


**REMEDIAL ACTION
COMPLETION REPORT**

***PAS OSWEGO SUPERFUND SITE
OSWEGO, NEW YORK***

July 2006

Submitted By:

*de maximis, inc.
2975 Bee Ridge Road
Suite C
Sarasota, FL
(941) 926-7929*


de maximis, inc.

—▽—
de maximis, inc.

2975 Bee Ridge Road
Suite C
Sarasota, FL 34239
(941) 926-7929
Fax (941) 926-0829

July 10, 2006

Ms. Patricia Pierre
c/o Mr. Joel Singerman
Central New York Remedial Section
New York Remediation Branch
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region II
20th Floor, 290 Broadway
New York, New York 10007

*Subject: Remedial Action Completion Report
Operations, Maintenance and Long Term-Monitoring Activities
Pollution Abatement Services (PAS) Site, Oswego, NY*

Dear Ms. Pierre:

The Remedial Action Completion Report (Completion Report), which is submitted under Paragraph 49 of the *Consent Decree 98-CV0112NPMGJD* for operation, maintenance, and long-term monitoring activities at the PAS Site (Site) in Oswego, New York (Consent Decree), is attached. This Completion Report includes a certification statement that the institutional controls required by the Consent Decree have been obtained, thereby completing the Remedial Action, as defined by the Consent Decree.

If you have any questions, please call me at (941) 926-7929.

Sincerely,



de maximis, inc.
Mark Valentine

cc: PAS Oswego Steering Committee
Marla Weider, Esq., USEPA
Payson Long/G.Rider, NYSDEC, Div. of Hazardous Waste Remediation
Jim Burke, NYSDEC Region 7 Office
D. Geraghty, NYDOH, Office of Public Health

Attach/

CERTIFICATION OF COMPLETION OF REMEDIAL ACTION

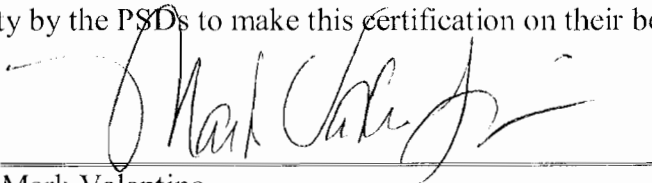
Pollution Abatement Services Superfund Site

Oswego, New York

The Certification of Completion is provided pursuant to Paragraph 49 of the Consent Decree entered in 1998 for Operation, Maintenance and Long-term Monitoring (OM&M) (Consent Decree) activities at the Pollution Abatement Services (PAS) Site in Oswego, New York.

I, Mark Valentine, Project Coordinator for the Performing Settling Defendants (PSDs) to the OM&M Consent Decree, hereby certify that the institutional controls required by the Consent Decree have been obtained, thereby completing the Remedial Action as defined in the Consent Decree.

To the best of my knowledge, after thorough investigation, I certify that the information contained in or accompanying this submission is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I have been delegated the authority by the PSDs to make this certification on their behalf.



Mark Valentine

*Project Coordinator for the Performing Settling Defendants to the
1998 Consent Decree for Operation, Maintenance and Long-term Monitoring
at the Pollution Abatement Services Superfund Site in Oswego, New York*

6/30/06

Date

**REMEDIAL ACTION
COMPLETION REPORT**

**POLLUTION ABATEMENT SERVICES
SUPERFUND SITE
Oswego, New York**

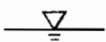
Prepared by

de maximis, inc.

On Behalf of the

**Settling Defendants to the Consent Decree
for Operation, Maintenance and Long-term Monitoring**

June 2006


de maximis, inc.

1.0 INTRODUCTION

This section provides the purpose and scope of this Remedial Action Completion Report (RACR) followed by a description of the Pollution Abatement Services (PAS) Superfund Site in Oswego, New York (Site) and ongoing operation, maintenance and long-term monitoring activities being conducted at the Site.

1.1 Purpose and Scope

This RACR has been prepared by *de maximis*, on behalf of the Performing Settling Defendants (PSDs), who entered into the Consent Decree (98-CV-0112) for Operation, Maintenance and Long-term Monitoring (O&M) at the Site (Consent Decree). The Consent Decree implements the United States Environmental Protection Agency's (EPA's) remedy provided in its December 1993 Record of Decision (ROD), as clarified by EPA's 1996 Explanation of Significant Differences (ESD). Paragraph IV of the Consent Decree states that ... 'Remedial Action' shall mean those activities, except for Operation and Maintenance and Long-Term Monitoring, to be undertaken by the Settling Defendants to implement the 1993 Record of Decision, as modified by the 1996 ESD.

This RACR satisfies the requirements of Paragraph 49 – Completion of the Remedial Action – of the Consent Decree. Specifically Paragraph 49 provides that a written report, including a statement by the Project Coordinator that the Institutional Controls have been obtained in accordance with the Consent Decree, be submitted to USEPA requesting certification of completion of the Remedial Action.

The remainder of this section presents a brief description of the PAS Site. Section 2.0 presents a description of the institutional control requirements in the Consent Decree. These requirements were also presented in the Institutional Control Implementation Plan (ICIP) that was submitted to EPA in July 19, 2004 and subsequently approved by EPA on

August 6, 2004. A brief description of the ICIP is also included in Section 2.0. Section 3 presents a description of the actual implementation of the ICIP and documentation of completion of the Remedial Action.

1.2 Site Description

Site Setting

The PAS Site, located on 15 acres near the eastern edge of the City of Oswego, New York, is bounded on the south by East Seneca Street, and on the east, north, and west by wetlands formed along the stream channels of White and Wine Creeks. Just to the north (downstream) of the Site is the confluence of White and Wine Creeks. Wine Creek flows approximately 1,800 feet beyond the confluence (northward) to a channel and into Lake Ontario. Just east of this channel, Wine Creek connects with a wetland adjacent to the residential area known as Smith's Beach. Prior to passing through the PAS Site, White and Wine Creeks are proximate to the East Seneca Street Dump (also referred to and operated as the Oswego County Landfill), and White Creek is proximate to the Niagara Mohawk Fire Training School. The Oswego Castings site is situated upstream of the wetland adjacent to Smith's Beach.

The area between the PAS Site and Lake Ontario (to the north) is mostly undeveloped and currently includes three land uses. These uses (from west to east) include a cemetery, a wetland, and a residential area. The residential area, Smith's Beach, is a small community of residential dwellings located on the shore of Lake Ontario, approximately one-half mile north of the Site. A public water supply is available in Smith's Beach.

Hydrogeologic Setting

The PAS Site is located in the eastern section of the Lake Ontario physiographic province. The geology consists of glacially derived sediments ranging from till and lacustrine silt and clays to stratified sands and gravels. These sediments overlay the Oswego Sandstone. In general, two aquifer systems exist in the region. Although the bedrock and overburden aquifer systems generally exhibit regional groundwater flow north toward Lake Ontario, local groundwater flow in the vicinity of the Site is north westward toward the Wine Creek wetlands. White and Wine Creeks flow adjacent to the Site. White Creek flows along the eastern boundary, while Wine Creek flows along the western and northern boundaries. The confluence of the creeks is located to the northwest of the Site.

Several stratigraphic units have been defined at the Site. A surficial fill layer of variable depth and composition covers most of the Site. This fill layer is underlain by till throughout most of the Site. The exception to this is in an area outside the slurry wall and in the vicinity of White Creek, where fill is underlain by stratified sediments. A continuous, dense till layer is purported to overly the bedrock across the Site. Two aquifer systems exist on-site, an unconfined overburden aquifer and a bedrock aquifer. The local ground-water flow direction in the vicinity of the Site is toward the northwest, in the direction of the wetlands located just north of the Site.

