Affordable Housing Units or this Agreement without the prior written consent of the Department. Furthermore, in the event that the Department consents to a mortgage loan, the lender must enter into a subordination and non-disturbance agreement with the Department ("Affordable Housing Subordination Agreement") in form and substance satisfactory to the Department substantially in the form annexed hereto as Exhibit K that subordinates the loan to all of the terms and conditions of this Agreement. Applicant shall cause such Affordable Housing Subordination Agreement to be recorded against the Affordable Housing Units in the Office of the City Register for the county in which the Premises are located, and shall pay all required fees and taxes in connection therewith.

Attached hereto as Exhibit J is a proposed development budget substantially setting forth the sources and uses of financing for the construction of the Affordable Housing Units. Exhibit L sets forth the estimated yearly debt service payments that will be incurred through this debt. Applicant must obtain prior written consent of the Department to incur all subsequent debt for the Affordable Housing Units.

20. Plan Certification. Following the execution of this Agreement, the Department will, upon the request of Applicant, certify that the Plan has been submitted and approved, and is in compliance with the Program.
21. Marketing of Affordable Housing Units. The Administering Agent shall be required to market the Affordable Housing Units in accordance with the Program. Furthermore, each lease for an Affordable Housing Unit shall provide that such lease may be terminated and such tenant may be evicted if such tenant falsely or fraudulently certifies income or household composition to the Administering Agent.
22. Initial Occupancy Certification. Within sixty (60) days following the DHCR Registration Deadline, the Administering Agent shall submit to the Department an affidavit attesting that each Household occupying an Affordable Housing Unit complied, at Initial Occupancy, with the annual income eligibility requirements of the Program and that the Monthly Rent registered and charged for each Affordable Housing Unit, complied with the Monthly Rent requirements for such unit, at Initial Occupancy. In accordance with C.F.R. 5.609 or any successor regulations, "Annual Income" shall mean the anticipated total income from all sources to be received by the household head and spouse and by each additional member of the household, including all net income derived from assets, for the twelve (12) month period following the initial determination of income. The Administering Agent also shall

retain all records and documents relating to income determination for a minimum of three (3) years after the date a tenant commences occupancy in an Affordable Housing Unit.

23. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assignees. Prior to the issuance of the Completion Notice, Applicant shall not sell, transfer or otherwise dispose of ("Transfer") the Affordable Housing Units without prior approval from the Department; provided, however, that no such approval shall be required in connection with the Transfer of the Affordable Housing Units in connection with a foreclosure, deed in lieu of foreclosure or other method whereby a lender (or any parent, affiliate or subsidiary of such lender, as may be applicable) acquires title to the Affordable Housing Units and no such approval shall be required for any Transfer from a lender (or any parent, affiliate or subsidiary of such lender, as may be applicable). Any transferee described in this proviso shall be referred to as, a "Lender Transferee". Before any Transfer of the Affordable Housing Units, the Applicant shall require the subsequent purchaser or transferee ("Transferee") to assume in writing, Applicant's obligations and duties under this Agreement, pursuant to an Assignment and Assumption Agreement in form and substance satisfactory to the Department. Applicant's request for the Department's approval of a Transfer shall include evidence that after any such transfer, the Affordable Housing Units are financially feasible without any City subsidy or discretionary tax exemption. Any such Assignment and Assumption Agreement shall be in recordable form, and Applicant shall provide the Department with an executed copy of such Assignment and Assumption Agreement and proof of recordation thereof. Notwithstanding anything to the contrary contained herein, promptly after a Transfer to a Lender Transferee, such Lender Transferee shall engage an Administering Agent for the Affordable Housing Units that has been approved by the Department.
24. Condominium Conversion. Nothing in this Agreement shall prohibit the Applicant from subdividing the Building on the Premises into condominium units (the "Condominium Units"), so long as (a) the Department approves any condominium documents, including, but not limited to, the condominium declaration and by-laws, necessary to effectuate such subdivision of the Building, (b) the Condominium Units meet the requirements of Section 339-m of the Real Property Law, (c) the Department determines that the Affordable Housing Units will be operated pursuant to the requirements set forth in this Agreement and the Program, and (d) the Memorandum of Regulatory Agreement in the form attached hereto as Exhibit H has been recorded against the Affordable Housing Units prior to receipt of a Completion Notice in accordance with Section 9 of this Agreement.
25. Investigation Clause. Applicant and Administering Agent shall be bound by and comply with the provisions of the Investigation Clause annexed hereto as Exhibit I.
26. Modifications.
- (a) No provision of this Agreement may be extended, modified, waived or terminated orally, but only by an instrument in writing signed by the party against whom enforcement is sought.
 - (b) Applicant and/or the Administering Agent, as applicable, shall comply with all modifications to Program reporting requirements as set forth in the Guidelines, of which the Applicant shall be deemed to have constructive notice, concerning: (i) the type of documents to be retained; (ii) the length of time for which such documents must be retained; and (iii) the form and method of submitting such documents to the Department.

