ENVIRONMENTAL EASEMENT GRANTED PURSUANT TO ARTICLE 71, TITLE 36 OF THE NEW YORK STATE ENVIRONMENTAL CONSERVATION LAW

THIS INDENTURE made this 1st day of November, 2007, between the Yonkers Community Development Agency ("YCDA") as current owner of fee of nine parcels of land within the City of Yonkers, New York (the "Main Street Assemblage"), having an office at 87 Nepperhan Avenue, Yonkers, New York 10710 (the "Grantee"), and The People of the State of New York (the "Grantee"), acting through their Commissioner of the Department of Environmental Conservation (the "Commissioner", or "NYSDEC" or "Department" as the context requires) with its headquarters located at 625 Broadway, Albany, New York 12233,

WHEREAS, the Legislature of the State of New York has declared that it is in the public interest to encourage the remediation of abandoned and likely contaminated properties ("sites") that threaten the health and vitality of the communities they burden while at the same time ensuring the protection of public health and the environment; and

WHEREAS, the Legislature of the State of New York has declared that it is in the public interest to establish within the Department a statutory environmental remediation program that includes the use of environmental easements as an enforceable means of ensuring the performance of operation, maintenance, and/or monitoring requirements and of ensuring the potential restriction of future uses of the land, when an environmental remediation project leaves residual contamination at levels that have been determined to be safe for a specific use, but not all uses, or which includes engineered structures that must be maintained or protected against damage to perform properly and be effective, or which requires groundwater use or soil management restrictions; and

WHEREAS, the Legislature of the State of New York has declared that environmental easement shall mean an interest in real property, created under and subject to the provisions of Article 71, Title 36 of the New York State Environmental Conservation Law ("ECL") which contains a use restriction and/or a prohibition on the use of land in a manner inconsistent with engineering controls which are intended to ensure the long term effectiveness of a site remedial program or eliminate potential exposure pathways to hazardous waste or petroleum; and,

WHEREAS, a portion of the Main Street Assemblage has been accepted by NYSDEC as a Brownfield Site and is comprised of five parcels containing approximately 0.6 acres located at 54-62 Main Street (Section I, Block 501, Lot 5) being the same property conveyed to Grantor by deed dated August 1, 2005 and recorded in the Land Records of the Westchester County Clerk at Control No. 452420002 on September 7, 2005; 64 and 66 Main Street (Section I, Block 501, Lots 3 and 4) being part of property conveyed to Grantor by deed dated August 1, 2005 and recorded at Control No. 452420017 on September 7, 2005 and 68-70 Main Street and 2 Hawthorne Avenue (Section I, Block 501, Lots 1 and 47, being the same property conveyed to Grantor by deed dated December 21, 2005, and recorded at Control No. 461560310 on June 28, 2006; and hereinafter more fully described in the metes and bounds description attached hereto as Schedule A, and a survey of the property prepared by Link Land Surveyors, P.C., dated October 6, 2007, is attached hereto as Schedule B, is the subject of this Environmental Easement (the "Controlled Property"); and
WHEREAS, the remainder of the Main Street Assemblage does not contain any Brownfield Sites and is comprised of four parcels containing approximately 0.3 acres located at 45 Hudson Street (Section 1, Block 501, Lot 42) being part of the property conveyed to Grantor by deed dated August 1, 2005 and recorded at Control No. 452420017, 49 Hudson Street (Section 1, Block 501, Lot 44) being the same property conveyed to Grantor by deed dated December 21, 2005 and recorded at Control No. 461560365 on June 28, 2006, and 53 Hudson Street (Section 1, Block 501, Lots 45 and 46) being the same property conveyed to Grantor by deed dated December 21, 2005 and recorded at Control No.461560256 ("Non-Controlled Property"). The Non-Controlled Property is not subject to the terms of this Environmental Easement; and

