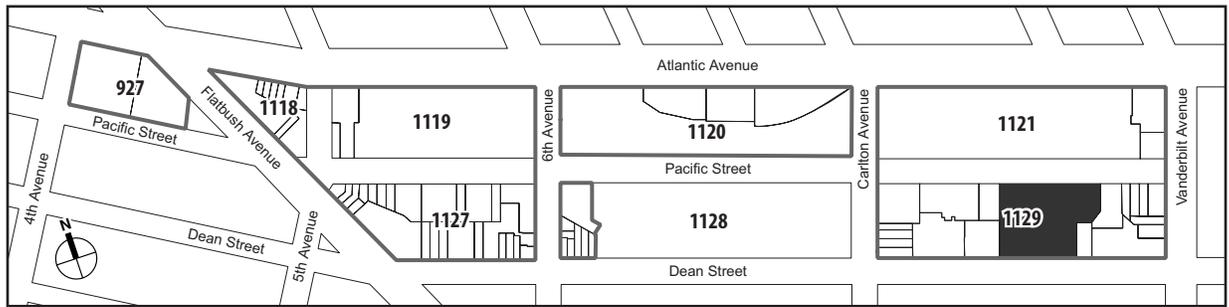


Block I 129, Lot 25



Location, Use, Zoning, and Ownership

Lot 25 is located at 800 Pacific Street between Carlton and Vanderbilt Avenues. The lot is occupied by a three to six story 143,060 gsf industrial building that spans the width of the block, fronting both Pacific Street (Photograph A) and Dean Street (Photograph B). Lot 25 is located in an M1-1 zoning district with an FAR of 1.0. M1 districts allow high-performance light manufacturing uses and often serve as buffers to adjacent residential or commercial districts. Lot 25 is owned by AYDC, which purchased the property in March 2006.

Unsanitary and Unsafe Conditions

AYDC has maintained lot 25 in substantially the same condition it was in when the property was purchased in March 2006. All of the windows in the building on lot 25 have been partially or wholly filled in with cement blocks (see Photograph B). Graffiti has been painted onto the building's façade in several locations (see Photographs B and C) and large cracks are visible on portions of the façade around the base of the building (see Photograph D). The building's location across from the eastern portion of the rail yard, coupled with the scaffolding that surrounds the building, create a feeling of isolation. As shown in Photographs E and F, it appears that homeless persons have used the recessed area between the building's façade and the sidewalk on the Pacific Street side of the building for shelter. The tarp, plastic sheeting, and personal belongings (e.g., clothing, soda bottles) shown in Photographs E and F were present on lot 25 over the course of multiple visits to the site during the Summer and Fall of 2005.

The interior of the building on lot 25 is in very poor condition. As shown in Photographs G through I there are multiple layers of paint and plaster flaking off many of the interior surfaces and there are holes in the walls and ceiling in several portions of the building (see Photographs J and K). Some of these holes appear to be due to water damage. As evidenced by Photographs L through N, parts of the building are open to the outside, allowing pigeons to settle in the building (see pigeon droppings in Photograph L) and water to pool on the floor (see Photographs M and N).

In addition, the sidewalk along lot 25—particularly on the Pacific Street side of the lot—is in very poor condition. As shown in Photographs O and P, portions of the sidewalk are severely cracked and crumbling, and weeds grow through the cracks along the length of the sidewalk. In some areas, holes have been patched with asphalt, but the asphalt is now coming loose.

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. Although the visual assessment did not indicate that the building structure is substantially compromised, cracks such as the one shown in Photograph D, loose brickwork along other portions of the façade and interior water damage and pooling water as shown in Photographs M and N may be indicative of structural degradation.

Block I 129, Lot 25

Building Code Violations

Lot 25 has 5 open building code violations on file with DOB (see Appendix B). The most recent violation was issued in January 2005 for failure to maintain the exterior building wall. The violation indicates that the current condition is hazardous.

Vacancy Status

A portion of the building on lot 25 was used as storage space by the previous owner, but the building was otherwise vacant when AYDC acquired it.

Underutilization

Based on current zoning, lot 25 is fully utilized.

Environmental Concerns

The Phase I ESA identified uses on lot 25 that were indicative of the potential for subsurface contamination. The site operated as a historic garage and commercial bakery with truck refueling and repair facilities. There were numerous known and suspected underground petroleum tanks and aboveground fuel oil tanks on the site, many of which were of unknown current status. Other potential sources of contamination included hydraulic lifts, drums, and an exhaust stack present in the building.

