

**PHASE I
ENVIRONMENTAL SITE
ASSESSMENT**

**1640 FLATBUSH AVENUE
BROOKLYN, NY 11210
KINGS COUNTY TAX MAP No.
BLOCK 7577 LOT 60**

***PREPARED FOR:*
RENAISSANCE REALTY GROUP
1946 CONEY ISLAND AVENUE
BROOKLYN, NY 11223**

***PREPARED BY:*
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SEPTEMBER 25, 2009

Phase I Environmental Site Assessment

Subject Property: 1640 Flatbush Avenue
Brooklyn, New York 11210
Kings County Tax Map No. Block 7577 Lot 60

Client: Renaissance Realty Group
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SECTION 1.0 INTRODUCTION

1.1 Purpose

The objective of this Phase I Environmental Site Assessment (ESA) is to identify Recognized Environmental Conditions (RECs) at the subject property for the purposes of the All Appropriate Inquiry provision of Landowner Liability Protections under Federal Law. Also, the Small Business Liability Relief and Brownfields Revitalization Act of 2001 may offer Landowner Liability Protections.

RECs refer to the presence or likely presence of hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release into structures on the property or into the ground, groundwater, or surface water of the property. RECs may also include hazardous substances or petroleum products under conditions that are in compliance with laws. The term is not intended to include *de minimis* conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

1.2 Scope of Services

This Phase I ESA has been prepared using the American Society for Testing and Materials (ASTM) Standard Practice E 1527-05 for Phase I ESAs using good commercial and customary practices for conducting an environmental site assessment of a parcel of commercial real estate with respect to the contaminants within the scope of Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) and petroleum products. A Phase I ESA prepared following this Standard is intended to permit the user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (more commonly known as landowner liability protection).

For this Phase I ESA report, there are no known exceptions to, or deletions from, this report as it pertains to ASTM Standard Practice E 1527-05.

1.3 Qualifications

Enviroscience Consultants, Inc. declares that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in 40 CFR 312.40. We have the specific qualifications based on education, training and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR 312. A copy of the professional resumes for those that prepared this report is provided in Appendix A.

1.4 Limitations & Exceptions

This report was prepared for the use of the client identified on the signature page of this report. No third party use of this report is authorized without the written consent of Enviroscience Consultants, Inc.

The report does not constitute a guarantee that the site does not contain contamination or contamination limited to the discussions in this report. No environmental site assessment can wholly eliminate uncertainty regarding the potential for identifying RECs in connection with a property. Performance of a Phase I ESA in compliance with ASTM Standard Practice E 1527-05 is intended to reduce, but not eliminate, uncertainty related to the subject property.

1.5 Special Terms & Conditions

There may be environmental issues or conditions at a property that parties may wish to assess in connection with a commercial real estate transaction that are outside the scope of ASTM Standard Practice E 1527-05, including but not limited to lead-based painted surfaces, lead in drinking water, radon, asbestos-containing building materials, and wetlands. They are not required for compliance with ASTM Standard Practice E 1527-05. These potential environmental issues or concerns are known as non-scope considerations.

For this Phase I ESA, limited review of non-scope considerations were included in the special terms and conditions of this assessment. A copy of the contract with the client of this report is not provided due to confidentiality.

1.6 User Reliance

Enviroscience Consultants, Inc. prepared a Phase I ESA report for the subject property, known as 1640 Flatbush Avenue in Brooklyn, New York. Referenced is hereby made to the Phase I ESA report for the subject property dated September 25, 2009 (the "Report"), originally prepared by us ("Professional") for the benefit of the client. The client may rely on this Phase I ESA report and all of its conclusions and recommendations herewith as explained in this report.

SECTION 2.0
PHYSICAL & ENVIRONMENTAL SETTING

2.1 Location & Legal Description

Enviroscience performed a Phase I ESA for the subject property, which is located at 1640 Flatbush Avenue, New York. The property is identified as Kings County Tax Map (KCTM) No. Block 7577 Lot 60. The site location is shown in Figure 2.1.1.

The subject property is developed as a BP gasoline station with a one-story retail building and five underground storage tanks (USTs) on the property. The subject property occupies approximately 17,985 square feet. The zoning district is C8-2, and the building class is G3 – garage/gas station without enclosed workshop.

2.2 Physical Setting

The property is located on the west side of Flatbush Avenue, between Avenue H and Aurelia Court. The subject property is located in the southern portion of Kings County (Brooklyn). The area in the vicinity of the subject property is developed for commercial purposes.

2.3 Environmental Setting

Groundwater in the vicinity of the property is derived from infiltration of precipitation through the ground surface and surficial deposits to the water table. Approximately half of the precipitation that reaches the land surface infiltrates and enters the groundwater system. The water table is the upper limit of the groundwater reservoir and is bounded beneath by impervious bedrock.

The regional groundwater flow information was obtained from the King and Queens Counties Water Table Configuration Map (March 1997). According to the map, the groundwater elevation in the vicinity of the subject property is approximately six feet above mean sea level, and the regional groundwater flow direction beneath the property is generally towards the south-southeast.

The surface topography of the subject property and vicinity was obtained from Seamless United States Geological Survey (USGS) Topographic Maps, Northeast Region (2000). The topographic elevation of the subject property is approximately 30 feet above mean sea level. Therefore, the estimated depth to the regional groundwater beneath the subject property is 24 feet below grade.

No surface water bodies or wetlands are located on the subject property. There were no wetlands or surface water bodies located within one-mile of the subject property. A copy of the U.S. Fish and Wildlife Service Wetlands Map showing the subject property is included in Appendix B of this report.

There was no Federal Emergency Management Agency (FEMA) floodplain map for the vicinity of the subject property.