WHEREAS, Grantor entered into an Urban Renewal Project Land Disposition Agreement dated July 27, 2005 with Main Street Lofts Yonkers, LLC (the "Developer") whereby the Developer has an option to purchase the Main Street Assemblage project upon substantial completion of construction (the "LDA"). The Grantor also entered into a 50-year development lease dated December 1, 2005 with the City of Yonkers Industrial Development Agency ("YIDA"), which was acknowledged by Developer ("Development Lease"), and YIDA entered into a 50-year sublease agreement dated December 1, 2005 with Developer ("Sublease"). The LDA, Development Lease and Sublease were recorded in the Land Records of the Westchester County Clerk on June 28, 2006; and

WHEREAS, the environmental remediation required on the Controlled Property is complete, thus requiring this Environmental Easement to be recorded with respect to the Controlled Property, but the Developer has not yet substantially completed the Main Street Lofts project, thus requiring the Grantor, YIDA and the Developer, each of which have ownership interests in the Controlled Property at this time, to record this Environmental Easement, which shall run with the land (hereinafter, the Grantor, YIDA and the Developer shall be referred to collectively as the "Grantor"); and

WHEREAS, the Commissioner does hereby acknowledge that the Department accepts this Environmental Easement in order to ensure the protection of human health and the environment and to achieve the requirements for remediation established at this Controlled Property until such time as this Environmental Easement is extinguished pursuant to ECL Article 71, Title 36; and

NOW THEREFORE, in consideration of the covenants and mutual promises contained herein and the terms and conditions of Brownfield Cleanup Agreement Number A3-0553-1205, Site Number C360076, dated January 9, 2006, Grantor grants, conveys and releases to Grantee a permanent Environmental Easement pursuant to Article 71, Title 36 of the ECL in, on, over, under, and upon the Controlled Property as more fully described herein and in Schedule A and Schedule B, attached hereto and made a part hereof.

1. Purposes. Grantor and Grantee acknowledge that the purposes of this Environmental Easement are: to convey to Grantee real property rights and interests that will run with the land in perpetuity in order to provide an effective and enforceable means of encouraging the reuse and redevelopment of the Controlled Property at a level that has been determined to be safe for a

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specific use while ensuring the performance of operation, maintenance, and/or monitoring requirements; and to ensure the potential restriction of future uses of the land that are inconsistent with the above-stated purpose.

2. Institutional and Engineering Controls. A Site Management Plan for the management of residual contamination at and from the Controlled Property approved by the NYSDEC ("SMP") describes the obligations that Grantor assumes on behalf of Grantor, its successors and assigns, and is hereby incorporated into the terms of this Environmental Easement. Upon notice of not less than 30 days the Department in exercise of its discretion and consistent with applicable law may revise the SMP. The notice shall be a final agency determination. The Grantor and all successors and assigns, assume the burden of performing all of the obligations contained in the SMP and obtaining an up-to-date version of the SMP from:

Regional Remediation Engineer or Site Control Section
NYSDEC Region 3 Division of Environmental Remediation
21-South Putts Corners Road 21 South Putts Corners Road
New Paltz, NY 12561 New Paltz, NY 12561

The following controls apply to the use of the Controlled Property, run with the land, are binding on the Grantor and the Grantor's successors and assigns, and are enforceable in law or equity against any owner of the Controlled Property, any lessees, and any person using the Controlled Property:

A. The Controlled Property may be used for commercial or restricted residential use as long as the following long-term engineering controls are employed consistent with the SMP:

- The use of groundwater underlying the Controlled Property is prohibited without treatment rendering it safe for drinking or industrial use, as appropriate, unless permission is obtained from the appropriate regulatory agencies;

- Any soil disturbance on the Controlled Property excavated below the barrier layer must be managed, characterized and properly disposed of in accordance with applicable regulations and the NYSDEC-approved Soil/Fill Management Plan, Appendix A of the SMP;

- Any soil lying within the Controlled Property, fully described in Schedule A, must remain covered with a NYSDEC-approved barrier layer consisting of concrete slabs under building structures, concrete or asphalt pavement in walkways and driving surfaces and clean soil cover in vegetated areas on the Controlled Property, which must be inspected, certified and maintained as required in the SMP;

- A sub-slab soil vapor mitigation system installed under the building structure must be inspected, certified and maintained as required in the SMP; and

- All future activities on the Controlled Property that will disturb residual contaminated material protected under this Environmental Easement, including any proposed soil excavation, are prohibited unless such activities are conducted in accordance with the

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Soil Management Plan, Appendix A in the SMP.