Slurry Wall Containment System

A slurry wall containment system was installed at the Site by the New York Department of Environmental Conservation (NYSDEC) in 1984 to control ground-water flow using a low-permeability, bentonite-clay slurry wall that extends from ground surface to the underlying lodgement till. This containment system includes the bentonite-clay slurry wall keyed into the underlying lodgement till; a cap, consisting of a synthetic liner, clay, and vegetated soils; and a leachate collection system. The leachate collection system is

used for collection and removal of leachate that accumulates within the containment system. Leachate is collected within the containment system in two trench systems: a downgradient perimeter trench located inside the slurry wall at the northern boundary of the Site, and a cross-trench located near the center of the Site. Periodic leachate removal from the soils within the slurry wall is conducted to maintain inward gradients across the slurry wall, thus reducing and minimizing down-gradient ground-water migration. Leachate removal is conducted as part of the ongoing operation, maintenance and long-term monitoring activities conducted at the Site pursuant to the requirements of the Consent Decree.

1.3 Operation, Maintenance and Long-term Monitoring Activities

In September 1997, the USEPA and the PSDs signed a Consent Decree for the implementation of the operation, maintenance, and long-term monitoring components of the ground-water remedy described in the 1993 ROD, as clarified by the 1996 ESD. The Consent Decree, which was entered on August 1998, provided for the continuation of the Interim Groundwater Removal program that was begun in 1991 by the Respondents to the Interim Groundwater Removal Consent Order.

Operation, maintenance and long-term monitoring activities performed under the Consent Decree began in November 1998 and continue as required by the Operation, Maintenance and Long-term Monitoring Plan, as revised from time to time to address periodic changes in the operational and monitoring needs as the remediation progresses. These activities include routine leachate removal and off-site disposal, leachate and groundwater monitoring, maintenance of the vegetated cap and leachate collection system and routine reporting. Currently leachate monitoring and removal activities are conducted on a monthly basis. Leachate removed from the Site is transported to Clean Harbors' treatment and disposal facility in Bristol, Connecticut. Site leachate was previously transported to CECOS International in Niagara Falls, New York for treatment and

disposal, until CECOS-Niagara Falls facility discontinued its commercial operations in December 2004.

2.0 INSTITUTIONAL CONTROL REQUIREMENTS

This section provides a brief discussion of the institutional controls required by the Consent Decree. To achieve the 1993 ROD remedial action objective to “prevent future exposures to contaminated groundwater on-site, as well as off-site in the area between the site and Smith’s Beach,” the selected remedy described in the 1993 ROD recommends institutional controls on groundwater usage through deed restrictions at the PAS Site and down-gradient from the Site to and including the Smith’s Beach area. The Consent Decree also requires the Settling Defendants to obtain access for EPA, State and Settling Defendant representatives as needed to conduct the work required by the Consent Decree. This includes providing access for long-term monitoring activities at certain down-gradient properties (e.g. monitoring at wells M-21, M-25 and M-26), as discussed below. The Consent Decree refers to the Site as a parcel of land approximately 15.6 acres, bounded on the south by East Seneca Street and on the east, north and west by a wetland area formed along the stream channels of White Creek and Wine Creek (the PAS Property), as well as the surrounding area to which contamination from the aforementioned parcel has migrated.

2.1 The PAS Property

The institutional control requirements related to the PAS Site are described in Section IX of the Consent Decree. The PAS Property boundaries (along with properties immediately north of the PAS Property) are depicted on Figure 1 – Properties North of the PAS Property. Paragraph 25 of the Consent Decree provides that “if the Site, or any other property where access and/or land/water use restrictions are needed . . . is owned or controlled by any of the Settling Defendants, such Settling Defendants” shall implement institutional controls. EPA established in the Consent Decree (p.16) that the PAS Property is not owned or controlled by the Settling Defendants. Therefore no institutional controls are required by the Consent Decree to be implemented for the PAS Property.

2.2 Niagara Mohawk Power Corporation Property

(Located Down-gradient of the PAS Property)

Groundwater contamination from the PAS Property has been determined to have migrated onto the Niagara Mohawk Power Corporation (NIMO) property (tax ID # 110.83-02-02) located immediately to the north of the PAS Property and just south of Mitchell Street. Therefore, the NIMO property is located within the Site as defined by the Consent Decree and is owned by one of the Settling Defendants. As such, NIMO has prepared and recorded the required institutional controls for this property, as well as notice to successors-in-title, as required by paragraph 9 of the Consent Decree, and has provided EPA copies of the recorded deed. A copy of the NIMO recorded deed was provided in the July 2004 ICIP that was approved by EPA on August 6, 2004. As such, the NIMO property institutional control requirement in the Consent Decree has been fully satisfied.

2.3 Other Properties Located Down-gradient of the PAS Property

Paragraph 26 of the Consent Decree provides that the PSDs shall use their best efforts to secure from any other property where access and/or land/water use restrictions are needed:

- a. an agreement to provide access thereto for Performing Settling Defendants, as well as for the United States on behalf of EPA, and the State, as well as their representatives (including contractors), for the purpose of conducting any activity related to this Consent Decree, including but not limited to, those activities listed in Paragraph 25(a) of this Consent Decree;

- b. an agreement, enforceable by the Performing Settling Defendants and the United States, to abide by the obligations and restrictions established by Paragraph 25(b) of this Consent Decree, or that are otherwise necessary to implement, ensure non-interference with, or ensure the protectiveness of the remedial measures to be performed pursuant to this Consent Decree; and
- c. if EPA so requests, the execution and recordation in the Oswego County Clerk's Office of an easement, running with the land, that (i) grants a right of access for the purpose of conducting any activity related to this Consent Decree and (ii) grants the right to enforce the land/water use restrictions, or other restrictions EPA determines are necessary to implement, ensure non-interference with, or ensure the protectiveness of the remedial measures to be performed pursuant to this Consent Decree.

The institutional control requirements related to other down-gradient properties is further addressed in Section 2.4 and the satisfaction of these requirements is described in Section 3.0.

2.4 Institutional Control Implementation Plan

The Institutional Control Implementation Plan (*de maximis 2004*)(ICIP), which was approved by EPA in August 2004, included a summary of institutional control requirements provided in the Consent Decree included in Section 2.3, a determination of down-gradient properties where institutional controls would be obtained, as well as descriptions of institutional control activities completed and planned.

The ICIP identified the two westerly parcels of the Industrial Precision Products (IPP) property located at 350 Mitchell Street as the properties where institutional controls would be obtained. This determination of potentially affected down-gradient properties presented in the ICIP was based on groundwater monitoring information summarized in the Five-Year Data Review Report for the PAS Oswego Site (*de maximis*, 2003) and in EPA's December 2003 Five-Year Review Report. The ICIP also included several attachments including the title abstract, title report, and survey map showing the two westerly parcels of the IPP property. During the development of the ICIP, a draft Environmental Protection Easement and Declaration of Restrictive Covenants (Easement) was prepared and submitted to EPA for review. EPA comments on the draft Easement were incorporated into a revised draft Easement.

3.0 Implementation of Institutional Controls

This section provides the information documenting the acquisition, execution and recording of institutional control agreements as required by the ICIP.

3.1 Completion of Institutional Control Agreements

The PSDs engaged Bond, Schoenek & King as its local counsel to assist the PSDs in negotiation of required institutional control agreements with IPP and its lien-holders, and to facilitate execution and recordation of these agreements as required by the Consent Decree. Following EPA approval of the ICIP on August 6, 2004, the owner of the IPP Property was contacted by local counsel, who then provided a copy of the Easement to IPP for review, along with a copy of the IPP property title report obtained by the PSDs. As documented in the ICIP, the results of the title search indicated that the IPP property was encumbered by four mortgages which would need to be subordinated to the Easement. The Settling Defendants negotiated in good faith with IPP and their lien-holders and worked diligently toward securing the required agreement. EPA was kept informed of the PSDs progress in negotiating the terms of the Easement and subordination agreements.

