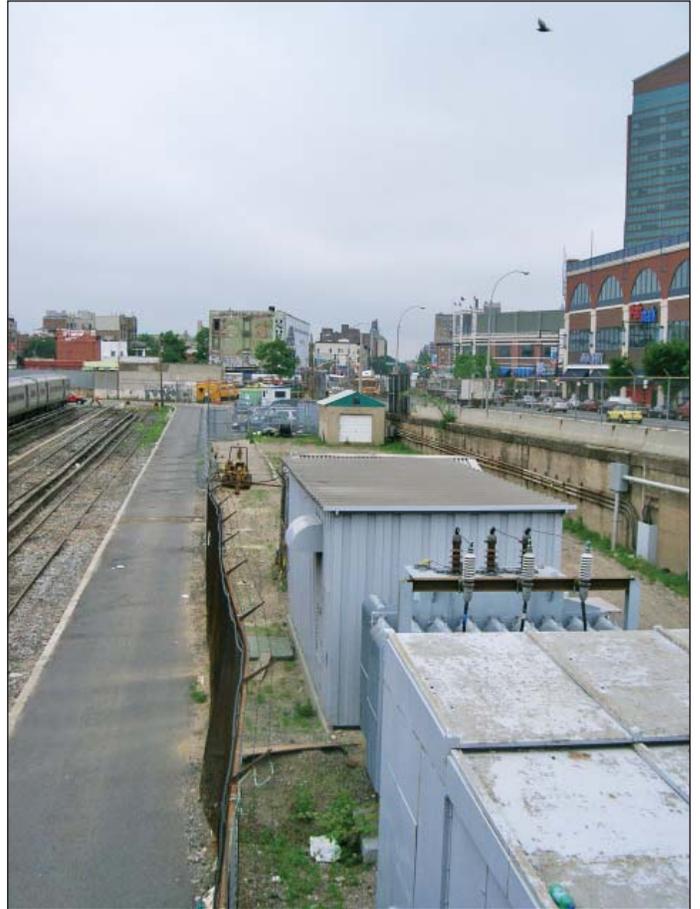
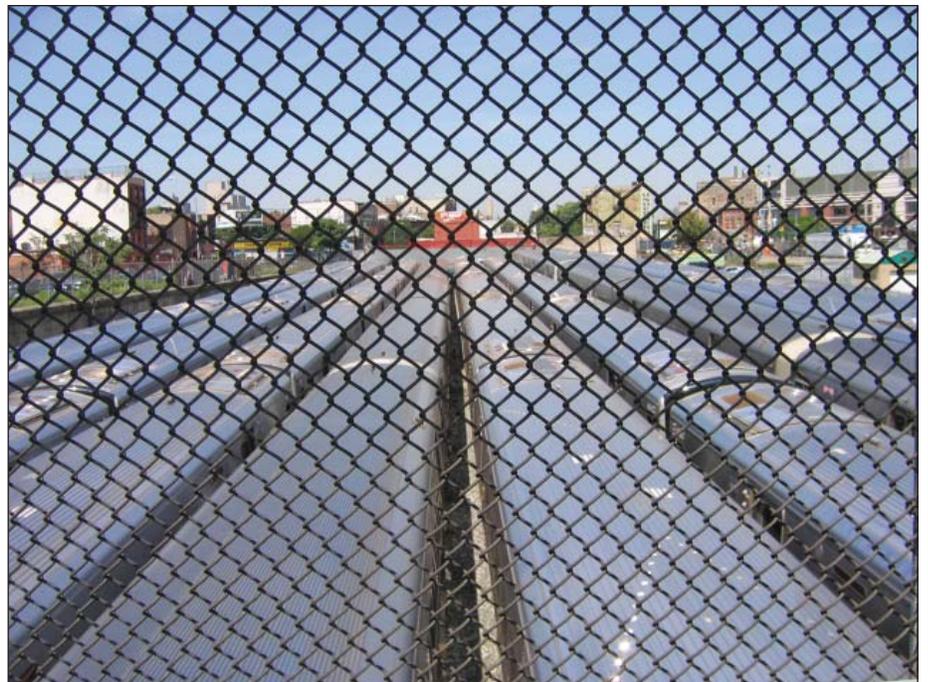