B. The Controlled Property may not be used for a higher level of use such as unrestricted residential use, and/or vegetable gardens or farming, and the above-stated engineering controls may not be discontinued without an amendment or extinguishment of this Environmental Easement.

C. Grantor, its successors and assigns, covenants and agrees that until such time as the Environmental Easement is extinguished in accordance with the requirements of Article 71, Title 36 of the ECL, the property deed and all subsequent instruments of conveyance relating to the Controlled Property shall state in at least fifteen-point bold-faced type:

This property is subject to an environmental easement held by the New York State Department of Environmental Conservation pursuant to Title 36 of Article 71 of the Environmental Conservation Law.

D. Grantor, its successors and assigns, covenants and agrees that this Environmental Easement shall be incorporated in full or by reference in any leases, licenses, or other instruments granting a right to use the Controlled Property.

E. Grantor, its successors and assigns, covenants and agrees that it shall annually, or such time as NYSDEC may allow, submit to NYSDEC a written statement by an expert the NYSDEC may find acceptable certifying under penalty of perjury that the controls employed at the Controlled Property are unchanged from the previous certification or that any changes to the controls employed at the Controlled Property were approved by the NYSDEC, and that nothing has occurred that would impair the ability of such control to protect the public health and environment or constitute a violation or failure to comply with any Site Management Plan for such controls and giving access to such Controlled Property to evaluate continued maintenance of such controls.

3. Right to Enter and Inspect. Grantee, its agents, employees, or other representatives of the State may enter and inspect the Controlled Property in a reasonable manner and at reasonable times to assure compliance with the above-stated restrictions.

4. Reserved Grantor's Rights. Grantor reserves for itself, its assigns, representatives, and successors in interest with respect to the Property, all rights as fee owner of the Controlled Property, including:

1. Use of the Controlled Property for all purposes not inconsistent with, or limited by the terms of this Environmental Easement;

2. The right to give, sell, assign, or otherwise transfer the underlying fee interest to the Controlled Property by operation of law, by deed, or by indenture, subject and subordinate to this Environmental Easement.
5. **Enforcement**

A. This Environmental Easement is enforceable in law or equity in perpetuity by Grantor, Grantee, or any affected local government, as defined in ECL Section 71-3603, against the owner of the Property, any lessees, and any person using the land. Enforcement shall not be defeated because of any subsequent adverse possession, laches, estoppel, or waiver. It is not a defense in any action to enforce this Environmental Easement that: it is not appurtenant to an interest in real property; it is not of a character that has been recognized traditionally at common law; it imposes a negative burden; it imposes affirmative obligations upon the owner of any interest in the burdened property; the benefit does not touch or concern real property; there is no privity of estate or of contract; or it imposes an unreasonable restraint on alienation.

B. If any person intentionally violates this Environmental Easement, the Grantee may revoke the Certificate of Completion provided under ECL Article 27, Title 14, or Article 56, Title 5 with respect to the Controlled Property.

C. Grantee shall notify Grantor, its successors and assigns, of a breach or suspected breach of any of the terms of this Environmental Easement. Such notice shall set forth how Grantor can cure such breach or suspected breach and give Grantor a reasonable amount of time from the date of receipt of notice in which to cure. At the expiration of such period of time to cure, or any extensions granted by Grantee, the Grantee shall notify Grantor of any failure to adequately cure the breach or suspected breach. Grantor shall then have a reasonable amount of time from receipt of such notice to cure. At the expiration of said second period, Grantee may commence any proceedings and take any other appropriate action reasonably necessary to remedy any breach of this Environmental Easement in accordance with applicable law to require compliance with the terms of this Environmental Easement.