Several times during the course of the negotiations with IPP and their lien-holders, the PSDs thought they might need EPA's assistance in securing the institutional controls. These negotiations were complicated by the fact that each of the lien-holders had to become familiar with site issues and concur with the terms and conditions set forth in the Easement. EPA was first notified in mid-2005 of potential delays in procuring one of the four required lien-holder subordination agreements that needed to be in place prior to final negotiation of the IPP Property Easement. EPA was notified again in the fall of 2005 about continued delays in completing the identified subordination agreement and a request was made for EPA assistance in resolving this matter on an October 12, 2005

conference call with EPA. EPA asked that the PSDs continue with these negotiations and to be kept informed of the progress or lack thereof in resolving this matter.

In early February 2006, the last remaining lien-holder subordination agreement was completed. Following subsequent discussions with the IPP property owner and successful negotiation of the four required subordination agreements, the Easement was scheduled to be executed in February 2006. The EPA was notified in a February 2, 2006 letter from *de maximis* that the required lien-holder subordination agreements were in place and that the Easement was anticipated to be executed by the end of February. The February 2nd letter further indicated that the PSDs had created a site remediation trust (PAS Oswego Site Trust) to carry out their obligations under the Consent Decree and that the PSDs designated *de maximis, inc.*, as their Trustee charged with responsibility to execute the Easement on their behalf and to coordinate with the IPP property owner as needed to complete the execution and recording of the Easement and related documents.

3.2 Execution and Recording of Institutional Control Agreements

The IPP lien-holder subordination agreements were executed as described below in chronological order.

- City of Oswego Community Development Office executed on January 3, 2005;
- County of Oswego Industrial Development Office executed on January 24, 2005;
- Key Bank National Association executed on January 5, 2006;
- Key Bank of New York executed on February 1, 2006.

Copies of the recorded subordination agreements (showing recording stamps), which were all recorded at the Oswego County Clerk's Office on March 1, 2006, are provided in Attachment A.

The title search for the IPP property was updated and the Easement was dated February 22, 2006 and subsequently executed by the Trustee on behalf of the PSDs and the IPP property owner. The executed Easement was also recorded by the Oswego County Clerk's Office on March 1, 2006 in accordance with the requirements of the Institutional Control Implementation Plan. A copy of the recorded Easement (showing recording stamps) is included in this report as Attachment B.

An Abstract of Title was prepared by Ticor Title that incorporates the updated title search and includes copies of the recorded Easement and the lien-holder subordination agreements. A copy of the title insurance policy covering the Easement is included in the report in Attachment C.

3.3 Institutional Control Activities Following Document Recording

The ICIP includes requirements for the period following the execution and recording of the Easement. It states that following implementation of institutional controls on the IPP Property, the Site will be inspected on an annual basis to determine whether any intrusive activities have occurred. In addition, building and property records will be reviewed to ascertain whether or not any filings have been made for such activities. The ICIP provides for an annual report summarizing the findings of the inspection and record review to be prepared, along with a certification confirming that operation and maintenance activities continue, and that this annual report would be included with the OM&M progress report to be submitted to EPA in July of each year. The first such certification will be provided with the next Annual Progress Report.

4.0 REFERENCES

de maximis, inc., Institutional Control Implementation Plan, PAS Oswego Superfund Site, Oswego, New York, July 2004.

de maximis, inc., Five-Year Data Review Report, PAS Oswego Superfund Site, Oswego, New York, June 2003.

U.S. Environmental Protection Agency, Five-Year Review Report, Pollution Abatement Services Superfund Site, Oswego, New York, December 2003.

LIST OF FIGURE AND ATTACHMENTS

FIGURE

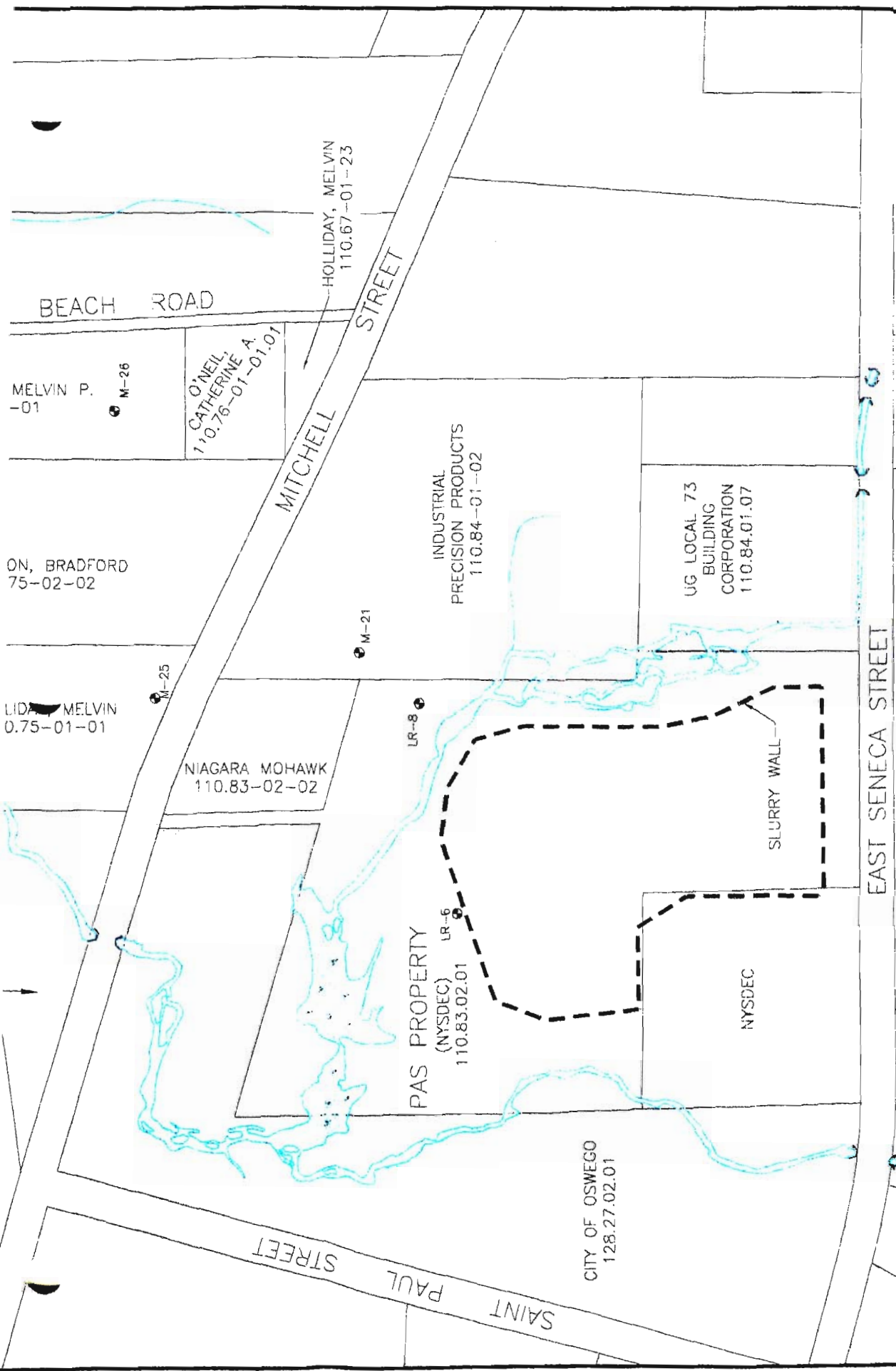
Figure 1 – Properties North of the PAS Property

ATTACHMENTS

Attachment A – Copy of Executed IPP Subordination Agreements

Attachment B – Copy of Executed IPP Easement

Attachment C – Copy of Title Insurance Policy



PROPERTIES NORTH OF THE PAS PROPERTY

Prepared For: de maximis, Inc.