Block 1119, Lot 7



Photograph 1119-7-A



Photograph 1119-7-B

Block 1119, Lot 7

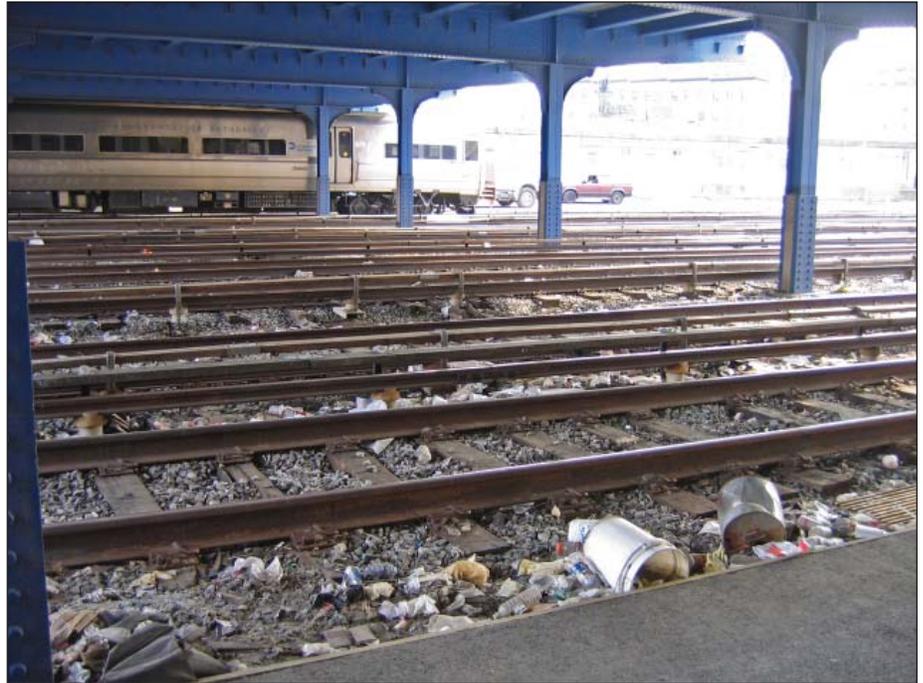


Photograph 1119-7-C

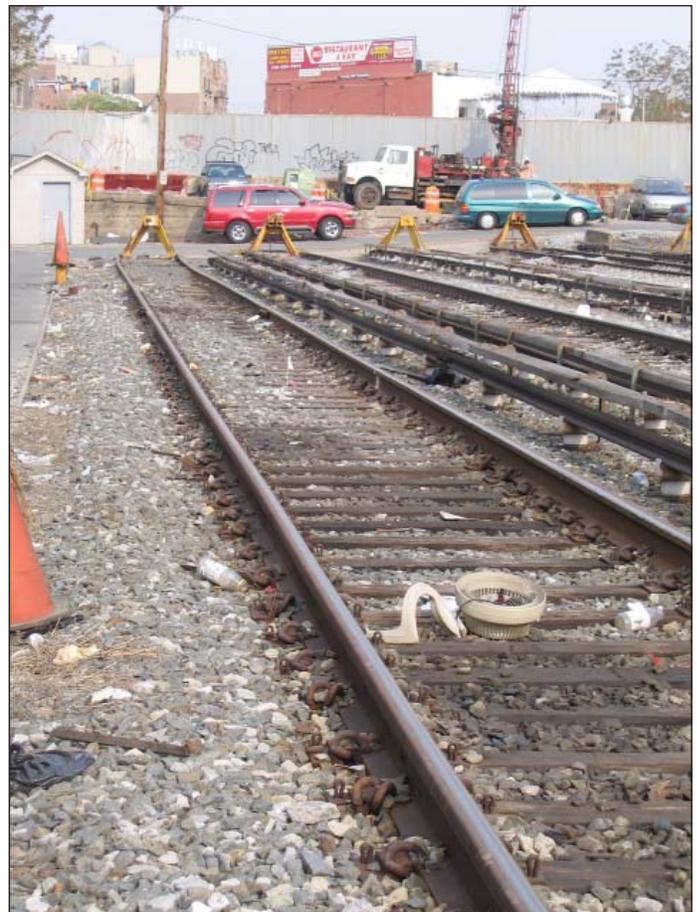


Photograph 1119-7-D

Block 1119, Lot 7



Photograph 1119-7-E



Photograph 1119-7-F

Block 1119, Lot 7



Photograph 1119-7-G



Photograph 1119-7-H

Block 1119, Lot 7

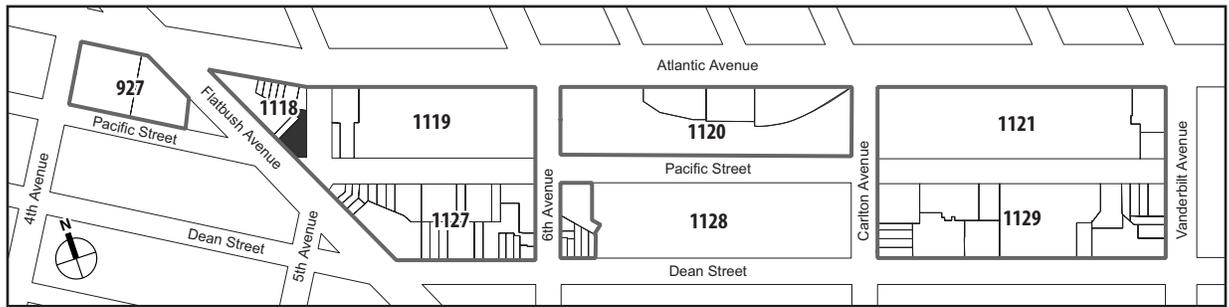


Photograph 1119-7-I



Photograph 1119-7-J

Block 1118, Lot 1



Location, Use, Zoning, and Ownership

Lot 1 is located at 181 Flatbush Avenue, at the intersection of 5th Avenue, Flatbush Avenue, and Pacific Street. The lot has an irregular shape and is occupied by a vacant 2,200 gsf auto repair garage with enclosed parking (see Photograph A). Lot 1 is located in a C6-1 zoning district. C6 districts are zoned for a wide range of high bulk commercial uses requiring a central location, and generally accommodate uses such as corporate headquarters, large hotels, entertainment facilities, and mixed use buildings containing residential, retail, or other commercial uses. C6-1 districts have a maximum commercial FAR of 6.0 (with a bonus to 7.2) and a maximum residential FAR of 3.44. Lot 1 is currently owned by AYDC, and was vacant when purchased in November 2004.

Unsanitary and Unsafe Conditions