D. The failure of Grantee to enforce any of the terms contained herein shall not be deemed a waiver of any such term nor bar its enforcement rights in the event of a subsequent breach of or noncompliance with any of the terms of this Environmental Easement.

6. **Notice.** Whenever notice to the State (other than the annual certification) or approval from the State is required, the Party providing such notice or seeking such approval shall identify the Controlled Property by referencing the following information: County, NYSDEC Site Number, NYSDEC Contract or Order Number, and the County tax map number or the Liber and Page or computerized system identification number.

Parties shall address correspondence to: Environmental Easement Attorney
Office of General Counsel
NYSDEC
625 Broadway
Albany New York 12233-5500

Notices and other correspondence to the Grantor pursuant to this Environmental Easement or Environmental Easement/Page 5 of 14
other matter related to or affecting the Controlled Property shall be addressed as follows:

Yonkers Community Development Agency  
87 Nepperhan Avenue  
Yonkers, New York 10701  
Attention: Commissioner of Planning and Development

YIDA  
470 Nepperhan Avenue  
Yonkers, New York 10701  
Attention: President

Kenneth Dearden  
Main Street Lofts Yonkers LLC (c/o DW Capital)  
82 Pondfield Road West  
Yonkers, New York 10708

With a copy to:

Steven A. Accinelli, Esq.  
Griffin, Coogan & Veneruso, P.C.  
51 Pondfield Road  
Bronxville, New York 10708

Linda R. Shaw, Esq.  
Knauf Shaw LLP  
1125 Crossroads Building, 2 State Street  
Rochester, New York 14614

Corporation Counsel of the City of Yonkers  
City Hall, Room 300  
Yonkers, New York 10701

Such correspondence shall be delivered by hand, or by registered mail or by Certified mail and return receipt requested. The Parties may provide for other means of receiving and communicating notices and responses to requests for approval.

7. Recordation. Grantor shall record this instrument, within thirty (30) days of execution of this instrument by the Commissioner or her/his authorized representative in the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

8. Amendment. This Environmental Easement may be amended only by an amendment executed by the Commissioner of the New York State Department of Environmental Conservation and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

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9. **Extinguishment.** This Environmental Easement may be extinguished only by a release by the Commissioner of the New York State Department of Environmental Conservation and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.

10. **Joint Obligation.** If there are two or more parties identified as Grantor herein, the obligations imposed by this instrument upon them shall be joint and several.
IN WITNESS WHEREOF, Grantor, YIDA and Developer have caused this instrument to be signed in their respective names.

Yonkers Community Development Agency

By: [Signature]
Name: Philip A. Amicone
Title: Chairman
Date: 9-19-07

City of Yonkers Industrial Development Agency

By: [Signature]
Name: Ellen Lynch
Title: Pres./CEO
Date: 9-26-03

Main Street Leans Yonkers LLC

By: [Signature]
Name: [Signature]
Title: Manager
Date: 9-26-03
YCDAs Acknowledgment

STATE OF NEW YORK
COUNTY OF WESTCHESTER

On the 17th day of September, in the year 2007, before me, the undersigned, personally appeared Philip A. Amicone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

BARRAOG GORDON ESPEJO
Notary Public - State of New York
No. 40023109 DUTCHESS
Qualified in Westchester County
Commission Expires March 8, 2010

Developer's Acknowledgment

NEW YORK
STATE OF NEW YORK
COUNTY OF BERGEN

On the 60th day of September, in the year 2007, before me, the undersigned, personally appeared Alan Lit, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

HEATHER JOHNSON
Notary Public - State of New Jersey
VIDA's Acknowledgement

STATE OF NEW YORK  )
COUNTY OF  )  ss:

On the 21st day of Sept, in the year 2007, before me, the undersigned, personally appeared Ellen Lynch, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Melvin M. Carter
Notary Public - State of New York