ROUX
ROUX ASSOCIATES, INC.
Environmental Consulting

Compiled by: LM	Date: 8/28/03	FIGURE
Prepared by: RF	Scale: AS SHOWN	1
Project Mgr: LM	Office: MA	

Title:

SOURCE:
 BASE MAP ADAPTED FROM PHASE 1 AND PHASE 2 SPRDS
 BASE MAPS, AND FROM OSWEGO COUNTY TAX MAPS 110.60, 110.67,
 110.68, 110.75, 110.76, 110.83, 110.84, 128.27 AND 128.28

ATTACHMENT A
EXECUTED IPP
SUBORDINATION AGREEMENTS

COVER SHEET
DOCUMENT WILL NOT BE RECORDED UNLESS COVER SHEET IS COMPLETED



OSWEGO COUNTY CLERK'S OFFICE
 GEORGE J. WILLIAMS - COUNTY CLERK

PLEASE TYPE OR LEGIBLY PRINT
 INFORMATION WITH BLACK INK

**THIS PAGE IS PART OF
 THE INSTRUMENT
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 DETACH**

SUBMITTED BY: Ticor Title Insurance Company / *est* / *JAG*
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03/01/2006 04:46PM
 Page: 1 of 4
 SUB

PARTIES TO TRANSACTION

City of Oswego Community Development Office

RECORD & RETURN TO
 (Name, Address & Zip Code)

TO

Bond, Schoeneck & King, PLLC

PAS of Oswego Site Trust

130 East Second Street

Oswego, NY 13126

RECEIPT # 258028

RECORDING FEES	MISCELLANEOUS FEES
ENDORSEMENT FEE..... \$ 7.00	<input checked="" type="checkbox"/> LOC GOVT \$ 20.00
RECORDING FEE CHARGE..... \$ 5.00	TP 584 \$ 5.00
# OF PAGES (INCLUDING COVER SHEET) <u>4</u> x 3.00 \$ 12.00	TP 584.1 \$ 5.00
# OF EXTRA NAMES _____ x 0.50 \$ _____	RP 5217 \$ 75.00
# OF REFERENCES <u>1</u> x 0.50 \$ 0.50	RP5217 \$ 165.00
# OF EXTRA ASST _____ x 3.50 \$ _____	AFFID \$ 5.00
TOTAL..... \$ 24.50	AFFID # _____
	TOTAL..... \$ 20.00

DEED TRANSFER TAX

REVENUE STAMPS \$ 0.00

TOWN/CITY/VILLAGE City of Oswego ✓
 (COMPLETE FOR MORTGAGE ALSO)

TAX MAP NUMBER # _____

**GRAND TOTAL FOR
 THIS DOCUMENT..... \$ 44.50**
 (Include Revenue or Mtge Tax in this total if applicable)

(CLERK'S OFFICE ONLY)
REVENUE

(CLERK'S OFFICE ONLY)
MORTGAGE

MORTGAGE TAX

MORTGAGE AMT. \$ _____

TOTAL MTGE. TAX \$ _____

MORTGAGE TYPES

_____ COMMERCIAL/VACANT

_____ 1 - 2 FAMILY
 (THIS MORTGAGE IS TO FINANCE THE
 ACQUISITION OR IMPROVEMENT OF A ONE
 OR TWO FAMILY DWELLING)

**SUBORDINATION OF PART OF MORTGAGED PREMISES
TO EASEMENT GRANT**

THIS INDENTURE, made the 3 day of JANUARY, ²⁰⁰⁵ 2004, between **CITY OF OSWEGO, COMMUNITY DEVELOPMENT OFFICE**, City Hall, 13 West Oneida Street, Oswego, New York 13126, hereinafter referred to as the Party of the First Part, and **PAS OF OSWEGO SITE TRUST**, having an address of c/o de maximis inc., Trustee, 450 Montbrook Lane, Knoxville, TN 37919, hereinafter referred to as the Party of the Second Part;

WHEREAS, **INDUSTRIAL PRECISION PRODUCTS, INC.**, hereafter referred to as the Borrower, by mortgage recorded in the Office of the Clerk of the County of Oswego, at Instrument #R-2004-004236, on the 2nd day of April, 2004, for the considerations therein mentioned, and to secure the payment of the monies therein specified, did mortgage certain lands and tenements of which the lands hereinafter described on Exhibit "A" are part, unto the Party of the First Part;

AND WHEREAS, the Party of the First Part, at the request of the Party of the Second Part has agreed to subordinate its mortgage lien hereinafter described to the Party of the Second Part, and to hold and retain the residue of the mortgaged lands and interests therein as security for the money remaining due on said mortgage.

NOW, THIS INDENTURE WITNESSETH, that the Party of the First Part, in pursuant of said agreement and in consideration of One and 00/100 (\$1.00) Dollar, lawful money of the United States, and other good and valuable consideration paid by the Party of the Second Part, does hereby subordinate its mortgage lien to the interests of the Party of the Second Part, as described in an Environmental Protection Easement and Declaration of Restrictive Covenants ("the Easement"), to be recorded contemporaneously herewith. In the event that a deed is given in lieu of foreclosure, the lien of the mortgage is foreclosed, or if the premises are sold to another entity in foreclosure, such action or conveyances shall be subject to and subordinate to the Party of the Second Part's interest as described in the Easement.

IN WITNESS WHEREOF, the Party of the First Part has caused these presents to be signed the day and year first above written.

CITY OF OSWEGO,
COMMUNITY DEVELOPMENT OFFICE

By: _____
1/3/05

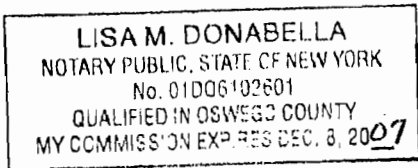


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Page: 2 of 4
SUB

1038557.1 12/16/2004

STATE OF NEW YORK)
COUNTY OF Oswego) .ss:

On this 3rd day of January, 2004^S, before me, the undersigned, personally appeared David R Turner, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Lisa M. Donabella
Notary Public



George J. Williams, County Clerk

R-2006-002507
03/01/2006 04:48PM
Page: 3 of 4
SUB

1038557.1 12/16/2004

No: 5403-25262

The land referred to in this Commitment is described as follows:

AN EASEMENT OVER PREMISES DESCRIBED AS:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego and State of New York, being part of Lot 37 of the 18th Township of Scriba's Patent, bounded and described as follows: Beginning at the southwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by Deed dated February 20, 1963 and recorded in Oswego County Clerk's Office Book 662 at page 757; thence South 62 deg. 32' 40 seconds West a distance of 200 feet; thence North 27 deg. 27' 20 seconds West to the center line of Mitchell Street; running thence Easterly along the centerline of Mitchell Street to a point in the northwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by deed dated February 20, 1963 and recorded in the Oswego County Clerk's Office Book of Deeds 662 at page 757; thence South 27 deg. 27' 20 seconds East to the place o beginning, together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallager from Stepehn L. Gallagher by deed recorded in the Oswego County Clerk's Office in Book 813 at page 294.

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego, County of Oswego and State of New York, being a part of Lots 36 and 37, of the Eighteenth Township of Scriba's Patent, bounded and described as follows: BEGINNING at the southwesterly corner of the property conveyed by Operation Oswego County, Inc., to Stephen L. Gallagher by deed dated the 2nd day of December, 1964, which deed is shown in Book 677 at page 661; thence North 62 deg. 32' 40" East 400 feet to a point; thence South 27 deg. 27' 20" East 100 feet to a point; thence South 62 deg. 32' 40" West 550 feet to an iron bar; thence North 27 deg. 27' 20" West, 573.25 feet to a point in the center line of Mitchell Street; formerly known as the Baldwin Road; thence North 88 deg. 23' 40" East along the center line of Mitchell Street 166.67 feet to the northwest corner of said premises described in said deed shown at Book 677 at page 661; thence South 27 deg. 27' 20" East 687.80 feet to the place of beginning. Being a portion of premises delineated on a map entitled "Survey of Part of Lot 37, Eighteenth Township, Scriba's Patent", dated August 21, 1970, prepared by Donald S. Severance, L.S. #35613, which has been heretofore filed in the Oswego County Clerk's Office.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Operation Oswego County by deed recorded in the Oswego County Clerk's Office in Book 741 at page 567.



