



Legislation Details (With Text)

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Title:	Resolution approving a conveyance of property located at Block 3022, p/o Lot 16 (Tentative Lot 116) (Development Parcel A) and Block 3031, p/o Lot 18 (Tentative Lot 118) (Development Parcel B), Borough of the Brooklyn (Preconsidered L.U. No. 133; 20185416 HAK).				
Sponsors:	Rafael Salamanca, Jr., Ben Kallos				
Indexes:					
Attachments:	1. Resolution, 2. Land Use Calendar - Week of June 18, 2018 - June 22, 2018, 3. Land Use Calendar - June 20, 2018, 4. Hearing Transcript - Stated Meeting 6-28-18, 5. Minutes of the Recessed Stated Meeting - June 28, 2018, 6. Minutes of the Stated Meeting - June 28, 2018, 7. Committee Report				

Date	Ver.	Action By	Action	Result
6/20/2018	*	Committee on Land Use	P-C Item Approved by Comm	
6/28/2018	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK RESOLUTION NO. 444

Resolution approving a conveyance of property located at Block 3022, p/o Lot 16 (Tentative Lot 116) (Development Parcel A) and Block 3031, p/o Lot 18 (Tentative Lot 118) (Development Parcel B), Borough of the Brooklyn (Preconsidered L.U. No. 133; 20185416 HAK).

By Council Members Salamanca and Kallos

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on June 5, 2018 its request dated June 5, 2018 that the Council approve the conveyance of property located at Block 3022, p/o Lot 16 (Tentative Lot 116) (Development Parcel A) and Block 3031, p/o Lot 18 (Tentative Lot 118) (Development Parcel B), Community District 1, Council District 34, Borough of Brooklyn (the "Development Parcels");

WHEREAS, the original project was approved by the Board of Estimate on December 16, 1982 (Cal. No. 21), ("Original Project");

WHEREAS, the Current Owner wishes to convey the Conveyance Area to New Owners for the New Project;

WHEREAS, a restrictive covenant will be executed and recorded binding the New Owners to the terms set forth in the HPD request;

WHEREAS, upon due notice the Council held a public hearing on the New Project on June 19, 2018; and

WHEREAS, the Council has considered the land use and financial implications and other policy issues relating to the New Project.

RESOLVED:

The Council approves, pursuant to Section 122(1) of the Private Housing Finance Law, contingent upon the execution and recordation of the Restrictive Covenant, a copy of which is attached hereto as Exhibit A, as same may be modified with any necessary administrative or technical changes as are acceptable to Counsel to HPD, the conveyance of the Conveyance Area by the Current Owner to the New Owners.

Adopted.

Office of the City Clerk, }
The City of New York, } ss.:

I hereby certify that the foregoing is a true copy of a Resolution passed by The Council of The City of New York on June 28, 2018, on file in this office.

.....
City Clerk, Clerk of The Council

DECLARATION OF RESTRICTIVE COVENANT

WHEN RECORDED RETURN TO:

Department of Housing Preservation
and Development
100 Gold Street, Rm 5-W10
New York, NY 10038
Attn: Bryan Kaplan, Esq.

DECLARATION OF RESTRICTIVE COVENANT

This Declaration of Restrictive Covenant ("Declaration") executed as of this ____th day of _____, 2018 (the "Effective Date") is granted to the City of New York (the "City"), acting by and through its Department of Housing Preservation and Development ("HPD"), by _____ LLC ("Owner" or "Declarant").

RECITALS

- A. Owner is the owner of those certain parcels of land located in the Borough of Brooklyn, County of Kings, State of New York, which are more fully described in Exhibit A hereto (the "Property").
- B. Owner has acquired the Property pursuant to a Resolution of the City Council of the City of New York dated _____ (Reso. No. _____) (the "Council Resolution") approving the conveyance of the Property by La Cabana Associates L.P., a redevelopment company that previously owned the Property, to _____ LLC.
- C. The Council Resolution conditioned the approval of the conveyance on Owner's execution and recordation of a Declaration of Restrictive Covenant for the benefit of the City requiring that any construction on the Property during the term of this Declaration shall be an affordable housing project providing for at least fifty percent (50%) of the total number of Units constructed on the Property to be affordable to households at certain specified income levels in accordance with the terms and conditions contained in Sections 6 and 7 hereof.
- D. Declarant also has agreed that (i) Declarant shall seek a partial real estate tax exemption for the Property (the "Section 421-a Exemption") under Section 421-a(16) of the Real Property Tax Law ("Section 421-a") and (ii) any new construction on the Property during the term of this Declaration shall contain at least the number of Units affordable to households at the income levels required to comply with the Affordability Option (A, B or C) selected by Declarant under Section 421-a.

