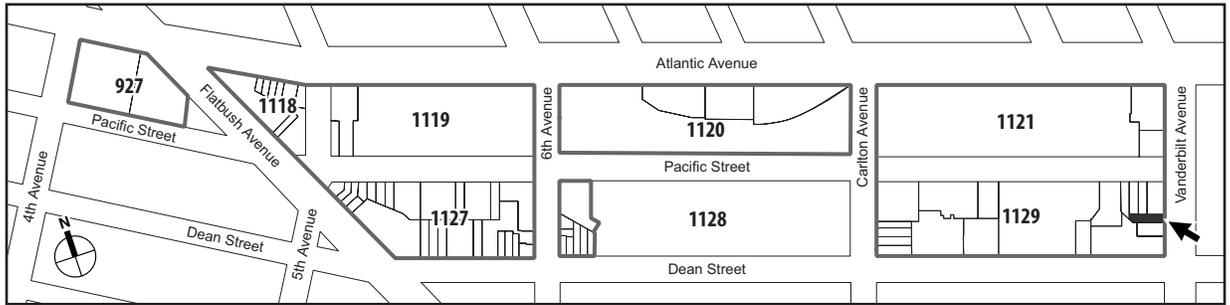


Block I 129, Lot 49



Location, Use, Zoning, and Ownership

Lot 49 is located at 540 Vanderbilt Avenue between Pacific and Dean Streets. The lot is occupied by a four story 6,420 gsf multifamily residential building (see Photograph A).

Lot 49 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. The lot is owned by AYDC, which acquired the property in April 2005.

Unsanitary and Unsafe Conditions

AYDC has maintained lot 49 in substantially the same condition it was in when the property was purchased in April 2005. Apart from some graffiti painted on the door of the building on lot 49 (see Photograph I), the building's exterior appears to be in fair condition. However, as shown in Photographs B through H, the building's interior is in a state of disrepair. Severe water damage is evident on several walls and ceilings. Mold is visible in many areas of the building (see Photographs C and F) and pools of moisture within portions of the walls and ceilings have caused the paint to bubble and peel (see Photographs C, D, and E). In some areas, entire layers of drywall are peeling off the walls (see Photograph B). As shown in Photograph G, paint is peeling from the ceiling surrounding the skylight in the stairwell. This is most likely a result of water leaking into the building from the rooftop. And as shown in Photograph H, graffiti has been painted on the inside of the building's front door.

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. However, the water damage evident throughout much of the building's interior may be indicative of greater structural degradation.

Building Code Violations

There are no open building code violations associated with lot 49.

Vacancy Status

The building on lot 49 contains eight residential units. Four of the units were vacant when AYDC acquired the property and four are currently occupied.

Underutilization

Lot 49 is located in an R7A zoning district with a C1-4 overlay and an FAR of 4.0. Although the 2,453 sf lot can accommodate up to 9,812 zsf of built space under current zoning, it currently hosts a 6,420 gsf building, utilizing 65 percent of the lot's development potential.

Block 1129, Lot 49

Environmental Concerns

The Phase I ESA identified no current or historic uses of environmental concern on lot 49. The potential for subsurface contamination associated with a closed aboveground fuel oil storage tank observed in the basement was noted. Phase II sampling of only the shallow soil did not indicate petroleum-related contamination associated with the aboveground tank.