The USGS Topographic Map (dated 1967) for the subject property and its vicinity was used to assess the history of the site in concert with the historical sources identified in Section 3.0 of this report, among other sources discussed in this report. Based on our review of the USGS Topographic Map, the area in the vicinity of the property is densely developed.

SECTION 3.0
HISTORICAL INFORMATION

3.1 Information Sources

The objective of this portion of the study is to obtain and review records that will assist in the identification of RECs in connection with the previous uses of the subject property (known as Historical RECs) and the surrounding area in order to help identify the likelihood of past uses having led to RECs in connection with the property. The historical information is utilized to identify historical uses since the subject property's original development or since 1940, whichever is earlier. Factors such as chemical spills or storage, USTs, ASTs, and other information that would indicate a potential source of contamination at or in the vicinity of the property were investigated. For this purpose, information was requested from the following sources and Enviroscience Consultants uses the information obtained from the following sources in concert with each other as explained in ASTM Standard Practice E 1527-05:

- New York City Department of Buildings (NYCDOB)
- New York City Department of Environmental Protection (NYCDEP)
- New York State Department of Environmental Conservation (NYSDEC)
- United States Environmental Protection Agency (USEPA)

Toxics Targeting, Inc. (an environmental database search report vendor)

3.2 User's Responsibility

The user and/or client of this Phase I ESA has responsibilities (as explained in ASTM 1527-05) to communicate the following to Enviroscience Consultants:

- Any specialized knowledge and/or experience that is material to RECs with the property;
- Actual knowledge of any environmental lien or activity or use limitations encumbering the property or in connection with the property;
- If the purchase price of the property is significantly lower than fair market value due to the possible presence of hazardous substances or petroleum products;
- If there are commonly known or reasonably ascertainable information within the local community about the property that is material to RECs in connection to the property; and
- The reason why the user wants a Phase I ESA performed.

This Phase I ESA was performed to identify possible RECs, hazardous substances and petroleum products that may adversely affect the subject property for the purposes of a possible property transaction. The client has reported that they have no knowledge of environmental conditions, environmental liens, or RECs in connection to the subject property, and the property value is not reported to be significantly affected by perceived or known environmental conditions.

3.3 City Department of Buildings Records

Information pertaining to the subject property was obtained from the New York City Department of Buildings (NYCDOB). The NYCDOB information included several permit applications, building department violations, building inspections, and a property overview. Also, there were five Certificates of Occupancy provided in the NYCDOB information.

The permit applications included a new building permit (dated 1924), three permits for the installation of an oil burner (dated 1964, 1965, and 1966), a plumbing permit for a new building (dated November 26, 1993), and a full demolition permit (dated September 15, 1993). A plumbing inspection in the file indicated that gas service was authorized for the property on March 20, 1995.

There were two active building department violations listed for the subject property related to construction (dated August 19, 1994) and for an unsafe building (dated April 14, 2005).

There are five Certificates of Occupancy (Cs of O) provided in the NYCDOB file. The earliest C of O is dated November 28, 1933 and shows the property is developed with a one-story building and the property is occupied as a public garage, gasoline selling station, shop, auto showroom, auto laundry, and auto greasing.

The second C of O is dated January 7, 1966 and shows the property is occupied with a dry cleaning store and automotive service station with facilities for lubrication, minor repairs, and vehicle washing within the building. The cellar of the building is shown used as a boiler room. This C of O also shows that the NYC Fire Department approved the installation of gasoline tanks on the property on December 30, 1965.

The third C of O is dated June 20, 1968 and the occupancy is similar to the previous C of O, however with the addition of automotive sales and rental services.

The fourth C of O is dated July 8, 1977 and the occupancy is similar to the June 20, 1968 C of O, however the C of O shows the property includes the storage of 16 commercial vehicles on the property and the repair shop work includes body and fender work, spray painting, and welding.

The final C of O is dated March 28, 1995 and shows the property is occupied as an automotive service station, which is developed with a one-story building that includes an attendant's booth, utility room, accessory storage, and retail convenience store. The property also includes accessory parking for three vehicles.

Based on the building department information, the occupancy of the subject property as a gasoline station, which includes the presence of USTs and dispensers, and the former use of the property as an automotive service station and drycleaning business pose a significant environmental threat to the subject property. The presence of USTs and dispensers on the property pose a significant environmental threat to the property since the tank and dispenser systems may have leaked, resulting in a petroleum release to the environment. The former use of the property as an automotive repair shop and drycleaning business may pose an environmental threat to the property, as well, since the operations related to these businesses include the use and/or generation of hazardous substances (including hazardous waste) that may have been discharged to the environment. Therefore, the past and present uses of the subject property pose a REC in connection with the property.

3.4 City Environmental Department Records

On September 10, 2009, information pertaining to the subject property was requested from the New York City Department of Environmental Protection (NYCDEP) regarding hazardous materials emergency response, air permits, complaints, inspections, environmental review, notices of violations and decisions, sewer discharge violations, water quality, and watershed area incident reports. At the time this report was prepared, no response was received from the NYCDEP regarding our request. The information requested is subject to data failure (which is a type of data gap) since the files were not obtainable from the source. Based on our judgment, the NYCDEP is unlikely to have adverse environmental information pertaining to the subject property. Therefore, this data failure should not have a significant affect on the results and conclusions of this report.

3.5 State Environmental Department Records

On September 10, 2009, Enviroscience Consultants contacted the NYSDEC and all records from the Hazardous Materials, Environmental Permits, and Remediation Departments pertaining to the subject property were requested. At the time this report was prepared, no response was received from the NYSDEC regarding our request. The information requested is subject to data failure since the files were not obtainable from the source.