27. Counterparts. This Regulatory Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same instrument.

28. Notices. All notices, approvals, requests, waivers, consents or other communications given or required to be given under this Agreement shall be in writing and sent or transmitted as follows:

If to Applicant: 1885 Atlantic Realty LLC
40 Oser Avenue
Hauppauge, NY 11788

with a copy to: Akerman LLP
1251 Avenue of the Americas
37th Floor
New York, New York 10020
Attn: Jadlyn Scarinci, Esq.

If to the Department: Department of Housing Preservation and Development
100 Gold Street
New York, New York 10038
Attn: Assistant Commissioner, Housing Incentives

with a copy to: Department of Housing Preservation and Development
100 Gold Street
New York, New York 10038
Attn: General Counsel

Notices must be hand delivered, transmitted via facsimile or sent by certified or registered U.S. mail, return receipt requested or overnight delivery by a reputable national carrier. Notice shall be deemed to have been given upon (i) delivery if sent by hand delivery or U.S. mail, and (ii) confirmed receipt, if sent by facsimile, to both the addressee and the person entitled to receive a copy thereof. Each party named above may designate a change of address by written notice to all of the other parties.

29. Recordation.

(a) Applicant shall cause this Agreement to be recorded against the Premises prior to commencement of construction, in the Office of the City Register for the County in which the Premises are located and shall pay all required fees and taxes in connection therewith.

(b) In the event of the conversion of the Building to Condominium Units, including without limitation the filing of the Declaration and other actions required to complete such conversion of the Building have not occurred prior to the time when this Agreement is required to be recorded against the Premises, or any other document required hereunder to be recorded against the Premises, then, notwithstanding anything contained herein to the contrary, this Agreement and such other documents shall be recorded against the entire Premises. In such event, at the time of condominium conversion, provided that the Memorandum of Regulatory Agreement referred to in Section 24 is recorded simultaneously

therewith, the Department will release the Condominium Units other than the Condominium Unit containing the Affordable Housing Units.

30. More Restrictive Provisions Govern. If the Affordable Housing Units are also subject to another regulatory agreement, then (a) in the event of any conflict or ambiguity between the provisions of this Agreement and such other regulatory agreement, the more restrictive of the applicable provisions of this Agreement and such other regulatory agreement shall govern and (b) nothing herein, including but not limited to, Sections 7, 8 and 11 hereunder, shall limit, reduce or affect in any way the duration of any restrictions imposed on the operation or occupancy of the Affordable Housing Units by this Agreement.
31. Choice of Law. The covenants, provisions and terms of this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the laws of the State of New York and shall be binding upon and inure to the benefit of Applicant, the Administering Agent and the Department, and their respective successors, transferees, and assigns.
32. Termination.
 - (a) The Department reserves the right to terminate this Agreement with notice, in accordance with Section 28, to Applicant if Applicant does not complete the Affordable Housing Units by the Completion Deadline.
 - (b) Applicant may terminate this Agreement with notice, in accordance with Section 28, to the Department, at any time prior to the date that the initial advertisement for the Affordable Housing Units is published on the New York City Housing Connect lottery system (or any successor program administered by the Department to market vacant Affordable Housing Units).
33. Primary Residence. Affordable Housing Units may only be occupied as a primary residence, as defined in Rent Stabilization, by natural persons or families pursuant to a one- or two-year lease who have met the applicable income requirements for Low Income Households at the time of such tenant's initial occupancy of such unit. Applicant shall only offer a vacant dwelling unit for occupancy by persons or families intending to occupy such unit as their primary residence pursuant to a one- or two-year lease and shall not cause or permit the sublease or assignment of any dwelling unit for transient occupancy, for occupancy by any household that is not income eligible, or to any corporation or other entity.
34. HPD's eRent Roll System. Applicant shall submit required rent rolls to the Department in such form and in such manner as directed by the Department, including, but not limited to, submission by electronic means using software designated by the Department.

[No Further Text; Signature Pages Follow]

IN WITNESS WHEREOF, the Department has executed this Agreement as of the date first set forth above.

**THE CITY OF NEW YORK, acting by and through its
DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT**

By:


Tricia Dietz
Assistant Commissioner, Housing Incentives

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 14th day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Tricia Dietz, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



NOTARY PUBLIC

ALYSON L. LANZER
Notary Public, State of New York
No. 02LA6374567
Qualified in Kings County
Commission Expires April 30, 2026

APPROVED AS TO
FORM BY STANDARD
TYPE OF CLASS FOR USE
UNTIL December 31, 2023

/s/ Isabel Galis-Menendez
Acting Corporation Counsel

IN WITNESS WHEREOF, the Applicant has executed this Agreement as of the date first set forth above.