Block 1129, Lot 49



Photograph 1129-49-A

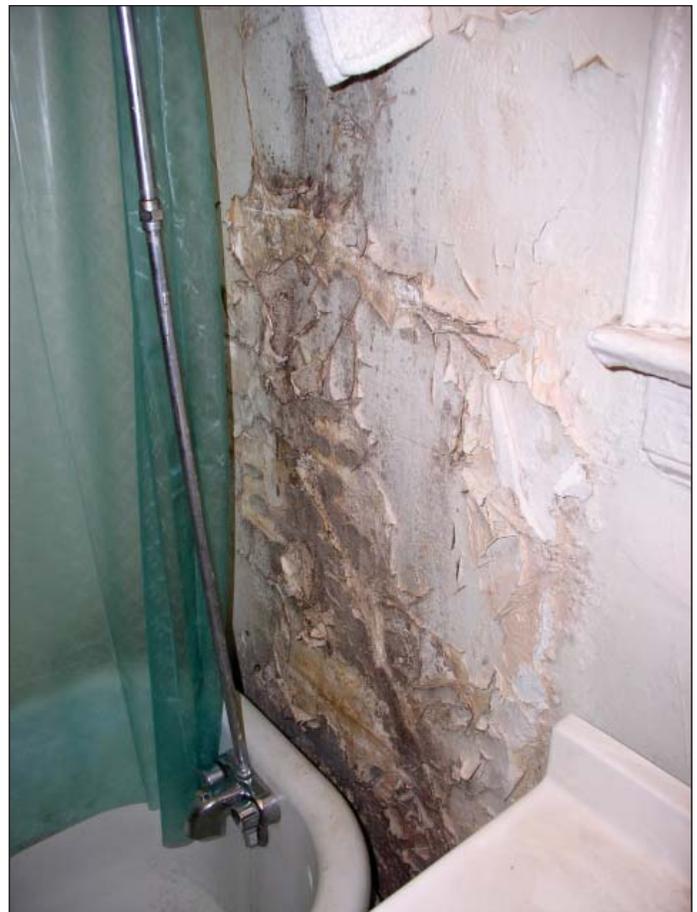


Photograph 1129-49-B

Block I 129, Lot 49



Photograph I 129-49-C



Photograph I 129-49-D

Block I 129, Lot 49



Photograph I 129-49-E



Photograph I 129-49-F

Block 1129, Lot 49



Photograph 1129-49-G



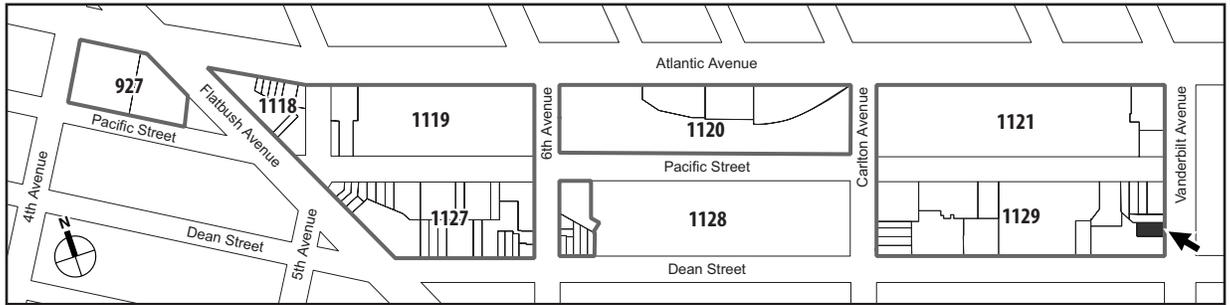
Photograph 1129-49-H

Block 1129, Lot 49



Photograph 1129-49-1

Block I 129, Lot 50



Location, Use, Zoning, and Ownership

Lot 50 is located at 542 Vanderbilt Avenue between Pacific and Dean Streets. The lot is occupied by a single story 2,960 gsf industrial building currently used as an auto repair shop (see Photograph A).

Lot 50 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, the lot is currently owned by AASL Associates. The property is currently under contract by AYDC. The closing is anticipated to take place in June 2006.

Unsanitary and Unsafe Conditions

The sidewalk in front of lot 50 is cracked and uneven in places (see Photograph B) and the tin roof inside of the building has rusted to the point of disintegration in some areas (see Photograph C). No other unsanitary or 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

There are no open building code violations associated with lot 50.

Vacancy Status

The building on lot 50 is currently occupied by Atlas Auto Service Ltd., which will vacate in June 2006 pursuant to an agreement with AYDC.

Underutilization

Lot 49 is located in an R7A zoning district with a C1-4 overlay and an FAR of 4.0. Although the 3,157 sf lot can accommodate up to 12,628 zsf of built space under current zoning, it currently hosts a single story 2,960 gsf auto repair garage, utilizing less than one quarter of the lot's development potential.

Block 1129, Lot 50

Environmental Concerns

The Phase I ESA identified historic and current site uses as potential environmental concerns on this lot. The site was occupied by an auto repair shop, and surface staining associated hydraulic lifts and a maintenance pit was observed. ASTs were present in the basement and rear yard, and historic underground storage tanks could potentially be present. The tax lot has an E-designation on-file with the DOB related to hazardous materials concerns. No Phase II ESA sampling has been performed on this lot.

