

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

THIS INDENTURE made this 14<sup>th</sup> day of May, 2010, between Owner(s) Schweizer Holdings, Inc., having its office at 1250 Schweizer Road, Big Flats, New York ( 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 the address of 1250 Schweizer Road, in the Town of Big Flats, Chemung County, State of New York, known and designated on the tax map of the County Clerk of Chemung as tax map parcel number 072400: Section 57.02 Block 2 Lot 59 , commonly known as the Schweizer Aircraft Corporation Site, being the same as that property conveyed to Grantor by deed on July 26, 2002, and recorded on July 30, 2002 in Control Number 0207300028, comprising of approximately 46.0 ± acres (The "Schweizer Property") and the Controlled Property being a portion of the Schweizer Property comprising of approximately 17.26 ± acres and hereinafter more fully described in the ALTA/ACSM Land Title Survey dated July 2, 2009 (Revised July 15, 2009) prepared by Weiler Associates, Licensed Land Surveyors, and corresponding Schedule "A" property descriptions, attached hereto and made a part hereof (the "Controlled Property"); and description attached hereto and made a part hereof; 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 Index Number B8-0691-05-04, 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 industrial use as described within 6 NYCRR Part 375- 1.8 (g) (2) (iv), as long as the following long-term engineering controls are employed and the land use restrictions specified below are adhered to:

- (i) all Engineering Controls must be operated and maintained as specified in the Site Management Plan;
- (ii) all Engineering Controls on the Controlled Property must be inspected at a frequency and in a manner defined in the SMP;
- (iii) the site cover and air handling systems are operated, maintained, inspected and certified at a frequency and in a manner specified in the Department approved Site Management Plan (SMP)
- (iv) the use of the groundwater underlying the property is prohibited without treatment rendering it safe for its intended use;
- (v) groundwater and other environmental or public health monitoring must be performed as defined in the SMP;
- (vi) data and information pertinent to Site Management of the Controlled Property must be reported at the frequency and in a manner defined in the SMP.

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 8  
Division of Environmental Remediation  
6274 East Avon-Lima Road  
Avon, NY 14414-9519  
Phone: (585) 226-5363 fax: (585) 226-4985

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, restricted residential or commercial 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 56, Title 5 or ECL Article 27

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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 808033  
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: Schweizer Holdings, Inc.,

By: David R. Horton

Title: President/ GM Date: 5/6/2010

Grantor's Acknowledgment

STATE OF NEW YORK )  
COUNTY OF Chemung ) ss:

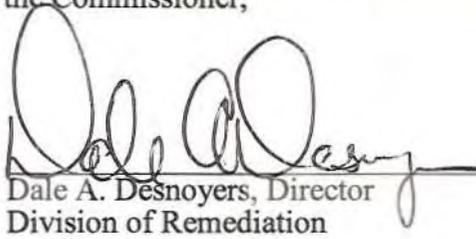
On the 6<sup>th</sup> day of May, in the year 20 10, before me, the undersigned, personally appeared David R. Horton, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that 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.

Beth A. Borden  
Notary Public - State of New York

BETH A. BORDEN  
No. 01B05061668  
Notary Public, State of New York  
Qualified in Chemung County  
My Commission Expires 06/10/ 2010

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

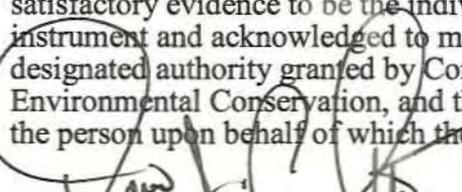
By:

  
Dale A. Desnoyers, Director  
Division of Remediation

**Grantee's Acknowledgment**

STATE OF NEW YORK )  
COUNTY OF ALBANY ) ss:

On the 14<sup>th</sup> day of MAY, in the year 2010, 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 the designated authority granted by 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 J. Chiusano**  
Notary Public, State of New York  
No. 01CH5032146  
Qualified in Schenectady County  
Commission Expires August 22, 2010

**SCHEDULE "A" PROPERTY DESCRIPTION**

### Schedule "A" Schweizer Property Description

**ALL THAT TRACT OR PARCEL OF LAND** situate in the Town of Big Flats, County of Chemung and State of New York, bounded and described as follows:

**Beginning** at an iron pin on the southerly boundary of Schweizer Road (County Road #43), said pin being 471.35 feet west of the westerly boundary of Chambers Road (County Road #35).