COVER SHEET
DOCUMENT WILL NOT BE RECORDED UNLESS COVER SHEET IS COMPLETED



OSWEGO COUNTY CLERK'S OFFICE
GEORGE J. WILLIAMS - COUNTY CLERK

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**THIS PAGE IS PART OF
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DETACH**

SUBMITTED BY: Ticor Title Insurance Company / JSL/JAK
TYPE OF DOCUMENT: Subordination of Part of Mortgaged Premises to



PARTIES TO TRANSACTION

Key Bank of New York

RECORD & RETURN TO
(Name, Address & Zip Code)

TO

Bond, Schoeneck & King, PLLC

PAS of Oswego Site Trust

130 East Second Street

Oswego, NY 13126

RECEIPT # 258028

RECORDING FEES	MISCELLANEOUS FEES
ENDORSEMENT FEE.....\$ \$7.00	<input checked="" type="checkbox"/> LOC GOVT.....\$ \$20.00
RECORDING FEE CHARGE.....\$ \$5.00	TP 584.....\$ \$5.00
# OF PAGES (INCLUDING COVER SHEET) <u>4</u> x 3.00.....\$ \$12.00	TP 584.1.....\$ \$5.00
# OF EXTRA NAMES _____ x 0.50.....\$	RP 5217.....\$ \$75.00
# OF REFERENCES <u>1</u> x 0.50.....\$ \$0.50	RP5217.....\$ \$165.00
# OF EXTRA ASST _____ x 3.50.....\$	AFFID.....\$ \$5.00
TOTAL.....\$ \$24.50	AFFID # _____
	TOTAL.....\$ \$20.00

DEED TRANSFER TAX

REVENUE STAMPS \$ \$0.00

TOWN/CITY/VILLAGE City of Oswego ✓
(COMPLETE FOR MORTGAGE ALSO)

TAX MAP NUMBER # _____

**GRAND TOTAL FOR
THIS DOCUMENT.....\$ \$44.50**
(Include Revenue or Mtge Tax in this total if applicable)

MORTGAGE TAX

MORTGAGE AMT. \$ _____

TOTAL MTGE. TAX \$ _____

(CLERK'S OFFICE ONLY)
REVENUE

(CLERK'S OFFICE ONLY)

MORTGAGE TYPES

_____ COMMERCIAL/VACANT

_____ 1 - 2 FAMILY
(THIS MORTGAGE IS TO FINANCE THE
ACQUISITION OR IMPROVEMENT OF A ONE

**SUBORDINATION OF PART OF MORTGAGED PREMISES
TO EASEMENT GRANT**

THIS INDENTURE, made the 1st day of February, 2006, between **KEY BANK OF NEW YORK**, 4910 Tiedeman Rd. Brooklyn, OH 44144, hereinafter referred to as the Party of the First Part, and **PAS OF OSWEGO SITE TRUST**, having an address of c/o de maximis inc., Trustee, 450 Montbrook Lane, Knoxville, TN 37919, hereinafter referred to as the Party of the Second Part;

WHEREAS, **INDUSTRIAL PRECISION PRODUCTS, INC.**, hereafter referred to as the Borrower, by mortgage recorded in the Office of the Clerk of the County of Oswego, at Book 1593 of Mortgages at Page 236&c, on the 28th day of July, 1994, for the considerations therein mentioned, and to secure the payment of the monies therein specified, did mortgage certain lands and tenements of which the lands hereinafter described on Exhibit "A" are part, unto the Party of the First Part;

AND WHEREAS, the Party of the First Part, at the request of the Party of the Second Part has agreed to subordinate its mortgage lien hereinafter described to the Party of the Second Part, and to hold and retain the residue of the mortgaged lands and interests therein as security for the money remaining due on said mortgage.

NOW, THIS INDENTURE WITNESSETH, that the Party of the First Part, in pursuant of said agreement and in consideration of One and 00/100 (\$1.00) Dollar, lawful money of the United States, and other good and valuable consideration paid by the Party of the Second Part, does hereby subordinate its mortgage lien to the interests of the Party of the Second Part, as described in an Environmental Protection easement and Declaration of Restrictive Covenants ("the Easement"), to be recorded contemporaneously herewith. In the event that a deed is given in lieu of foreclosure, the lien of the mortgage is foreclosed or if the premises are sold to another entity in foreclosure, such action or conveyances shall be subject to and subordinate to the Party of the Second Part's interest as described in the Easement.

IN WITNESS WHEREOF, the Party of the First Part has caused these presents to be signed the day and year first above written.

KEY BANK OF NEW YORK

By: Deborah S. Callen

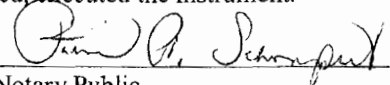

George J. Williams, County Clerk

R-2006-002508
03/01/2006 04:46PM
Page: 2 of 4
SUB

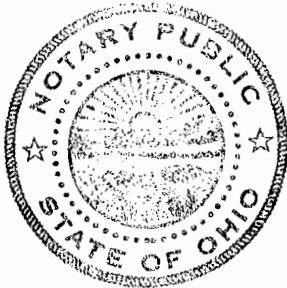
1038054.1 1/26/2006

STATE OF NEW YORK)
COUNTY OF _____) .ss:

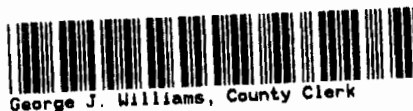
On this 1ST day of FEBRUARY, 2006, before me, the undersigned, personally appeared DEBORAH S. CALLEN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, 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



PATRICIA A. SCHOMPERT
Notary Public, State of Ohio
My Commission Expires April 14, 2007



R-2006-002508
03/01/2006 04:48PM
Page: 3 of 4
SUB

Issued By:

TICOR TITLE INSURANCE COMPANY

Schedule A (cont'd)

No: 5403-25262

The land referred to in this Commitment is described as follows:

AN EASEMENT OVER PREMISES DESCRIBED AS:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego and State of New York, being part of Lot 37 of the 18th Township of Scriba's Patent, bounded and described as follows: Beginning at the southwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by Deed dated February 20, 1963 and recorded in Oswego County Clerk's Office Book 662 at page 757; thence South 62 deg. 32' 40 seconds West a distance of 200 feet; thence North 27 deg. 27' 20 seconds West to the center line of Mitchell Street; running thence Easterly along the center line of Mitchell Street to a point in the northwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by deed dated February 20, 1963 and recorded in the Oswego County Clerk's Office Book of Deeds 662 at page 757; thence South 27 deg. 27' 20 seconds East to the place of beginning, together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Stephen L. Gallagher by deed recorded in the Oswego County Clerk's Office in Book 813 at page 294.

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego, County of Oswego and State of New York, being a part of Lots 36 and 37, of the Eighteenth Township of Scriba's Patent, bounded and described as follows: BEGINNING at the southwesterly corner of the property conveyed by Operation Oswego County, Inc., to Stephen L. Gallagher by deed dated the 2nd day of December, 1984, which deed is shown in Book 677 at page 661; thence North 62 deg. 32' 40" East 400 feet to a point; thence South 27 deg. 27' 20" East 100 feet to a point; thence South 62 deg. 32' 40" West 590 feet to an iron bar; thence North 27 deg. 27' 20" West, 573.25 feet to a point in the center line of Mitchell Street; formerly known as the Baldwin Road; thence North 88 deg. 23' 40" East along the center line of Mitchell Street 166.67 feet to the northwest corner of said premises described in said deed shown at Book 677 at page 661; thence South 27 deg. 27' 20" East 687.80 feet to the place of beginning. Being a portion of premises delineated on a map entitled "Survey of Part of Lot 37, Eighteenth Township, Scriba's Patent", dated August 21, 1970, prepared by Donald S. Severance, L.S. #35613, which has been heretofore filed in the Oswego County Clerk's Office.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Operation Oswego County by deed recorded in the Oswego County Clerk's Office in Book 741 at page 567.