Block I 129, Lot 50



Photograph I 129-50-A



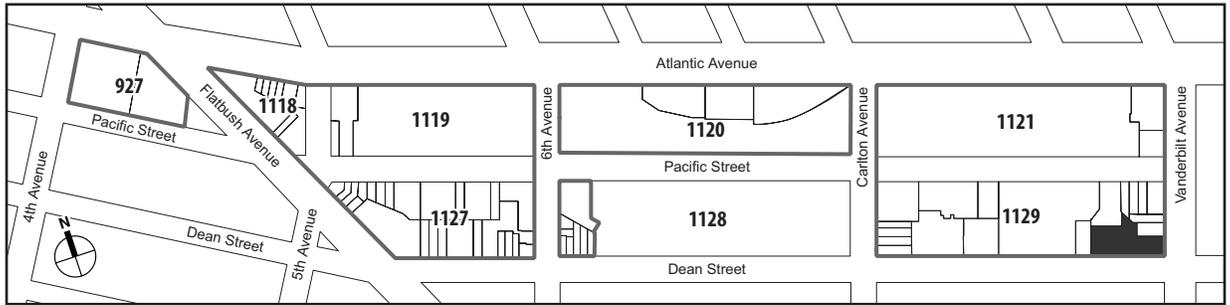
Photograph I 129-50-B

Block I 129, Lot 50



Photograph I 129-50-C

Block I 129, Lot 54



Location, Use, Zoning, and Ownership

Lot 54 is located at 546 Vanderbilt Avenue at the corner of Dean Street and Vanderbilt Avenue. The western portion of the lot hosts a vacant five story 36,080 gsf industrial building (see Photograph A) and the eastern portion of the lot is vacant (see Photograph B).

The eastern portion of lot 54 is located in an R7A zoning district with a C1-4 overlay and the western portion is located in an M1-1 zoning district. Typically, R7A zoning districts host six- to eight-story apartment houses (with a maximum FAR of 4.0) and C1-4 districts accommodate retail and personal service shops necessary to support residential uses. 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. M1 districts allow high-performance light manufacturing uses and often serve as buffers to adjacent residential or commercial districts.

Lot 54 is owned by AYDC, which purchased the property in March 2006.

Unsanitary and Unsafe Conditions

AYDC has maintained lot 54 in substantially the same condition it was in when the property was purchased in March 2006. Both the lot area and built structure on lot 54 are in poor condition. The eastern portion of the lot is surrounded by a chain link fence that is approximately 20 feet high and topped with barbed wire. The fence is rusted and torn and the concrete base below it is crumbling, causing the brick underneath to loosen (see Photographs C and D). As shown in Photograph E, the sidewalk surrounding the lot is cracked and uneven, and trash is scattered along the fence and sidewalk. Two small structures sit in the vacant lot, just east of the main building. As shown in Photograph F, there are large holes in the concrete block walls of these structures and the roofs are partially missing. Used window parts and other debris are stacked inside of the structures.

Graffiti covers many of the surfaces on lot 54, including the façades of the five-story building, the dilapidated structures adjacent to the main building, and the wall of the building on adjacent lot 50 (see Photographs B, F, G, and H), which faces in onto the empty portion of lot 54.

The five-story building on lot 54 also appears to be in poor condition. All of the windows have been permanently sealed (see Photograph A) and some of the brickwork on the façade above the Dean Street entryway is missing, exposing the support beams beneath (see Photograph I). The metal door to the building is rusted and there is crumbling concrete below the door. Just east of the doorway is a filled entrance with concrete steps that are chipped and broken. Inside, there is paint flaking off of many of the walls and ceilings, and small cracks run across many of the walls (see Photographs J through L).

Indications of Structural Damage

A structural due diligence survey has not been conducted for this lot. However, as noted above, the five-story building appears to be in poor condition and may be structurally compromised. The two auxiliary

Block 1129, Lot 54

structures to the east of the main building have deteriorated to the point where significant portions of the walls and roofs are missing.

Building Code Violations

Lot 54 has three open building code violations on file with DOB. All of the violations pertain to elevator safety. The most recent violation was issued in November 2004 and cited lack of proper elevator maintenance as a safety hazard.

Vacancy Status

As noted above, the building on lot 54 is vacant.

