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

THIS INDENTURE made this 24th day of November, 2009, between Owner(s) 1093 Group, LLC, having an office at 210 Ellicott Square, Buffalo, New York 14203, (the "Grantor"), 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, Grantor, is the owner of real property located at 517 Niagara Street, Buffalo, Erie County, State of New York, known and designated on the tax map of the County Clerk of Erie as tax map parcel numbers: Section 110. 27 Block 5 Lot 1.1, being the same as that property conveyed to Grantor by Bargain and Sale Deed dated November 21, 2008 and recorded in the Erie County Clerk's Office in Liber 11152 at page 7093 of deeds, comprising of approximately 0.26± acres, and hereinafter more fully described in the ALTA/ACSM Land Title Survey dated June 9, 2009, (Revised November 5, 2009) prepared by TVGA Consultants, and corresponding Schedule "A" property description, both documents are attached hereto and made a part hereof (the "Controlled Property"); 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 B9-0759-07-11, 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 ("Environmental Easement").

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 this Controlled Property at a level that has been determined to be safe for a 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. 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 restricted residential use as described within 6 NYCRR Part 375- 1.8 (g) (2) (ii), as long as the following long-term engineering controls are employed and the land use restrictions specified below are adhered to:

(i) Any use of groundwater as a source of potable or process water without necessary water quality treatment, as determined by the New York State Department of Health (NYSDOH) and prior notification and approval of the New York State Department of Environmental Conservation (NYSDEC), shall not be permitted

(ii) A soil vapor investigation must be conducted and a vapor system must be installed, if deemed necessary by the NYSDOH and NYSDEC, for any buildings developed on the site, including provisions for mitigating any impacts identified

(iii) Future intrusive activities and soil/fill handling at the Site must be completed in a safe and environmentally responsible manner in accordance with the Excavation Work Plan.

(iv) Groundwater monitoring plan; a soil vapor investigation (SVI) evaluation; and, a Site-wide Inspection assuring that the Institutional controls have not been altered and remain effective must be conducted in accordance with the Site Monitoring Plan

B. Grantor must provide all persons who acquire any interest in the Controlled Property a true and complete copy of the Site Management Plan ("SMP") that the Department has approved for the Controlled Property and all Department-approved amendments to that SMP.

The Grantor hereby acknowledges receipt of a copy of the NYSDEC-approved Site Management Plan, dated December, 2009. The SMP describes obligations that the Grantor assumes on behalf of Grantor, its successors and assigns. The Grantor's assumption of the obligations contained in the SMP which may include sampling, monitoring, and/or operating a treatment system on the Controlled Property, and providing certified reports to the NYSDEC, is and remains a fundamental element of the Department's determination that the Controlled Property is safe for a specific use, but not all uses. Upon notice of not less than thirty (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 complying with the SMP and obtaining an up-to-date version of the SMP from:

Regional Remediation Engineer
NYSDEC - Region 9
Division of Environmental Remediation
270 Michigan Avenue
Buffalo, NY 14203-2999
Phone: (716) 851-7200 fax: (716) 851-7211

or

Site Control Section
Division of Environmental Remediation
NYS DEC
625 Broadway
Albany, New York 12233

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

D. Grantor 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 of Title 36 to Article 71 of the Environmental Conservation Law.

E. Grantor 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.

F. Grantor 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:

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

B. 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 with respect to the Controlled Property.

C. Grantee shall notify Grantor 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: Site Number: C 915223
Department of Environmental Enforcement
Office of General Counsel
NYSDEC
625 Broadway
Albany New York 12233-5500

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.

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 has caused this instrument to be signed in its name.

Grantor's Name: 1093 Group, LLC

By: _____
Carl P. Paladino - Manager

Title: _____ Date: 11/24/09

By: _____
William A. Paladino - Manager

Title: _____ Date: 11/24/09

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: _____
Alexander B. Grannis, Commissioner

By: _____
Dale A. Desnoyers, Director
Division of Remediation

Grantor's Acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF ERIE)

On the 24th day of NOVEMBER, in the year 2009, before me, the undersigned, personally appeared CARL P. PALADINO AND*, 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.

