



**Phase I Environmental Site Assessment
118 Hope Street, 120 Hope Street, 130 Hope Street, 138 Hope Street, and 429 Keap
Street
New York, Brooklyn Borough, NY 11211**

Prepared For:

**HOPE KEAP, LLC
1737 VETERANS HIGHWAY
ISLANDIA, NY 11749**

July 16, 2013

***Prepared By:*
URS Corporation**

URS Job No. 11140227

EXECUTIVE SUMMARY

URS Corporation (URS) was retained by Hope Keap LLC to conduct a Phase I Environmental Site Assessment (ESA) of properties located at 118 Hope Street, 120 Hope Street, 130 Hope Street, and 138 Hope Street/429 Keap Street, Brooklyn Borough, NY. The properties are identified on Tax Maps as Block 2386 Lots 7, 12, and 14. The purpose of URS' Phase I ESA was to evaluate whether current or historical activities on or near the subject property may have resulted in significant contamination by hazardous substances or wastes, also known as a Recognized Environmental Condition (REC).

This Phase I ESA was performed in general conformance with the ASTM *Standard Practice for Environmental Site Assessments* (Standard E 1527-05) approved November 18, 2005. The Phase I ESA was also performed in accordance with the URS proposal to Hope Keap LLC dated June 14, 2013.

The subject properties are situated in a mixed commercial/residential neighborhood which has numerous active construction sites in the immediate vicinity. The properties are located at 118 Hope Street/120 Hope Street, 130 Hope Street, and 138 Hope Street/429 Keap Street in the Williamsburg section of Brooklyn, Kings County, New York State. The properties consist of three single story warehouse buildings all constructed with masonry brick.

138 Hope Street/429 Keap Street

This building is a slab on grade constructed single story warehouse housing an active copy/print business. Part of the tenant space has been renovated into office space which includes central heating and air conditioning. The remainder of the building is used as warehouse space and includes an overhead garage door and concrete floors.

130 Hope Street

This building is a single-story brick masonry warehouse building with a partial basement. Basement access is through a doorway on the sidewalk. The basement is being used for storage and for utilities. A number of renovations have been done on the interior of the building including central heating and air; run by natural gas and sound proofing of several rooms which were built inside the warehouse for recording music.

118 Hope Street/120 Hope Street

This building is a single story warehouse constructed of brick masonry. The building includes a partial basement accessible from the sidewalk entrance on Hope Street. The basement is being used as an apartment. There is an open pit behind the bathroom with standing water in it. No sheen or odors were

observed on the water. The warehouse space is divided and being used by two tenants. 120 Hope Street is an active metal shop. 118 Hope Street is currently being used for storage of materials including a couple of old vehicles.

Available historical documents reviewed by URS dated back to 1896. Previous site uses include residential and commercial; including as a drycleaner. According to the information reviewed, the subject properties were constructed between 1916 and 1942 and their general use as commercial warehouses has remained essentially unchanged since then. Based on the results detailed herein, the historical use of the Site is considered a Recognized Environmental Condition (REC) at the subject property.

Additionally, URS reviewed documents available from the New York City Department of Building's online Building Information System for the subject properties. The BIS indicated the subject property is an "e" designated site. Consequently, URS considers this a REC to the subject property.

No aboveground storage tanks (ASTs) or underground storage tanks (USTs) were observed or reported during the site visit. Possible evidence of vent pipes were observed at the property located at 138 Hope Street/429 Keap Street; the tenants of the building confirmed that building utilities or machinery do not utilize fuel oil associated with a tank.

According to the EDR Lien Search Report, environmental liens or activity and use limitations are not associated with the subject properties. The EDR lien search reflects a review of public records at the New York County Clerk and New York City Registry of Deeds. The search found no "environmental liens" and no "other activity and use limitations."

Based on the preliminary findings of this Phase I ESA, URS recommends a Phase II subsurface investigation for the Site following demolition of current structures and prior to new development. The Phase II ESA should include the collection and analysis of soil, groundwater and vapor samples in accordance with New York State Department of Environmental Conservation guidelines set forth in 6 NYCRR Part 375.

Based on URS' review of the regulatory databases, historical aerial photographs and a reconnaissance of visible areas of properties adjacent to the subject property, off-site facilities were not considered to represent potential environmental concerns to the subject property. No other environmental concerns were identified for the subject property based on the available information and site observations.

TABLE OF CONTENTS

Section	Page
EXECUTIVE SUMMARY	ii
SectionPage.....	iv
1.0 INTRODUCTION	1
1.1 OBJECTIVE	1
1.2 SCOPE OF WORK.....	1
1.3 LIMITING CONDITIONS.....	1
1.4 LIMITATIONS OF THE ASSESSMENT	2
1.5 VALIDITY	3
2.0 SITE DESCRIPTION	4
2.1 PHYSICAL LOCATION AND DESCRIPTION OF PROPERTY	4
2.2 ENVIRONMENTAL SETTING	4
2.2.1 Topography.....	4
2.2.2 Hydrogeologic Conditions.....	4
2.2.3 Soils.....	5
2.2.4 Surface Water	5
2.2.6 Wetlands	5
3.0 USER PROVIDED INFORMATION.....	6
3.1 TITLE RECORDS.....	6
3.2 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS	6
3.3 DATA GAPS	6
3.4 PREVIOUS INVESTIGATIONS.....	6
4.1 CURRENT USES OF THE PROPERTY.....	7
4.2 PAST USES OF THE PROPERTY	8
4.3 EXTERIOR AND INTERIOR SITE OBSERVATIONS	8
4.3.1 Hazardous Substances	8
4.3.2 Hazardous Wastes	8
4.3.3 Solid Waste	8
4.3.4 Aboveground/ Underground Storage Tanks.....	9
4.3.5 Drums and Containers.....	9
4.3.6 Wells	9
4.3.7 Drains and Sumps.....	9
4.3.8 Wastewater	10
4.3.9 Pits, Ponds, and Lagoons	10
4.3.10 PCB-Containing Equipment	10
4.3.11 High Tension Power Lines.....	10
4.3.12 Elevated Lead Levels in Water	10
4.3.13 Lead-in-Paint.....	10
4.3.14 Radon.....	10
4.3.15 Asbestos	10