Underutilization

The eastern portion of lot 54 is located in an R7A zoning district with a C1-4 overlay and an FAR of 4.0 and the western portion is located in an M1-1 zoning district with an FAR of 1.0. Although the 17,600 sf lot can accommodate up to 47,520 zsf of built space under current zoning, it currently hosts 36,080 gsf of built space, utilizing approximately 76 percent of the lot's development potential.

Environmental Concerns

The Phase I ESA indicated the potential for subsurface contamination associated with the suspected presence of two fuel oil tanks and an additional suspected UST on lot 54. No site-related contamination was identified by the limited sampling conducted for the Phase II ESA. 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 54



Photograph 1129-54-A



Photograph 1129-54-B

Block I 129, Lot 54



Photograph I 129-54-C



Photograph I 129-54-D

Block I 129, Lot 54



Photograph I 129-54-E



Photograph I 129-54-F

Block I 129, Lot 54



Photograph I 129-54-G



Photograph I 129-54-H

Block I 129, Lot 54



Photograph I 129-54-I



Photograph I 129-54-J

Block I 129, Lot 54

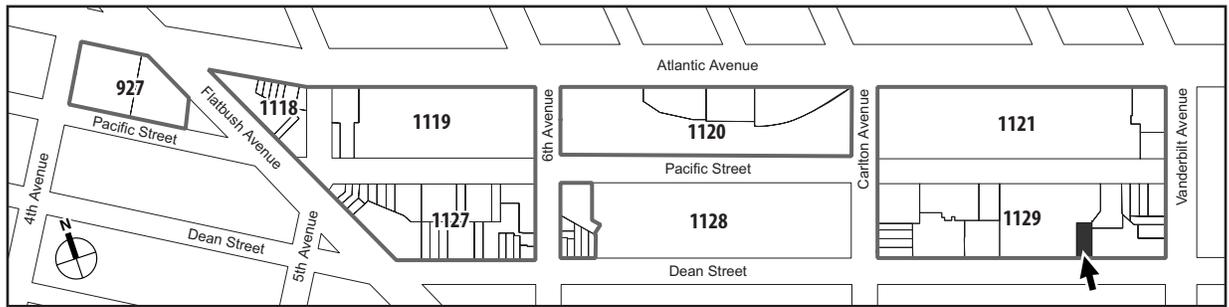


Photograph I 129-54-K



Photograph I 129-54-L

Block I 129, Lot 62



Location, Use, Zoning, and Ownership

Lot 62 is located at 645 Dean Street between Vanderbilt and Carlton Avenues. The lot hosts a two-story 8,800 gsf industrial building (see Photographs A and B). Lot 62 is located in an M1-1 zoning district. 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 62 is owned by Goldberg Liu Realty Inc. The property is currently under contract by AYDC. The closing is anticipated to take place in August 2006.

Unsanitary and Unsafe Conditions

No unsanitary or unsafe conditions were identified as part of the visual assessment for lot 62.

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 62.

Vacancy Status

The building on lot 62 is currently occupied by a canvas stretching, framing, and art supply business, which will vacate the property in early 2007.

Underutilization

Based on current zoning, lot 62 is fully utilized.

Environmental Concerns

The Phase I ESA identified historic uses of potential environmental concern on lot 62. Historic uses of the site included a hydrogen peroxide manufacturer and a rag sorting and bailing facility, both of which may have historically utilized chemicals or solvents. The potential of historic fuel oil storage on the site was also noted. In addition, small amounts of wood treatment products were stored in the building, associated with the current use of the site. No Phase II ESA sampling was performed on lot 62.