COVER SHEET
DOCUMENT WILL NOT BE RECORDED UNLESS COVER SHEET IS COMPLETED



OSWEGO COUNTY CLERK'S OFFICE
 GEORGE J. WILLIAMS - COUNTY CLERK

PLEASE TYPE OR LEGIBLY PRINT
 INFORMATION WITH BLACK INK

**THIS PAGE IS PART OF
 THE INSTRUMENT
 DO NOT
 DETACH**

SUBMITTED BY: Ticor Title Insurance Company *1/32/17*
 TYPE OF DOCUMENT: Subordination of Part of Mortgaged Premises to



PARTIES TO TRANSACTION

County of Oswego Industrial Development Agency

 TO

PAS of Oswego Site Trust

RECORD & RETURN TO
 (Name, Address & Zip Code)

Bond, Schoeneck & King, PLLC

130 East Second Street

Oswego, NY 13126

RECEIPT # 258028

RECORDING FEES	MISCELLANEOUS FEES
ENDORSEMENT FEE.....\$ 7.00	<input checked="" type="checkbox"/> LOC GOVT.....\$ 20.00
RECORDING FEE CHARGE.....\$ 5.00	TP 584.....\$ 5.00
# OF PAGES (INCLUDING COVER SHEET) 4 x 3.00.....\$ 12.00	TP 584.1.....\$ 5.00
# OF EXTRA NAMES _____ x 0.50.....\$	RP 5217.....\$ 75.00
# OF REFERENCES 1 x 0.50.....\$ 0.50	RP5217.....\$ 165.00
# OF EXTRA ASST _____ x 3.50.....\$	AFFID.....\$ 5.00
TOTAL.....\$ 24.50	AFFID # _____
	TOTAL.....\$ 20.00

DEED TRANSFER TAX
 REVENUE STAMPS \$ 0.00
 TOWN/CITY/VILLAGE City of Oswego
 (COMPLETE FOR MORTGAGE ALSO)
 TAX MAP NUMBER # _____

**GRAND TOTAL FOR
 THIS DOCUMENT.....\$ 44.50**
 (include Revenue or Mtge Tax in this total if applicable)

(CLERK'S OFFICE ONLY)
 REVENUE

MORTGAGE TAX

MORTGAGE AMT. \$ _____
 TOTAL MTGE. TAX \$ _____

MORTGAGE TYPES
 _____ COMMERCIAL/VACANT
 _____ 1 - 2 FAMILY
 (THIS MORTGAGE IS TO FINANCE THE

**SUBORDINATION OF PART OF MORTGAGED PREMISES
TO EASEMENT GRANT**

THIS INDENTURE, made the 24th day of January, 2005, between **COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY**, 44 West Bridge Street, Oswego, New York 13126. hereinafter referred to as the Party of the First Part, and **PAS OF OSWEGO SITE TRUST**, having an address of c/o de maximis inc., Trustee, 450 Montbrook Lane, Knoxville, TN 37919, hereinafter referred to as the Party of the Second Part;

WHEREAS, **INDUSTRIAL PRECISION PRODUCTS, INC.**, hereafter referred to as the Borrower, by mortgage recorded in the Office of the Clerk of the County of Oswego, at Instrument ~~X~~#R-2004-000774, on the 20th day of January, 2004, for the considerations therein mentioned, and to secure the payment of the monies therein specified, did mortgage certain lands and tenements of which the lands hereinafter described on Exhibit "A" are part, unto the Party of the First Part;

AND WHEREAS, the Party of the First Part, at the request of the Party of the Second Part has agreed to subordinate its mortgage lien hereinafter described to the Party of the Second Part, and to hold and retain the residue of the mortgaged lands and interests therein as security for the money remaining due on said mortgage.

NOW, THIS INDENTURE WITNESSETH, that the Party of the First Part, in pursuant of said agreement and in consideration of One and 00/100 (\$1.00) Dollar, lawful money of the United States, and other good and valuable consideration paid by the Party of the Second Part, does hereby subordinate its mortgage lien to the interests of the Party of the Second Part, as described in an Environmental Protection Easement and Declaration of Restrictive Covenants ("the Easement"), to be recorded contemporaneously herewith. In the event that a deed is given in lieu of foreclosure, the lien of the mortgage is foreclosed, or if the premises are sold to another entity in foreclosure, such action or conveyances shall be subject to and subordinate to the Party of the Second Part's interest as described in the Easement.

IN WITNESS WHEREOF, the Party of the First Part has caused these presents to be signed the day and year first above written.

COUNTY OF OSWEGO INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

R. Michael Franklin
Secretary/Treasurer



George J. Williams, County Clerk

R-2006-002509

03/01/2006 04:46PM

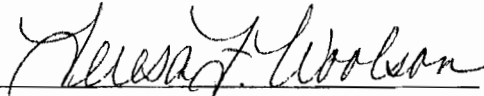
Page: 2 of 4

SUB

1038550.1 12/16/2004

STATE OF NEW YORK)
COUNTY OF _____) .ss:

On this 24th day of January, 2004, before me, the undersigned, personally appeared L. Michael Treadwell, 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/she executed the same in his/her capacity, 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

TERESA F. WOOLSON
Notary Public State of New York
Qualified in Oswego County
Commission Expires 5/18/06



R-2006-002509
03/01/2006 04:46PM
Page: 3 of 4
SUB

No: 5403-25262

The land referred to in this Commitment is described as follows:

AN EASEMENT OVER PREMISES DESCRIBED AS:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego and State of New York, being part of Lot 37 of the 18th Township of Scriba's Patent, bounded and described as follows: Beginning at the southwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by Deed dated February 20, 1963 and recorded in Oswego County Clerk's Office Book 662 at page 757; thence South 62 deg. 32' 40 seconds West a distance of 200 feet; thence North 27 deg. 27' 20 seconds West to the center line of Mitchell Street; running thence Easterly along the centerline of Mitchell Street to a point in the northwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by deed dated February 20, 1963 and recorded in the Oswego County Clerk's Office Book of Deeds 662 at page 757; thence South 27 deg. 27' 20 seconds East to the place of beginning, together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallager from Stepehn L. Gallagher by deed recorded in the Oswego County Clerk's Office in Book 813 at page 294.

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego, County of Oswego and State of New York, being a part of Lots 36 and 37, of the Eighteenth Township of Scriba's Patent, bounded and described as follows: BEGINNING at the southwesterly corner of the property conveyed by Operation Oswego County, Inc., to Stephen L. Gallagher by deed dated the 2nd day of December, 1964, which deed is shown in Book 677 at page 661; thence North 62 deg. 32' 40" East 400 feet to a point; thence South 27 deg. 27' 20" East 100 feet to a point; thence South 62 deg. 32' 40" West 550 feet to an iron bar; thence North 27 deg. 27' 20" West, 573.25 feet to a point in the center line of Mitchell Street; formerly known as the Baldwin Road; thence North 88 deg. 23' 40" East along the center line of Mitchell Street 166.67 feet to the northwest corner of said premises described in said deed shown at Book 677 at page 661; thence South 27 deg. 27' 20" East 687.80 feet to the place of beginning. Being a portion of premises delineated on a map entitled "Survey of Part of Lot 37, Eighteenth Township, Scriba's Patent", dated August 21, 1970, prepared by Donald S. Severance, L.S. #35613, which has been heretofore filed in the Oswego County Clerk's Office.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Operation Oswego County by deed recorded in the Oswego County Clerk's Office in Book 741 at page 567.