4.3.16	<i>Mold Conditions</i>	10
4.3.17	<i>Other Physical Evidence of Contamination</i>	10
5.0	ADJOINING AND SURROUNDING LAND USE	11
5.1	CURRENT USES OF ADJACENT PROPERTIES.....	11
5.2	SURROUNDING PROPERTIES OF POTENTIAL ENVIRONMENTAL CONCERN	11
6.0	HISTORIC SITE AND SURROUNDING PROPERTY CONDITIONS	12
6.1	CURRENT AND PRIOR OWNERSHIP	12
6.2	INTERVIEWS.....	12
6.3	AERIAL PHOTOGRAPHS.....	12
6.4	SANBORN FIRE INSURANCE MAPS	12
6.5	CITY DIRECTORIES.....	13
6.6	TOPOGRAPHIC MAPS	14
7.0	REGULATORY AGENCY REVIEW	15
7.1	DATABASE SEARCH	15
7.2	SUBJECT PROPERTY	16
7.3	ADJACENT PROPERTIES	17
7.4	SITE VICINITY	19
7.5	UNMAPPED SITES.....	19
7.6	REGULATORY AGENCY CONTACTS/INTERVIEWS	20
8.1	FINDINGS.....	21
8.2	DEVIATIONS	21
8.3	USER OBLIGATION	22
9.0	QUALIFICATIONS AND SIGNATURES	23
10.0	REFERENCES	24

List of Figures

Figure 1 Site Vicinity Map

List of Appendices

Appendix A Environmental Lien/AUL search
Appendix B Site Photographs
Appendix C Historical Information (Aerial Photos, Sanborn Fire Insurance Maps, City Directories, and Topographical Maps)
Appendix D EDR Database Search

1.0 INTRODUCTION

URS Corporation (URS) was retained by Hope Keap LLC to conduct a Phase I Environmental Site Assessment (ESA) of the property located at 118 Hope Street, 120 Hope Street, 130 Hope Street, and 138 Hope Street/429 Keap Street in Brooklyn, NY (subject property). The purpose of URS' Phase I ESA was to evaluate whether current or historical activities on or near the subject property may have resulted in significant contamination by hazardous substances or wastes, also known as a Recognized Environmental Condition (REC).

This Phase I ESA was performed in general conformance with the ASTM *Standard Practice for Environmental Site Assessments* (Standard E 1527-05) approved November 18, 2005. The Phase I ESA was also performed in accordance with the URS proposal to Hope Keap, LLC dated June 14, 2013. The Phase I ESA objectives, scope, and limitations are presented in the following sections.

1.1 OBJECTIVE

The purpose of URS' Phase I ESA was to gather information about the subject property and surrounding areas to identify releases and threatened releases of hazardous substances, pollutants and contaminants, petroleum or petroleum products, and controlled substances on, at, in or to the subject property that would represent an area of REC.

1.2 SCOPE OF WORK

URS' Scope of Work for the Phase I ESA consisted of an inspection of the subject property and nearby area, a review of historical information on activities at the subject property, a review of readily available regulatory information concerning the subject property and other nearby properties of environmental concern, and preparation of a report detailing URS' results and conclusions. The environmental assessment was prepared in general conformance with URS' proposal dated June 14, 2013, which also references ASTM Standard E 1527-05.

1.3 LIMITING CONDITIONS

URS' site inspection included a walking inspection of areas that were accessible by foot (interior and exterior), and a drive-by inspection (exterior only) of surrounding and adjacent properties, including those properties identified in the environmental database search. URS viewed some tenant spaces and common areas representative of the subject building. However, URS did not access all tenant spaces or common areas. According to site representatives, no hazardous materials are stored within these spaces. Based on the reported uses of the inaccessible tenant spaces, URS does not anticipate revealing significant environmental concerns.

1.4 LIMITATIONS OF THE ASSESSMENT

URS has performed the Scope of Services set forth in the Proposal(s) related to this project, as they may have been amended (the "Proposals"), in specific reliance on the understandings and agreements reached between URS and Hope Keap, LLC and its affiliates ("Client or Lender") as reflected in the Proposals and the written agreement between them (the "Agreement"). URS' Scope of Services was limited to that stated in the Proposal(s). Without limiting the generality of the foregoing, and to insure that there are no misunderstandings regarding the scope of URS' activities, be advised that the Scope of Services did not include indoor air quality issues nor structural, electrical or mechanical issues, a full asbestos survey, wetlands assessments, or other activities not expressly described in the Proposal or in URS' report for the work. URS did not assess/compare the purchase price to the fair market value of the property, as this was not included in the requested scope of services.

The Report and any other information which URS prepared and submitted to Client in connection with this project (collectively, the "Reports") are for the sole use and benefit of Client and may not be used or relied upon by any other person or entity without the prior written consent of Client and URS. Any such consent given by URS shall be deemed to be and shall be subject to the terms and conditions of the Proposals and the Agreement, including without limitation, the warranty, liability and indemnity terms thereof, and any person given such consent (the "Grantee") shall be deemed to have agreed to such terms and conditions by its use and reliance on the Reports. Such Grantee must also agree not to reveal the contents of the Reports to any other person or entity without the prior written consent of both Client and URS.

URS' services in the development of this Report were conducted, within the limits prescribed by the Agreement, in a manner consistent with that level of care and skill ordinarily exercised by members of the same professions currently practicing in the same locality under similar conditions and no other guaranty, warranty, or representation, either expressed or implied, is included or intended herein.