Block I 129, Lot 62

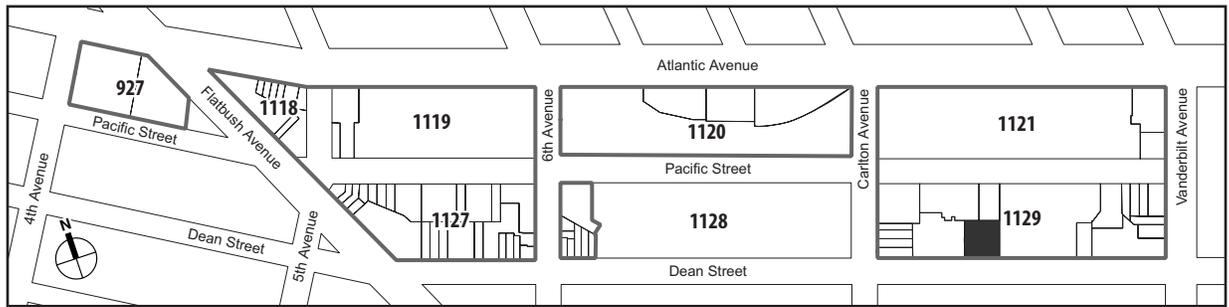


Photograph I 129-62-A



Photograph I 129-62-B

Block I 129, Lot 76



Location, Use, Zoning, and Ownership

Lot 76 is located at 603 Dean Street between Carlton and Vanderbilt Avenues. The lot is occupied by a two story 22,000 gsf building that is currently used, along with the building on adjacent lot 21, to provide temporary housing for homeless families (see Photograph A). Lot 76 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 76 is owned by G.B.S. Associates.

Unsanitary and Unsafe Conditions

Apart from some minor cracks and poorly patched holes in the sidewalk in front of lot 76 (See Photograph B), no unsanitary or 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

There are no open building code violations associated with lot 76.

Vacancy Status

The building on lot 76 is currently occupied by a privately operated facility that provides temporary housing for homeless families through contract with the New York City Department of Homeless Services.

Underutilization

Based on current zoning, lot 76 is fully utilized.

Environmental Concerns

No Phase I or Phase II ESA has been performed on this lot. The historic use of the site as a manufacturing facility with a machine shop and metalworking is a potential environmental concern. The potential former or current site storage of gasoline, kerosene, and fuel oil was indicated in documentary research for lot 76.

Block I 129, Lot 76

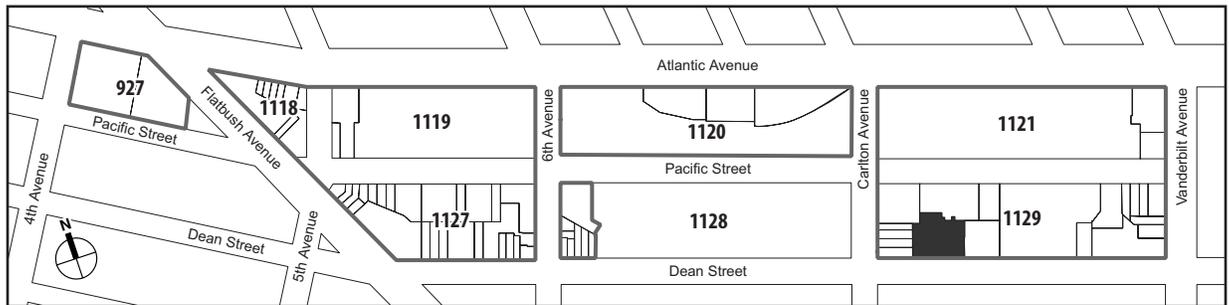


Photograph I 129-76-A



Photograph I 129-76-B

Block I 129, Lot 81



Location, Use, Zoning, and Ownership

Lot 81 is located at 585-601 Dean Street, between Carlton and Vanderbilt Avenues. Until Spring 2006, the lot hosted a vacant two story 30,070 gsf building (see Photograph A). The building was demolished by AYDC with approval from ESDC because of its dangerously deteriorated condition as described below.

Lot 81 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 81 is currently owned by AYDC, which purchased the property in May 2004, after the owner closed his business at the property and put it on the market for sale.

Unsanitary and Unsafe Conditions

As indicated above, the building on lot 81 was demolished in Spring 2006. As shown in Photograph B, the paint on the façade of the building on lot 81 was flaking off and several windows were cracked or broken. Apart from those conditions, the building's exterior appeared to be in fair condition. However, the building's interior was in a state of severe disrepair. The building was littered with debris including broken office furniture and home furniture parts, old mattresses, empty boxes, and plastic bags filled with garbage (see Photograph C). Water damage was evident throughout the building—particularly on the walls and ceilings (see Photographs D and E). Along the walls, water damage had eroded some of the brick and concrete and water damage on the concrete ceiling exposed the ceiling's metal supports. Exposed electrical wires could also be seen hanging from the ceiling.

Indications of Structural Damage

A structural condition survey, prepared by LZA Technology in November 2005 (see Appendix A), indicated that the building on lot 81 was structurally unsound and recommended that the building be demolished because it posed an immediate threat to human health and safety.