To mitigate the data failure, the NYSDEC online database resources, including the NYSDEC Spills Database, Inactive Hazardous Waste Disposal sites, and Petroleum Bulk Storage (PBS) site information, were searched for information pertaining to the subject property. Based on our review of the NYSDEC online resources, the subject property was listed as a NYSDEC Spill site and PBS site. Three closed NYSDEC Spills are assigned to the subject property.

The first closed NYSDEC Spill (Spill No. 87-03389) is associated with a tank overflow on the property which released approximately 20-gallons of gasoline into the sewer and soil of the property. This spill was closed and resolved to the satisfaction of the NYSDEC on July 26, 1987.

The second closed NYSDEC Spill (Spill No. 95-10099) is associated with a tank overflow on the property which released gasoline into the soil of the property. This spill was investigated with Spill No. 03-13334 and the spill was closed and resolved to the satisfaction of the NYSDEC on March 17, 2005.

The third closed NYSDEC Spill (Spill No. 03-13334) is associated with the failure of a 4,000-gallon gasoline UST on the property, which released gasoline into the soil of the property. The failure of the tank system was reportedly caused by a valve that was stuck open in the containment. The NYSDEC received a tank tightness report indicating that there was no release to the environment and the spill was closed and resolved to the satisfaction of the NYSDEC on April 23, 2007.

The closed NYSDEC Spills that are assigned to the property represent Historical RECs (HREC) in connection with the property, however do not represent present RECs in connection with the property since they have been resolved to the satisfaction of the NYSDEC and do not represent a present threat to the property.

The subject property is listed as a PBS site twice in the database listing. One listing is active and shows the property maintains five 4,000-gallon USTs for the storage of gasoline. The second listing is unregulated and expired on July 10, 1992. The information shows that ten 500-gallon gasoline USTs were removed from the property in October 1993 and two 500-gallon gasoline USTs were in service for the property. The presence of several active USTs on the subject property poses a REC in connection with the property since the tanks have the potential to cause a petroleum release to the environment.

3.6 Federal Environmental Agency Records

On September 10, 2009, the USEPA was contacted and a request was made for files the agency may maintain for the subject property and its present occupant. At the time this report was

prepared, no response was received from the USEPA regarding our request. The information requested is subject to data failure since the files were not obtainable from the source.

As a supplement to a formal response from the USEPA, the USEPA online resources, including the Resource Conservation and Recovery Act (RCRA) Information System, the Comprehensive Environmental Response Compensation Liability Information System (CERCLIS, Superfund System), the Aeromatic Information Retrieval System Facility Subsystem (AIRS/AFS), the Permit Compliance System (PCS), and the Toxic Release Inventory System (TRIC), were searched for information pertaining to the subject property. Based on our review of the online USEPA resources, the subject property was listed in the USEPA databases as a Air Facility System site and RCRA Information site. No additional information is provided in the USEPA database information. Additional information is provided in the environmental database report section of this report.

A copy of all written requests for information and responses from Federal, State, and local agencies is provided in Appendix B.

3.7 Sanborn Fire Insurance Map

Enviroscience Consultants reviewed Sanborn Fire Insurance Maps to evaluate the history of the subject property and its vicinity. The review of the Sanborn Maps included an evaluation for the presence of environmental concerns related to the presence of tanks and/or occupants of the subject and/or adjoining properties that may pose an environmental threat to the subject property. Sanborn Fire Insurance Maps were available for the years 1907, 1930, 1950, 1968, 1979, 1990, and 2007. A copy of the Sanborn Maps is included in Appendix C. The following summarizes pertinent environmental information based on our review of the Sanborn Maps.

1907: The subject property is undeveloped. The adjoining properties to the west and south are developed with residential dwellings. The adjoining property to the north is undeveloped. Long Island Railroad tracks are located north of the subject property. Several LIRR track lines and a LIRR yard are located to the east of the subject property.

1930: The subject property is developed with a one-story building that is occupied as a store. The adjoining property to the north is developed with a one-story building that is occupied for metalworking and the LIRR tracks. The adjoining properties to the south and west are undeveloped. The LIRR yard to the east is known as Vanderveer Freight Station.

1950: The subject property has been redeveloped with a one-story building that is occupied as an automotive repair garage and filling station. The garage has a capacity of 70 vehicles and the northeastern portion of the building is used as grease pits. There are six gasoline

storage tanks located on the property for the filling station. The adjoining property to the north is the Nostrand Avenue Trolley right of way. The adjoining property to the south was developed with a one-story building that is occupied as a store and includes an exterior beer garden. The adjoining property to the west was developed with tennis courts. The adjoining property to the east is similar to the previous map.

1968: The subject property is similar to the previous map except that the building is occupied as an automotive repair garage in the northern portion, a store in the southeastern portion and a drycleaning business in the southwestern portion of the building. The gasoline storage tanks were not shown on the property on this map. The grease pit portion of the building has been removed. The adjoining property to the north is not shown as the trolley right of way and appears as a driveway for a car wash building to the northwest of the subject property. The adjoining property to the east has been redeveloped with a 20-story building with basement that is known as the Philip Howard Apartments and contains 640 units. The adjoining properties to the south and west were redeveloped with six-story buildings with basements that are occupied with apartments. The LIRR tracks to the north are shown underneath street level.

1979: The subject and adjoining properties appear similar to the previous maps except that the subject property building is occupied solely as an automotive repair shop. The store and drycleaning business are no longer shown in the subject property building.

1990: The subject and adjoining properties appear similar to the previous map.

2007: The subject property building was removed from the property and the property was redeveloped with a smaller one-story commercial building with canopy that is occupied solely as a filling station. The adjoining properties are similar to the previous map.

