

PHASE I ENVIRONMENTAL ASSESSMENT

ASTM E1527-00

**PROPERTY ADDRESS: 55-01 2ND STREET, 54-01 2ND STREET,
2-10 54TH AVENUE, 2-20 54TH AVENUE
LONG ISLAND CITY, NY 11101**

**PREPARED FOR: PORT DISTRIBUTING CORPORATION
375 PARK AVENUE
NEW YORK, NY 10152**

**PREPARED BY: SINGER ENVIRONMENTAL GROUP, LTD
5318 NEW UTRECHT AVENUE
BROOKLYN, NY 11219**

DATE: FEBRUARY 7, 2006

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1.0

**SCOPE OF THIS PHASE I
ENVIRONMENTAL SURVEY**

To thoroughly inspect all accessible areas and facilities in and around the one story buildings (area #'s 1, 2, 3, 5, 6, 7) and one three story building (area #4) located at 55-01 2ND STREET, 54-01 2ND STREET, 2-10 54TH AVENUE, 2-20 54TH AVENUE, LONG ISLAND CITY, New York and to assess the environmental status of the subject property. The tasks were conducted via a visual inspection of the site, review of available historical records documenting uses of the property along with persons knowledgeable about the subject property.

This survey assessed any ongoing or former operations, whether current or former operators/leases used or stored chemicals on the premises, if any waste materials arising from operations have been dumped on the premises or if any landfill operations have taken place.

Visual inspection of the immediate vicinity around the premises were also conducted, wherever possible or reasonable, in order to determine whether any sites adjoining the premises are used for heavy manufacturing or the generation, storage, shipping or disposal of hazardous waste, chemical materials or fuel supplies; if there are any underground or suspended transformer, capacitors, etc. containing PCB's on the subject property or if there are any underground storage tanks.

As part of this environmental survey, inquiry was made with the U.S. Environmental Protection Agency and appropriate State and Local Agencies in order to ascertain the location of any potential, alleged or known hazardous waste sites within a one half mile radius of subject property. The CERCLIS (Comprehensive Emergency Response, Compensation and Liability Information System) is the U.S. EPA's compilation of such alleged, potential or known hazardous waste sites brought to the attention of the U.S. EPA Office of Emergency and Remedial Response which have been, will be or are currently under investigation for suspected or known environmentally hazardous activities, The National Priorities List (NPL) is the U.S. EPA's listing of known contaminated sites which have been targeted for clean-up due to the immediate threat posed to human health and/or the environmental integrity of that property as well as its marketability.

If appropriate, inquiry was also made with the US Environmental Protection Agency and appropriate State and Local agencies regarding their acknowledgment that the presence and/or disposal of hazardous or toxic chemicals, if any, are within their guidelines and compliance.

Recommendations, wherever appropriate, have been given as to the action, if any, which should be taken to confirm with the most current guidelines and rules for compliance as set forth by these agencies.

The Phase I Environmental Survey is limited in budget and scope. No sampling, testing or laboratory analysis is conducted unless so noted and the assessment is based on the professional opinion of the Environmental Consultant. The Phase I Environmental Survey is not and should not be considered a warranty or guarantee about the presence or absence of environmental contaminants which might affect the subject property.

This report was prepared in accordance with ASTM E-1527-00 protocols for Phase I Environmental Site Assessments.

2.0

EXECUTIVE SUMMARY

2.1

SITE DESCRIPTION (REFER TO AREA MAP – APPENDIX A)

- This property is known as 54-19/55-01 2ND STREET/2-02/2-50 54TH AVENUE, LONG ISLAND CITY, NY, Block 11, Lot 1.
- This property consists of: one story warehouses (area #'s 1, 2, 3, 5, 7), one (1) three story office (area #4), one (1) one story garage (area #6) and a car parking lot, leased, operated and occupied by Anheuser Busch Beer Distributors (Port Distributing Corporation) except #5 which is leased by NBC Studios. (Exhibit A)
- This property is zoned for “Warehouse” building use.
- Lot Size: 788’X530’, Building Size: 360’X180’. (55-01)
- Total areas are approximately seven acres.
- Area #1 consists of a beer warehouse.
- Area #2 consists of a Climate Controlled Beer warehouse.
- Area #3 consists of a Climate Controlled Beer warehouse.
- Area #4 consists of the office building for the Beer Co.
- Area #5 consists of NBC Studio Offices and Equipment Warehouse. (Leased from Port Distributing Corporation)
- Area #6 consists of a garage for A.B. Co. Maintenance.
- Area #7 consists of Recycle Warehouse of Cans and Glass Bottles.