According to the LZA Technology survey, the building's timber framing was severely deteriorated. The report indicates that the active leaks found throughout the building, coupled with numerous cracked and broken glass window panes, had left the building permanently exposed to the outside elements. As a result, many of the timber girders that support the timber framing were water damaged, rotted, and at some locations, partially collapsed. The framing had partially collapsed, and was held up only by temporary shoring. The report stated that if these leaks were left unchecked, they would have led to further local collapses of the timber floor and roof joist systems, and the ultimate collapse of the entire building.

Building Code Violations

Lot 81 has 24 building code violations on file with DOB dating from 1989 to 2005 (see Appendix B). Of the 24 violations, 15 relate to elevator safety and 8 pertain to the building's boiler.

Block 1129, Lot 81

Vacancy Status

Approximately three quarters of the building on lot 81 had been vacant for several years before AYDC purchased the property. The other portion of the building was occupied by a furniture and mattress business, which vacated in September 2004 pursuant to an agreement with AYDC.

Underutilization

Based on current zoning, lot 81 was fully utilized prior to the demolition of the building that was located on it.

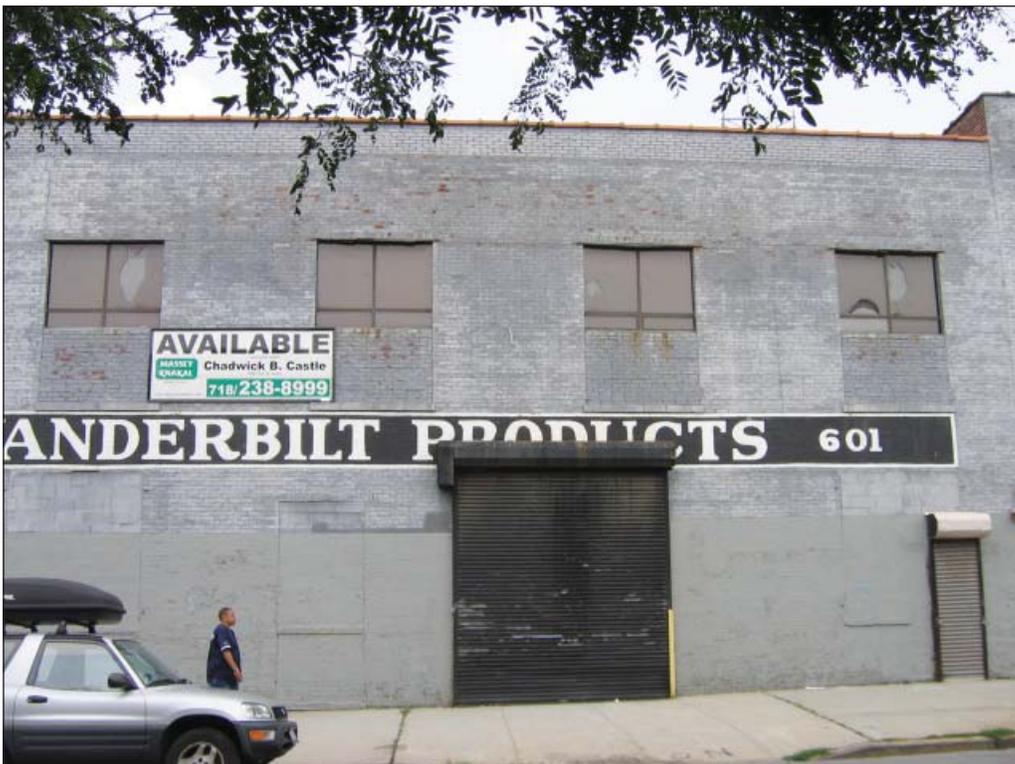
Environmental Concerns

The Phase I ESA identified the presence of an aboveground fuel oil tank as a potential environmental concern on this lot. Staining adjacent to sumps on the first floor, and the presence of a drum of oil and discarded equipment also indicated the potential for subsurface contamination. No site-related contamination was identified by the limited sampling conducted for the Phase II ESA. 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 fluorescent lighting; and the presence of elevated levels of chlorinated volatile organic compounds in the groundwater beneath and surrounding the lot.

Block I 129, Lot 81



Photograph I 129-81-A



Photograph I 129-81-B

Block 1129, Lot 81



Photograph 1129-81-C



Photograph 1129-81-D

Block I 129, Lot 81



Photograph I 129-81-E



Photograph I 129-81-F