As shown in Photographs B through D, the interior of the building is in poor condition. Part of the ceiling cover has been torn, exposing the wood beams supporting the roof. Other areas of the building have chipped paint on the ceiling, rusted metal pipes, and lighting fixtures hanging from exposed electrical wires. Garbage debris, chairs, and old boxes litter the floor throughout the structure.

The sidewalk surrounding the building is cracked and crumbling (see Photograph E). The exterior of the building appears to be in fair condition with the exception of some cracks between the concrete tiles along the façade fronting 5th Avenue. The façade of one of the garage entryways is cracked and deteriorated, exposing the concrete block wall below (see Photograph F). It may be noted that the façade of the building on lot 1 is colored differently in some of the pictures. During the summer of 2005, AYDC permitted a temporary licensee access to this property, who painted the exterior of the building and the fence surrounding the parking lot.

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 1.

Occupancy/Vacancy Status

As indicated above, the building on lot 1 is currently vacant. The owner from whom AYDC purchased the property evicted the previous commercial tenant for nonpayment of rent in Fall 2004.

Block 1118, Lot 1

Underutilization

As indicated above, lot 1 is in a C6-1 zoning district with an allowable FAR of 6. Although the 6,475 sf lot can accommodate up to 38,850 zsf of built space under current zoning, it hosts a one-story 2,200 gsf building, utilizing less than 6 percent of the lot's development potential.