NOW THEREFORE, in consideration of the foregoing premises, the Council Resolution, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner declares as follows:

1. Term. The term of this Declaration (the “Term”) shall commence on the Effective Date and expire on June __, 2030.
2. Conveyance. During the Term, Owner may not sell, transfer, or convey any direct or indirect interests in the Property or Declarant (other than passive investment interests) without the prior written consent of HPD.
3. Definitions. For the purposes of this Agreement, the following terms shall have the meanings set forth below:

“40% of AMI” shall mean 80% of the income levels as modified by household size for the New York metropolitan statistical area for fifty percent (50%) of median income families (a.k.a. as “very low income families”) as determined from time to time by HUD under Section 3(b)(2) of the United States Housing Act of 1937 (or, if such program is terminated, under such program as was in effect immediately before such termination).

“40% AMI Tenant” shall mean a person or family whose Annual Income at the time of application to lease a Unit is less than or equal to 40% of AMI.

“40% AMI Units” shall have the meaning set forth in Section 7 of this Declaration.

“80% of AMI” shall mean 160% of the income levels as modified by household size for the New York metropolitan statistical area for fifty percent (50%) of median income families (a.k.a. as “very low income families”) as determined from time to time by HUD under Section 3(b)(2) of the United States Housing Act of 1937 (or, if such program is terminated, under such program as was in effect immediately before such termination).

“80% AMI Tenant” shall mean a person or family whose Annual Income at the time of application to lease a Unit is less than or equal to 80% of AMI.

“80% AMI Units” shall have the meaning set forth in Section 7 of this Declaration.

“100% of AMI” shall mean 200% of the income levels as modified by household size for the New York metropolitan statistical area for fifty percent (50%) of median income families (a.k.a. as “very low income families”) as determined from time to time by HUD under Section 3(b)(2) of the United States Housing Act of 1937 (or, if such program is terminated, under such program as was in effect immediately before such termination).

“100% AMI Tenant” shall mean a person or family whose Annual Income at the time of application to lease a Unit is less than or equal to 100% of AMI.

“100% AMI Units” shall have the meaning set forth in Section 7 of this Declaration.

“135% of AMI” shall mean 270% of the income levels as modified by household size for the New York metropolitan statistical area for fifty percent (50%) of median income families (a.k.a. as “very low income families”) as determined from time to time by HUD under Section 3(b)(2) of the United States Housing Act of 1937 (or, if such program is terminated, under such program as was in effect immediately before such termination).

“135% AMI Tenant” shall mean a person or family whose Annual Income at the time of application to lease a Unit is less than or equal to 135% of AMI.

“135% AMI Units” shall have the meaning set forth in Section 7 of this Declaration.

“Actual Rent” shall mean the rent charged for a Unit in accordance with Section 7 of this Agreement.

"AMI" shall mean the area median income for the primary metropolitan statistical area as determined by HUD from time to time for a family of four, as adjusted for family size.

"Annual Income" is 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 date of initial determination of income. The definitions and descriptions of income set forth in the HUD regulations contained in 24 CFR 5.609 or any successor regulations shall apply for the purposes of this Declaration and shall be incorporated herein.

“Destabilization” shall mean any set of facts that causes the Rent Stabilization Code to no longer apply to the Regulated Units, whether by expiration, legislative repeal, judicial invalidation, or any other reason.

“Eligible Tenant” shall mean any tenant who satisfies the income and occupancy restrictions set forth herein.

“HUD” shall mean the United States Department of Housing and Urban Development and any successor agency.

“Legal Rent” shall mean the initial legal regulated rent as adjusted pursuant to the Rent Stabilization Code.