Client recognizes and agrees that:

1. The information in the Reports relates only to the property specifically described in the Proposal and Report;
2. The information and conclusions provided in the Report apply only to the subject property as they existed at the time of URS' site examination. Should site use or conditions change or should there be changes in applicable laws, standards or technology, the information and conclusions in the Report may no longer apply;

3. URS makes no representations regarding the value or marketability of this property or its suitability for any particular use, and none should be inferred based on the Report;
4. The Report is intended to be used in its entirety and no excerpts may be taken to be representative of the findings of this investigation.

1.5 VALIDITY

This report was prepared in conformance with the ASTM Standard E 1527-05 approved November 18, 2005. The following components of this report must be updated after one hundred eighty (180) days of the date of this report if the property has not been acquired within that period of time:

1. Interviews with owners, operator and occupants;
2. Searches for recorded environmental cleanup liens;
3. Reviews of federal, tribal, state, and local government records;
4. Visual inspection of the property and of adjoining properties; and
5. The declaration of the environmental professional responsible for the assessment or update.

2.0 SITE DESCRIPTION

Information concerning the subject property was obtained from a site inspection conducted by Ms. Cary Friedman of URS on June 21 and June 25, 2013. Mr. Robert Klein of Kalmon Dolgin Affiliates Inc. (real estate broker) accompanied URS during both site inspections.

2.1 PHYSICAL LOCATION AND DESCRIPTION OF PROPERTY

The subject properties are located at 118 Hope Street, 120 Hope Street, 130 Hope Street, and 138 Hope Street/429 Keap Street, Brooklyn Borough, NY. The properties are identified on Tax Maps as Block 2386 Lots 7, 12, and 14. The subject property is situated in mixed commercial and residential setting in Brooklyn. The properties consist of three single story masonry constructed warehouse buildings. Two of the buildings (118 Hope Street/120 Hope Street and 130 Hope Street) have partial basements. The tenant space under the address of 130 Hope Street including the building's basement was inaccessible on the day of the site inspection.

The general location of the subject property is shown on the Site Vicinity Map, **Figure 1**.

The City of New York (municipal) provides potable water and sanitary sewer services to the subject property. Electricity and natural gas is provided by Consolidated Edison (Con Ed) of New York.

2.2 ENVIRONMENTAL SETTING

Environmental characteristics including topography, geology, and hydrogeology were evaluated based on site observations, published literature, and available maps.

2.2.1 Topography

According to the United States Geological Service (USGS) 7.5-Minute Topographic Quadrangle Map entitled *Brooklyn, NY* (1995) the subject property is located at an elevation of approximately 14 feet above mean sea level (msl). Based on the topographic map and subject property observations, surface topography in the vicinity of the subject property appears to be slightly sloping to the north/northeast.

2.2.2 Hydrogeologic Conditions

Groundwater flow direction and depths may vary season to season based amounts of precipitation, geology, underground structures, and de-watering activities. Shallow groundwater flow typically mimics surface topography, but can also flow towards nearby surface water bodies. Surface topography near the site slopes very slightly to the north/northeast according to the EDR report.

Groundwater in this area is not used as a source of drinking water, but groundwater in this area is classified as Class GA, a source of potable water. The subject property is located in an area of Brooklyn with historic groundwater contamination stemming from historic industrial activities.

2.2.3 Soils

According to The EDR Radius Map™ Report with GeoCheck®, soil in the subject property vicinity is classified as Urban Land, which is land that has been heavily disturbed by development in a highly urbanized area. Since the soil's original structure and content have been altered by human development, the soil at the subject property has lost its original characteristics and is thus unidentifiable.

2.2.4 Surface Water

During the site reconnaissance, no natural surface water bodies were identified on the subject property.

2.2.6 Wetlands

URS reviewed a United States Department of Interior, United States Fish & Wildlife Service (FWS) National Wetlands Inventory (NWI) map provided in The EDR Radius Map™ Report with GeoCheck® and information provided online by the FWS website. According to the NWI map, wetland areas were not identified on the subject property. Wetlands delineation was not performed as part of this assessment.

3.0 USER PROVIDED INFORMATION

As required by AAI, additional inquiries are required to be conducted by the property purchaser. These inquiries include:

1. Identification of environmental cleanup liens against the subject property;
2. Specialized knowledge or experience regarding the subject property;
3. Relationship of the purchase price to the fair market value if the subject property was not contaminated;
4. Commonly known or reasonably ascertainable information regarding the subject property; and
5. Degree of obviousness of the presence or likely presence of contamination at the subject property.

CREA (the "Client") did not provide the additional inquiry information to URS via an Information Transmittal Form (ITF) and ASTM User Questionnaire.

3.1 TITLE RECORDS

Procurement and review of a 50 Year Chain-of-Title was not included in the scope of services for this project.

3.2 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS

According to the EDR Lien Search Report, environmental liens or activity and use limitations are not associated with the subject properties. The EDR lien search reflects a review of public records at the New York County Clerk and New York City Registry of Deeds. The search found no "environmental liens" and no "other activity and use limitations."

A copy of the EDR Environmental Lien/AUL search is provided as **Appendix A**.

3.3 DATA GAPS

URS' ability to identify past uses of the subject property was limited by the following conditions identified during URS' review of historical resources:

- Data gaps of greater than five years were identified in historical information and documentation.

During this assessment, URS did not identify other significant data gaps in the reasonably ascertainable information reviewed and described in this report regarding the subject property which would be expected to impact our conclusions. The indiscernible historical resource information is not expected to change the conclusions of this report.

3.4 PREVIOUS INVESTIGATIONS

URS was not provided with any previous environmental assessment/investigation reports and correspondence.

4.0 SITE INSPECTION

URS inspected the subject property on June 21st and 25th, 2013. Weather conditions at the time of the inspections were sunny and approximately 80 degrees Fahrenheit. Site activities included a walking inspection of the subject properties. Additionally, a walking survey was also completed of adjoining properties and nearby properties listed in the EDR Radius Map Report. URS was accompanied by Mr. Robert Klein of Kalmon Dolgin Affiliates Inc. (real estate broker), during the site inspection.