Phase II sampling encountered two shallow soil samples in which a petroleum-related volatile organic compound exceeded its applicable comparison standard. No petroleum-related or other site-related contamination was noted in deeper soil samples or in the groundwater beneath the site.

Block I 129, Lot 25



Photograph I 129-25-A



Photograph I 129-25-B

Block I 129, Lot 25



Photograph I 129-25-C



Photograph I 129-25-D

Block I 129, Lot 25



Photograph I 129-25-F

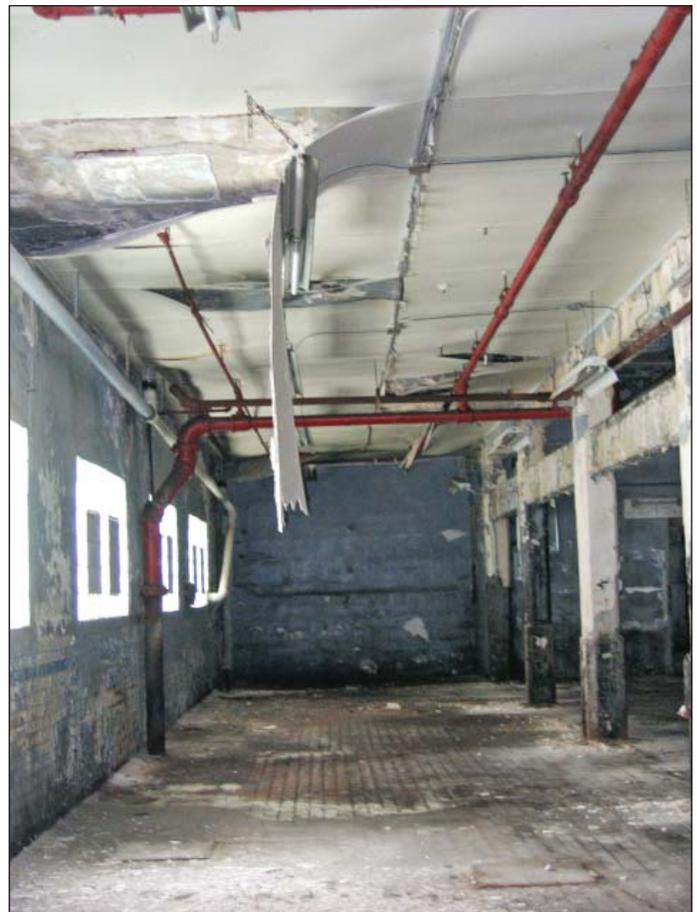


Photograph I 129-25-E

Block I 129, Lot 25



Photograph I 129-25-G



Photograph I 129-25-H

Block I 129, Lot 25



Photograph I 129-25-I



Photograph I 129-25-J

Block I 129, Lot 25



Photograph I 129-25-K



Photograph I 129-25-L

Block I 129, Lot 25



Photograph I 129-25-M



Photograph I 129-25-N

Block I 129, Lot 25

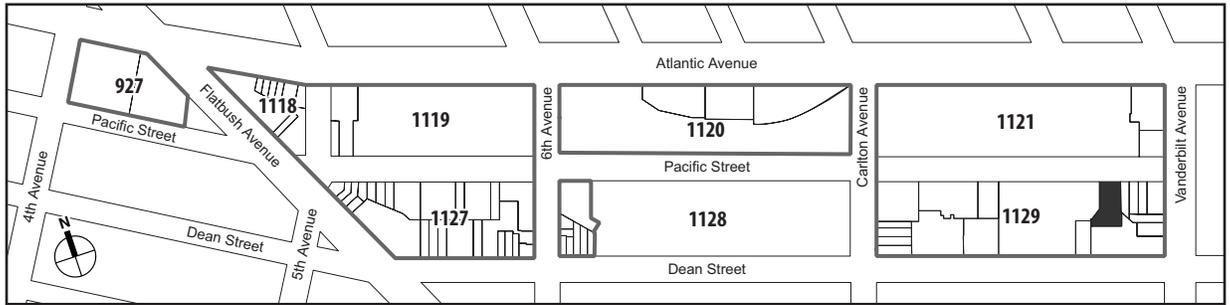


Photograph I 129-25-O



Photograph I 129-25-P

Block I 129, Lot 39



Location, Use, Zoning, and Ownership

Lot 39 is located at 802 Pacific Street between Carlton and Vanderbilt Avenues. The lot is occupied by a three story 15,372 gsf industrial building (see Photograph A). Lot 39 is located in an M1-1 zoning district with an FAR of 1.0. M1 districts allow high-performance light manufacturing uses and often serve as buffers to adjacent residential or commercial districts. According to the New York City Department of Finance, lot 39 is currently owned by PJK Realty Corporation.