* WILLIAM A. PALADINO

_____
Notary Public - State of New York

KATHLEEN A. LINHARDT
Notary Public, State of New York
Qualified in Erie County
My Commission Expires March 25, 2010

Grantee's Acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF Albany)

On the 15th day of December, in the year 2009 before me, the undersigned, personally appeared Dale DeSnoyers 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/ executed the same in his/her/ capacity as a designated authority granted by the Commissioner of the State of New York Department of Environmental Conservation, and that by his/her/ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public - State of New York

DAVID S. SAMPSON 02SA5013268
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN RENSSELAER COUNTY
COMMISSION EXPIRES JULY 15, 2011

SCHEDULE "A" PROPERTY DESCRIPTION

RECORD DEED

LEGAL DESCRIPTION

PARCEL A (517 Niagara Street)

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of the north 1/3 of Block 78 and according to map filed in Erie County Clerk's Office under Cover No. 75, is known as Subdivision Lot Nos. 2 and 3 and part of Subdivision Lot No. 5 and map filed under Cover No. 52 is described as follows:

Beginning at a point in the northeasterly line of Niagara Street, 41 ½ feet southeasterly from its intersection with the southeasterly line of Pennsylvania Avenue (as a 4 rod street); thence southeasterly along said line of Niagara Street, 50 feet; thence northeasterly parallel with Pennsylvania Avenue, 125 feet to an alley; thence northwesterly along said alley, 50 feet; thence southwesterly parallel with Pennsylvania Avenue, 125 feet to the point or place of beginning and being further intended to describe those premises as shown on the City of Buffalo and County of Erie tax rolls as 50 feet front and 125 feet in depth on the northeast side Niagara Street, 41.50 feet southeast Pennsylvania Street.

PARCEL B (521 Niagara Street)

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Block 78, bounded and described as follows:

Commencing at the point of intersection of the northeasterly line of Niagara Street with the southeasterly line of Pennsylvania Street (as a street 66 feet wide); running thence southeasterly along said line of Niagara Street forty-one and one-half (41 ½) feet; running thence northeasterly on a line parallel with said line of Pennsylvania Street one hundred twenty-five (125) feet more or less to the westerly line of an alley known as Reynold's Alley; running thence northwesterly along said line of said alley forty-one and one-half (41 ½) feet to the southeasterly line of Pennsylvania Street; running thence southwesterly along the southeasterly line of Pennsylvania Street one hundred and twenty-five (125) feet more or less to the place of beginning.