Photographs taken during URS' site inspection are provided in **Appendix B**.

4.1 CURRENT USES OF THE PROPERTY

The subject properties are situated in a mixed commercial/residential neighborhood which has numerous active construction sites in the immediate vicinity. The properties are located at 118 Hope Street\120 Hope Street, 130 Hope Street, and 138 Hope Street/429 Keap Street in the Williamsburg section of Brooklyn, Kings County, New York State. The properties consist of three single story warehouse buildings all constructed with masonry brick.

138 Hope Street/429 Keap Street

This building is a slab on grade constructed single story warehouse housing an active copy/print business. Part of the tenant space has been renovated into office space which includes central heating and air conditioning. The remainder of the building is used as warehouse space and includes an overhead garage door and concrete floors.

130 Hope Street

This building is a single-story brick masonry warehouse building with a partial basement. Basement access is through a doorway on the sidewalk. The basement is being used for storage and for utilities. A number of renovations have been done on the interior of the building including central heating and air; run by natural gas and sound proofing of several rooms which were built inside the warehouse for recording music.

118 Hope Street/120 Hope Street

This building is a single story warehouse constructed of brick masonry. The building includes are partial basement accessible from the sidewalk entrance on Hope Street. The basement is being used as an apartment. There is an open pit behind the bathroom with standing water in it. No sheen or odors were observed on the water. The warehouse space is divided and being used by two tenants. 120 Hope Street is an active metal shop. 118 Hope Street is currently being used for storage of materials including a couple of old vehicles. The tenant indicated that his space would be cleaned out by the end of June 2013.

4.2 PAST USES OF THE PROPERTY

Available historical documents reviewed by URS dated back to 1896. Previous site uses include residential and commercial; including as a drycleaner. According to the information reviewed, the subject properties were constructed between 1916 and 1942 and their general use as commercial warehouses has remained essentially unchanged.

Further information on the historical use of the subject property is presented in **Section 6.0**.

4.3 EXTERIOR AND INTERIOR SITE OBSERVATIONS

An exterior inspection of the subject properties found no visible indications of possible USTs at 118/120 Hope Street or 130 Hope Street. Four vents were visible at roof height of the building at 138 Hope/429 Keap Street. According to the tenant of this space, natural gas has been used for heating during the time they have occupied the space.

4.3.1 Hazardous Substances

Hazardous substances observed by URS during the site reconnaissance were limited to retail-sized containers of various janitorial cleaning products, degreasers, paints and solvents which were observed at all properties. While no large quantities of solvents or degreasers were observed during the site inspection, the tenant located at 120 Hope Street operates as a metals shop where metals are fabricated as specified by the customer's order. Metals fabrication is synonymous with the use of solvents and degreasers.

It is URS' opinion that the use and management of hazardous substances at the subject property is not an environmental concern.

4.3.2 Hazardous Wastes

URS did not observe hazardous waste or generation activities at the subject property during the site reconnaissance.

4.3.3 Solid Waste

During the site visit, the solid waste consisted of household waste, wastepaper, cardboard, general packaging, and scrap metals. The City of New York collects solid waste from the subject property. No unusual stains or odors were observed near the solid waste cans at the time of the site visit. No grease bins were observed or reported at the subject property.

It is URS' opinion that the solid waste generation at the subject property is not an environmental concern.

4.3.4 Aboveground/ Underground Storage Tanks

No aboveground storage tanks (ASTs) or underground storage tanks (USTs) were observed or reported during the site visit. Possible evidence of vent pipes were observed at the property located at 138 Hope Street/429 Keap Street; the tenants of the building confirmed that no building utilities or machinery utilize fuel oil associated with a tank.

4.3.5 Drums and Containers

Other than the materials discussed in Section 4.3.1, containers observed on the subject property during the site visit were limited to janitorial cleaning products and building maintenance products. These materials were mostly stored in retail-sized containers.

It is URS' opinion that the management of containers at the subject property is not an environmental concern at this time.

4.3.6 Wells

No potable, injection, or dry wells were observed on the subject property during the site visit. According to EDR's radius report, two USGS wells are located within 1/8 of a mile of the site. USGS well ID 40000829478 is located within 1/8 of a mile of the site to the north/northeast and USGS well ID 40000829373 is located within 1/8 of a mile of the site to the south/southwest. The subject property building is connected to the New York City municipal water system.

4.3.7 Drains and Sumps

URS observed no floor drains in any of properties inspected with the exception of two small floor drains in the men's and lady's room on the ground floor. Two possible sumps were identified at the building located at 118 Hope/120 Hope Street. One was in the partial basement behind the bathroom the concrete cellar floor is broken up and hole is visible with standing water in it. It was unclear what the use of this structure was. The other potential sump is located on the ground floor of the 118 Hope Street tenant space, it is not situated directly above the partial basement, a hole in the concrete floor with a perforated cover was observed. There were visible liquid stains on the cover and the floor around it. The location was wet at the time of the inspection. No sheens or odors were observed.

Storm water runoff is collected in roof drains and municipal catch basins in the adjacent roadways, which are reportedly connected to the combined sewer system.

It is URS' opinion that the drains at the subject property are not an environmental concern at this time.

4.3.8 Wastewater

Wastewater generated at the subject property is limited to domestic sewage from the residences and commercial spaces. No process wastewater is generated at the subject property. The wastewater discharges to the municipal sanitary system operated by the City of New York.

It is URS' opinion that the wastewater at the subject property is not an environmental concern.

4.3.9 Pits, Ponds, and Lagoons

Pits, ponds, and lagoons were not observed on the subject property during the site visit.

4.3.10 PCB-Containing Equipment

Suspected PCB-Containing Equipment was not observed during the site visit.

4.3.11 High Tension Power Lines

No overhead high tension power lines were observed to be located within 300-feet of the subject property.