Unsanitary and Unsafe Conditions

As shown in Photographs A and B, there is graffiti on the façade of the building and on the building's metal door. Apart from this graffiti, no unsanitary and unsafe conditions were identified as part of the visual assessment.

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. The visual assessment did not indicate that the building structure is substantially compromised.

Building Code Violations

Lot 39 has 4 open building code violations on file with DOB (see Appendix B). The violations date from 1993 to 2002 and all are related to the building's elevator system.

Vacancy Status

The building on lot 39 is currently occupied by a moving and storage company.

Underutilization

Based on current zoning, lot 39 is fully utilized.

Environmental Concerns

No Phase I or Phase II ESA was performed on this lot. The historic use of the site as a garage with known gasoline USTs and suspected fuel oil storage is a potential environmental concern.

Block I 129, Lot 39

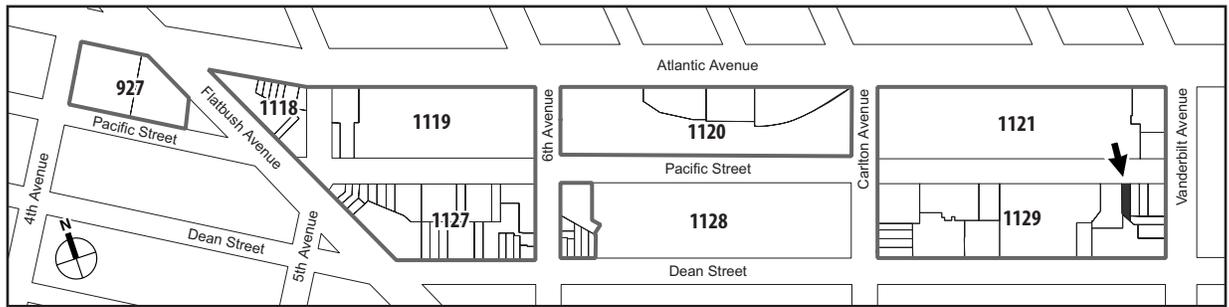


Photograph I 129-39-A



Photograph I 129-39-B

Block I 129, Lot 43



Location, Use, Zoning, and Ownership

Lot 43 is located at 810 Pacific Street between Carlton and Vanderbilt Avenues. The lot is occupied by a four story 6,000 gsf multi-family residential building (see Photograph A). Lot 43 is located in an M1-1 zoning district with an FAR of 1.0. M1 districts allow high-performance light manufacturing uses and often serve as buffers to adjacent residential or commercial districts. Lot 43 is owned by AYDC, which purchased the property in April 2005.

Unsanitary and Unsafe Conditions

AYDC has maintained lot 43 in substantially the same condition it was in when the property was purchased in April 2005. The exterior of the building on lot 43 is in generally fair condition. As shown in Photograph B, the building's wooden door is dented and chipped, and the steps leading to the door are chipped and worn down in places, but overall the façade appears to be in fair condition. However, the interior of the building shows signs of many years of disrepair. As shown in Photographs C and D, the hallways floors and stairwells are severely worn and dirty. And as illustrated in Photographs E through H, which were taken in one of the ground floor vacant apartment units, the building's walls and ceilings have suffered from water damage. The paint and plaster on the walls is bubbling, peeling, and falling off in several areas, and as shown in Photograph G, plaster has fallen from the ceiling along some of the window frames. Graffiti has been painted inside the cupboard near the sink and on the brick fill in the fireplace.

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. However, the water damage evident in the building may be indicative of greater structural damage.

Building Code Violations

Lot 43 has one open building code violation on file with DOB (see Appendix B). The violation was issued in 1989 for a boiler-related issue.

Vacancy Status

There are eight residential units located in the building on lot 43. Seven of the units are currently occupied.

Underutilization

Based on current zoning, lot 43 is fully utilized.