COVER SHEET
DOCUMENT WILL NOT BE RECORDED UNLESS COVER SHEET IS COMPLETED



OSWEGO COUNTY CLERK'S OFFICE
 GEORGE J. WILLIAMS - COUNTY CLERK

PLEASE TYPE OR LEGIBLY PRINT
 INFORMATION WITH BLACK INK

**THIS PAGE IS PART OF
 THE INSTRUMENT
 DO NOT
 DETACH**

SUBMITTED BY: Ticor Title Insurance Company / BSE / JAE

TYPE OF DOCUMENT: Subordination of Part of Mortgaged Premises to

R-2006-002510
 03/01/2006 04:48PM
 Page: 1 of 4
 SUB

George J. Williams, County Clerk

PARTIES TO TRANSACTION

KeyBank National Association

RECORD & RETURN TO
 (Name, Address & Zip Code)

TO

Bond, Schoeneck & King, PLLC

PAS of Oswego Site Trust

130 East Second Street

Oswego, NY 13126

RECEIPT # 258028

RECORDING FEES	MISCELLANEOUS FEES
ENDORSEMENT FEE..... \$ 7.00	<input checked="" type="checkbox"/> LOC GOVT \$ 20.00
RECORDING FEE CHARGE..... \$ 5.00	TP 584..... \$ 5.00
# OF PAGES (INCLUDING COVER SHEET) <u>4</u> x 3.00 \$ 12.00	TP 584.1..... \$ 5.00
# OF EXTRA NAMES _____ x 0.50 \$ _____	RP 5217..... \$ 75.00
# OF REFERENCES <u>1</u> x 0.50 \$ 0.50	RP5217..... \$ 165.00
# OF EXTRA ASST _____ x 3.50 \$ _____	AFFID..... \$ 5.00
TOTAL..... \$ 24.50	AFFID # _____
	TOTAL..... \$ 20.00

DEED TRANSFER TAX

REVENUE STAMPS \$ 0.00

TOWN/CITY/VILLAGE City of Oswego ✓
 (COMPLETE FOR MORTGAGE ALSO)

TAX MAP NUMBER # _____

**GRAND TOTAL FOR
 THIS DOCUMENT..... \$ 44.50**
 (include Revenue or Mtge Tax in this total if applicable)

MORTGAGE TAX

MORTGAGE AMT. \$ _____

TOTAL MTGE. TAX \$ _____

MORTGAGE TYPES

_____ COMMERCIAL/VACANT

_____ 1 - 2 FAMILY
 (THIS MORTGAGE IS TO FINANCE THE

(CLERK'S OFFICE ONLY)
 REVENUE

**SUBORDINATION OF PART OF MORTGAGED PREMISES
TO EASEMENT GRANT**

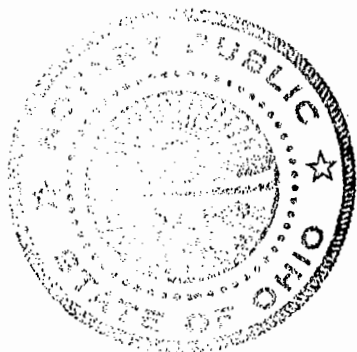
THIS INDENTURE, made the 5th day of JANUARY, ²⁰⁰⁶2004,
between **KEYBANK NATIONAL ASSOCIATION**, 4910 Freedom Rd
Brooklyn Ohio 44117 hereinafter referred to as the Party of the First Part,
and **PAS OF OSWEGO SITE TRUST**, having an address of c/o de maximis inc.,
Trustee, 450 Montbrook Lane, Knoxville, TN 37919, hereinafter referred to as the Party
of the Second Part;

WHEREAS, **INDUSTRIAL PRECISION PRODUCTS, INC.**, hereafter referred
to as the Borrower, by mortgage recorded in the Office of the Clerk of the County of
Oswego, at Book 1928 of Mortgages at Page 212&c, on the 28th day of October, 1997,
for the considerations therein mentioned, and to secure the payment of the monies therein
specified, did mortgage certain lands and tenements of which the lands hereinafter
described on Exhibit "A" are part, unto the Party of the First Part;

AND WHEREAS, the Party of the First Part, at the request of the Party of the
Second Part has agreed to subordinate its mortgage lien hereinafter described to the Party
of the Second Part, and to hold and retain the residue of the mortgaged lands and interests
therein as security for the money remaining due on said mortgage.

NOW, THIS INDENTURE WITNESSETH, that the Party of the First Part, in
pursuant of said agreement and in consideration of One and 00/100 (\$1.00) Dollar, lawful
money of the United States, and other good and valuable consideration paid by the Party
of the Second Part, does hereby subordinate its mortgage lien to the interests of the Party
of the Second Part, as described in an Environmental Protection Easement and
Declaration of Restrictive Covenants ("the Easement"), to be recorded
contemporaneously herewith. In the event that a deed is given in lieu of foreclosure, the
lien of the mortgage is foreclosed, or if the premises are sold to another entity in
foreclosure, such action or conveyances shall be subject to and subordinate to the Party of
the Second Part's interest as described in the Easement.

IN WITNESS WHEREOF, the Party of the First Part has caused these presents to
be signed the day and year first above written.



KEYBANK NATIONAL ASSOCIATION

By: Deborah S Callan

PATRICIA A. SCHOMPER
Notary Public, State of Ohio
My Commission Expires April 14, 2007



George J. Williams, County Clerk

R-2006-002510

03/01/2006 04:46PM

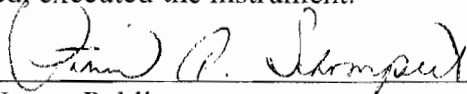
Page: 2 of 4

SUB

1038544.1 12/16/2004

STATE OF NEW YORK)
COUNTY OF) .ss:

On this 5TH day of JANUARY, ²⁰⁰⁶2004, before me, the undersigned, personally appeared DEBORAH S. CALLEN, 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/she executed the same in his/her capacity, 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



George J. Williams, County Clerk

R-2006-002510
03/01/2006 04:48PM
Page: 3 of 4
SUB

No: 5403-25262

The land referred to in this Commitment is described as follows:

AN EASEMENT OVER PREMISES DESCRIBED AS:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego and State of New York, being part of Lot 37 of the 18th Township of Scriba's Patent, bounded and described as follows: Beginning at the southwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by Deed dated February 20, 1963 and recorded in Oswego County Clerk's Office Book 662 at page 757; thence South 62 deg. 32' 40 seconds West a distance of 200 feet; thence North 27 deg. 27' 20 seconds West to the center line of Mitchell Street; running thence Easterly along the center line of Mitchell Street to a point in the northwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by deed dated February 20, 1963 and recorded in the Oswego County Clerk's Office Book of Deeds 662 at page 757; thence South 27 deg. 27' 20 seconds East to the place of beginning, together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallager from Stephen L. Gallagher by deed recorded in the Oswego County Clerk's Office in Book 813 at page 294.

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego, County of Oswego and State of New York, being a part of Lots 36 and 37, of the Eighteenth Township of Scriba's Patent, bounded and described as follows: BEGINNING at the southwesterly corner of the property conveyed by Operation Oswego County, Inc., to Stephen L. Gallagher by deed dated the 2nd day of December, 1964, which deed is shown in Book 677 at page 661; thence North 62 deg. 32' 40" East 400 feet to a point; thence South 27 deg. 27' 20" East 100 feet to a point; thence South 62 deg. 32' 40" West 550 feet to an iron bar; thence North 27 deg. 27' 20" West, 573.25 feet to a point in the center line of Mitchell Street; formerly known as the Baldwin Road; thence North 88 deg. 23' 40" East along the center line of Mitchell Street 166.67 feet to the northwest corner of said premises described in said deed shown at Book 677 at page 661; thence South 27 deg. 27' 20" East 687.80 feet to the place of beginning. Being a portion of premises delineated on a map entitled "Survey of Part of Lot 37, Eighteenth Township, Scriba's Patent", dated August 21, 1970, prepared by Donald S. Severance, L.S. #35613, which has been heretofore filed in the Oswego County Clerk's Office.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Operation Oswego County by deed recorded in the Oswego County Clerk's Office in Book 741 at page 567.