Environmental Concerns

The Phase I and Phase II ESAs identified several characteristics of lot 1 that indicate environmental contamination from former site uses. The Phase I ESA identified this lot as a historic gasoline station for approximately past fifty years. The site utilized several gasoline USTs, some of which were still present according to a Phase II survey. The vacant building was formerly utilized for auto repair operations with in-ground hydraulic lifts, a grease pit, and a oil-water separator.

Phase II sampling indicated petroleum-related soil and groundwater contamination consistent with the presence of a historic gasoline station and auto repair shop. Semi-volatile organic compounds, metals, and pesticides, typically associated with shallow historic fill, were present at elevated levels in deep soil samples, potentially mobilized from shallower soils by descending gasoline or solvents. Unknown releases of gasoline, motor oil, PCB-containing hydraulic oil, solvents, or other hazardous materials may have additionally adversely affected the site conditions in localized areas such as near floor drains or around hydraulic lifts.

Block 1118, Lot 1



Photograph 1118-I-A



Photograph 1118-I-B

Block 1118, Lot 1

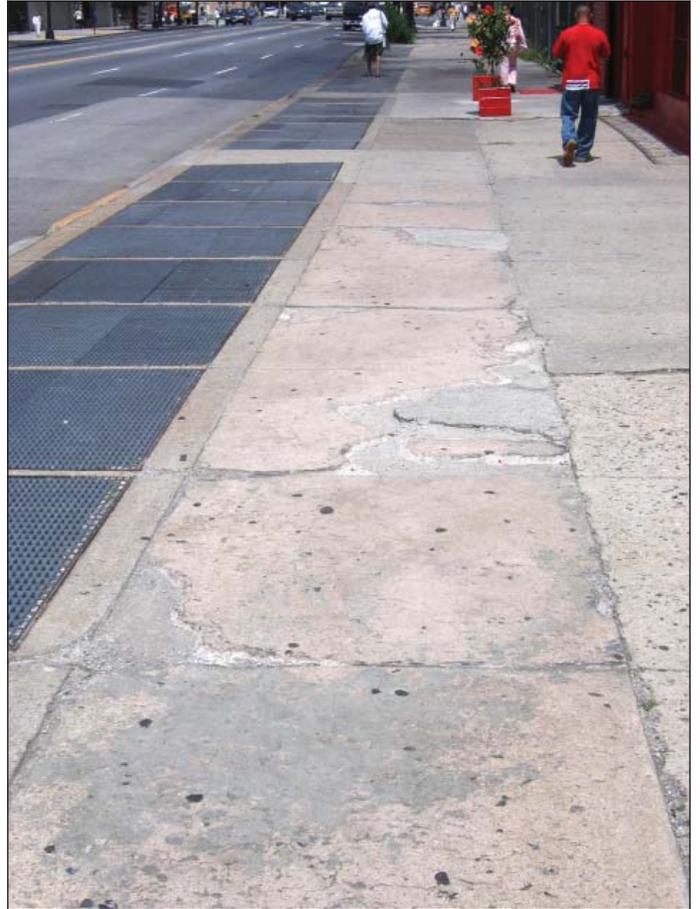


Photograph 1118-I-C



Photograph 1118-I-D

Block 1118, Lot 1

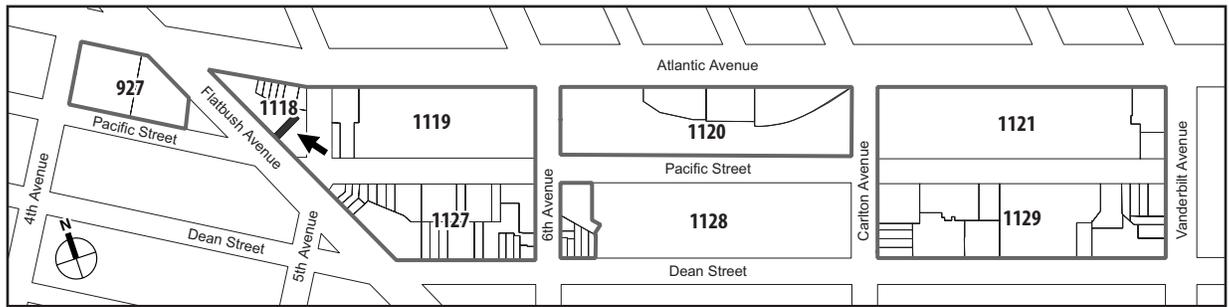


Photograph 1118-I-E



Photograph 1118-I-F

Block 1118, Lot 5



Location, Use, Zoning, and Ownership

Lot 5 is located at 177 Flatbush Avenue, between Pacific Street and Atlantic Avenue. The lot is owner-occupied by a 3,500 gsf, two-story building currently housing a restaurant and bar run by the owner from whom AYDC purchased the property in April 2006 (see Photograph A). Lot 5 is located in a C6-1 zoning district. C6 districts are zoned for a wide range of high-bulk commercial uses requiring a central location, and accommodate uses such as corporate headquarters, large hotels, entertainment facilities, and mixed use building containing residential, retail, or other commercial uses. C6-1 districts have a maximum commercial FAR of 6.0 (with a bonus to 7.2). As indicated above, lot 5 is owned by AYDC, which purchased the property in April 2006.