1885 ATLANTIC REALTY LLC

By: _____

Name: Jacob Kohn

Title: Authorized Signer

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 14 day of December 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Jacob Kohn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

JOSEPH MOSKOWITZ
Notary Public - State of New York
NO. 01M06440351
Qualified in New York County
My Commission Expires Sep 6, 2026

EXHIBIT A

PROPERTY DESCRIPTION

All those certain plots, pieces and parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, in the City and State of New York, designated as:

Block Lot

1714 30

Address: 1889 Atlantic Avenue

County: Kings



**SCHEDULE A
LEGAL DESCRIPTION**

Title Number: **CHA-100411101K**

ALL that certain plot, piece or parcel of land, 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 the corner formed by the intersection of the westerly side of Ralph Avenue with the northerly side of Atlantic Avenue;

RUNNING THENCE westerly along the northerly side of Atlantic Avenue, 116 feet;

THENCE northerly parallel with Ralph Avenue, 98 feet 7 inches;

THENCE easterly parallel with Atlantic Avenue, 29 feet;

THENCE southerly parallel with Ralph Avenue, 7 feet;

THENCE easterly parallel with Atlantic Avenue, 87 feet to the westerly side of Ralph Avenue;

THENCE southerly along the westerly side of Ralph Avenue, 91 feet 7 inches to the northerly side of Atlantic Avenue at the point or place of BEGINNING.

FOR INFORMATION PURPOSES ONLY: Said Premises being known as 1885 Atlantic Avenue, Brooklyn, NY 11233.

Block: 1714 Lot: 30 on the Tax Map of Kings County,

FOR CONVEYANCING ONLY, IF INTENDED TO BE CONVEYED: TOGETHER WITH ALL RIGHT, TITLE AND INTEREST OF, IN AND TO ANY STREETS, ROADS, OR AVENUES ABUTTING THE ABOVE DESCRIBED PREMISES, TO THE CENTER LINE THEREOF.

EXHIBIT B

**AFFORDABLE HOUSING PLAN
(next page)**

THE CITY OF NEW YORK
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
OFFICE OF DEVELOPMENT
100 GOLD STREET, ROOM 5G, NEW YORK, NEW YORK 10038
Inclusionary@hpd.nyc.gov

**AFFORDABLE HOUSING PLAN APPLICATION PURSUANT TO
THE VOLUNTARY INCLUSIONARY HOUSING PROGRAM**

Please indicate "Not Applicable" or "NA" where appropriate. Do not leave any lines blank.

1. Applicant: 1885 Atlantic Realty LLC

Address: 40 Oser Avenue, Hauppauge, NY 11788

Fax: N/A

Email: joel@jaygroupny.com

Primary Contact (Name, Phone, Email):

Joel Kohn, 718-963-0536, joel@jaygroupny.com

2. Owner (if different): N/A

Address: N/A

Fax: N/A

Email: N/A

Primary Contact (Name, Phone, Email):

N/A

3. Administering Agent: Affordable For NY INC

Address: 670 Myrtle Avenue, Suite #7181, Brooklyn, NY 11205

Fax: N/A

Email: eugene@afny.org

Primary Contact (Name, Phone, Email):

Eugene Goldstein, 212-655-5800, eugene@afny.org

4. General Contractor: Prestige Construction NY LLC

Address: 4010 14th Avenue, Brooklyn, NY 11218

Fax: N/A

Email: accounting@prestigenyllc.com, isaac@prestigenyllc.com

Primary Contact (Name, Phone, Email):

Tovia Kohen, 718-758-4969, accounting@prestigenyllc.com, isaac@prestigenyllc.com

5. Architect: J Frankl Architects & Engineer

Address: 16 Court St., 36th Floor Brooklyn, NY 11241

Fax: N/A

Email: leal@jfrankl.com

Primary Contact (Name, Phone, Email):

Lea Lasry, 718-568-2200, leal@jfrankl.com

6. Attorney and Firm: Jaclyn Scarinci / Akerman LLP

Address: 1251 Avenue of the Americas, 37th Floor, New York, NY 10020

Fax: 212-905-6418

Email: jaclyn.scarinci@akerman.com; NYInclusionary@akerman.com

Primary Contact (Name, Phone, Email):

Jaclyn Scarinci, 212-259-6416, jaclyn.scarinci@akerman.com, NYInclusionary@akerman.com

7. Location of Affordable Housing Units

Street Address: 1889 Atlantic Avenue

Borough: Brooklyn

Block(s)/Lot(s): Block 1714 / Lot 30

Community Board: Brooklyn CB 3

8. Inclusionary Housing District of Affordable Housing Units

☐ R-10 Inclusionary:

Is project privately financed? (Yes/No) Yes

☒ IH Designated Area (Insert ZR section reference, e.g., §23-154, §23-952, §98-23, §62-352, etc.): Section 23-154(b) / Appendix F

☒ Special District: MX-10

☐ Other (please explain): N/A

9. Unit Count

Total units in project: 89 Total IH units in project: 16 Super's units: 0

For projects with more than one building:

1. Address for first building: N/A

Total units in first building: N/A Total IH units in first building: N/A Super's units: N/A

2. Address for second building: N/A

Total units in second building: N/A Total IH units in second building: N/A Super's units: N/A

For additional buildings, please add additional pages as needed.