“Regulated Units” shall mean the 40% AMI Units, 80% AMI Units, 100% AMI Units, and 135% AMI Units designated by the Owner and leased pursuant to Section 7 of this Declaration.

“Rent Stabilization Code” shall mean Title 26, Chapter 4 of the New York City Administrative Code (and any successor statute) and the regulations promulgated in connection therewith.

“Units” shall mean the rental dwelling units in the multiple dwellings constructed on the Property.

4. Section 421-a Exemption. Declarant hereby agrees (i) to seek a Section 421-a Exemption with respect to the Property and (ii) that any new construction on the Property during the term of this Declaration shall contain at least the number of Units affordable to households at the income levels required to comply with the Affordability Option (A, B or C) selected by Declarant under Section 421-a. Notwithstanding any provisions in this Declaration to the contrary, Declarant shall comply with all of the requirements for the receipt of the Section 421-a Exemption, including but not limited to any income and rent restrictions.

This Declaration shall remain in full force and effect regardless of whether the Property receives a Section 421-a Exemption. To the extent that (a) the income and rent restrictions set forth in this Declaration or (b) any income and rent restrictions required by the Section 421-a Exemption (if obtained) are more restrictive than the other, the more restrictive terms shall apply.

5. Taxes. Unless the Property receives an exemption from or abatement of real property taxes, Declarant shall pay such real property taxes as may be assessed against the Property and any improvements thereon. Declarant may apply for any form of real estate tax exemption or abatement to which the Property may be legally entitled to apply.
6. Affordable Housing Project. In addition to the covenants contained in Section 4 above, during the Term, any construction on the Property shall be an affordable housing project (“Affordable Housing Project”) that shall provide for at least fifty percent (50%) of the total number of Units constructed on the Property (the “Affordable Units”) to be affordable to households at the income levels specified in Section 7 below, and upon the terms and conditions set forth therein. In the event that the Affordable Housing Project receives a tax exemption and/or other subsidy from HPD (“HPD Assistance”), then this Declaration shall terminate at the closing of the Affordable Housing Project and Declarant shall enter into a new Regulatory Agreement or Restrictive Declaration (the “Regulatory Agreement”) to be recorded against the Property, with a term of no less than thirty (30) years and at least through the expiration of any tax exemption provided in connection with the Affordable Housing Project. Any such Regulatory Agreement shall be in form and substance acceptable to HPD.

Within two (2) years of the date hereof, Declarant shall deliver to HPD a plan setting forth the proposed terms of the

Affordable Housing Project (the “Project Plan”). HPD shall respond to Owner on the Project Plan within six (6) months of receipt thereof, and HPD and the Owner shall thereafter enter into good faith negotiations on the terms of the Project Plan and to effectuate the Affordable Housing Project. In the event that the Owner and HPD agree upon a Project Plan that incorporates the terms of an HPD or New York City Housing Development Corporation (“HDC”) term sheet then in effect, then the acquisition cost of the Property shall be recognized in accordance with the terms of such term sheet. Should HPD and the Owner mutually agree that they are unable to reach agreement on the Project Plan, then the Owner and HPD may seek to modify the terms of this Section 6 and of Section 7 below; provided, that, any such modification shall require the prior written consent of HPD and Owner; provided, further, that, through February 20, 2025, notwithstanding any modification to the contrary, in no event shall the number of Affordable Units be less than at least fifty percent (50%) of the total number of Units constructed on the Property upon the terms and conditions set forth in Section 7 below. In the event that any HPD Assistance obtained by Declarant is restricted by law for use on properties owned by a housing development fund company formed pursuant to Article 11 of the New York State Private Housing Finance Law (an “HDFC”), then Declarant shall transfer legal title of the Property to an HDFC; provided, that, Declarant may retain the beneficial ownership interest in the Property.