Block I 129, Lot 43

Environmental Concerns

The Phase I ESA identified no current or historic uses on lot 43 that would indicate the potential for subsurface contamination, however an aboveground fuel oil storage tank in the basement was noted as a potential concern. No apparent petroleum-related contamination was indicated in the shallow soil samples focused around the aboveground tank collected in Phase II ESA sampling. However, as indicated in the introduction to Section C, there are certain environmental conditions common to all project site properties that are of potential environmental concern. These include: historic fill which is likely to contain metals such as arsenic and lead, semi-volatile organic compounds and pesticides in quantities that are above the most stringent guidance values; buildings that contain asbestos, lead-paint, and florescent lighting; and the presence of elevated levels of chlorinated volatile organic compounds in the groundwater beneath and surrounding the lot.

Block 1129, Lot 43

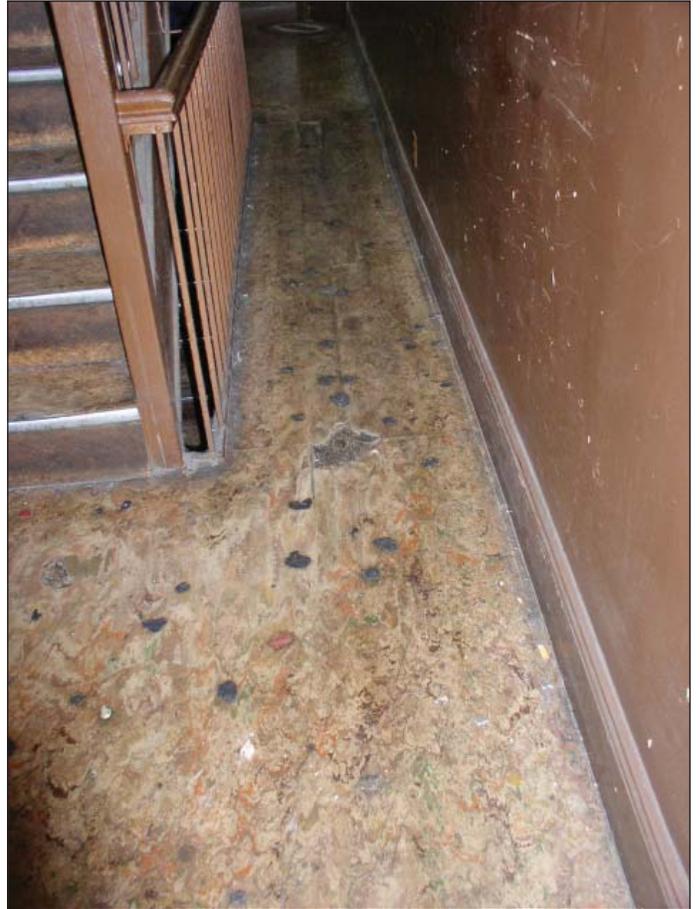


Photograph 1129-43-A



Photograph 1129-43-B

Block I 129, Lot 43



Photograph I 129-43-C



Photograph I 129-43-D

Block I 129, Lot 43



Photograph I 129-43-E



Photograph I 129-43-F

Block I 129, Lot 43

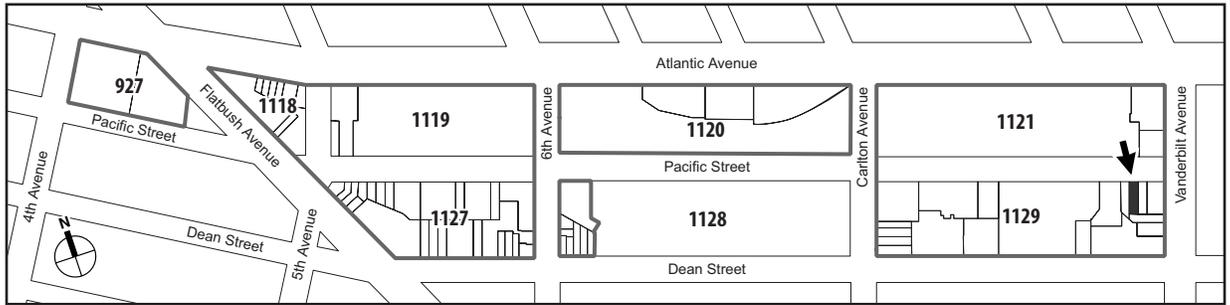


Photograph I 129-43-G



Photograph I 129-43-H

Block I 129, Lot 44



Location, Use, Zoning, and Ownership

Lot 44 is located at 812 Pacific Street between Carlton and Vanderbilt Avenues. The lot is occupied by a four story 6,000 gsf multi-family residential building (see Photograph A). Lot 44 is located in an R7A zoning district with a C1-4 overlay. Typical residential buildings in R7A districts (maximum FAR of 4.0) are six- to eight-story apartment houses. C1-4 districts accommodate necessary retail and personal service shops in residential neighborhoods. When mapped in R7 districts, the maximum commercial FAR in C1-4 districts is 2.0 and is limited to one story in mixed-use development. According to the New York City Department of Finance, lot 44 is owned by Hong Ning Realty, Inc.

Unsanitary and Unsafe Conditions

No unsanitary or unsafe conditions were identified as part of the visual assessment for lot 44. However, as shown in Photograph A, the building on lot 44 is attached to the building on lot 43, which has suffered from water damage and general neglect for many years. It is possible that water infiltration may have occurred in the buildings on lot 44 as well. Lot 44 is privately owned and the building was not accessible for viewing; the building's interior conditions are currently unknown, but are likely to be similar to conditions in the building on lot 43.