4.3.12 Elevated Lead Levels in Water

A lead in drinking water survey was not conducted nor included in the authorized scope of services.

4.3.13 Lead-in-Paint

A lead in paint survey was not conducted nor included in the authorized scope of services.

4.3.14 Radon

A radon screening survey was not conducted nor included in the authorized scope of services.

4.3.15 Asbestos

An asbestos survey was not conducted nor included in the authorized scope of services. Given the age of the buildings, asbestos-containing material is likely present in building materials.

4.3.16 Mold Conditions

A formal mold assessment was not included in the scope of work.

4.3.17 Other Physical Evidence of Contamination

No unusual odors, pools of waste liquids, runoff patterns, and berms were observed on the subject property during the site inspection.

5.0 ADJOINING AND SURROUNDING LAND USE

URS performed a visual inspection of readily visible areas of adjacent properties. The following description of the current uses of adjoining properties and surrounding properties of potential environmental concern is based on URS' observations on the date of the inspection and onsite interviews with real estate brokers and tenants.

5.1 CURRENT USES OF ADJACENT PROPERTIES

The subject property is located in the Williamsburg section of Brooklyn Borough, NY in an area that consists of mainly commercial and residential properties. In general, prominent adjoining land uses are as follows:

North: The subject property is bound to the north by Hope Street and Quaker Sugar Warehouse.

East: The subject property is bound to the east by Keap Street and a residential building with a daycare center on the first floor.

South: The subject property is bound to the south by a mid-rise residential building.

West: The subject property is bound to the west by two-story brick buildings possibly housing commercial space.

Additional information concerning neighboring facilities is discussed further in the appropriate portions of **Section 7.0**.

5.2 SURROUNDING PROPERTIES OF POTENTIAL ENVIRONMENTAL CONCERN

Based on URS' observations during the site reconnaissance of visible areas of properties adjacent to the subject property, no properties of potential environmental concern were identified adjacent to the subject property with the exception of those identified in **Section 7.0**.

6.0 HISTORIC SITE AND SURROUNDING PROPERTY CONDITIONS

The history of land use on and near the subject property was evaluated from interviews, review of historical information and other documents referenced in **Section 10.0**.

6.1 CURRENT AND PRIOR OWNERSHIP

Procurement and review of a 50 Year Chain-of-Title was not included in the scope of services for this project.

6.2 INTERVIEWS

Mr. Robert Klein, real estate broker, accompanied URS during the site inspection and information provided by Mr. Klein is included throughout this report.

6.3 AERIAL PHOTOGRAPHS

Information regarding past site land use was obtained by a monoscopic review of historical aerial photographs obtained from EDR for the years 1924, 1941, 1945, 1954, 1966, 1975, 1984, 1994, 1995, 2006, 2009, and 2011 (**Appendix C**). The following is a summary of the review:

- 1924-1975** The subject property and site vicinity are shown as densely developed adjacent to the Brooklyn-Queens Expressway by 1941. The subject property appeared to be developed with several structures at the time of these photographs; however, individual site features were indiscernible due to the dense development of the site vicinity.
- 1984-2011** The subject property was shown as developed with the current structure. Adjacent properties in all directions remained densely developed.

Based solely on the review of the historical aerial photograph, no RECs were identified associated with the subject property or adjacent properties.

6.4 SANBORN FIRE INSURANCE MAPS

URS contacted EDR for information regarding Sanborn™ Fire Insurance Maps for the subject property. Sanborn™ Maps are published detailed city maps, which were originally designed to meet the requirements of the fire insurance industry. Fire insurance maps provide detailed property information by outlining all buildings in applicable areas, showing construction types, building heights, building numbers, use by occupancy, as well as, the location and content of USTs/ASTs.

Sanborn™ Fire Insurance Rate Maps were available for this area to provide historical background of the subject property and its vicinity for the years 1887, 1905, 1916, 1942, 1951, 1965, 1978, 1979, 1980, 1981, 1982, 1983, 1986, 1987, 1988, 1989, 1991, 1992, 1993, 1995, 1996, 2001, 2002, 2003, 2004, 2005,

2006, and 2007 (**Appendix C**). Numerous site features are densely depicted on the subject property and adjacent properties; however, the scale of these maps is not sufficient to view the majority of onsite and adjacent facilities feature's names.

- 1887** The subject properties are depicted as improved with one and two story residential structures on the eastern portion and the western portion is identified as a foundry.
- 1905** The subject properties are still depicted as having one and two story residential structures on the eastern portion. The western portion is shown as a wagon shed. Adjacent to and covering part of the southern portion of site is the Brooklyn Coal Company with a "coal shed." Across Keap Street to the east is Harris Leather Factory.
- 1916** No significant changes are identified for the subject properties. The leather factory across Keap Street to the east is now identified as a Salvation Army warehouse.
- 1942** The subject properties are depicted as they are currently. On this map they are identified as two warehouses and a private garage. A gas tank is indicated on the map at the private garage building (current 138 Hope/429 Keap Street subject property). Notable adjacent properties include an iron works and auto repair facility across Keap Street to the east, and Brooklyn Edison Company Distribution Station is located one block to the north.
- 1951** The subject properties are unchanged except for a gas tank depicted at the western most warehouse building (current 118 Hope/120 Hope Street). The gas tank indicated on the map at the private garage space (current 138 Hope St/429 Keap St) is no longer indicated at the building now identified as a steel warehouse. Brooklyn Edison Company Distribution Station one block to the north is now identified as Con Edison Distribution Station.
- 1965** The subject properties are unchanged except two gas tanks are identified at the corner lot (current 138 Hope/429 Keap St) and a gas tank is no longer identified at the western most warehouse building (current 118 Hope St/120 Hope St).
- 1978-2007** The subject property and surrounding areas are similar to previously reviewed Sanborn maps.

Based solely on the review of the Certified Sanborn® Map Report obtained from EDR, environmental concerns were identified associated with the historical uses of the subject property; specifically the gas tanks identified as recently as 2007 at one of the subject properties (138 Hope St/429 Keap St).