7. Eligible Tenants and Rents for Regulated Units.

- (i) Owner shall lease each Regulated Unit to an Eligible Tenant determined as follows:
 - (a) No less than twenty-five percent (25%) of the Units shall be leased to 40% AMI Tenants (“40% AMI Units”), no less than ten percent (10%) of the Units shall be leased to 80% AMI Tenants (“80% AMI Units”), no less than ten percent (10%) of the Units shall be leased to 100% AMI Tenants (“100% AMI Units”), and no less than five percent (5%) of the Units shall be leased to 135% AMI Tenants (“135% AMI Units”). No Unit may be counted multiple times for the purpose of meeting the aforesaid percentages.
 - (b) A 40% AMI Unit shall be leased to a 40% AMI Tenant for an Actual Rent equal to the lesser of (1) 30% of 40% of AMI and (2) the Legal Rent as of such date.
 - (c) An 80% AMI Unit shall be leased to an 80% AMI Tenant for an Actual Rent equal to the lesser of (1) 30% of 80% of AMI and (2) the Legal Rent as of such date.
 - (d) A 100% AMI Unit shall be leased to a 100% AMI Tenant for an Actual Rent equal to the lesser of (1) 30% of 100% of AMI and (2) the Legal Rent as of such date.
 - (e) A 135% AMI Unit shall be leased to a 135% AMI Tenant for an Actual Rent equal to the lesser of (1) 30% of 135% of AMI and (2) the Legal Rent as of such date.
 - (f) Units that are not Regulated Units may be leased to tenants without regard to any income restrictions set forth in this Agreement.
- (ii) If the Actual Rent for a Regulated Unit shall be less than the Legal Rent for such Regulated Unit, the Actual Rent shall be registered as a “preferential rent” under the Rent Stabilization Code. Upon renewal of any lease for an Actual Rent less than the Legal Rent, the Actual Rent may be increased by the amount of the increase, whether expressed as a percentage or otherwise, authorized for one or two year leases (as applicable) in accordance with the Rent Stabilization Code.
- (iii) Following the expiration of the Term, the rent for each Regulated Unit occupied by a tenant whose occupancy began prior to the expiration of the Term shall continue to be determined in accordance with the terms of this Declaration.
- (iv) Any Eligible Tenant shall be entitled to remain in occupancy and to obtain a renewal lease in accordance with the Rent Stabilization Code, notwithstanding that such tenant’s Annual Income, after initial occupancy, may exceed the maximum for initial eligibility. Further, no Eligible Tenant may be evicted nor its tenancy terminated except for good cause.

- (v) In order to determine whether a prospective tenant is an Eligible Tenant, Owner shall ascertain the Annual Income of such tenant's household. Owner may consult with HPD to obtain advice and guidance with respect to income determinations. Owner must retain all records and documents relating to Owner's determination for a minimum of three years after the date the tenant commences occupancy. Owner shall provide in each lease for the termination of the lease and eviction of the tenant if the tenant falsely or fraudulently certifies income to Owner.
- (vi) Owner shall not refuse to lease a Regulated Unit to a holder of a voucher or certificate under the federal Section 8 Voucher Program or Section 8 Certificate Program or successor programs by reason of the status of the prospective tenant as such a holder.
- (vii) No later than thirty (30) days following the date of the issuance of a temporary certificate of occupancy for any multiple dwelling constructed on the Property (the "TCO Issuance Date"), Owner shall register the rents for any Regulated Unit in accordance with the Rent Stabilization Code at 30% of 40% of AMI for the 40% AMI Units, 30% of 80% of AMI for the 80% AMI Units, 30% of 100% of AMI for the 100% AMI Units, and 30% of 135% of AMI for the 135% AMI Units. For purposes of this paragraph, "AMI" shall mean the AMI as determined by HUD as of the TCO Issuance Date. The rents so registered shall be deemed the initial Legal Rent for each Regulated Unit.
- (viii) Owner shall not utilize any exemption or exclusion from any requirement of the Rent Stabilization Code to which Owner might otherwise be or become entitled with respect to one or more Regulated Units, including but not limited to any exemption from or exclusion from the rent limits, renewal lease requirements, registration requirements or other provisions of the Rent Stabilization Code due to (A) the vacancy of a Regulated Unit where the rent exceeds a prescribed maximum amount, (B) the fact that tenant income and/or rent exceed prescribed maximum amounts, (C) the nature of the tenant, or (D) any other factor.
- (ix) Units may only be occupied as a primary residence, as defined in the Rent Stabilization Code, by natural persons or families pursuant to a one or two year lease who have met the applicable income requirements for Eligible Tenants at the time of such tenant's initial occupancy of such Unit. Owner shall only offer a vacant Regulated 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 Regulated Unit for transient occupancy, for occupancy by any household that is not income eligible, or to any corporation or other entity.
- (x) "Contractual Rent Regulation" shall mean the following after Destabilization:
 - (a) Owner shall be required to offer renewal leases on the same terms and conditions as had been required by the Rent Stabilization Code at the time of Destabilization (subject however to the provisions in subparagraphs (b) and (c) below), as if the Regulated Unit was still subject to and not excluded or exempted from any provision of the Rent Stabilization Code, including, but not limited to, any exemption or exclusion regarding rent limits, renewal lease requirements, or any other provision due to (i) the vacancy of a Regulated Unit where the rent exceeds a prescribed maximum amount, (ii) the fact that tenant income and/or Regulated Unit rent exceed prescribed maximum amounts, (iii) the nature of the tenant, or (iv) any other factor.
 - (b) The "Legal Rent," as such term is used in this Declaration, shall be limited by percentage increases calculated based on a method or index established by HPD for determining the maximum increase to Legal Rent upon lease renewal or vacancy. Such method or index shall be based on inflation or on factors substantially equivalent to the factors considered in calculating such increases under the Rent Stabilization Code at the time of Destabilization, and shall incorporate a method for determining and implementing increases to Legal Rent by reason of major capital improvements performed by Owner, to the extent that such increases, if any, are not prohibited hereunder. HPD will publish such methodology in the City Record and will provide a copy of the methodology to Owner upon request.