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. The visual assessment did not indicate that the building structure is substantially compromised.

Building Code Violations

There are no open building code violations associated with lot 44.

Vacancy Status

There are nine residential units located in the building on lot 43. All of the units appear to be occupied.

Underutilization

Lot 44 is located in an R7A zoning district with a C1-4 overlay and an FAR of 4.0. Although the 2,375 sf lot can accommodate up to 9,500 zsf of built space under current zoning, it currently hosts a 6,000 gsf building, utilizing only 63 percent of the lot's development potential.

Environmental Concerns

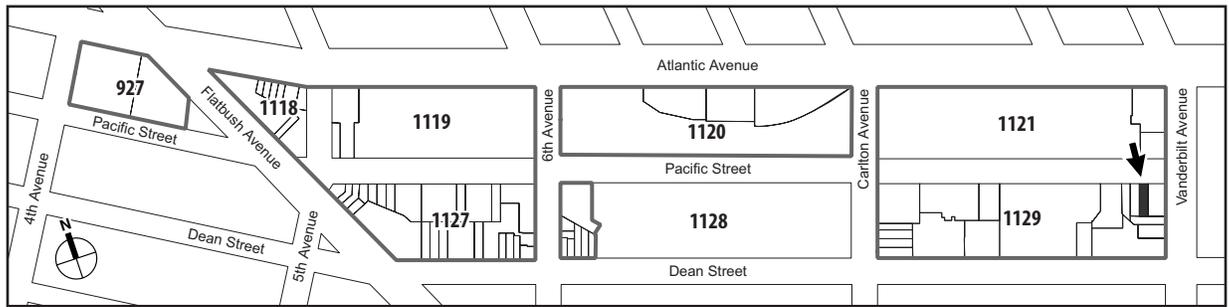
No Phase I or Phase II ESA was performed on this lot. No potential issues of environmental concern were noted for this lot.

Block I 129, Lot 44



Photograph I 129-44-A

Block I 129, Lot 45



Location, Use, Zoning, and Ownership

Lot 45 is located at 814 Pacific Street, between Carlton and Vanderbilt Avenues. The lot is occupied by a vacant single-story 2,400 gsf building, which was formerly a pump repair and fabrication shop (see Photograph A). As shown in Figure 6 and Table A-1, lot 45 is located in an R7A zoning district, with a C1-4 overlay. R7A districts permit medium-density housing with a maximum FAR of 4.0. C1-4 districts accommodate retail and personal service shops needed in residential neighborhoods. When mapped in R7 districts, the maximum commercial FAR in C1-4 districts is 2.0. Lot 45 is currently owned by AYDC, which purchased the property in June 2005.

Unsanitary and Unsafe Conditions

AYDC has maintained lot 45 in substantially the same condition it was in when the property was purchased in June 2005. The exterior of the building on lot 45 is in poor condition from many years of neglect. There is a large, poorly patched crack in the brickwork on the façade of the building. Graffiti marks the garage entry, window, and front doorway. Deterioration is also evident in the building's interior. There are holes in parts of the ceiling exposing electrical outlets and wiring. Elsewhere, the ceiling and walls have been seriously damaged by water, causing ceiling tiles to fall, exposing electrical wires (see Photograph B.)