**Thence** S. 09°41'34" W., along the westerly boundary of "Arnot Assoc. II, LLC" (See Control #200501210095) a distance of 1025.44 feet to an iron pin;

**Thence** S. 80°26'47" E., continuing along said lands of "Arnot Assoc. II, LLC" a distance of 81.01 feet to an iron pin;

**Thence** S. 56°24'11" W., along lands of "The County of Chemung" (see L.811,P. 324) a distance of 219.33 feet to an iron pin;

**Thence** S. 01°45'27" E., continuing along said lands of "The County of Chemung" a distance of 51.00 feet to an iron pin;

**Thence** S. 40°38'28" E., continuing along said lands of "The County of Chemung" and lands of "Arnot Realty Corp." (see L.585, P.121) a distance of 195.26 feet to an iron pin;

**Thence** S. 07°01'34" E., continuing along said lands of "Arnot Realty Corp." a distance of 175.22 feet to an iron pin;

**Thence** N. 80°21'56" W., along lands of "Koziatek" (see L.760, P.266) and along lands of the "Chemung County Airport" a distance of 2086.35 feet to an iron pin;

**Thence** continuing along said lands of the "Chemung County Airport" the following four (4) courses;

1. N. 09°15'00" E., a distance of 461.57 feet to an iron pin;
2. N. 60°58'00" E., a distance of 567.35 feet to an iron pin;
3. S. 80°37'00" E., a distance of 402.34 feet to an iron pin;
4. N. 60°58'00" E., a distance of 1131.90 feet to an iron pin on the said southerly boundary of Schweizer Road;

**Thence** S. 78°40'00" E., along said Schweizer Road a distance of 229.82 feet to the point or place of beginning;

**Being** 46.140 acres of land, more or less.

## Schedule "A" Controlled Property/BCP Area Description

ALL THAT TRACT OR PARCEL OF LAND situate in the Town of Big Flats, County of Chemung and State of New York, bounded and described as follows:

Beginning at an iron pin set at the southwesterly corner of lands now or formerly of "Schweizer Holdings, Inc." (see Control #200207300028 and Case Map 3447, both filed in the Chemung County Clerk's office);

Thence N. 09°15'00" E., along the westerly boundary of said lands of "Schweizer Holdings, Inc.", a distance of 461.57 feet to an iron pin set;

Thence N. 60°58'00" E., along a northwesterly boundary of said lands of "Schweizer Holdings, Inc." a distance of 567.35 feet to an iron pin set;

Thence S. 80°37'00" E., along a northerly boundary of said lands of "Schweizer Holdings, Inc.", a distance of 402.34 feet to an iron pin set;

Thence, passing through said lands of "Schweizer Holdings, Inc.", the following eleven (11) courses:

1. S. 85°26'29" E., a distance of 106.16 feet to a point;
2. S. 72°43'29" E., a distance of 15.32 feet to a point;
3. S. 02°22'50" E., a distance of 150.14 feet to a point;
4. S. 48°35'09" W., a distance of 34.20 feet to a point;
5. N. 81°33'47" W., a distance of 35.55 feet to a point;
6. N. 82°44'57" W., a distance of 102.13 feet to a point;
7. S. 09°48'26" E., a distance of 43.63 feet to a point;
8. S. 63°18'05" E., a distance of 171.32 feet to a point;
9. S. 07°42'15" W., a distance of 227.68 feet to a point;
10. S. 04°33'37" E., a distance of 201.07 feet to a point;
11. S. 09°07'04" E., a distance of 140.27 feet to an iron pin set on the southerly boundary of said lands of "Schweizer Holdings, Inc.";

Thence N. 80°21'56" W., along said southerly boundary a distance of 1115.67 feet to the point or place of beginning;

Being 17.268 acres of land, more or less.