- (c) Wherever this Declaration limits increases in rent by increases as permitted by the Rent Stabilization Code (or language of similar import), such increases shall be limited by the percentage increases established by HPD as described in subparagraph (b) above.
 - (d) If Destabilization occurs during the Term, then, for the remainder of the Term, all Regulated Units that have undergone Destabilization shall be subject to Contractual Rent Regulation. If some Regulated Units remain subject to the Rent Stabilization Code while other Regulated Units have undergone Destabilization, Contractual Rent Regulation will apply only to the Regulated Units that have undergone Destabilization.
8. Enforcement. In the event of a breach or threatened breach of this Declaration, HPD shall be entitled to institute proceedings at law or in equity for relief from the consequences of said breach including but not limited to seeking injunctive relief to prevent a violation thereof.
9. Superiority. The charges and burdens of this Declaration are, and shall at all times be, prior and therefore superior to the lien or charge of any mortgage or deed of trust hereafter made affecting the Property or any part thereof, including any improvements now or hereafter placed thereon, and, notwithstanding a foreclosure or other voluntary or involuntary transfer of title pursuant to such instrument, shall remain in full force and effect, but are subordinate to the security interests of record on the Effective Date; provided, however, that a breach of any of the restrictions hereof shall not defeat or render invalid the lien or charge of any mortgage or deed of trust. The charges and burdens of this Declaration are not intended to create a lien upon the Property, or grant any right of foreclosure, to any person or party.
10. Notices. All notices provided for herein may be delivered in person, sent by Federal Express or other overnight courier service, mailed in the United States postage prepaid, return receipt requested, or sent by electronic or facsimile transmission, and, regardless of the method of delivery used, shall be considered delivered upon the actual receipt or refusal of receipt thereof. The name, address and other information to be used in connection with such correspondence and notices to Owner shall be the then-current owner's name and address information maintained in the official real property tax records with respect to the Property.
11. Miscellaneous.
- (a) Headings. The headings in this Declaration are for convenience only and do not in any way limit or affect the terms and provisions hereof.
 - (b) Unenforceability. If any provision of this Declaration is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the remainder of such provision or any other provisions hereof.
 - (c) Gender. Wherever appropriate in this Declaration, the singular shall be deemed to refer to the plural and the plural to the singular, and pronouns of certain genders shall be deemed to include either or both of the other genders.
 - (d) Governing Law. This Declaration shall be construed and enforced in accordance with the laws of the State of New York.
 - (e) Amendments. This Declaration may be amended or canceled only by written instrument executed by HPD and the then-current owner of the Property.
 - (f) Entire Agreement. This Declaration constitutes the entire agreement of the parties hereto with respect to the subject matter

hereof and supersedes all prior negotiations or discussions, whether oral or written, with respect thereto.