2.1.1 ASBESTOS

- NO visible and/or friable ACM was noted during this inspection.

Please note: NO core samples were taken during this inspection, in the event of change in present status, eg, demolition, alteration, modification, all suspect materials should tested and verified free of any ACM.

2.1.2 PCB's

- NO PCB's were noted during this inspection.

EXECUTIVE SUMMARY

2.1.3 GASOLINE AND OIL STORAGE TANKS

- The (7) HVAC Units and Overhead Heaters are gas fired.
- **NO** fuel oil tank was noted during this inspection.
- **NO** fuel oil applications were filed with the Department of Buildings.

Current Garage (Area #6)

- One former 4,000 gallon diesel tank was removed on 12-01-99.
- One current 4,000 gallon diesel double walled fiberglass tank was installed on 01-01-00.
- One former 4,000 gallon gasoline tank was removed on 12-01-99.
- One current 4,000 gallon gasoline double walled fiberglass tank was installed on 01-01-00.
- (3) 275 gallon waste oil **aboveground** storage tanks are located outside the building.
- (1) 280 gallon motor oil **aboveground** storage tank, installed 06-01-95 currently in service.
- (1) 275 gallon lube oil **aboveground** storage tank was installed on 11-01-89 currently in service.
- **According to Sanborn History Maps dated, 1936, 1947, and 1950 gasoline tanks are located in the garage area.**

A GPR (Ground Penetrating Radar) should be conducted to determine the presence of any underground storage tanks.

- According to the Site Plans dated 1970 on the southwest section (current parking lot of 5501 2nd Street) are:
 - (4) 20,000 gallon fuel oil aboveground storage tanks.
 - (3) 10,000 gallon aboveground solvent storage tanks.
 - (1) 4,000 gallon aboveground solvent storage tank.

These tanks were removed.

EXECUTIVE SUMMARY

2.1.4 SITE HISTORY

1) According to knowledgeable sources:

5501 2nd Street

- The original building is approximately 150,000 sq. ft. built circa 1895, the office addition 25,000 sq. ft. built in 1990. Warehouse building addition approximately 60,000 sq. ft. built in 1982.

2-20 54th Avenue

- Approximately 17,000 sq. ft. (recycle area) built circa 1900.

5401 2nd Street

- One story metal garage maintenance building approximately 4,500 sq. ft. built circa 1980.

All Areas

- All areas have been used by Anheuser Busch Distributor since 1989 except for 40,000 sq. ft. used by NBC Studios for warehouse since 1995. Prior; Port Distributing Corporation Beer Distributor for 5-6 years, prior; Sugar Manufacturing Company.

2) According to Sanborn History Maps:

- In reviewing the history of this building and property, a Sanborn Map Search was conducted and it was determined that this property has been Vacant, Sugar Refining Company in the 1890's. Construction Company, Floating Dock, Machine Shop, Sugar Refinery in the 1910's. Dry Docks Inc, Storage, Storage of Machinery, Machine Shop, Garages, Repair Shop, Sugar Refinery Company, Office in the 1930's. Sugar Warehouse, Garage, Machine Shop, Office from 1940's to the 1950's. Warehouse, Auto Repair, Machine Shop, Vacant from the 1970's to the early 1980's. Warehouse, Recycling Company from the late 1980's to 1990, and Warehouse facilities in the 1990's.