6.5 CITY DIRECTORIES

City directories provide an indication of past activities at and around the subject property by listing the name of the occupant, residential or commercial, by address. URS reviewed city directories obtained from EDR for the years spanning 1928 through 2012 (**Appendix C**).

The subject property addresses identified multiple commercial listings in the 1928 through 2012 city directory abstracts. Of note, the target property at 138 Hope Street is listed as Parkway Towing and Equipment Handlers from 1985 through 2007 and listed as Saftee Plumbing Corporation between 1970

and 1976.

Nearby and adjacent addresses were identified with multiple listings in the city directories searched by EDR. Additional information concerning neighboring facilities is discussed further in the appropriate portions of **Section 7.0**.

Based solely on the review of The EDR-City Directory Abstract obtained from EDR, no environmental concerns were identified associated with the historical uses of the subject property or adjacent properties.

6.6 TOPOGRAPHIC MAPS

URS reviewed historic USGS 7.5-minute topographic maps of the *Brooklyn, NY* quadrangle dated 1900, 1924, 1947, 1956, 1967, 1979 and 1995 (**Appendix C**). The following is a summary of the review. The scale for each of these maps is; 1:24,000, unless otherwise specified.

1900-1947 Due to the scale of the topographic map, observations of the subject property and adjacent properties were limited as site-specific detail was not provided. Local roadways were depicted similar to their current configurations surrounding the subject property area.

1956-1995 The subject property area shown on the maps was shaded indicating it was a developed area of the City of New York. Roadways remained depicted similar to their current configurations surrounding the subject property area except that the Brooklyn Queens Expressway is now indicated on the maps.

Based solely on the review of the EDR Historical Topographic Map Report, environmental concerns were not identified associated with the historical uses of the subject property or adjacent properties.

7.0 REGULATORY AGENCY REVIEW

7.1 DATABASE SEARCH

URS reviewed information gathered from several environmental databases compiled by EDR in order to evaluate, to the extent possible, whether activities on or near the subject property have the potential to create adverse environmental impacts on the subject property. EDR reviews databases compiled by Federal, state, and local government agencies. The complete list of databases is provided in **Appendix D**.

It should be noted that this information is reported as URS received it from EDR, which in turn reports information as it is provided in various government databases. It is not possible for either URS or EDR to verify the accuracy or completeness of information contained in these databases. However, the use of and reliance on this information is a generally accepted practice in the conduct of environmental due diligence. A description of the pertinent databases searched and the information obtained is summarized below:

AGENCY DATABASE	SURVEY DISTANCE	NO. OF SITES IDENTIFIED
STANDARD ENVIRONMENTAL RECORD SOURCES		
Federal NPL site list	1.0 mile	0
Federal Delisted NPL site list	1.0 mile	0
Federal CERCLIS list	0.5 mile	0
Federal CERCLIS NFRAP site list	0.5 mile	1
Federal RCRA CORRACTS facilities list	1.0 mile	3
Federal RCRA non-CORRACTS TSD facilities list	0.5 mile	0
Federal RCRA generators list	0.25 mile	3
RCRA-LQG		6
RCRA-SQG		6
RCRA-CESQG		
Federal institutional control/engineering control registries	0.5 mile	0
Federal ERNS list	Property	0
State and tribal lists of potentially hazardous waste sites –equivalent CERCLIS: SHWS VAPOR REOPENED	1.0 mile	2 0
State and tribal landfill and/or solid waste disposal site lists SWF/LF	0.5 mile	0
State and tribal leaking storage tank lists LTANKS	0.5 mile And Target Property	35

AGENCY DATABASE	SURVEY DISTANCE	NO. OF SITES IDENTIFIED
State and tribal registered storage tank lists TANKS AST UST CBS CBS AST CBS UST	0.25 mile and Target property	1 33 16 0 0 0
State and tribal registered storage tank lists MOSF	0.5 mile	0
State and tribal institutional control/engineering control registries INST CONTROL	0.5 mile	0
State and tribal voluntary cleanup sites VCP	0.5 mile	0
State and tribal Brownfield sites BROWNFIELDS	0.5 mile	0
ADDITIONAL ENVIRONMENTAL RECORDS SOURCES		
Local Drycleaners	0.25 mile	9
Local Brownfield lists	0.5 mile	0
Federal RCRA generators list RCRA-NonGen	0.25 mile	23
Formerly Used Defense Sites List (FUDS)	1.0 mile	0
Superfund (CERCLA) Consent Decrees (CONSENT)	1.0 mile	0
Records of Decision (ROD)	1.0 mile	0
Local lists of hazardous waste manifest sites (MANIFEST)	0.25 mile	42
Local lists of landfill/solid waste disposal sites	0.5 mile	0
Local lists of hazardous waste/contaminated sites (SCRD) DRYCLEANERS	0.50 mile	0
Local lists of registered storage tanks HIST UST HIST AST NY DEL SHWS	0.25 mile and Target Property	13 0 1
Records of emergency release reports NY Spills NY Hist Spills E. DESIGNATION	0.25 mile and Target Property	28 0 43
EDR PROPRIETARY RECORDS		
Manufactured Gas Plants	1.0 mile	7
EDR Historical Auto Stations	0.25 mile	22
EDR Historical Cleaners	0.25 mile	19

7.2 SUBJECT PROPERTY

The subject property, at 130 Hope Street, was identified in the following databases searched by EDR:

- RCRA – SQG
- FINDS
- NY Manifest
- NY E Designation
- NY Drycleaners

All databases refer to the subject property previously operating as a drycleaner. Additionally, the subject property is identified as an "e" designated site. Consequently, the subject property is considered a REC.

7.3 ADJACENT PROPERTIES

The following listing was reported in the EDR database report for adjacent properties.