Based on our review of the historical Sanborn Maps, the subject property was originally developed between 1907 and 1930 with a one-story store building. Between 1930 and 1950, the subject property was redeveloped with a one-story building that was occupied as an automotive repair garage and filling station and six gasoline storage tanks were shown on the property. The property was subsequently occupied with a drycleaning business and store in addition to the repair shop and filling station. Between 1990 and 2007, the subject property was redeveloped and occupied solely as a filling station.

The former uses of the subject property as an automotive repair shop, gasoline filling station, and drycleaning business may pose a significant environmental threat to the property since operations performed at the property and the presence of gasoline storage tanks on the property may have caused a release to the environment.

The development and occupancy of the adjoining properties should not pose an environmental threat to the subject property.

Data gaps are present in the historical Sanborn Map review for the periods between 1912 to 1930; 1935 to 1950; 1955 to 1968; 1973 to 1979; 1984 to 1990; and 1995 to 2007 since more than a five-year period exists between consecutive maps. However, based on the relatively consistent development and uses of the properties, these data gaps are unlikely to have a significant affect on the results and conclusions of this report.

3.8 Environmental Record Sources

Standard Federal, State, and local databases were accessed by Toxics Targeting, Inc. to identify areas of potential concern in the vicinity of the subject property. The search distances were chosen in accordance with the ASTM Standard for Phase I Environmental Site Assessments (ASTM Standard Practice E 1527-05, Section 8.2.1). The environmental database search report also includes the Federal, State, and local information summaries and the proximities of the sites of environmental concern to the subject property. The summary of the database report is as follows:

National Priority List (NPL) or Delisted NPL:

There were no NPL sites listed within a one-mile radius surrounding the subject property. There were no Delisted NPL sites identified within a one-half mile radius surrounding the subject property.

Comprehensive Environmental Responsibility Cleanup Liability Information Systems (CERCLIS) Superfund Site:

There were no CERCLIS Superfund sites located within a one-half mile radius surrounding the subject property.

RCRA Corrective Action (CORRACTS) Sites:

There were no RCRA CORRACTS sites located within a one-mile radius surrounding the subject property. There were no RCRA non-CORRACTS facilities located within a one-half mile radius surrounding the subject property.

RCRA Hazardous Waste Generator and Transporter Sites:

There were 18 RCRA Generator sites listed in the database report. One of the RCRA Generator sites is located on the subject property. The remaining 17 RCRA Generator sites were not located adjacent to the subject property, which is the ASTM search distance. Therefore, these RCRA Generator sites should not pose an environmental threat to the subject property based on their locations.

The subject property is listed as a Small Quantity Generator (SQG) of hazardous waste. In 1994, the subject property generated 1,165-gallons of solid waste that exhibits the characteristic of ignitability. The former generation of hazardous wastes on the subject property poses a REC in connection with the subject property since hazardous wastes may have been incidentally discharged to onsite drainage structures or the subsurface of the subject property.

Institutional Control/Engineering Control (IC/EC) or Emergency Response Notification System (ERNS) Sites:

The subject property was not listed as an IC/EC or ERNS site.

Hazardous Waste Treatment, Storage, and Disposal Sites:

There were no Hazardous Waste Treatment, Storage, and Disposal facilities mapped within a one-half mile radius surrounding the subject property.

NYSDEC Inactive Hazardous Waste Disposal Site Registry:

There were no Inactive Hazardous Waste Disposal sites listed within a one-mile radius surrounding the subject property.

NYSDEC Solid Waste Disposal/Landfill Facilities:

There were no NYSDEC Solid Waste Disposal/Landfill facilities located within a one-half mile radius surrounding the subject property.

NYSDEC Active Toxic Spills:

There are five active NYSDEC Spill sites located within a one-half mile radius surrounding the subject property. One active Spill site is located upgradient of the subject property (based on the estimated groundwater flow direction). The remaining active Spill sites

are located crossgradient or downgradient of the subject property and therefore should not pose a significant environmental threat to the subject property based on their locations.

The upgradient active Spill site is known as Apartment Complex located at 745 East 31st Street. The spill is associated with the tank test failure of a 7,500-gallon fuel oil tank on the property and the spill has impacted the soil of the property. Since the contamination appears to be limited to the soil of the site and the site is over 1,000 feet from the subject property, this site should not pose an environmental threat to the subject property.

NYSDEC Closed Toxic Spills:

The closed NYSDEC Spills should not pose a significant environmental threat to the subject property based on their regulatory status and locations. Three of the closed NYSDEC Spill sites are located on the subject property and two closed Spills are located on adjacent properties.

The first closed NYSDEC Spill (Spill No. 87-03389) is associated with a tank overflow on the property which released approximately 20-gallons of gasoline into the sewer and soil of the property. This spill was closed and resolved to the satisfaction of the NYSDEC on July 26, 1987.

The second closed NYSDEC Spill (Spill No. 95-10099) is associated with a tank overflow on the property which released gasoline into the soil of the property. This spill was investigated with Spill No. 03-13334 and the spill was closed and resolved to the satisfaction of the NYSDEC on March 17, 2005.

The third closed NYSDEC Spill (Spill No. 03-13334) is associated with the failure of a 4,000-gallon gasoline UST on the property, which released gasoline into the soil of the property. The failure of the tank system was reportedly a valve that was stuck open in the containment. The NYSDEC received a tank tightness report indicating that there was no release to the environment and the spill was closed and resolved to the satisfaction of the NYSDEC on April 23, 2007.

The closed NYSDEC Spills that are assigned to the property represent Historical RECs (HREC) in connection with the property, however do not represent present RECs in connection with the property since they have been resolved to the satisfaction of the NYSDEC and do not represent a present threat to the property.