EXECUTIVE SUMMARY

3) According to Certificates of Occupancy:

- According to Certificate of Occupancy#176242 dated 07-15-1969:

Warehouse, Office

- According to Certificate of Occupancy #0400021962 dated 04-07-94:

Warehouse, Offices

- According to Certificate of Occupancy #400565973 dated 04-23-96:

Warehouse, Storage, Offices, Garage, Workshop, Parking

2.1.5

SURROUNDING AREAS

NORTH	COMMERCIAL BUILDINGS
SOUTH	NEWTOWN CREEK
WEST	PARKING LOT, STORAGE YARD
EAST	NEWTOWN CREEK

2.1.6 CHEMICAL OR HAZARDOUS MATERIAL/WASTE STORAGE

- One (1) floor drain cleanout is located in Building #5 (NBC Warehouse).
- Three (3) floor drains, 55 gallon drums of oil, grease, etc, one oil separator, and auto parts were noted in Building #6 (Garage Building).
- Three (3) floor drains were noted in Building #7 (Recycle Building).

EDR(ENVIRONMENTAL DATE RESOURCES) DATABASE SUMMARY

DATABASE	SEARCH DISTANCE	SITES LISTED
SMALL QUANTITY GENERATOR	¼ MILE	15
CORRACTS (CORRECTIVE ACTION)	1 MILE	2
LARGE QUANTITY GENERATOR	¼ MILE	1
STATE LANDFILL	½ MILE	7
LTANKS (LEAKING TANKS)	½ MILE	27
NY SPILLS	<1/8 MILE	12

These should have no affect on the subject property.

EXECUTIVE SUMMARY

2.1.7

RCRIS DATABASE

- **Anheuser Busch Distributor @ 5501 2nd Street IS listed on the RCRIS Database as a small quantity generator.**

Documentation for the waste generated should be provided.

2.1.8

NY SPILLS

- **On 05-05-99 a “Spill” was reported at 5501 2nd Street, due to “Hydraulic Oil”
Amount: 20 gallons.
Spill Closed Dated 06-07-99.**

2.1.9

GROUNDWATER FLOW

- **A review of the USGS 7.5 Minute Topography map was conducted. Based on the topographical gradients, the groundwater flow is assumed to be in a southeasterly direction.**
- **Groundwater level is approximately 8’6.**

EXECUTIVE SUMMARY

2.2 PREVIOUS PHASE II SUBSURFACE PROBE

- An Environmental Site Assessment (ESA) by Groundwater Technology Inc., Farmingdale, NY was conducted in May 1989. Eight soil samples and three water samples from observation wells were analyzed. According to the conclusions and recommendations, "numerous chemicals detected are persistent throughout the site and do not appear to indicate a point source. As indicated in the well logs, the whole site is located over fill material, which potentially could be a source. This fill material was likely the result of filling along this general area to raise the overall elevation for construction. A review of regional geologic reports indicate that extensive areas surrounding the property are built on fill deposits."

"It is recommended that a risk assessment be performed if any excavation is to be conducted. Any soils excavated and requiring disposal may possible be considered hazardous."

"The conclusions and recommendations are based in part upon the data obtained from a limited number of soil samples obtained from widely spaced subsurface explorations. The nature and extent of variations or trends between these explorations may not become evident unless further investigated. The conclusions drawn are based on the present available database and are subject to change based on new information."

2.3 CONCLUSIONS AND RECOMMENDATIONS

Singer Environmental concurs with the previous Phase II conducted by Groundwater Technologies, Inc. (See Above)

According to Sanborn History Maps dated, 1936, 1947, and 1950 gasoline tanks are located in the garage area.

A GPR (Ground Penetrating Radar) should be conducted to determine the presence of any underground storage tanks.

A Phase II subsurface probe should be conducted in the area of the former tanks in the parking lot, in the garage area, and around all floor drains.

3.0

SURVEY FINDINGS

3.1 GENERAL

A Phase I Environmental Survey was conducted in and around the property located at 55-01 2ND STREET, 54-01 2ND STREET, 2-10 54TH AVENUE, 2-20 54TH AVENUE, LONG ISLAND CITY, New York beginning with a visual inspection by an Environmental Consultant in all areas where hazardous or potentially toxic materials or substances might be present. A number of environmental risks were assessed during this investigation, including the presence of asbestos-containing materials, aboveground or underground storage tanks, chemical and/or hazardous waste storage and PCB content in electrical equipment. A Phase I Environmental Assessment does not involve any sampling, testing or laboratory analysis of on-site soil or ground water, unless so noted, and, thus, cannot confirm the nature of subsurface soil or ground water quality on the subject property.