Income Distribution of Affordable Housing Units:

Number of low-income units (equal to or less than 80% AMI): 16

Number of moderate-income units (equal to or less than 125% AMI): 0

Number of middle-income units (equal to or less than 175% AMI): 0

10. If publicly financed, list all sources of governmental assistance, including tax credits, bond financing, and land disposition programs:

N/A

Tax Exemption to be requested: 421-a Option C

11.Type of Project (check all that apply)

Construction type:

- ☒ New Construction
- ☐ Preservation
- ☐ Substantial Rehabilitation

Location of Floor Area Compensation:

- ☒ On-site
- ☐ Off-site
- ☐ On-site and Off-site

Inclusionary Units:

- ☒ Rental
- ☐ Homeownership

Non-Inclusionary Units:

- ☒ Rental
- ☐ Homeownership
- ☐ Not Applicable

12.Tenant-Paid Utilities:

Check all tenant-paid utilities that will apply, or check N/A if owner-paid

Apartment Electricity

- ☒ Electricity
- ☐ N/A: Apartment electric is paid by owner

Cooking

- ☐ Gas Stove
- ☒ Electric Stove
- ☐ N/A: Cooking is paid by owner

Heating

- ☐ Gas Heating
- ☒ Electric Heat: Cold Climate Air Source Heat Pump (ccASHP)*
- ☐ Electric Heat: other (e.g. Electric Resistance Heating, Electric PTACs, Electric Furnace)
- ☐ N/A: Heating is paid by owner

*Product must be listed on the NEEP Cold Climate Air Source Heat Pump (ccASHP) Product List:

<https://ashp.neep.org/#/>

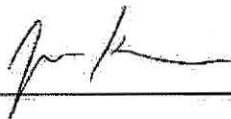
Hot Water

- ☐ Gas Hot Water Heater
- ☐ Electric Hot Water Heating: Heat Pump Water Heaters (HPWHs)
- ☐ Electric Hot Water Heating: Other (e.g. resistance-type Hot Water Heater)
- ☒ N/A: Hot water heating is paid by owner

13.If the project will contain a condominium or cooperative structure, please describe the structure and the use of each unit. If not, please indicate N/A:

N/A

Authorized Signature of Applicant:



Print name: Jacob Kohn

Date: 12/6/2023

EXHIBIT C

Affordable Housing Units

Inclusionary Housing Units			
Construction Floor	Marketing Floor	Apt #	# Bedrooms
2	2	2G	0
2	2	2I	2
2	2	2K	1
3	3	3G	0
3	3	3I	2
3	3	3K	1
4	4	4G	0
4	4	4I	2
4	4	4K	1
5	5	5I	2
5	5	5K	1
6	6	6A	1
6	6	6I	2
7	7	7I	2
8	8	8I	2
9	9	9I	2

Unit Summary	
# Bedrooms	# Units
Studio	3
1 Bedroom	5
2 Bedrooms	8
Total	16

Super/Resident Manager Unit(s)			
Construction Floor	Marketing Floor	Apt #	# Bedrooms
N/A	N/A	N/A	N/A

EXHIBIT D

Schedule of Rents and Expenses

Inclusionary Housing Units—Rents*			
	# Units	AMI Level	Legal Regulated Rent**
Studio	3	80%	\$1,869
1 Bedroom	5	80%	\$1,993
2 Bedroom	8	80%	\$2,375
Total	16		

*Tenants are responsible for electricity, electric stove, electric heat: NEEP-approved cold-climate Heat Pumps (ccASHP).

** The maximum Legal Regulated Rent is 30% of 80% of the Income Index as defined in the New York City Zoning Resolution, including applicable utility allowances.

89 Total Units

16 Inclusionary Housing Units

Operating Expenses*	Amount	Per Unit
Real Estate Insurance and Liability & Fire Insurance	\$42,275	\$475
Water & Sewer	\$37,825	\$425
Hot Water	\$17,800	\$200
Utilities - Electric	\$13,350	\$150
Management	\$84,659	\$951
Payroll	\$154,175	\$1,732
Elevator Maintenance	\$15,000	\$169
Repair & Maintenance, Cleaning & Supplies	\$48,950	\$550
Exterminating Expense	\$4,450	\$50
Legal & Accounting	\$12,500	\$140
Administering Agent, Annual Compliance & Misc.	\$7,500	\$84
Building Reserves	\$22,250	\$250
Operating Expenses	\$460,734	\$5,177
Taxes (assumes 421-a benefit)	\$35,391	\$398
Total Expenses	\$496,125	\$5,574

*The expenses reflect the overall 1889 Atlantic Avenue project underwriting dated December 18, 2023, which comprises 89 units, of which 16 are Inclusionary Housing units.