Unsanitary and Unsafe Conditions

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 is one open complaint registered with DOB against lot 5. According to the DOB Building Information System, the complaint was issued in 2004 for an illegal awning and/or sign.

Occupancy/Vacancy Status

As indicated above, the building on lot 5 is currently occupied by a restaurant and bar, run by the individual who sold the property to AYDC. The business has agreed to vacate the property pursuant to an agreement with AYDC.

Underutilization

Lot 5 is in a C6-1 zoning district with an FAR of 6.0. Although the 1,600 sf lot can accommodate up to 9,600 zsf of built space under current zoning, it hosts a two-story 3,500 gsf building, utilizing less than 40 percent of the lot's development potential.

Environmental Concerns

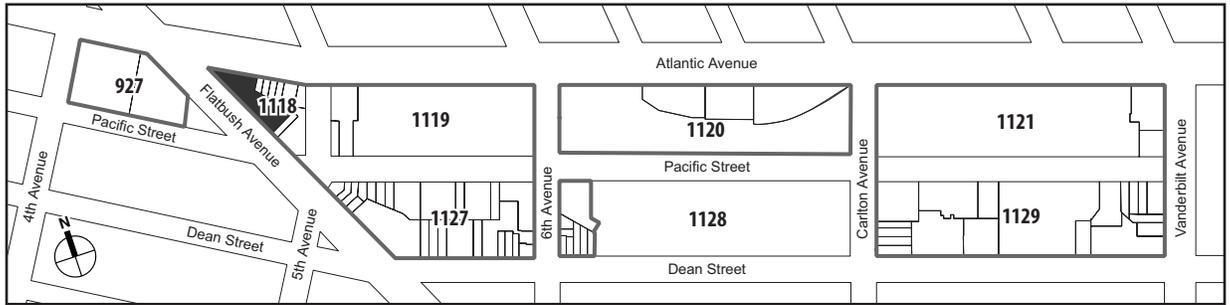
The Phase I ESA identified lot 5 as a commercial property throughout its history. There were no identified environmental issues of concern specific to past or present uses of the lot. No Phase II sampling was completed on lot 5.

Block 1118, Lot 5



Photograph 1118-5-A

Block 1118, Lot 6



Location, Use, Zoning, and Ownership

Lot 6 is located at 175 Flatbush Avenue. The lot's irregular shape is defined by its location at the intersection of Flatbush and Atlantic Avenues. There is a 3,625 gsf, one-story building on the southern portion of the lot and the remainder of the lot is vacant or occupied by containers storing hazardous materials (see Photographs A through D). Lot 6 is located in a C6-1 zoning district. C6 districts are zoned for a wide range of high-bulk commercial uses requiring a central location, and accommodate uses such as corporate headquarters, large hotels, entertainment facilities, and mixed use buildings containing residential, retail, or other commercial uses. C6-1 districts have a maximum commercial FAR of 6.0 (with a bonus to 7.2). According to the New York City Department of Finance, lot 6 is owned by the New York City Department of Housing Preservation and Development.