3.2 SITE DESCRIPTION

According to the Department of Buildings, the subject property is located at the address known as 54-19/55-01 2ND STREET/2-02/2-50 54TH AVENUE, Block 11, Lot 1, LONG ISLAND CITY, New York. The property consists of a one story warehouses (area #'s 1, 2, 3, 5, 7), one (1) three story office (area #4), one (1) one story garage (area #6) and a car parking lot, leased, operated and occupied by Anheuser Busch Beer Distributors (A.B. Co.) except #5 which is leased by NBC Studios.

Area #1 consists of a beer warehouse.

Area #2 consists of a Climate Controlled Beer warehouse.

Area #3 consists of a Climate Controlled Beer warehouse.

Area #4 consists of the office building for the Beer Co.

Area #5 consists of NBC Studio Offices and Equipment Warehouse.
(Leased from Port Distributing Corporation)

Area #6 consists of a garage for A.B. Co. Maintenance.

Area #7 consists of Recycle Warehouse of Cans and Glass Bottles.

SURVEY FINDINGS

3.3

SITE HISTORY

1) According to knowledgeable sources:

5501 2nd Street

- The original building is approximately 150,000 sq. ft. built circa 1895, the office addition 25,000 sq. ft. built in 1990. Warehouse building addition approximately 60,000 sq. ft. built in 1982.

2-20 54th Avenue

- Approximately 17,000 sq. ft. (recycle area) built circa 1900.

5401 2nd Street

- One story metal garage maintenance building approximately 4,500 sq. ft. built circa 1980.

All Areas

- All areas have been used by Anheuser Busch Distributor since 1989 except for 40,000 sq. ft. used by NBC Studios for warehouse since 1995. Prior; Port Distributing Corporation Beer Distributing for 5-6 years, prior; Sugar Manufacturing Company.

2) According to Sanborn History Maps:

- In reviewing the history of this building and property, a Sanborn Map Search was conducted and it was determined that this property has been Vacant, Sugar Refining Company in the 1890's. Construction Company, Floating Dock, Machine Shop, Sugar Refinery in the 1910's. Dry Docks Inc, Storage, Storage of Machinery, Machine Shop, Garages, Repair Shop, Sugar Refinery Company, Office in the 1930's. Sugar Warehouse, Garage, Machine Shop, Office from 1940's to the 1950's. Warehouse, Auto Repair, Machine Shop, Vacant from the 1970's to the early 1980's. Warehouse, Recycling Company from the late 1980's to 1990, and Warehouse facilities in the 1990's.

3) According to Certificates of Occupancy:

- According to Certificate of Occupancy#176242 dated 07-15-1969:
Warehouse, Office
- According to Certificate of Occupancy #0400021962 dated 04-07-94:
Warehouse, Offices
- According to Certificate of Occupancy #400565973 dated 04-23-96:
Warehouse, Storage, Offices, Garage, Workshop, Parking

SURROUNDING AREAS	
NORTH (EXHIBIT E)	COMMERCIAL BUILDINGS
SOUTH (EXHIBIT C)	NEWTOWN CREEK
WEST (EXHIBIT D)	PARKING LOT, STORAGE YARD
EAST (EXHIBIT B)	NEWTOWN CREEK

SURVEY FINDINGS

3.4 ENVIRONMENTAL ASSESSMENT

A visual inspection and interview at the subject property took place on January 12, 2006 Mr. Shemon Singer, who was accompanied by the Construction Manager, Mr. Thomas Piazza.

3.5 ASBESTOS CONTAINING MATERIALS (ACM)

Asbestos is the generic name for a group of naturally occurring hydrated mineral silicates that are characterized by fibers or bundles of fine single crystal fibers. The New York City Department of Environmental Protection defines asbestos containing materials as "any material which contains more than one percent asbestos by weight." Asbestos materials were used for many years in a variety of ways in building construction due to its excellent acoustic insulating and thermal barrier properties. The durability of asbestos fibers and their small size and fibrous shape make asbestos an unusual environmental contaminant. Water infiltration, contact during routine maintenance and age are major factors breaking down asbestos containing materials and creating exposure problems.

NO VISIBLE AND/OR FRIABLE ACM WAS NOTED DURING THIS INSPECTION.