EXHIBIT E

**STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)**

1. The following is added to the insuring provisions on the face page of this policy:

"____. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, _____ Insurance Company of New York has caused this Endorsement to be signed and sealed on its date of issue set forth herein.

DATED:

COUNTERSIGNED _____
Authorized Signatory

_____ Insurance Company.

BY: _____

EXHIBIT F

Administering Agent Agreement

(next page)

**ADMINISTERING AGENT AGREEMENT
Inclusionary Housing Program**

AGREEMENT made this 19th day of December 2023, between **Affordable for NY, Inc.**, a New York not-for-profit corporation ("Administering Agent"), having an office at 670 Myrtle Avenue, #134, Brooklyn, New York 11205 and the **Department of Housing Preservation and Development** ("Department"), having an office at 100 Gold Street, Ninth Floor, New York, New York 10038.

WHEREAS, 1885 Atlantic Realty LLC, a New York limited liability company formed pursuant to the laws of the State of New York, having its office at 40 Oser Avenue, Hauppauge, NY 11788 (the "Applicant") has executed a Regulatory Agreement with the Department (the "Regulatory Agreement"), to create sixteen (16) Affordable Housing Units located at 1889 Atlantic Avenue, Brooklyn, New York, Block 1714, Lot 30 (the "Affordable Housing Units") in accordance with Section 23-90 (Inclusionary Housing), inclusive, of the Zoning Resolution ("Resolution") and with the Inclusionary Housing Guidelines ("Guidelines", and together with the Resolution collectively referred to as the "Program"); and

WHEREAS, Administering Agent has agreed to ensure that the Affordable Housing Units are rented in compliance with the Regulatory Agreement at Rent-up and each subsequent vacancy and has signed an agreement with the Applicant to that effect; and

WHEREAS, Administering Agent has been qualified to act as an Administering Agent by the Department;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is hereby agreed that Administering Agent will assume the ongoing responsibility for ensuring that each Affordable Housing Unit is rented and upon vacancy re-rented in compliance with the Regulatory Agreement. In addition, the Administering Agent shall (1) maintain records setting forth the facts that form the basis of any affidavit submitted to the Department; (2) maintain such records as the Department may require at the Administering Agent's office or other location approved by the Department; and (3) make all records and facts of the operation of the Administering Agent available for the Department's inspection.

Notwithstanding any other remedy contained herein, the Department may commence an action against Administering Agent to require specific performance of Administering Agent's obligations herein. Department reserves the right to replace Administering Agent in the event that the Affordable Housing Units are not rented at Rent-up and each subsequent vacancy thereafter in compliance with the Program.

This Administering Agent Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same instrument.

(Rest of Page Left Intentionally Blank – Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**Department of Housing Preservation and
Development of the City of New York**

By: 
Tricia Dietz
Assistant Commissioner, Housing Incentives

Affordable for NY, Inc., a New York not-for-profit
corporation

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**Department of Housing Preservation and
Development of the City of New York**

By: _____
Tricia Dietz
Assistant Commissioner, Housing Incentives

Affordable for NY, Inc., a New York not-for-profit
corporation

By: _____
Name: Eugene Goldstein
Title: CEO

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 14th day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Tricia Dietz, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



NOTARY PUBLIC

ALYSON L. LANZER
Notary Public, State of New York
No. 02LA6374567
Qualified in Kings County
Commission Expires April 30, 2026

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ____ day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Tricia Dietz, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 13 day of December, 2023, before me, the undersigned, a Notary Public in and for said State, personally appeared Eugene Goldstein, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Hindy Weinberger
NOTARY PUBLIC

Weinberger Hindy
Notary Public-State Of New York
No. 01WE6416379
Qualified in Kings County
My Commission expires 04/12/2025

EXHIBIT G

Intentionally Omitted.

EXHIBIT H

MEMORANDUM OF REGULATORY AGREEMENT

THIS MEMORANDUM OF REGULATORY AGREEMENT made this ____ day of _____, 202[#], by [owner], [description of legal entity (e.g., a New York limited liability company formed pursuant to the laws of the State of New York], ("Applicant"), having an office at [address].

WITNESSETH THAT:

1. The Applicant is owner in fee simple of the premises located in the County of _____, City and State of New York, known as and by the street address [address], identified as Block [#], Lot [#] on the Tax Map of the City (the "Premises"), more particularly described in Exhibit A attached hereto and made a part hereof;
2. The Applicant has covenanted and agreed for and on behalf of itself, its successors, assigns, heirs, grantees and lessees, which covenants shall be covenants running with the land to provide Affordable Housing on the Premises in accordance with the Regulatory Agreement ("Regulatory Agreement"), dated as of [insert date] among [insert name(s) of non-HPD parties] and the City of New York, a municipal corporation acting through its Department of Housing Preservation and Development ("HPD") and recorded in the Office of the City Register for New York County on [insert date] as CFRN [insert CFRN number], the provisions of which are by this reference made a part hereof and Section 23-90 (Inclusionary Housing), inclusive of the Resolution.
3. The Regulatory Agreement and the covenants therein, shall run with the land that constitutes the Premises in accordance with the terms therein.
4. This Memorandum of Regulatory Agreement is intended to provide constructive notice of the existence and terms of the Regulatory Agreement and in no way modifies or amends the Regulatory Agreement. If any provisions of this Memorandum of Regulatory Agreement conflict with the Regulatory Agreement, the terms of the Regulatory Agreement shall prevail. The Applicant at its sole cost and expense shall cause this Memorandum of Regulatory Agreement to be recorded against each tax lot within the zoning lot containing the Affordable Housing whether or not such tax lot existed at the time the Regulatory Agreement was recorded.