Con Edison – Manhole 55005 at Rodney St and Hope St is identified on the RCRA – LQG database. The location's EPA id# is NYP004183984; waste type is lead. URS does not consider this location to represent a significant environmental concern since a release did not occur.

Con Edison – Manhole 11 at Ainslie St and Rodney St is identified on the RCRA – LQG database. The location's EPA Identification number # is NYP004184016; waste type is lead. URS does not consider this to represent a significant environmental concern since a release did not occur.

S F A Leinoff, Inc. at 417 Union Ave is identified on the RCRA – SQG, FINDS, NY Spills, and NJ Manifest databases. The facility's EPA id# is NYR000036202; the waste type is not specified. The type of facility is not specified in any of the database entries. A note in the RCRA – SQG database listing shows that a violation was issued for unspecified reasons in May of 2003; it was resolved in June 2003. No other information was available in the EDR report regarding this violation. A spill record appears in the NY Spills database (Spill No. 9803138, closed on 6/17/98); the spill number was opened due to the report of gasoline odors in the air. No other information was reported in the database. URS does not consider this location to represent a significant environmental concern at this time.

Hope Street and Rodney Street are identified twice on the NY LTANKS database. NYSDEC spill numbers #0410795 and #0410793 were both issued on the same day for the same location as the result of a street spill. Both spill descriptions are identical and both spills numbers were closed on the same day (1/6/2005) by NYSDEC. URS does not consider this location to represent a significant environmental concern at this time.

34-50 Ainslie St is identified multiple times on the NY Spills Database. This property is less than 1/8 of a mile and is equal or downgradient of the site. Three of the spill records are currently listed as open.

- Spill No. 9501155 / Closed 2/12/98
- Spill No. 9501140 / Closed 5/12/08
- Spill No. 9613561 / Closed 6/8/98
- Spill No. 0406371 / Closed 9/21/04
- Spill No. 0403862 / Closed 7/26/05
- Spill No. 0406787 / open
- Spill No. 0406630 / open
- Spill No. 0406635 / open

Multiple Properties are listed on the NY Spills Database and are within 1/8 of a mile of the site and are topographically equal to or upgradient of the site. They include:

- Hope St and Keap St – Spill No. 0002744 – Closed 6/5/2000
- 423 Grand Street (Drum Run) – Spill No. 0413138 – Closed 4/22/05
- 441 Grand Street (Vacant Lot) – Spill No. 0702096 – Closed 8/21/07
- Rodney and Hope St (Feeder 61) – Spill No. 9802008 – Closed 11/1/02
- 178 Hope St (Weinberger) – Spill No. 0502023 – Closed 5/19/05
- Rodney St and Grand St – Spill No. 9930005 – Closed 2/2/04 and Spill No. 9900191 – Closed 4/6/99
- Rodney & Grand Sts/Ryder – Spill No. 9106642 – Closed 9/19/91
- Rodney St and Ainsley St – Spill No. 9503124 – Closed 6/21/95
- Commercial Property (Former Shell) 351 So. First St and 456 Grand St – Spill No. 1103309 - open
- Car Accident (462 Rodney St) – Spill No. 0802578 – Closed 6/6/08
- Repair Shop (341 South 1st St) – Spill No. 0608796 – Closed 11/30/06
- Shell Gas Station (351 South 1st St) – Spill Nos. 0403143 / Closed 11/2/05, 0403168 / Closed 6/23/04, 0712272 / Closed 7/19/10, 9608624 / Closed 7/11/02
- Manhole 149 (Ainslie St and Union Ave) – Spill No. 0104301 / Closed 8/23/01
- Transformer 189 (Rodney St and 1st St) – Spill No. 9910300 / Closed 3/29/02
- Rodney St near south 1st Street – Spill No. 9803795 / Closed 6/25/98
- Rodney St (in the area of 485 Rodney St) Spill No. 9910186 / Closed 10/30/03
- Manhole 4935 – Spill No. 9910034 / Closed 3/29/02
- 433 Union Ave – Spill No. 9800933 / Closed 5/11/98
- Apartment Bldg (360 South 1st St) – Spill No. 0311641 / Closed 2/27/04
- Hopper St / Grand St – Spill No. 9913655 / Closed 3/26/02
- Rodney St (between Grand St and Grand St E) – Spill No. 9815121 / Closed 7/18/03
- Main Road Way (Hope St and Marcy Ave) – Spill No. 0902116 / Closed 5/26/09

Based on URS' review of the regulatory databases, historical aerial photographs and a reconnaissance of visible areas of properties adjacent to the subject property, these properties were not considered to represent a potential environmental concern to the subject property, due to the offsite properties are documented or assumed to be hydrogeologically upgradient, and/ or are listed in the database as "closed" or "no further action" (including NFRAP).

7.4 SITE VICINITY

URS reviewed the EDR database report to identify offsite facilities that have suspected or documented environmental concerns or RECs that may negatively impact the subject property. URS' criteria for further evaluating the potential impact of a listed offsite facility are summarized below:

- The listed offsite facility is adjacent to the subject property; or, the listed offsite facility is documented or assumed to be hydrogeologically upgradient and a likely pathway exists for environmentally mobile contaminants to reach the subject property; or, contaminants from the listed offsite facility can reach the subject through other pathways (i.e., surface runoff); and,
- The offsite facility is listed on one of the following databases: Federal NPL, Federal CORRACTS, Federal CERCLIS, Federal ERNS, State SPL, State SCL, State LUST, State Deed Restrictions, State Toxic Pits, Landfill (excluding transfer stations), and is not listed in the database as "closed" or "no further action" (including NFRAP); or,
- The facility adjoins the subject property and is listed as a RCRA large-quantity hazardous waste generator, a CERCLIS NFRAP site, or an UST operator; or
- The facility is a known or suspected concern based on URS' experience or observations made during the site reconnaissance. (i.e., Dry-cleaning operations that may or may not be listed as RCRA-SQG or a non-adjacent UST site that appears to have a remediation system in place).