Please note: NO core samples were taken during this inspection, in the event of change in present status, eg, demolition, alteration, modification, all suspect materials should tested and verified free of any ACM.

SURVEY FINDINGS
SITE DESCRIPTION

3.6

Rooms/areas/facilities in the first floors (areas #'s 1, 2, 3, 5, 6, 7) and three floor building (area#4) were inspected as part of this survey.

Building #1-One story
Warehouse

- Concrete Floor & Ceiling, Brick Walls. No Heat. Pipe-Fiberglass insulation. Ice Box Room.

Office

- HVAC.

Building #2-One story
Warehouse

- Climate Controlled Warehouse. Concrete Floor and Ceiling, Brick Walls. Spray on thermal insulation (non ACM).

Building #3 One Story
Warehouse

- Climate Controlled Warehouse. Concrete Floor, insulated walls, metal decking.

Building #4 Three Story
Office Building

First, Second and Third Floors

- Ceramic/Carpet, Ceiling Tile, Sheetrock. HVAC (Above Ceiling Tile-Concrete).

South Truck Parking

- Asphalt. Storm Drain.

Building #5 One Story
Warehouse

- Concrete Floor, Metal Decking. HVAC & Overhead Heaters. (1) Floor Drain Cleanout.

Mezzanine

- Offices.

Building #6 One Story
Garage

- Concrete Floor & Ceiling, Metal Siding. Overhead Heaters-Gas Fired. (3) Floor Drains. 55 gallon drums of oils, grease, etc. (1) oil separator. Auto Parts.

Building #7 One Story
Recycle High Roof Building

- Concrete Floor, Wood Ceiling with steel truss. (3) floor drains. Recycling of glass bottles and aluminum cans.

Car Parking Lot

- Gravel (A.B. Co.) Asphalt (NBC).

SURVEY FINDINGS

3.7 CHEMICAL OR HAZARDOUS MATERIAL/WASTE STORAGE

- **One (1) floor drain cleanout is located in Building #5 (NBC Warehouse).**
- **Three (3) floor drains, 55 gallon drums of oil, grease, etc, one oil separator, and auto parts were noted in Building #6 (Garage Building).**
- **Three (3) floor drains were noted in Building #7 (Recycle Building).**

3.8 PRESENCE OF PCBs IN TRANSFORMERS AND OTHER ELECTRICAL EQUIPMENT

An inspection was conducted at the subject property and in the immediate vicinity for the presence of any underground, surface or suspended transformers and visible power supply sources. Oil-containing transformers are known to frequently contain PCBs (Polychlorinated biphenyl's). PCBs are contained in older transformers and other electrical equipment and have the potential for serious health risks. The level of PCB content in such transformers and electrical equipment is regulated by the U.S. Environmental Protection Agency, Regulations 40 CFR Part 761. Upon visual inspection, **NO** suspended transformers power supply sources were identified. Contact with Con Edison has nevertheless been made to determine definitely if any equipment owned and/or maintained by Con Edison located on or in the immediate vicinity of the subject property contain PCB's.

SURVEY FINDINGS

3.9 GASOLINE AND OIL STORAGE TANKS

The New York State Department of Environmental Conservation regulates the storage and handling of petroleum storage facilities. Aboveground and Underground storage tanks storing petroleum can, if not properly installed and maintained, cause serious environmental problems. Including contamination of a water supply. In an effort to prevent leaks and spills, the Petroleum Bulk Storage Law (Article 17, Title 10 of the Environmental Conservation Law) requires the DEC to develop and enforce a State Code for the storage and handling of petroleum. The resulting regulations are Parts 612, 613 and 614. Any facility with a stationary tank combined capacity exceeding 1,100 gallons must be registered with the New York State Department of Environmental Conservation.

- The (7) HVAC Units and Overhead Heaters are gas fired.
- **NO** fuel oil tank was noted during this inspection.
- **NO** fuel oil applications were filed with the Department of Buildings.

Current Garage (Area #6)

- One former 4,000 gallon diesel tank was removed on 12-01-99.
- One current 4,000 gallon diesel double walled fiberglass tank was installed on 01-01-00.

- One former 4,000 gallon gasoline tank was removed on 12-01-99.
- One current 4,000 gallon gasoline double walled fiberglass tank was installed on 01-01-00.