NO FURTHER TEXT

UNIFORM ACKNOWLEDGEMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this _____ day of _____, 202__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that [s]he executed the same in [her]his capacity, and that by [her]his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT I

Investigation Clause

- (a) The parties to this Agreement agree to cooperate fully and faithfully with any investigation, audit or inquiry conducted by a State of New York (State) or City of New York (City) governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contracts, lease, permit, or license that is the subject of the investigation, audit or inquiry.
- (b) If any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witness and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract, or license entered into with the City, the State or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or;
- (c) If any person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witness and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then;
- (d) The commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license shall convene a hearing upon not less than five (5) days written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.
- (e) If any non-governmental party to the hearing requests an adjournment, the commissioner or agency head who convened the hearing may, upon granting the adjournment, suspend any contract, lease, permit, or license pending the final determination pursuant to paragraph (g) below without the City incurring any penalty or damages for delay or otherwise.
- (f) The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:
 - (1) The disqualification for a period not to exceed five (5) years from the date of an adverse determination for any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or

obtaining any contract, lease, permit or license with or from the City;
and /or

- (2) The cancellation or termination of any and all such existing City contracts, leases, permit, or licenses that the refusal to testify concerns and that have not been assigned as permitted under this agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination; moneys lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.
- (g) The commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in paragraphs (1) and (2) below. He or she may also consider, if relevant and appropriate, the criteria established in paragraphs (3) and (4) below in addition to any other information which may be relevant and appropriate:
- (1) The party's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought.
 - (2) The relationship of the person who refuses to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.
 - (3) The nexus of the testimony sought to the subject entity and its contracts, leases, permits or licenses with the City.
 - (4) The effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under (f) above, provided that the party or entity has given actual notice to the commissioner or agency head upon the acquisition of the interest, or at the hearing called for in (d) above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

(h)

- (1) The term "license" or "permit" as used herein shall be defined as a license, permit, franchise or concession not granted as a matter of right.
 - (2) The term "person" as used herein shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal or employee.
 - (3) The term "entity" as used herein shall be defined as any firm, partnership, corporation, association, or person that receives moneys, benefits, licenses, leases, or permits from or through the city or otherwise transacts business with the City.
 - (4) The term "member" as used herein shall be defined as any person in association with another person or entity as a partner, officer, principal or employee.
- (i) In addition to and notwithstanding any other provisions of this Agreement the Commissioner or agency head may in his or her sole discretion terminate this Agreement upon not less than three (3) days written notice in the event the contractor fails to promptly report in writing to the Commissioner of Investigation of the City of New York any solicitation of money, goods, requests for future employment or other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this Agreement by the Contractor, or affecting the performance of this Agreement.

EXHIBIT J
Development Budget

89 Total Units

16 Inclusionary Housing Units

Sources and Uses*

<u>Construction and Permanent Sources</u>	<u>Amount</u>	<u>Per Unit</u>
Equity	\$13,150,801	\$147,762
Construction Loan	\$32,500,000	\$365,169
Total Sources	\$45,650,801	\$512,930

<u>Uses</u>	<u>Amount</u>	<u>Per Unit</u>
Purchase Price	\$4,500,000	\$50,562
Hard Cost	\$27,809,840	\$312,470
Hard Cost Contingency	\$2,790,160	\$31,350
Soft Cost	\$5,855,723	\$65,795
Soft Cost Contingency	\$295,078	\$3,315
Interest Reserve	\$4,400,000	\$49,438
Total Uses	\$45,650,801	\$512,930

*The expenses reflect the overall 1889 Atlantic Avenue project underwriting dated December 18, 2023, which comprises 89 units, of which 16 are Inclusionary Housing units.

EXHIBIT K

Form of SNDA

THIS SUBORDINATION AND NON-DISTURBANCE AGREEMENT ("Agreement"), made as of this ___ day of _____, 20___, by [LENDER], a [national banking association], having an office at _____, ("Mortgagee" or "Lender"), in favor of **THE CITY OF NEW YORK**, (the "City") a municipal corporation acting by and through its **DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT**, having an office at 100 Gold Street, New York, New York 10038 ("HPD").