12. Expiration. Except as otherwise provided herein, upon the expiration of the Term, this Declaration shall be of no further force and effect; provided, however, that HPD shall retain all of its rights and remedies to enforce this Declaration with respect to any default or violation that occurred prior to the expiration of the Term. HPD shall, if requested by Owner, execute and deliver to Owner a document in recordable form to acknowledge the expiration of this Declaration.

13. Covenants Run With The Land. This Declaration shall run with the land and bind all subsequent parties in interest to the Property, including but not limited to Owner's successors, assigns, heirs, grantees and lessees, during the Term. All references to "Owner" in this Declaration shall include Owner's successors, assigns, heirs, grantees and lessees.

14. Enforcement.

(a) In the event of a breach of any of the covenants and agreements contained herein, the City shall have the right to one or more of the following nonexclusive remedies:

(i) Institute and prosecute any proceeding for an injunction or for specific performance of Owner's obligations hereunder.

(ii) Extend the term of this Declaration by the period of such noncompliance upon the recording of an appropriate document, executed solely by the City, against the Property. The period of noncompliance shall be presumed to be the period running from the date of this Declaration to the date that HPD notifies the Owner of such noncompliance, which presumption may be rebutted by Owner.

(b) In the event of a threatened breach of any of the covenants and agreements contained herein, the City shall have the right to the remedy described in Paragraph 14(a)(i) above.

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IN WITNESS WHEREOF, the undersigned has caused this Declaration to be signed by its duly authorized representatives, as of the day and year first-above written.

OWNER

_____ LLC

By: _____

Printed Name: _____

Title: _____

STATE OF NEW YORK)

)ss.

COUNTY OF _____)

On the ____ day of _____ in the year 2018 before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted executed the instrument.

Notary Public

EXHIBIT A

DEVELOPMENT PARCEL A: Block 3022, P/O Lot 16 (Tentative Lot 116)

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 A POINT ON THE SOUTHERLY SIDE OF TEN EYCK STREET, DISTANCE OF 347.90 FEET WESTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF TEN EYCK STREET AND THE WESTERLY SIDE OF LORIMER STREET;

RUNNING THENCE WESTERLY. ALONG THE SOUTHERLY SIDE OF TEN EYCK STREET. DISTANCE 77.10 FEET TO A POINT;

THENCE SOUTHERLY, PARALLEL WITH THE WESTERLY SIDE OF LORIMER STREET, 200.00 FEET TO A POINT ON THE NORTHERLY SIDE OF STAGG STREET;

THENCE EASTERLY. ALONG THE NORTHERLY SIDE OF STAGG STREET, 77.10 FEET TO A POINT;

THENCE NORTHERLY, PARALLEL WITH THE WESTERLY SIDE OF LORIMER STREET, 200.00 FEET TO A POINT OR PLACE OF BEGINNING.

DEVELOPMENT PARCEL B: Block 3031, P/O Lot 18 (Tentative Lot 118)

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 A POINT ON THE SOUTHERLY SIDE OF STAGG STREET, DISTANCE 202.60 FEET WESTERLY FROM THE CORNER FORMERLY THE INTERSECTION OF THE SOUTHERLY SIDE OF STAGG STREET AND THE WESTERLY SIDE OF LORIMER STREET;

RUNNING THENCE WESTERLY, ALONG THE SOUTHERLY SIDE OF STAGG STREET, DISTANCE 97.40 FEET TO A POINT;

THENCE SOUTHERLY, PARALLEL WITH THE WESTERLY SIDE OF LORIMER STREET, 200.00 FEET TO A POINT ON THE NORTHERLY SIDE OF SCHOLES STREET;

THENCE EASTERLY, ALONG THE NORTHERLY SIDE OF SCHOLES STREET, 97.40 FEET TO A POINT;

THENCE NORTHERLY, PARALLEL WITH THE WESTERLY SIDE OF LORIMER STREET, 200.00 FEET TO A POINT OR PLACE OF BEGINNING.