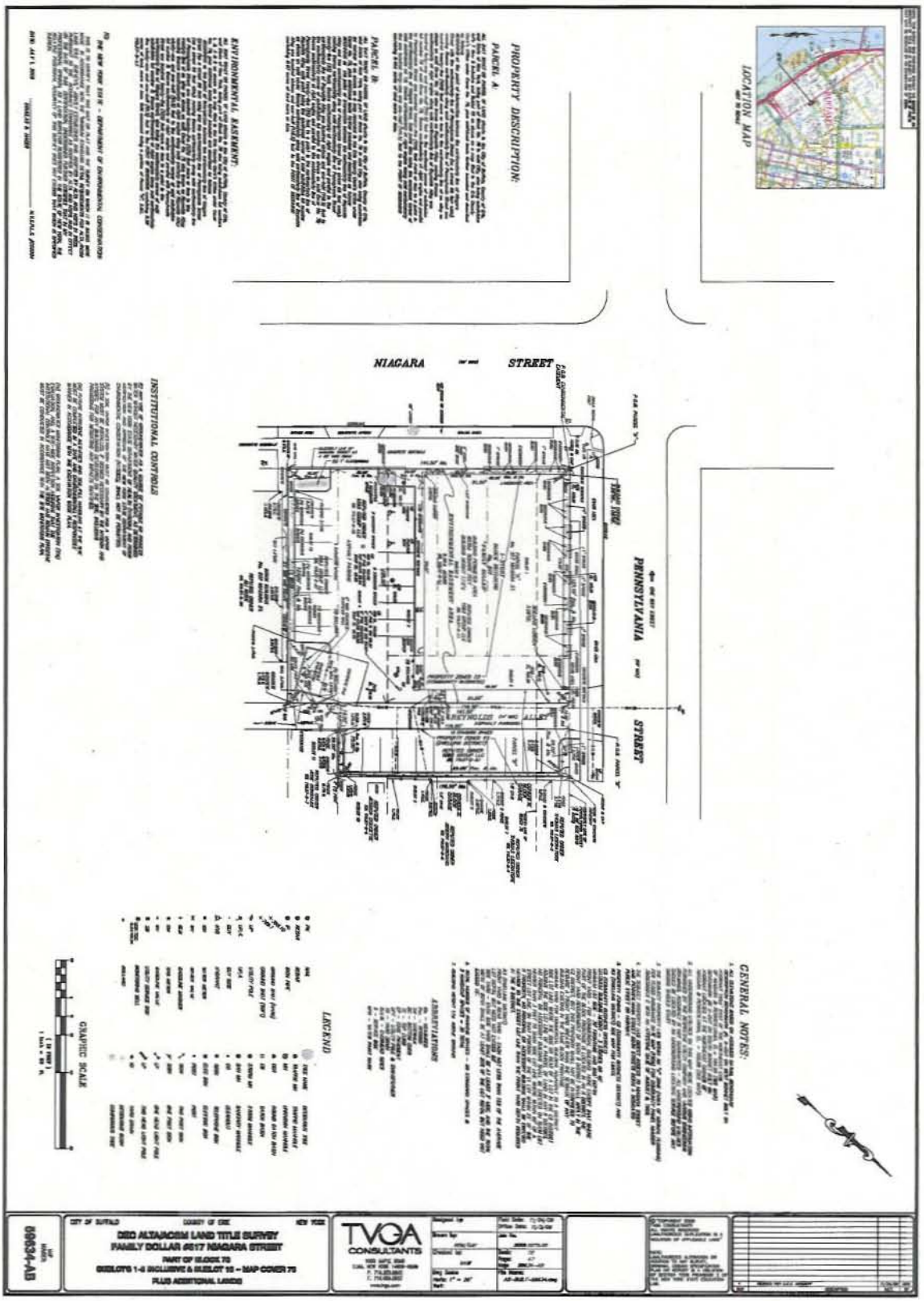
ENVIRONMENTAL EASEMENT

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Block No. 78 also being subdivision lot numbers 1, 2, 3 and 5 as shown on a map filed in Erie County Clerk's Office under Cover No. 75, plus additional lands further bounded and described as follows:

Beginning at the point of intersection between the northeasterly line of Niagara Street (as a street 99 feet wide) and the southeasterly line of Pennsylvania Street (as a street 66 feet wide); running thence northeasterly along said southeasterly line of Pennsylvania Street one hundred twenty-five (125') feet more or less to the westerly line of an alley as shown on said Cover No. 75 also known as Reynolds Alley; running thence southeasterly at right angles along said westerly line Reynolds Alley ninety-one and one half (91.5') feet to the southeasterly corner of said subdivision lot no. 5; thence southwesterly at right angles and parallel with Pennsylvania Street one hundred twenty-five (125') feet more or less to a point in the northeasterly line of Niagara Street, also being the southwesterly corner of said subdivision lot number 3; thence southwesterly at right angles along said northeasterly line ninety-one and one-half (91.5') feet to the point of beginning containing .26 acres of land more or less.

SURVEY


LOCATION MAP
PROPERTY DESCRIPTION:
PARCEL A:
PARCEL B:
ENVIRONMENTAL EASEMENT:
INSTITUTIONAL CONTROLS
NIAGARA STREET
PENNSYLVANIA STREET
LEGEND
GRAPHIC SCALE
GENERAL NOTES:
ABBREVIATIONS
TVGA CONSULTANTS
DEC ALTA/ACSM LAND TITLE SURVEY
FAMILY DOLLAR #617 NIAGARA STREET
PART OF BLOCK 70
SUBLOTS 1-6 INCLUSIVE & SUBLOT 10 - MAP COVER 70
PLUS ADDITIONAL LANDS
CITY OF BUFFALO
COUNTY OF ERIE
NEW YORK
09634-AB