

FOREST CITY RATNER C O M P A N I E S

Robert P. Sanna
Executive Vice President
Director of Construction
and Design Development

November 8, 2005

BY FEDEX

Rachel Shatz
Director of Planning & Environmental
Review, Design & Construction
Empire State Development Corp.
633 Third Avenue
New York, NY 10017-6754

Re: 608-620 Atlantic Avenue
461 Dean Street
463 Dean Street
585-601 Dean Street
620 Pacific Street

Dear Ms. Shatz:

Enclosed please find a report (together with a copy on disc) prepared by LZA Technology ("LZA") documenting the physical conditions of the referenced buildings (all located in Brooklyn, NY) acquired by Forest City Ratner Companies or an affiliate ("Forest City"). All of the buildings are located on the site of the Atlantic Yards Project.

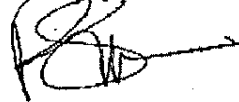
As documented in the attached, the buildings were in an extremely deteriorated state when acquired by Forest City and have continued to deteriorate since that time. Due to their unsafe condition, LZA is recommending their immediate removal to avoid injury or damage to property or persons.

Accordingly, Forest City intends to demolish the buildings as soon as all required permits are attained. Demolition will proceed in accordance with all applicable laws and requirements.

Ms. Rachel Shatz
November 8, 2005
Page 2

Please do not hesitate to call should you have any questions regarding this information.

Sincerely,

A handwritten signature in black ink, appearing to be 'RS', with a long horizontal stroke extending to the right.

Robert Sanna

Enclosure

cc: Keith Beck
Linda Chiarelli
Jane Marshall
Melanie Meyers (w/enc)
David Paget (w/enc)
James Stuckey