- (3) 275 gallon waste oil **aboveground** storage tanks are located outside the building.
- (1) 280 gallon motor oil **aboveground** storage tank, installed 06-01-95 currently in service.
- (1) 275 gallon lube oil **aboveground** storage tank was installed on 11-01-89 currently in service.
- **According to Sanborn History Maps dated, 1936, 1947, and 1950 gasoline tanks are located in the garage area.**

A GPR (Ground Penetrating Radar) should be conducted to determine the presence of any underground storage tanks.

- According to the Site Plans dated 1970 on the southwest section (current parking lot of 5501 2nd Street) are:
 - (4) 20,000 gallon aboveground fuel oil storage tanks.
 - (3) 10,000 gallon aboveground solvent storage tanks.
 - (1) 4,000 gallon aboveground solvent storage tank.

These tanks were removed.

SURVEY FINDINGS

3.10 RCRA - RESOURCE CONSERVATION AND RECOVERY ACT

RCRA was enacted in 1976 to address the problem of disposing solid waste, hazardous waste, underground storage tanks and medical waste. Subtitle C of the Act establishes a program to manage and regulate hazardous wastes. The objective of the subtitle C program is to ensure that hazardous waste is handled in a manner that protects human health and the environment. Under RCRA, there are three categories of hazardous waste generators: Large quantity generators (LQG), small quantity generators (SQG), and conditionally exempt small quantity generators. LQG are defined as those facilities that generate either 1,000 or more kilograms per month of hazardous waste or 1 kg or more of acutely hazardous waste per month.

LQG and SQG are subject to regulations contained in 40 CFR Part 262: Obtaining and EPA ID number, preparing the waste for transportation, follow storage requirements, manifesting of hazardous waste and record keeping.

3.11 RCRIS DATABASE

- **Anheuser Busch Distributor @ 5501 2nd Street IS listed on the RCRIS Database as a small quantity generator.**

Documentation for the waste generated should be provided.

According to EDR Radius Map Search 1 CORRACTS (Corrective Action) site is located 1/4 to 1/2 mile radius of the subject property.

According to EDR Radius Map Search 1 Lg. Quantity Generators are located <1/8 mile radius of the subject property.

According to EDR Radius Map Search 15 Sm. Quantity Generators are located <1/8 to 1/4 mile radius of the subject property.

These should have NO affect on the subject property.

SURVEY FINDINGS

3.12

ADDITIONAL OBSERVATIONS

An inspection of the immediate vicinity around the subject property was also conducted as part of this Phase I Environmental Assessment.

In addition to the visual inspection, contact was made with the U.S. Environmental Protection Agency regarding the presence of any known, alleged or potential hazardous waste sites located in the immediate vicinity of the subject property which have been brought to the attention of the U.S. EPA Office of Emergency & Remedial Response and included in the Comprehensive Environmental Response, Compensation & Liability Information System (CERCLIS). Based on reports, NO such property has been identified as such (see documentation).

A review of the N.Y.S. D.E.C. Inactive Hazardous Waste Disposal Report was conducted. According to their records, NO site has been identified on or near the subject property.

According to EDR Radius Map Search 7 State Landfill sites are located 1/8 to 1/4 mile radius of the subject property.

These should have NO affect on the subject property.

A radon test was NOT conducted at the subject property. Elevated radon levels create a potential health risk, The U.S. EPA and the Center for Disease Control have used a continuous exposure level of 4 pCi/L as a guidance level at or above which further testing and/or remedial action are indicated. There were no records or other evidence that radon testing has been performed at the subject property.

4.0

RECOMMENDATIONS

The following are recommendations based on the Phase I Environmental Survey conducted at the property located at 55-01 2ND STREET, 54-01 2ND STREET, 2-10 54TH AVENUE, 2-20 54TH AVENUE, LONG ISLAND CITY, New York.

On January 12, 2006, a Phase I Environmental Assessment of the above-mentioned property were conducted in accordance with the generally accepted assessment protocol. The Phase I environmental assessment relied primarily on visual observation made during inspection and review of available historical documents as they relate to current and past usages of the subject property. Additionally, the immediate vicinity of the subject property was inspected in order to ascertain the likelihood of toxic or hazardous substances or other agents to be present at surrounding locations which might adversely affect the subject site.