The adjoining property to the west is known as Livingston Gardens and the site released approximately 25-gallons of No. 2 fuel oil to the soil of the property due to a faulty gauge on the oil tank. The spill was promptly cleaned with no further impact to the environment. It is unlikely

that this site negatively impacted the subject property. The second adjacent closed Spill is located at 3211 Ave I/Flatbush Ave. No. 2 fuel oil was released at the site when fuel lines to a tank failed. The contaminated soil was removed and the lines were replaced. It is unlikely that this site negatively impacted the subject property.

Petroleum Bulk Storage (PBS) Sites:

There were 19 PBS sites listed in the database report. Six of the 19 PBS sites are located on or adjacent to the subject property, which is the ASTM search distance. The remaining 13 PBS sites are located outside the ASTM search distance and therefore should not pose an environmental threat to the subject property based on their locations.

The subject property is listed as a PBS site twice in the database listing. One listing is known as BP Service Station No. 14230 and shows the property actively maintains five 4,000-gallon USTs for the storage of gasoline. The tanks were installed on October 1, 1993 and was most recently tightness tested on March 4, 2004 (two of the five USTs) and February 28, 2006 (three of the five USTs). The second listing is known as Amoco Service Station No. 60667 and shows that ten 500-gallon gasoline USTs were removed from the property in October 1993 and two 500-gallon gasoline USTs were in service for the property. The presence of several active USTs on the subject property poses a REC in connection with the property since the tanks have the potential to cause a petroleum release to the environment.

The adjoining property to the west is known as Livingston Gardens Inc. and the site maintains one 10,000-gallon UST for the storage of No. 2 fuel oil. The adjoining property to the southwest is known as 3115 Avenue I and the property maintains one 4,000-gallon AST for the storage of No. 2 fuel oil and one 4,000-gallon UST for the storage of No. 6 fuel oil is closed in-place on the property. The adjoining property to the east is known as Philip Howard Apartments and the property maintains two 30,000-gallon USTs for the storage of No. 6 fuel oil. The adjoining property to the south is known as College Hall and the property maintains one 5,500-gallon AST for the storage of No. 6 fuel oil and one 7,500-gallon UST for the storage of No. 6 fuel oil is closed in-place on the property. None of the adjoining properties are upgradient of the groundwater flow direction to the subject property and there are no active NYSDEC Spills on the adjoining properties, therefore, these sites are unlikely to pose an environmental threat to the subject property.

Brownfields Sites:

There were no Brownfields sites located within a one-half mile radius surrounding the subject property.

Air Discharge Sites:

There are two Air Discharge sites located within a one eight-mile radius surrounding the subject property. The two Air Discharge sites are in compliance with regulations and are not adjacent to the subject property, therefore they are unlikely to negatively impact the subject property.

In summary, the subject property was identified in the Federal and State environmental database search results as a RCRA Generator site, closed NYSDEC Spill site, and a PBS site. The former generation of hazardous wastes on the subject property poses a REC in connection with the subject property since hazardous waste may have been released to the subject property. The closed NYSDEC Spills that are assigned to the subject property are HRECs in connection with the property however do not represent present RECs in connection with the property. The presence of several active USTs on the subject property poses a REC in connection with the property since the tanks have the potential to cause a petroleum release to the environment.

None of the sites in the vicinity of the subject property appear to pose a significant environmental threat to the subject property.

3.9 Environmental Reports and Documents Provided to Enviroscience

No environmental reports or documents were provided to Enviroscience Consultants for this Phase I ESA report.

SECTION 4.0
SITE RECONNAISSANCE

4.1 Methods & Limiting Conditions

On September 16, 2009, Ms. Lori Mead and Mr. Greg Menegio performed a visual site inspection of the subject property. The property was inspected by walking along the exterior portions of the property and viewing the property from Flatbush Avenue and Aurelia Court. No property representative was present during the visual site inspection to provide additional information pertaining to the subject property.

No Limiting Conditions were encountered during the visual site inspection except that the interior of the one-story building was not viewed. Based on our professional judgment and other information sources used for the preparation of this report, Enviroscience Consultants believes that the Limiting Condition is unlikely to significantly affect the results and conclusions of this report.

4.2 General Site Setting

Current Use of the Property:

The subject property is developed as a BP gasoline station with a one-story building and five 4,000-gallon gasoline USTs. The building includes an attendant's booth, utility room, accessory storage, and retail convenience store.

Past Use of the Property:

No information pertaining to former occupants of the property was available during the site inspection.

Current Uses of Adjoining Properties:

The current uses of the adjoining properties include residential apartment buildings to the east, west, and south, a store (99 Cent Store) to the northeast, and a large building that contains multiple stores including Davids Bridal, Payless Shoes, Children's Place, and formerly Circuit City. Based on information available in the environmental database summary report, these properties are unlikely to significantly affect the subject property.

Past Uses of Adjoining Properties:

No information pertaining to the past uses of the adjoining properties was available from the visual site inspection.

Current or Past Uses of the Surrounding Area:

The current uses of the surrounding area include a densely developed portion of Brooklyn that includes residential and commercial properties.

Physical Setting:

The property is located on the west side of Flatbush Avenue, between Avenue H and Aurelia Court. The subject property is located in the southern portion of Kings County (Brooklyn), and the property's topography is relatively flat.

General Description of Structures:

The subject property is developed with a one-story commercial building.

Roads & Paved Areas:

The exterior of the subject property is asphalt and concrete paved. No roads are located on the property except the sidewalks along Flatbush Avenue and Aurelia Court.

Potable Water Supply & Wells:

The subject property is connected to the New York City public water supply. Several suspected closed groundwater monitoring wells were noted throughout the subject property. These wells may be associated with the closed NYSDEC Spills that are assigned to the subject property.