[Notary Public's Signature]

[Notary Public's Information]

[Commission Expires: October 24, 2009]
County: Westchester  Site No: C360076  Contract/Order No: A3-0553-1205

THIS ENVIRONMENTAL EASEMENT IS HEREBY ACCEPTED BY THE PEOPLE OF THE STATE OF NEW YORK, Acting By and Through the Department of Environmental Conservation

by:

[Signature]
Alexander B. Grannis, Commissioner

Granitee's Acknowledgment

STATE OF NEW YORK:  
COUNTY OF ALBANY:  

On the 26 day of December, in the year 2007, before me, the undersigned, personally appeared ALEXANDER B. GRANNIS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Commissioner of the State of New York Department of Environmental Conservation, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public - State of New York

SCOTT OWENS
Notary Public - New York

Expiry Date: April 11, 2010

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SCHEDULE A

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATED AND LYING AND BEING IN THE CITY OF YONKERS, COUNTY OF WESTCHESTER, AND STATE OF NEW YORK, BEING AN EASEMENT FOR MAINTENANCE INSPECTION FOR NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION (NYSDEC) OF THE BROWNFIELD SITE FOR PROPERTY LOCATED AT 66 MAIN STREET AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF MAIN STREET WITH THE EASTERLY SIDE OF HAWTHORNE AVENUE;

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY SIDE OF MAIN STREET 90.00 FEET TO A POINT;

THENCE CONTINUING EASTERLY ALONG THE SOUTHERLY SIDE OF MAIN STREET WHICH FORMS AN INTERIOR ANGLE OF 183°19'10" WITH THE LAST DESCRIBED COURSE, A DISTANCE OF 125.95 FEET TO THE WESTERLY LINE OF LAND NOW OR FORMERLY OF VALINE REALTY CORP.;

RUNNING THENCE SOUTHERLY ALONG SAID LAND NOW OR FORMERLY OF VALINE REALTY CORP., IN PART THROUGH AN OLD PARTY WALL, ALONG A LINE WHICH FORMS AN INTERIOR ANGLE OF 85°52'40" WITH THE LAST DESCRIBED COURSE, A DISTANCE OF 118.88 FEET TO THE NORTHERLY LINE OF LAND NOW OR FORMERLY 35 HUDSON ST. REALTY, INC.;

RUNNING THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LAND NOW OR FORMERLY OF 35 HUDSON ST. REALTY, INC. WHICH FORMS AN INTERIOR ANGLE OF 90°31'30" WITH THE LAST DESCRIBED COURSE, A DISTANCE OF 30.86 FEET;

RUNNING THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, A DISTANCE OF 1.57 FEET TO THE NORTHERLY LINE OF LAND NOW OR FORMERLY OF SAYEGH AUTO BODY, INC.;

RUNNING THENCE ALONG THE NORTHERLY LINE OF LAND NOW OR FORMERLY OF SAYEGH AUTO BODY, INC. FOLLOWING COURSES AND DISTANCES:

IN WESTERLY DIRECTION AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 43.75 FEET IN A NORTHERLY DIRECTION AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 8.92 FEET AND IN THE WESTERLY DIRECTION AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 25.00 FEET;
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RUNNING THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 33.92 TO A POINT;

RUNNING THENCE WESTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 75.00 FEET TO A POINT;

RUNNING THENCE SOUTHERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 5.00 FEET TO A POINT;

RUNNING THENCE WESTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSES, A DISTANCE OF 40.00 FEET TO THE EASTERLY SIDE OF HAWTHORNE AVENUE;

RUNNING THENCE NORTHERLY ALONG THE EASTERLY SIDE OF HAWTHORNE AVENUE WHICH FORMS AN INTERIOR ANGLE OF 90°00'00" WITH THE LAST DESCRIBED COURSE, A DISTANCE OF 150.11 FEET TO THE POINT AND PLACE OF BEGINNING
SCHEDULE B

MAP OF CONTROLLED PROPERTY