Unsanitary and Unsafe Conditions

As shown in Photographs A through E, lot 6 is strewn with debris including metal beams, broken Plexiglas, rusted barrels, and wooden crates. The sign shown in Photograph C indicates that hazardous materials are being stored in some of the containers located on the property. The lot is surrounded by a chain-link fence topped in barbed wire. The concrete surface that covers the lot is cracked and uneven, and tall weeds are growing through the cracks across much of the lot. As shown in Photograph D, the sidewalk surrounding the lot is also in poor condition.

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 6 has one open DOB violation. Information on the type and date of the violation was not available from the DOB Building Information System.

Occupancy/Vacancy Status

As indicated above, lot 6 is owned by the City and appears to be used as a temporary storage facility for the MTA.

Underutilization

As indicated above, lot 6 is in a C6-1 zoning district with an FAR of 6.0. The lot, situated at the corner of Flatbush and Atlantic Avenues, occupies a highly visible location in the shopping and employment concentration that is anchored by Atlantic Terminal and Atlantic Center. Although the 13,500 sf lot can accommodate up to 81,000 zsf of built space under current zoning, it hosts a single-story 3,625 gsf build-

Block 1118, Lot 6

ing, utilizing less than 5 percent of the lot's development potential. Given its key location in the midst of one of the largest commercial districts in Brooklyn, lot 6 is critically underutilized.

Environmental Concerns

No Phase I or Phase II ESA has been performed for this lot. There is the potential for subsurface contamination associated with the presence of a hazardous materials storage trailer, drums, a generator/tank, and additional hazardous materials stored on the open lot, as well as historic uses of the site as a machine shop, a used auto lot, and a subway station/facility.

Block 1118, Lot 6



Photograph 1118-6-A



Photograph 1118-6-B

Block 1118, Lot 6



Photograph 1118-6-C



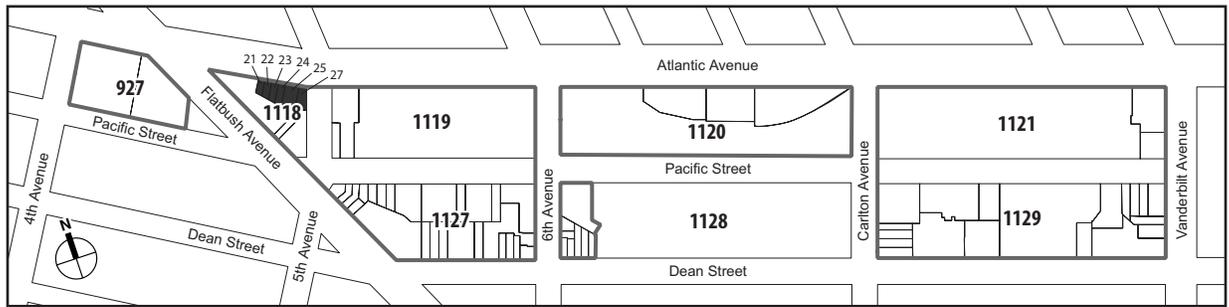
Photograph 1118-6-D

Block 1118, Lot 6



Photograph 1118-6-E

Block 1118, Lots 21-25, 27



Location, Use, Zoning, and Ownership

Lots 21-25 and 27 are located at 608-620 Atlantic Avenue, between Flatbush and 5th Avenues. Until Spring of 2006, the lots were occupied by six attached four-story warehouse buildings, totalling 27,344 gsf, that stretched from 5th Avenue on the east, and approximately two thirds of the block west along Atlantic Avenue (see Photograph A). All six warehouse buildings were vacant and were demolished in Spring 2006 by AYDC with approval from ESDC because of their dangerously deteriorated condition, as described below.