As part of the asbestos section of this survey, an inspection of all the aforementioned areas were conducted:

Construction materials on the exterior and interior of the building were also inspected for possible asbestos content.

Within each of these rooms/areas/facilities, piping insulation (e.g. on hot and cold water supply piping), if any, was checked at exposed locations for possible asbestos content.

NO VISIBLE AND/OR FRIABLE ACM WAS NOTED DURING THIS INSPECTION.

Please note: NO core samples were taken during this inspection, in the event of change in present status, eg, demolition, alteration, modification, all suspect materials should tested and verified free of any ACM.

RECOMMENDATIONS

THE FOLLOWING ARE FINDINGS AND RECOMMENDATIONS MADE BY THE SINGER ENVIRONMENTAL CONSULTANT:

THERE IS EVIDENCE THAT THIS SITE HAS BEEN USED AS SUGAR REFINERY, GARAGE AND AUTO REPAIR FACILITIES.

See Conclusions and Recommendations.

UPON VISUAL INSPECTION, NO SUSPENDED OR SURFACE TRANSFORMERS WERE IDENTIFIED ON OR IN THE IMMEDIATE VICINITY OF THE SUBJECT PROPERTY.

Contact was made with Con Edison on January 1996 to ascertain whether or not any equipment owned and/or maintained by Con Edison is present in the immediate vicinity of the subject property and , if so, if any contain PCBs. Information provided to Singer Environmental has been that among transformers which have not been tested and determined to contain a quantity of PCBs (designated in ppms (parts per million), public utility companies are permitted to continue operation without restriction. However, if a problem were to arise as a result of a release of dielectric fluid from these transformers, the utility assumes responsibility to adequately mitigate the situation.

RECOMMENDATIONS

RADON

While radon has not been identified by the New York State Health Department as a major problem in the boroughs of New York City, the problem is site-specific and the potential health risk should be assessed.

SOIL & GROUNDWATER

The nature of subsurface soil and ground water at the subject property cannot be confirmed, given the limited budget and scope of this Phase I Environmental Survey.

PHASE II SUBSURFACE PROBE

An environmental site assessment by Groundwater Technology Inc., Farmingdale, NY was conducted in May 1989. Eight soil samples and three water samples from observation wells were analyzed. According to the conclusions and recommendations numerous chemicals detected are persistent throughout the site and do not appear to indicate a point source. As indicated in the well logs, the whole site is located over fill material, which potentially could be a source. This fill material was likely the result of filling along this general area to raise the overall elevation for construction. A review of regional geologic reports indicate that extensive areas surrounding the property are built on fill deposits.

It is recommended that a risk assessment be performed if any excavation is to be conducted. Any soils excavated and requiring disposal may possible be considered hazardous.

The conclusions and recommendations are based in part upon the data obtained from a limited number of soil samples obtained from widely spaced subsurface explorations. The nature and extent of variations or trends between these explorations may not become evident unless further investigated. The conclusions drawn are based on the present available database and are subject to change based on new information.

SEE "CONCLUSIONS AND RECOMMENDATIONS." (2.3)

GROUNDWATER FLOW

A review of the USGS 7.5 Minute Topography map was conducted. Based on the topographical gradients, the groundwater flow is assumed to be in a southeasterly direction.

Groundwater level is approximately 8'6.

RECOMMENDATIONS

ASBESTOS

According to the Environmental Protection Agency and included in the publication #EPA 560/5-85-024 "Guidance for Controlling Asbestos Containing Materials (ACM) in Buildings " asbestos containing materials are found in three forms: (1) Sprayed or troweled on ceilings and walls and structural steel; (2) in insulation around hot and cold piping, ducts, boilers and tanks; and (3) in a non-friable state in products such as ceilings and floor tiles. Wallboards and outside in materials such as shingles and roofing materials. In general, ACM in the first two categories is of greatest concern, especially if it is friable, causing the materials to release fibers into the air.

ACM are believed to be present on the roof in tars, felts and papers used in roof coatings. These materials are "non-friable" in their present state. In the event of change in present status e.g. demolition, these materials should be tested and verified of any ACM.