Sewage Disposal System:

Sewage is discharged to the municipal sewage system.

4.3 Interior & Exterior Observations

Current Use of the Property:

The current use of the subject property is a gasoline station including five 4,000-gallon gasoline USTs and dispenser pumps located on the property. The current use of the subject property involves the use of hazardous substances and petroleum products. Therefore, the current use of the subject property as a gasoline station poses a REC in connection with the subject property.

Past Use of the Property:

No information pertaining to former occupants of the property was available during the site inspection.

Hazardous Substances and Petroleum Products in Connection with Identified Uses:

Unleaded, plus, and premium gasolines are stored in USTs on the subject property. The presence of several active USTs on the subject property poses a REC in connection with the

property since the tanks or tank systems have the potential to cause a petroleum release to the environment.

Storage Tanks:

Five 4,000-gallon USTs for the storage of unleaded, plus, and premium gasoline are located on the property. The presence of several active USTs on the subject property poses a REC in connection with the property since the tanks or tank systems have the potential to cause a petroleum release to the environment.

Odors:

No odors indicating the presence of hazardous substances or petroleum products were noted.

Pools of Liquid:

A pool of liquid, which was likely discharges from the manual car washing station and contained transmission fluid was visible surrounding the stormwater drain in the southwestern portion of the property. No additional pools of liquid indicating the presence of hazardous substances or petroleum products were noted.

Sumps and Stormwater Drains:

Three stormwater drains were noted on the property, one in the northwestern portion, one in the southwestern portion, and one in the southeastern portion of the property. The stormwater drain in the southwestern portion of the property received discharges from the manual car washing station. Transmission fluid was also visible in the pool of water surrounding the drain. Based on the use of the property as a gasoline station, the presence of stormwater drains on the property poses a REC in connection with the property since incidental discharges may have occurred to the structures based on the use of the property. No sumps were noted on the property.

Drums:

No additional drums for the storage of petroleum or hazardous substances were noted on the property. Two empty 55-gallon drums were noted in the southwestern portion of the subject property.

Unidentified Substance Containers:

No unidentified substance containers were noted on the property.

4.4 Interior Observations

There were no interior observations since the interior of the one-story retail building was not viewed.

Heating:

The fuel for heating the subject property building is natural gas service. The gas service connection was noted on the western exterior wall of the subject property building.

4.5 Exterior Observations

Pits, Ponds or Lagoons:

No pits, ponds, or lagoons were noted on the subject property.

Stained Soil or Pavement:

No stained soil or pavement was noted on the subject property.

Stressed Vegetation:

No stressed vegetation was noted on the subject property.

Waste Water:

No wastewater disposal structures were noted on the subject property except the three stormwater drains that are located on the property.

Wells:

Several suspected closed groundwater monitoring wells were noted throughout the subject property. These wells may be associated with the closed NYSDEC Spills that are assigned to the subject property.

Septic Systems:

Sanitary waste is disposed to the municipal sewage system. No septic systems were noted on the property.

4.6 Non-Scope Considerations

The non-scope considerations discussed in this report were requested by the user of this report for general information purposes only. The information utilized by Enviroscience Consultants for the discussion of the non-scope considerations was obtained by reviewing available regulatory or municipal information or developing judgments based on our professional experience. No testing was performed except for limited testing for asbestos-containing building materials. It should be noted that the results and conclusions of this report, including but not limited to the recommendations, do not completely consider or completely include these non-scope considerations. If the user of this report is interested in obtaining reliable information pertaining to these non-scope considerations, proper inspections and testing should be performed.

Suspected Lead-Painted Surfaces:

The previous use and presence of lead-based painted surfaces is possible. Based on our limited evaluation, no significant areas of peeling, flaking or damaged paint were noted.

Lead in Drinking Water:

The subject property is provided drinking water from the New York City municipal water supply system. The municipal water supply is derived from surface water or reservoir system sources. Therefore, the subject property is supplied water from surface water sources based on its location.

The municipal water supply system includes 19 reservoirs and three lakes from the Catskill/Delaware and the Croton Systems. The Catskill/Delaware System is located in Delaware, Greene, Schoharie, Sullivan, and Ulster Counties, and the Croton System is located in Putnam, Westchester, and Dutchess Counties.

For the purposes of the lead in drinking water evaluation, the client has asked Enviroscience Consultants to consider lead in the municipal water supply that provides drinking water to the building. Possible building sources of lead in drinking water are not considered in this evaluation. Possible lead sources that may affect the public water supply to the building are primarily associated with natural erosion processes within the watersheds.

To monitor for the presence of lead in the public drinking water supply (among other possible contaminants), the NYCDEP implements a water quality monitoring program, which includes testing throughout the system. Based on the 2007 results from the NYCDEP, 348 samples were obtained for lead analysis, and none of the results exceeded the New York State Department of Health Action Level of 15 parts per billion. Additionally, the NYCDEP performed at-the-tap testing for lead in drinking water from 191 locations. The results showed that eight percent of the samples exceeded the Action Level for lead in drinking water.

Suspected Asbestos-Containing Building Materials (ACM):

The previous use and presence of ACM is possible. The interior of the building was not viewed for the possible presence of ACM.

Wetlands:

No wetlands were noted on the subject property.

Radon:

Radon is a radioactive gas that comes from the natural decay of uranium, which is present in soils. Radon commonly moves up through unsaturated soils in soil vapor and may enter buildings through cracks and other holes in foundations. Often, buildings trap radon inside where

it may accumulate to unacceptable levels. Testing is necessary to determine the radon levels within a specific building.

The USEPA recommends that buildings with radon levels of 4 picoCuries per liter (pCi/L) or above perform repairs or other mitigation measures to reduce indoor radon concentrations. It should be noted that radon concentrations below 4 pCi/L still pose a risk to individuals.