The lots are located in a C6-1 zoning district. C6 districts are zoned for a wide range of high-bulk commercial uses requiring a central location and accommodate uses such as corporate headquarters, large hotels, entertainment facilities, and mixed use buildings containing residential, retail, or other commercial uses. C6-1 districts have a maximum commercial FAR of 6.0 (with a bonus to 7.2). Lots 21-25 and 27 are owned by AYDC, which purchased the property in Winter of 2006.

Unsanitary and Unsafe Conditions

Prior to their demolition, the exteriors of the buildings located on lots 21-25 and 27 were in extremely poor condition and a sidewalk bridge was in place for several years to protect pedestrians walking adjacent to the building. The brickwork was crumbling on several portions of the façade, and graffiti was painted on eastern and rear façades of the building (see Photographs A through C); of particular concern was the east brick masonry-bearing wall of the building on lot 27: the brick around several windowsills was loose, and there was the possibility of bricks falling to the sidewalk. The sidewalks and curbs surrounding the lots along Atlantic and 5th Avenues are also in poor condition. As illustrated in Photograph D, the sidewalks have cracked and settled in many areas.

The building interiors also posed serious safety concerns. The hallways were strewn with fallen building materials from the ceiling and walls (see Photograph E). In some areas of the building, parts of the ceiling were hanging or completely fallen, exposing electrical wiring and the wood lath underneath (see Photographs F and G) and portions of the roof on the eastern portion of the block had collapsed, exposing the building's interior to the outside elements (see Photograph H).

Indications of Structural Damage

According to the structural due diligence survey completed by LZA Technology in November of 2004 (see Appendix A), the buildings located on lots 21-25 and 27 had suffered serious structural damage. A majority of the damage was the result of water infiltration, which caused the timber floors and roof systems to deteriorate. The LZA Technology report indicates that the roof collapse and numerous other active leaks throughout the buildings had left the buildings permanently exposed to the elements and that these active leaks, if left unchecked, would have eventually led to other local collapses of the timber floor joist system and the ultimate collapse of the entire structure. The report also indicates that the

Block 1118, Lots 21-25, 27

deteriorating brickwork on the masonry-bearing wall on lot 27 (facing 5th Avenue) eventually would have brought about the local failure of the wall and its timber floor system.

Building Code Violations

There are 15 violations and 1 complaint on file with DOB for the buildings on lots 21-25 and 27. A majority of the violations were issued to lot 27 and about half were issued in 2004 or 2005. The complaint was filed in 2004 and claims that there is illegal and inappropriate signage on the building (see Appendix B). A majority of the violations were a result of serious construction-related issues and three of the violations cite the building as being hazardous. The violations identify defective light fixtures, vertical cracks on the east bearing wall, loose bricks on exterior walls, and cement stucco in danger of falling on pedestrians.

Occupancy/Vacancy Status

As indicated above, the buildings on lots 21-25 and 27 were vacant when AYDC acquired them. According to the project sponsor, the buildings were vacant for at least 5 years.

Underutilization

As indicated above, lots 21-25 and 27 are in a C6-1 zoning district with an FAR of 6.0. The lots occupy a highly visible location, directly across Atlantic Avenue from the Atlantic Terminal and Atlantic Center shopping and employment concentrations. Although the 8,941 sf lots can accommodate up to 53,646 of built space under current zoning, they hosted only 27,344 gsf of building space, utilizing only 51 percent of the lots' development potential. Given its key location in the midst of one of the largest commercial districts in Brooklyn, lots 21-25 and 27 are critically underutilized.

Environmental Concerns

The Phase I ESA identified evidence of an aboveground fuel oil tank and potential UST on lots 21-25 and 27. Phase II sampling in the shallow soils was performed only on lot 27 due to the instability of the remainder of the structure. The sampling identified no indication of site-related contamination in the soil samples.

Block 1118, Lots 21-25, 27



Photograph 1118-21/27-A



Photograph 1118-21/27-B

Block 1118, Lots 21-25, 27



Photograph 1118-21/27-C



Photograph 1118-21/27-D

Block 1118, Lots 21-25, 27



Photograph 1118-21/27-E



Photograph 1118-21/27-F