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. The visual assessment did not indicate that the building structure is substantially compromised.

Building Code Violations

Lot 45 has three open DOB violations (see Appendix B). Information on the types and dates of the violations was not available from the DOB Building Information System.

Vacancy Status

The building on lot 45 is currently vacant and was vacant upon AYDC acquisition. The property was placed on the market by the owner, who sold the business he operated there in order to retire.

Underutilization

As indicated above, lot 45 is in an R7A zoning district, with a C1-4 overlay and an FAR of 4.0. Although the 2,375 sf lot can accommodate up to 7,500 zsf of built space under current zoning, it hosts a single-story 2,375 gsf building, utilizing only 25 percent of the lot's development potential.

Block 1129, Lot 45

Environmental Concerns

The Phase I ESA identified the potential for subsurface contamination to be associated with the recent site use as an auto repair facility, storage of auto repair equipment and fluids, the presence of a suspected underground storage tanks, and the historic use of the site as a machine shop and scrap metal facility. No apparent site-related contamination was encountered in shallow soil sampling on the lot. The quality of deeper soils and groundwater is unknown however because no samples could be collected.

Block I 129, Lot 45

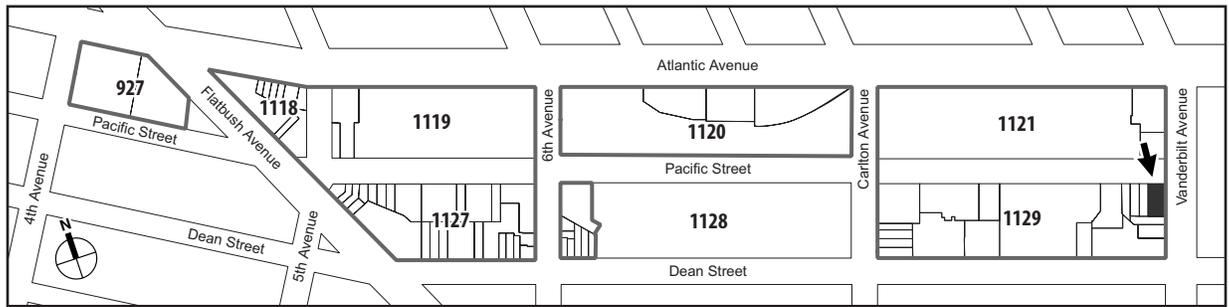


Photograph I 129-45-A



Photograph I 129-45-B

Block I 129, Lot 46



Location, Use, Zoning, and Ownership

Lot 46 is located at 818 Pacific Street between Carlton and Vanderbilt Avenues (see Photograph A). The lot hosts a single story vacant diner building on the northern portion of the lot (see Photograph B) and a three story residential building with an attached single story auto garage on the southern portion of the lot (Photograph D shows the residential building). Together, the three buildings contain approximately 3,600 gsf of space. Between these structures, there is a parking lot used for auto storage and repair.

Lot 46 is located in an R7A zoning district with a C1-4 overlay. Typical residential buildings in R7A districts (maximum FAR of 4.0) are six- to eight-story apartment houses. C1-4 districts accommodate necessary retail and personal service shops in residential neighborhoods. When mapped in R7 districts, the maximum commercial FAR in C1-4 districts is 2.0 and is limited to one story in mixed-use development. Lot 46 is owned by AYDC, which purchased the property in April 2006.

Unsanitary and Unsafe Conditions

AYDC has maintained lot 46 in substantially the same condition it was in when the property was purchased in April 2006. As shown in Photographs A through M, all three buildings on the lot are in states of disrepair. The vacant diner building is painted with graffiti and its metal siding is rusting. The ceiling and walls inside the building are water damaged and peeling (see Photograph C). Weeds and trash occupy the space between the building's northern façade and the fence separating the property from the sidewalk (see Photograph B). The roof of the auto garage connected to the residential building on the southern portion of the lot is sagging and the brickwork appears to be degrading in areas (see Photograph E). There are cracks in the façade of the residential building, and the area above the ground floor windows facing Vanderbilt Avenue appears to have been damaged by water and rust (see Photographs C and D). As shown in Photograph E, the drainage pipe running down the façade of the residential portion of the building ends at the garage rooftop, draining down the side of the garage building and directly onto the parking lot.