The USEPA has developed a "Map of Radon Zones" indicating the levels of radon concentrations from testing and aerial surveys conducted in all counties in New York State. It was determined that Kings County was designated as "Zone 3" which has a predicted average indoor radon screening level less than 2 pCi/L. The USEPA Indoor Radon Maps shows that 1.3 percent of homes in Kings County (Brooklyn) exceed 4pCi/L for radon in living areas on a long-term basis and that seven percent of basements in Kings County (Brooklyn) exceed 4 pCi/L on a short-term basis.

The USEPA recommends that all properties should be tested for radon, regardless of geographic location or zone designation, and that the radon maps should not be used in lieu of testing during real estate transactions.

SECTION 5.0
SUMMARY OF FINDINGS & OPINIONS

Based on the results of the Phase I ESA performed for the subject property, Enviroscience Consultants is providing its Summary of Findings, including Recognized Environmental Conditions, Historical Recognized Environmental Conditions, and *de minimis* conditions.

5.1 Recognized Environmental Conditions

The following Recognized Environmental Conditions (RECs) were identified in connection with the subject property:

1. The past and present operation of the subject property as a gasoline station with USTs and stormwater drainage structures. Through operations as a gasoline station, there is a reasonable potential for hazardous substances and/or petroleum products to have been released to the environment.
2. The former use of the property as an automotive repair shop and drycleaning businesses. Through operations as an automotive repair shop and drycleaner, there is a reasonable potential for hazardous substances and/or hazardous wastes to have been released to the environment.

5.2 Historical Recognized Environmental Conditions

The following Historical Recognized Environmental Condition (HREC) was identified in connection with the subject property:

1. The three closed NYSDEC Spills (Spill Nos. 87-03389, 95-10099, and 03-13334) that are assigned to the subject property. Based on their closed status, the closed NYSDEC Spills do not represent present RECs in connection with the property.

5.3 *De minimis* Conditions

No *de minimis* conditions were noted in connection to the subject property.

5.4 Data Gaps

Data gaps were encountered during the Phase I ESA process due to data failures in the review of NYCDEP, NYSDEC, and USEPA records for the property. Also, specific data gaps were noted with the Sanborn Fire Insurance maps, which were used to evaluate the development history of the subject property and its vicinity. A data gap was also identified related to the inspection of the small one-story kiosk building since they were not viewed as part of this inspection.

Based on the discretion and judgment of the Environmental Professional, it has been determined that the data gaps associated with the review of information for the property are unlikely to significantly affect the results and conclusions of this report.

5.5 Opinions

Based on the results of this Phase I ESA, Enviroscience Consultants considers the subject property a moderately-high environmental risk for the following reasons: (1) the subject property was formerly and is presently operated as a gasoline station with USTs and stormwater drainage structures; and (2) the subject property was formerly operated as automotive service station and drycleaning businesses, including the generation of hazardous waste.

The past and present operations at the subject property pose a significant concern to the subject property since there is a reasonable possibility that hazardous substances, petroleum products, and/or hazardous waste may have been discharged to the subject property. To investigate the property, Enviroscience Consultants recommends a limited investigation of the soil and groundwater beneath the property in the areas of the active USTs, former USTs, and the drycleaning operations. Additionally, a subset of the stormwater drainage system should be investigated.

SECTION 6.0
CONCLUSIONS & RECOMMENDATIONS

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Standard Practice E 1527-05 of 1640 Flatbush Avenue in Brooklyn, New York, the subject property. Any exceptions to, or deletions from, this practice are described in Section 1 of this report. This assessment has revealed no evidence of Recognized Environmental Conditions in connection with the subject property except the following:

1. The past and present operation of the subject property as a gasoline station with USTs and an on-site stormwater drainage system.
2. The former use of the property as automotive repair shop and drycleaning businesses, including the generation of hazardous waste.

Based on the observations made during the Phase I ESA, Enviroscience Consultants recommends the following:

1. A limited soil and groundwater investigation should be performed to evaluate if there is evidence of contamination releases to the subject property from present and past operations.
2. A subset of the stormwater drainage system should be investigated.

APPENDIX A
Qualifications & Resumes

GREG MENEGIO
DEPARTMENT MANAGER/SENIOR SCIENTIST
ENVIROSCIENCE CONSULTANTS, INC.

Experience Summary

Mr. Menegio has diversified experience in the federal and private sectors and has served as Project Manager and Lead Scientist for investigations conducted under Brownfields, RCRA, NYSDEC Spills, and State Superfund Programs. He has served as Project Manager and Lead Scientist for hundreds of projects involving groundwater and soil investigations and remediation, indoor air and soil vapor intrusion, environmental impact assessments (including the preparation of NEPA and SEQRA documents), and ecological surveys and investigations.

Education

B.S. SUNY Stony Brook, 1993

Employment History

*Since 2001 Enviroscience Consultants, Inc.
1995-2001 FPM Group (formerly Fanning, Phillips & Molnar)
1998-1999 U.S. Army Corps of Engineers, Planning Division*

SUMMARY OF EXPERIENCE

DEVELOPMENT OF COMMERCIAL AND RESIDENTIAL SITES

Mr. Menegio has performed a substantial number of investigations and navigated permitting issues for the development of sites for commercial, residential, and institutional use. He has evaluated former agricultural sites for residential use, which is a relatively recent initiative by the Suffolk County Department of Health. The concerns associated with former agricultural sites are primarily surface soil concentrations of pesticides and metals (which were historically used as pesticides). Based on the results, Mr. Menegio has also prepared soil management plans, which have received approval from the county. Additionally, Mr. Menegio has assisted several clients with issues related to Wild, Scenic and Recreational Rivers Act permits; endangered species; cultural resources; wetlands; and permitting associated with the storage of hazardous substances in Nassau and Suffolk Counties.