WHEREAS, Mortgagee holds a certain mortgage or mortgages dated of even date herewith, as follows: (a) [Construction Loan Mortgage, Assignment of Leases and Rents and Security Agreement, dated of even date herewith], in the principal amount of \$ _____; (b) [describe all subordinate mortgages, if any], in the principal amount of \$ _____ and each made by [Borrower], a [describe type of entity] ("Applicant" or "Borrower") [and describe owner if different than applicant ("Owner")] in favor of Lender to secure, among other things, the aggregate principal sum of _____ DOLLARS AND _____ CENTS (\$ _____) or so much thereof as may be advanced pursuant thereto, and interest, (the "Mortgage(s)") covering the premises described in Schedule A annexed hereto and incorporated herein ("Premises");

WHEREAS, Applicant is the owner of the legal interest in the Premises known as _____; and

WHEREAS, HPD and Applicant have entered into a certain Regulatory Agreement ("Regulatory Agreement") dated of even date herewith, which Regulatory Agreement is intended to be recorded against the Premises immediately following execution and delivery thereof; and

WHEREAS, the Regulatory Agreement was entered into under the Inclusionary Housing Program, which is governed by Sections 23-90 [and 62-352 (GW) or 93-25 (Hudson Yards) or (or 98-261 (West Chelsea)] of the New York City Zoning Resolution (the "Resolution") and the Inclusionary Housing Program Guidelines (the "Guidelines") (the Guidelines and the Resolution are collectively referred to as the "Program"); and

WHEREAS, the Regulatory Agreement provides that [Applicant shall not] or [neither Applicant nor Owner shall] mortgage or otherwise encumber [its interest in] the Premises or the Regulatory Agreement without the prior written consent of HPD and that, if HPD consents to a mortgage loan, the lender must subordinate the loan to all of the terms and conditions of the Regulatory Agreement; and

WHEREAS, Applicant has entered into the Mortgage and other instruments evidencing or securing obligations of the Premises to Mortgagee (collectively, "Other Loan Documents"; the Mortgage and the Other Loan Documents are referred to collectively as the "Loan Documents"); and

WHEREAS, HPD has consented to the Loan Documents on the condition that Mortgagee subordinate the Loan Documents to all the terms and conditions of the Regulatory Agreement in the manner hereinafter described.

NOW THEREFORE, for good and valuable consideration, the receipt whereof is hereby acknowledged, Mortgagee hereby represents to and agrees with HPD, notwithstanding any contrary term, provision, agreement, covenant, warranty, and/or representation contained or implied in any Loan Documents or any other document executed in connection with the Premises, that:

1. The Loan Documents are and shall continue to be subject and subordinate to the terms, covenants, agreements, and conditions of the Regulatory Agreement.
2. As used in this Agreement (a) the term "Mortgage" shall refer to the Mortgage and any amendments, replacements, substitutions, extensions, modifications, or renewals thereof, and (b) the term "Mortgagee" shall include the Mortgagee's successors and assigns.
3. As used in this Agreement, the phrase "subject and subordinate" means that:

- (a) to the extent there are any inconsistencies between the provisions of the Regulatory Agreement and any provisions of the Loan Documents, the provisions of the Regulatory Agreement shall take priority over the inconsistent provisions of the Loan Documents, except as provided herein; and
 - (b) if Mortgagee or if any person or entity becomes the owner of the Premises (including, if the Premises is defined as a leasehold interest as well as a fee interest, the owner of such leasehold interest) by foreclosure, conveyance in lieu of foreclosure, or otherwise ("New Owner"), (i) the Regulatory Agreement shall continue in full force and effect and the Mortgagee and New Owner shall have no right to disturb the rights of HPD under the Regulatory Agreement, (ii) HPD shall not be named as a defendant in any action or proceeding to foreclose the Mortgage or otherwise enforce the Mortgagee's or New Owner's rights thereunder, except as set forth below, and (iii) the Premises shall be subject to the Regulatory Agreement in accordance with the provisions thereof; provided, however, that Mortgagee and New Owner shall not be liable for any act or omission of Applicant or bound by any subsequent amendment of or modification to the Regulatory Agreement without its written consent. Subject to the foregoing, nothing contained herein shall prevent the Mortgagee or New Owner from naming HPD in any foreclosure or other action or proceeding initiated by the Mortgagee or New Owner pursuant to the Mortgage to the extent necessary under applicable law in order for the Mortgagee or New Owner to avail itself of and complete the foreclosure or other remedy.
4. Upon a declaration of default under the Regulatory Agreement, HPD shall give Mortgagee notice thereof by facsimile, hand delivery or reputable overnight courier and a reasonable opportunity to cure (if such default can be cured), provided, however, that Mortgagee shall have no obligation to cure any such default. If Mortgagee cures the default during such cure period (if any) or has commenced to cure the specified default within such period and is diligently pursuing completion of such cure, or has commenced the exercise of remedies under the Loan Documents within such period, HPD shall not exercise any of the remedies under Section 18(b) of the Regulatory Agreement by reason of such default. Nothing herein shall limit HPD's right to consent to a replacement manager pursuant to Paragraph 6 herein.
5. If HPD freezes the Operating Account(s) pursuant to Paragraph 18(b) of the Regulatory Agreement, HPD will allow Mortgagee to use funds therein to make payments due under the Loan Documents, provided that there are sufficient funds in the Operating Account(s) to pay for reasonable and customary operating expenses for the Premises. Mortgagee hereby acknowledges that it has no interest in or rights to any funds held in the Special Reserve Fund Accounts pursuant to the Regulatory Agreement.
6. Notwithstanding anything contained in the Regulatory Agreement or the Loan Documents, neither HPD nor Mortgagee may assume responsibility for management of the Premises or designate a third party to manage the Premises without the consent of the other. If, in the exercise of its remedies under the Regulatory Agreement, HPD notifies Mortgagee of its intention to install a replacement manager of the Premises, then Mortgagee's consent to such manager shall not be unreasonably withheld or delayed. If, in the exercise of its remedies under the Loan Documents, Mortgagee notifies HPD of its intention to install a replacement manager of the Premises, then HPD's consent to such manager shall not be unreasonably withheld or delayed.
7. Upon a casualty to a building on the Premises,
- (a) where the repair or reconstruction cost is more than thirty-five percent (35%) of the replacement value of a building on the Premises, Mortgagee shall have the right to determine whether insurance proceeds are applied for the reconstruction or repair of the Premises or towards repayment of the Mortgage, and
 - (b) where the repair or reconstruction cost is less than or equal to thirty-five percent (35%) of the replacement value of the Premises, HPD shall have the right to determine how insurance proceeds shall be applied. HPD shall make such determination within sixty (60) days after HPD is notified of the occurrence of the casualty. If HPD determines in such case not to apply the insurance proceeds for the reconstruction or repair of the Premises, the insurance proceeds shall be retained by Mortgagee to the extent of sums then due under the Mortgage.