The top portion of the chimney that runs up the rear façade of the residential building has separated from the building, leaning out from the façade. Next to the chimney is a small shack-like structure that has been damaged by fire (shown in Photograph E to the right of the chimney, just above the yellow brick).

The interiors of the buildings on lot 46 are also in disrepair. As shown in Photographs G through I, the ceilings and walls in the residential building are severely damaged and insulation is falling from the ceiling in some areas. The wooden steps leading to the basement are falling down and the plaster wall in the stairwell is crumbling (see Photograph J). The basement itself is littered with debris and the walls and ceiling are in poor condition (see Photographs K and L). The second story balcony facing the northern portion of the lot is also in poor condition. As shown in Photograph M, the bricks under the window opening are crumbling and the surfacing on the brick wall on the right is cracked and has begun to fall off.

Block I 129, Lot 46

In addition to the unsafe and unsanitary conditions on the lot itself, the sidewalk surrounding the lot is also in a state of disrepair. As shown in Photographs N and O, the sidewalk is severely cracked and uneven and weeds are growing through most of the cracks.

Indications of Structural Damage

According to a structural due diligence report prepared by LZA Technology in May 2006 (see Appendix A), all three buildings on lot 46 are structurally unsound and unsafe. The report indicates that all of the buildings on lot 46 have experienced significant water infiltration, which has caused extensive water/moisture damage and compromised the structural integrity of the buildings. In the diner building, the timber floor framing appears to be deteriorated and the building's ceiling has partially collapsed, indicating that major structural deterioration is occurring and that the structure is unsafe. In the former auto-repair shop, the roof joints have not yet collapsed, but they show substantial water and/or moisture damage, and the northern brick masonry wall showed signs of cracking and building masonry. Both of these conditions, according LZA, are signs of structural deterioration. The LZA report also identifies numerous conditions in the residential building that are indicative of structural deterioration, including: floors that sag severely towards the center most point of the building (a condition that a prior owner attempted to correct by adding timber posts in the basement under the main girders); floor timber joists that are rotted in numerous locations; severely cracked stucco finish on the northern face of the building; and separation of the masonry chimney from the west masonry wall.

The LZA report observes that numerous active leaks throughout the three buildings have left each of the buildings permanently exposed to the elements and concludes that these active water leaks if left unchecked, will eventually lead to local collapses of the timber floor and roof joist systems as already seen in the former diner. The report concludes that the buildings are structurally unsound and unsafe and recommends that they be demolished. Accordingly, AYDC has requested ESDC's consent to demolish the buildings.

Building Code Violations

There are no open building code violations associated with lot 46.

Vacancy Status

The buildings on lot 46 are currently vacant. The restaurant building was vacant prior to AYDC acquisition. The residential unit and auto repair facility were vacated pursuant to an agreement with AYDC.

Underutilization

Lot 44 is located in an R7A zoning district with a C1-4 overlay and an FAR of 4.0. Although the 4,750 sf lot can accommodate up to 19,000 zsf of built space under current zoning, it currently hosts two single story buildings totaling 3,600 gsf, utilizing less than 20 percent of the lot's development potential.

Environmental Concerns

The Phase I ESA identified historic and current site uses as environmental concerns on this lot. The site was historically occupied by a gasoline filling station with associated underground storage tanks that may potentially remain on the site. Auto repair operations were most recent conducted on the site, where service bays in the garage building once contained hydraulic lifts. An aboveground fuel oil tank was present in the basement of the three-story building, and is also a potential source of subsurface contamination. Auto-repair related debris was present throughout the lot. The tax lot has an E-designation with the DOB related to hazardous materials concerns. No Phase II ESA sampling has been performed on this lot.

Block 1129, Lot 46

Miscellaneous

According to the title agency New York Land Services, lot 46 had outstanding property tax bills dating to July 2003 and totalling \$23,268.99 at the time AYDC acquired the property.