PHASE I ENVIRONMENTAL AUDITS

Mr. Menegio has prepared hundreds of Phase I Environmental Site Assessments (ESA) for financial institutions, developers, and environmental attorneys. The Phase I ESA reports are prepared for compliance with the American Society for Testing and Materials (ASTM) Standard Practice E 1527 for commercial property. These procedures include a site inspection, report preparation, and a review of the following: environmental records and databases; historical aerial photographs, and Sanborn Fire Insurance Maps. Based on the results of a Phase I ESA, additional investigations of Recognized Environmental Conditions at the site may be necessary.

PHASE II ENVIRONMENTAL AUDITS

Mr. Menegio has performed hundreds of Phase II Audits to further evaluate Recognized Environmental Concerns at a variety of sites. Generally, the potential concerns are identified in our Phase I Audits, although investigations may be performed based on the recommendations of others. Common Phase II Audits include soil and groundwater investigations in the vicinity of tanks or other potential sources, and on-site sanitary and stormwater system investigations.

INVESTIGATIONS OF CONTAMINATED SITES

Mr. Menegio has implemented groundwater monitoring and investigations at hundreds of NYSDEC Spills sites, inactive hazardous waste sites, landfills, golf courses, and RCRA facility investigations across the country for corporations, regulatory agencies, municipalities and the U.S. military. The contaminants have generally included gasoline, fuel oil, diesel fuel, and chlorinated solvents, chlorinated pesticides, and metals. He has coordinated with federal, state, and local personnel and clients to discuss project design for the preparation of work plans and health and safety plans. Mr. Menegio has worked at dozens of sites that contained hundreds of sampling locations and groundwater monitoring wells, and field deployment often included several crews to optimize project efficiency. For the review of results and preparation of reports, Mr. Menegio managed laboratory results using relational databases to facilitate review and reporting. Comprehensive reports were submitted to clients and regulators, which included specific details of the investigations, including methods, results, and recommendations for additional investigations or remediation, if necessary.

REMEDICATION OF CONTAMINATED SITES

Mr. Menegio has been responsible for the closure and satisfaction of federal, state, and local regulatory agencies associated with petroleum and inactive hazardous waste sites, among other sites. The contaminants have generally included gasoline, fuel oil, diesel fuel, chlorinated solvents, chlorinated pesticides, and metal. The remediation strategies have ranged from excavating soil to the installation of soil vapor extraction and air sparging remediation systems. For remediation systems, performance and remediation progress has been monitored for optimal performance. To evaluate the effectiveness of remedial measures, confirmatory samples collected and reports are prepared.

ENVIRONMENTAL IMPACT ASSESSMENT

Mr. Menegio has been responsible for the review and preparation of NEPA and SEQRA documents, including the identification of data gaps and sample collection for a complete impact analysis. Additionally, Mr. Menegio has co-authored scoping documents and spoke in public meetings to describe projects and their potential impacts.

BIOLOGICAL AND ECOLOGICAL INVESTIGATIONS

Mr. Menegio has performed several investigations for biological and ecological purposes, including the vegetative mapping of Long Island's shoreline along the barrier island system and east end; benthic fauna investigations along the coast of North Carolina; finfish studies in the New York Bight and along the coasts of New Jersey and Alaska; and several wetland delineations.

LORI MEAD
ENVIRONMENTAL SCIENTIST
ENVIROSCIENCE CONSULTANTS, INC.

Experience Summary

Ms. Mead has performed subsurface investigations at numerous sites to investigate soil and groundwater contamination resulting from petroleum, chlorinated solvents, chlorinated pesticides, and metals. This experience includes state petroleum-impacted sites at commercial, residential, and institutional properties; underground storage tank evaluations; Class V Injections Well investigations; Phase I and II Audits; and routine monitoring and reporting for industrial facilities.

Education

B.A. SUNY Plattsburgh, 2001

Employment History

Since 2001 Enviroscience Consultants, Inc.

SUMMARY OF EXPERIENCE

DEVELOPMENT OF COMMERCIAL AND RESIDENTIAL SITES

Ms. Mead has performed numerous investigations for the redevelopment of sites for commercial, residential, and institutional use. She has been the onsite investigation manager and Project Scientist for evaluations of former agricultural sites for residential use, which is a relatively recent initiative by the Suffolk County Department of Health. The concerns associated with former agricultural sites are primarily surface soil concentrations of pesticides and metals (which were historically used as pesticides). Additionally, Ms. Mead has been involved in implementation of Soil Management Plans, Community Air Monitoring Plans, and applications for hazardous substance storage.

PHASE I & II ENVIRONMENTAL AUDITS

Ms. Mead has prepared numerous Phase I and II Environmental Site Assessments (ESAs) for financial institutions, developers, and environmental attorneys. The Phase I ESA reports are prepared for compliance with the American Society for Testing and Materials (ASTM) Standard Practice E 1527 for commercial property. Based on the results of a Phase I ESA, additional investigations of Recognized Environmental Conditions at the site may be necessary. Common Phase II Audits include soil and groundwater investigations in the vicinity of tanks or other potential sources, and on-site sanitary and stormwater system investigations.

INVESTIGATIONS OF CONTAMINATED SITES

Ms. Mead has implemented groundwater monitoring and investigations at numerous NYSDEC Spills sites for corporations and regulatory agencies. The contaminants have generally included gasoline, fuel oil, diesel fuel, and chlorinated solvents. Upon receipt of laboratory reports, she has performed reviews of hundreds of results and prepared summary reports for submittal.

APPENDIX B
Federal, State, County & Local Records