The EDR database report contains several separate listings on various databases for off-site properties within a one mile radius of the subject property. While a number of the listings meet the criteria listed above, it is the opinion of URS that none of the off-site database listings are likely to be the source of significant environmental impacts to the subject property, either by releases to the ground surface or through the migration of impacted groundwater. Because of the very long history of commercial and industrial development in the subject property vicinity, it is likely that the quality of groundwater beneath the City of New York has been degraded. There is a very low potential for the owner of the subject property to be held responsible for addressing groundwater impacts that may exist beneath the subject property, due to widespread contamination issues, commingling of plumes and difficulty in allocating responsibility for specific impacts.

7.5 UNMAPPED SITES

URS reviewed EDR's Orphan Summary, which is a listing of sites that have not been geocoded based on lack of sufficient data regarding their exact location within the general area. The subject property was not specifically identified as an Unmapped Site. The twenty unmapped orphan sites listed are considered to have a low potential to have impacted environmental conditions at the subject property because of one or

more of the following factors: the reported site status, absence of reported release, the distance from the subject property, and/or the inferred hydrogeologic cross/downgradient location from the subject property.

The review of the Orphan Summary list did not identify properties that are likely to represent an environmental concern to the subject property.

7.6 REGULATORY AGENCY CONTACTS/INTERVIEWS

During the performance of an environmental assessment, State and local regulatory agencies having jurisdiction over the subject property are contacted to evaluate the following information: the status of relevant environmental permits; whether there has been violations, or other similar correspondence from such agencies; whether corrective action or remediation is planned, currently taking place, or has been completed at the subject property; whether there have been reported violations or complaints that the subject property is not in compliance with environmental laws, regulations, or standards, and whether the subject property is under investigation for such non-compliance; whether the subject property is listed on the regulatory databases; and whether there is other pertinent documentation on file with such regulatory agencies regarding the subject property or surrounding sites of concern.

URS contacted the following regulatory agencies for information regarding environmental violations or incidents and/or the status of active enforcement actions at the subject property.

- The City of New York Department of Environmental Protection (NYCDEP);
- The City of New York Department of Health (NYCDOH); and,
- The New York State Department of Environmental Conservation (NYSDEC).

URS have not received a response to date. Should environmentally significant information be obtained from these regulatory agencies, such information will be forwarded as an addendum to this report.

8.0 CONCLUSIONS

URS has developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312 *Standards and Practices for All Appropriate Inquiries; Final Rule* for the properties located at 118 Hope Street, 120 Hope Street, 130 Hope Street, 138 Hope Street, and 429 Keap Street (subject properties). Any exceptions to, or deletions from, this practice are described in the limitations sections of this report.

8.1 FINDINGS

Based on the scope of work conducted for this Phase I ESA, URS presents the following findings in connection with current or historic operations at the subject property:

The subject property at 130 Hope Street is listed on EDR's Drycleaner, RCRA-SQG, FINDS, and NY Manifest databases, though it is not currently used as one. The building at this property has been substantially renovated and no indications of its past use as a drycleaner were visible during the site inspection. None of the other addresses (118 Hope St, 120 Hope St, 138 Hope St, or 429 Keap St) were identified in any of the EDR databases. The subject property at 130 Hope Street is also listed under New York City Department of Environmental Protection e-Designation for HAZMAT. Based on the past use of 130 Hope Street and the e-designation; URS considers the 130 Hope Street property a REC.

Based on historic documentation reviewed by URS, USTs were identified on Sanborn fire Insurance maps at the properties located at 138 Hope Street/429 Keap Street and 120 Hope Street. No indications of USTs were observed during the site inspection, but vent pipes were visible at roof height at the property located at 138 Hope Street (see photo log in Appendix B). The tenant at 138 Hope Street confirmed that no utilities at this location are run off of fuel oil at the present time.

Based on the findings of this Phase I ESA, URS recommends a Phase II subsurface investigation for the Site following demolition of current structures and prior to new development. The Phase II should include the collection and analysis of soil, groundwater, and soil vapor samples in accordance with New York State Department of Environmental Conservation guidelines set forth in 6 NYCRR Part 375.

8.2 DEVIATIONS

URS' ability to identify past uses of the subject property was limited by the following conditions identified during URS' review of historical resources:

- Individual site features were indiscernible due to the scales of the historic aerial photographs provided by EDR and dense development surrounding the subject property.
- Data gaps of greater than five years were identified in historical information.

During this assessment, URS did not identify other significant data gaps in the reasonably ascertainable information reviewed and described in this report regarding the subject property which would be expected to impact our conclusions. The indiscernible historical resource information is not expected to change the conclusions of this report.

URS did not deviate from the scope of work outlined in URS' proposal to Hope Keap, LLC dated June 14, 2013.

8.3 USER OBLIGATION

To receive/maintain liability protections established under the Brownfields Amendments, in addition to conducting AAI, the purchaser has the continued obligation of:

- Complying with land use restrictions and not impeding the effectiveness or integrity of institutional controls;
- Taking steps with respect to hazardous substances affecting a landowner's property to prevent releases;
- Providing cooperation, assistance and access to EPA, a state, or other party conducting response actions or natural resource restoration at the property;
- Complying with CERCLA information requests and administrative subpoenas; and,
- Providing legally required notices.

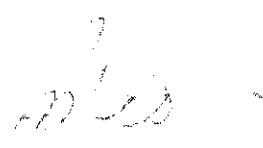
9.0 QUALIFICATIONS AND SIGNATURES

We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in 40 CFR Part 312.10.

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 CFR Part 312 and have performed the Phase I ESA in general conformance with the standards and practices set forth in ASTM E1527-05 subject to the limitations and data gaps as described in this report and authorized scope of work.

This report was prepared and reviewed by:
URS Corporation

Cary Friedman
Project Geologist
URS-New York, NY



Robert Wolff
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URS-New York, NY

10.0 REFERENCES

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