Block I 129, Lot 46



Photograph I 129-46-A



Photograph I 129-46-B

Block 1129, Lot 46



Photograph 1129-46-C



Photograph 1129-46-D

Block I 129, Lot 46



Photograph I 129-46-E



Photograph I 129-46-F

Block I 129, Lot 46



Photograph I 129-46-G

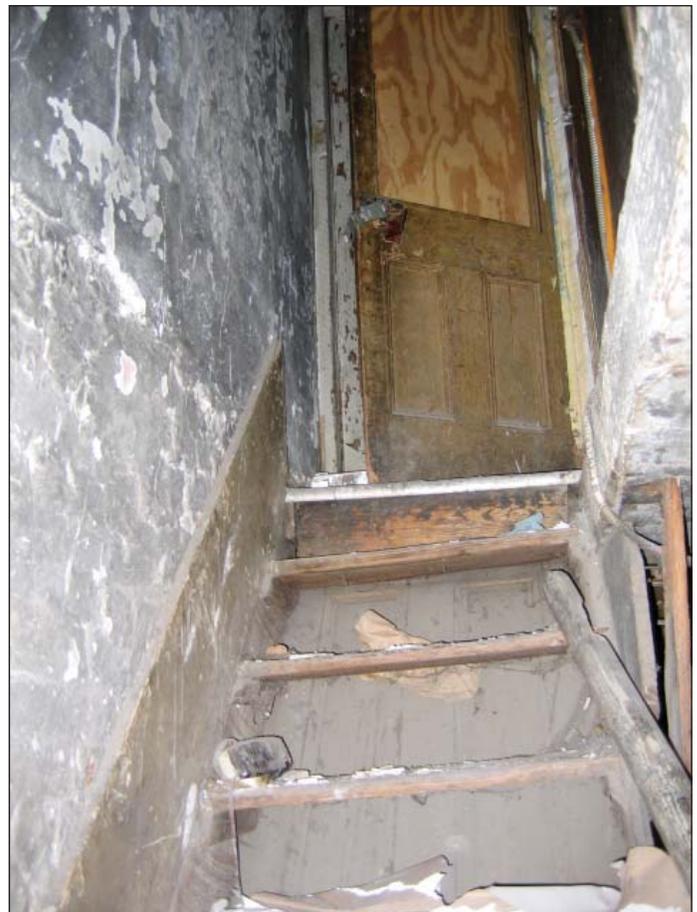


Photograph I 129-46-H

Block I 129, Lot 46



Photograph I 129-46-I



Photograph I 129-46-J

Block I 129, Lot 46

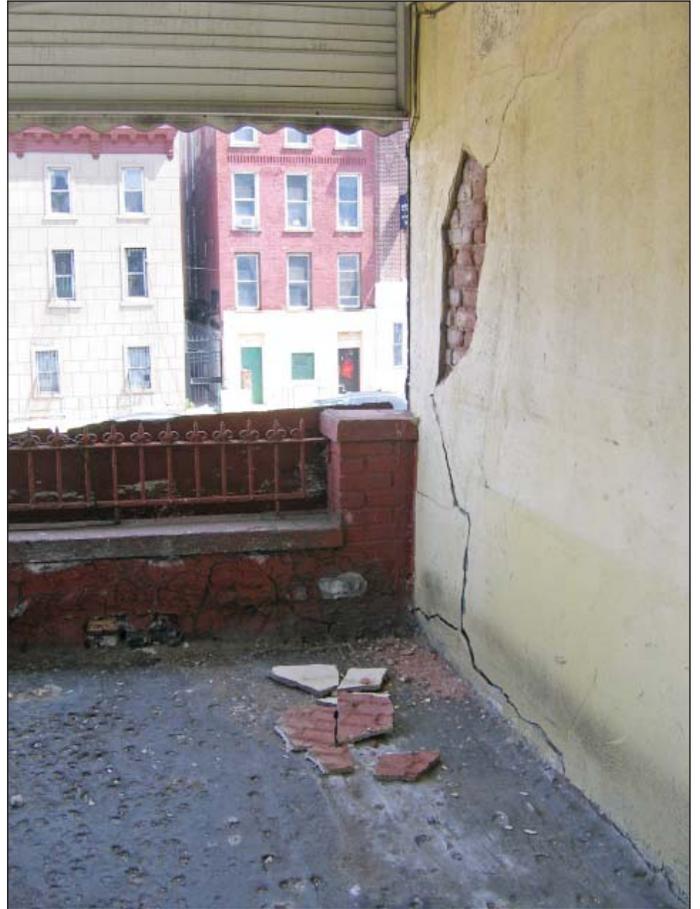


Photograph I 129-46-K



Photograph I 129-46-L

Block I 129, Lot 46



Photograph I 129-46-M



Photograph I 129-46-N

Block I 129, Lot 46



Photograph I 129-46-O