This paragraph supersedes any contrary provisions in the Regulatory Agreement or Loan Documents.

8. No failure to exercise and no delay in exercising, on the part of HPD, of any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege operate as a waiver of any other right, power or privilege under this Agreement.
9. The covenants, provisions and terms of this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the laws of the State of New York, and shall be binding upon and inure to the benefit of Mortgagee, HPD, and their respective successors, transferees, and assigns.
10. Neither this Agreement nor any provision hereof (including this paragraph) may be changed, modified, amended, waived, supplemented, discharged, abandoned, or terminated orally except by an instrument in writing signed by the party against whom enforcement of the change, modification, amendment, waiver, discharge, abandonment, or termination is sought.
11. Notices. All notices, approvals, requests, waivers, consents or other communications given or required to be given under this Agreement shall be in writing and sent or transmitted as follows:

If to HPD, in duplicate, to:

Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038
Attn: Associate Commissioner, Housing Incentives
Facsimile (212) 863-5899

and:

Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038
Attn: General Counsel
Facsimile (212) 863-8375

If to Mortgagee, in duplicate, to:

Notices must be hand delivered, transmitted via facsimile, or by overnight delivery (e.g., FEDEX) or sent by certified or registered U.S. mail, return receipt requested. Notice shall be deemed to have been given upon (i) delivery if sent by hand delivery, U.S. mail or overnight delivery, and (ii) confirmed receipt, if sent by facsimile, to both the addressee and the person entitled to receive a copy thereof. Each party named above may designate a change of address by written notice to all of the other parties.

12. Recordation. This Agreement shall be recorded against the Premises immediately after the execution hereof, in the Office of the City Register for the County in which the Premises are located and the Applicant shall pay all required fees and taxes in connection therewith.

13. Counterparts. This Subordination Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one agreement.

[No further text - signatures on the next page]

IN WITNESS WHEREOF, the City of New York, acting by and through its Department of Housing Preservation and Development has caused this Subordination Agreement to be signed by its duly authorized commissioner, and Lender has caused this Subordination Agreement to be duly signed by a duly authorized officer, as of the day and year first above written.

THE CITY OF NEW YORK
Acting by and through its **DEPARTMENT OF HOUSING
PRESERVATION AND DEVELOPMENT**

By: _____
Tricia Dietz
Assistant Commissioner, Housing Incentives

[LENDER]

By: _____
Print Name
Print Title

APPROVED AS TO FORM BY
STANDARD TYPE OF CLASS
UNTIL: _____

By: _____
Acting Corporation Counsel

ACKNOWLEDGEMENTS

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

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE A

PROPERTY DESCRIPTION

All those certain plots, pieces and parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of _____, in the City and State of New York, designated as:

Block

Lot

County:

Address:

SUBORDINATION AND NON-DISTURBANCE AGREEMENT

by and between

THE CITY OF NEW YORK

-and-

The property affected by this written instrument lies within the:

Block

Lot

Address

County:

Address:

RECORD AND RETURN TO:

[LENDER'S COUNSEL]