Ceiling and floor tile which may contain asbestos are not required to be removed due to their non-friable state.

RECOMMENDATIONS

GASOLINE AND OIL STORAGE TANKS

- The (7) HVAC Units and Overhead Heaters are gas fired.
- **NO** fuel oil tank was noted during this inspection.
- **NO** fuel oil applications were filed with the Department of Buildings.

Current Garage (Area #6)

- One former 4,000 gallon diesel tank was removed on 12-01-99.
- One current 4,000 gallon diesel double walled fiberglass tank was installed on 01-01-00.
- One former 4,000 gallon gasoline tank was and removed on 12-01-99.
- One current 4,000 gallon gasoline double walled fiberglass tank was installed on 01-01-00.
- (3) 275 gallon waste oil **aboveground** storage tanks are located outside the building.
- (1) 280 gallon motor oil **aboveground** storage tank, installed 06-01-95 currently in service.
- (1) 275 gallon lube oil **aboveground** storage tank was installed on 11-01-89 currently in service.
- **According to Sanborn History Maps dated, 1936, 1947, and 1950 gasoline tanks are located in the garage area.**

A GPR (Ground Penetrating Radar) should be conducted to determine the presence of any underground storage tanks.

- According to the Site Plans dated 1970 on the southwest section (current parking lot of 5501 2nd Street) are:
 - (4) 20,000 gallon aboveground fuel oil storage tanks.
 - (3) 10,000 gallon aboveground solvent storage tanks.
 - (2) 4,000 gallon aboveground solvent storage tank.

These tanks were removed.

DEPARTMENT OF BUILDINGS

According to the Department of Buildings "Property Profile Overview" dated 1/19/05, **1 ECB** violation is "open" at this time. (2-42 54th Avenue) and **3** DOB violations are open at this time (55-01).

This should appear on the title report.

RECOMMENDATIONS

LTANKS (LEAKING TANKS)

According to an EDR Radius Map search, 27 LTANKS sites were identified 1/8 to 1/2 mile of the subject property.

These should have NO affect on the subject property.

N.Y SPILLS

On 05-05-99 a "Spill" was reported at 5501 2nd Street, due to "Hydraulic Oil"
Amount: 20 gallons.
Spill Closed Dated 06-07-99.

According to an EDR Radius Map search, 12 spill sites were identified <1/8 mile radius of the subject property.

These should have NO affect on the subject property.

FIRE DEPARTMENT

A record search at the Fire Department was NOT conducted for existing Fire Department violations.

Fire Department violations, if any, should show up on the Title Report.

N.Y.S. D.E.C.

A F.O.I.A. request was submitted to the N.Y.S. Department of Environmental Conservation regarding any spills, PBS (Petroleum Bulk Storage etc.). To date, NO response has been received. Upon receipt, an addendum will follow.

N.Y.C. D.E.P.

A F.O.I.A. request was submitted to the N.Y.C. Department of Environmental Protection regarding any violations, etc. To date, NO response has been received. Upon receipt, an addendum will follow.

DEPARTMENT OF HEALTH

A F.O.I.A. request was submitted to the Department of Health regarding any violations, etc. To date, NO response has been received. Upon receipt, an addendum will follow.

F.O.I.A. REQUESTS MAY BE FORWARD AFTER CLOSING DATE.

LIMITS AND LIABILITY

Singer Environmental Group, Ltd. has conducted this Phase I Environmental Survey as an aid in determining the presence of potentially toxic or hazardous chemicals or substances as of the date of inspection. Observations are made herein and conclusions drawn are not to be considered as a warranty or guarantee, and are based solely upon those areas directly visible and observable, without the removal or alterations of any item or structure and reflect conditions as on the day of inspection.

Singer Environmental Group, Ltd., their principals and employees are indemnified for any future changes or conditions of deterioration in or on the subject property. Inasmuch as each has made no guarantees of the premises, expressed or implied in connection with this report, any liability which each may have shall be limited to the fee for the inspection of the property.

Respectfully Submitted by:

SHEMON SINGER
EAA CERTIFIED ENVIRONMENTAL INSPECTOR
NO. 6209
FEBRUARY 7, 2006