ATTACHMENT B
EXECUTED IPP EASEMENT

COVER SHEET
DOCUMENT WILL NOT BE RECORDED UNLESS COVER SHEET IS COMPLETED




OSWEGO COUNTY CLERK'S OFFICE
 GEORGE J. WILLIAMS - COUNTY CLERK

PLEASE TYPE OR LEGIBLY PRINT
 INFORMATION WITH BLACK INK

SUBMITTED BY: Tice / BSK / JAK

TYPE OF DOCUMENT: Environmental Protection

**THIS PAGE IS PART OF
 THE INSTRUMENT
 DO NOT
 DETACH**


 R-2006-002511
03/01/2006 04:46PM
 Page: 1 of 14
 EASE

PARTIES TO TRANSACTION

Industrial Precision Products, Inc.

RECORD & RETURN TO
 (Name, Address & Zip Code)

TO

Bond, Schoeneck & King, PLLC

PAS OF OSWEGO SITE TRUST

130 East Second Street

Oswego, New York 13126

RECEIPT # 258028

RECORDING FEES	MISCELLANEOUS FEES
ENDORSEMENT FEE..... \$ 7.00	<input checked="" type="checkbox"/> LOC GOVT \$ 20.00
RECORDING FEE CHARGE..... \$ 5.00	<input checked="" type="checkbox"/> TP 584 \$ 5.00
# OF PAGES (INCLUDING COVER SHEET) <u>17</u> x 3.00 \$ <u>51.00</u>	TP 584.1 \$ 5.00
# OF EXTRA NAMES <u>1</u> x 0.50 \$	RP 5217 \$ 75.00
# OF REFERENCES <u>1</u> x 0.50 \$	RP5217 \$ 165.00
# OF EXTRA ASST <u>1</u> x 3.50 \$	AFFID \$ 5.00
TOTAL..... \$ <u>54.00</u>	AFFID # _____
	TOTAL..... \$ <u>25.00</u>

DEED TRANSFER TAX

REVENUE STAMPS \$ 20.00

TOWN/CITY/VILLAGE City of Oswego
 (COMPLETE FOR MORTGAGE ALSO)

TAX MAP NUMBER # 110.84-01-02 (PART OF)

GRAND TOTAL FOR

THIS DOCUMENT..... \$ 79.00
 (include Revenue or Mtge Tax in this total if applicable)

MORTGAGE TAX

MORTGAGE AMT. \$ _____

TOTAL MTGE. TAX \$ _____

MORTGAGE TYPES

_____ COMMERCIAL/VACANT

_____ 1 - 2 FAMILY
 (THIS MORTGAGE IS TO FINANCE THE
 ACQUISITION OR IMPROVEMENT OF A ONE

3418
 R-2006-002511
 \$20.00

Receipt # 258028

(CLERK'S OFFICE ONLY)

ENVIRONMENTAL PROTECTION EASEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

This Environmental Protection Easement and Declaration of Restrictive Covenants is made this 22nd day of February, 2006, by and between Industrial Precision Products, Inc. ("Grantor"), having an address of 350 Mitchell Street, Oswego, New York 13126, and, de maximis, inc., as Trustee of The PAS Oswego Site Trust ("Grantee"), having an address of c/o de maximis, inc., Trustee, 405 Montbrook Lane, Knoxville, Tennessee, 37919.

WITNESSETH:

WHEREAS, Grantor is the owner of a parcel of land located in the county of the state of New York, more particularly described on **Exhibit A**, attached hereto and made a part hereof together with any buildings and improvements thereon and appurtenances thereto (the "Property"); and

WHEREAS, the Property is part of the Pollution Abatement Services ("PAS") Superfund Site ("Site"), which the U.S. Environmental Protection Agency ("EPA"), pursuant to Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9605, placed on the National Priorities List, as set forth in Appendix B of the National Oil and Hazardous Substances Pollution Contingency Plan ("NCP"), 40 C.F.R. Part 300, by publication in the Federal Register on September 8, 1983; and

WHEREAS, in Records of Decision dated June 6, 1984 and December 29, 1993 (the "1984 ROD" and the "1993 ROD"), the Regional Administrator of EPA, Region II, selected, and the New York State Department of Environmental Conservation ("NYSDEC") concurred with, "response actions" for the Site, which provide, in part, for the following actions:

- (a) limited excavation and off-site disposal of contaminated materials, installation of a perimeter slurry wall, site grading and capping, installation of a leachate and groundwater collection and treatment system, and groundwater monitoring;
- (b) enhancing the present source control system by optimizing the leachate and groundwater extraction rate and other operating parameters in order to achieve, to the degree practicable, inward horizontal gradients in the overburden and upward vertical gradients from the bedrock toward the containment system;
- (c) bedrock groundwater extraction and treatment;
- (d) connecting downgradient residents in the Smith's Beach area, who were using residential wells, to the public water supply to ensure that potential future exposure to contaminants in the bedrock groundwater does not occur; and
- (e) institutional controls on groundwater usage through deed restrictions at the PAS Site and downgradient from the Site (a map depicting the approximate location of the

groundwater plume and the area hydrogeologically downgradient is depicted in Exhibit B); and

WHEREAS, on September 30, 1996, EPA issued an Explanation of Significant Differences (“ESD”) which modified the 1993 ROD and concluded that bedrock groundwater extraction and treatment would not be an effective means of addressing the contamination in the bedrock aquifer because it would adversely impact the existing containment system or the nearby creeks and wetlands. The ESD addresses the contamination in the bedrock by calling for the enhancement of the present source control system alone; and

WHEREAS, pursuant to the terms of a Consent Decree entered by the United States District Court for the Northern District of New York on August 10, 1998, *United States of America v. Agway et al.* Civil Action No. 98-CV-0112 (the “1998 Consent Decree”), the Grantees have agreed to finance and perform certain remedial work in accordance with the 1998 Consent Decree, the 1984 ROD and the 1993 ROD (as modified by the ESD); and

WHEREAS, the parties hereto have agreed that Grantor shall grant a permanent easement and covenant: a) to provide a right of access over the Property to the Grantee for purposes of implementing, facilitating and monitoring the response action; and b) to impose on the Property use restrictions that will run with the land for the purpose of protecting human health and the environment; and

WHEREAS, Grantor wishes to cooperate fully with the Grantee in the implementation of all response actions at the Site;

NOW, THEREFORE:

1. Grant: Grantor on behalf of itself, its successors and assigns, in consideration of the terms of the 1998 Consent Decree and other good and valuable consideration, does hereby give, grant, covenant and declare in favor of the Grantee that the Property shall be subject to the restrictions on use and rights of access set forth below, and does give, grant and convey to the Grantee with general warranties of title the perpetual right to enforce said restrictions and rights, which shall be of the nature and character, and for the purposes hereinafter set forth, with respect to the Property.
2. Purpose: It is the purpose of this instrument to convey to the Grantee real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to contaminants.
3. Restrictions on use: The following restrictions on use apply to the use of the Property, run with the land and are binding on the Grantor:

The Property shall not be used in any manner that would interfere with or adversely affect the integrity or protectiveness of the remedial measures (including all monitoring wells) that have been

implemented pursuant to the 1998 Consent Decree. Such restrictions include, but are not limited to:

- a. the installation or use of any groundwater wells on the Property except as approved by EPA for the implementation of the work required to be performed under the Consent Decree; and
- b. any groundwater use of the Property which would adversely affect the integrity of the containment system installed at the Site pursuant to the 1984 ROD.

4. Modification of termination of restrictions: The restrictions on use in the preceding paragraph of this instrument shall terminate when EPA certifies completion of the Work pursuant to paragraph 50(b) of the Consent Decree. Within 30 days of that certificate the Grantee will file an acknowledgement of same in the County Clerk's office. Prior to that time, these restrictions may only be modified, or terminated in whole or in part, in writing, by the Grantee, with the prior written consent of EPA, provided, however, that any modification or termination of said restrictions shall not adversely affect the remedy selected by EPA for the Site. If requested by the Grantor, such writing will be executed by Grantee in recordable form.

5. Right of access: A right of access by the Grantees or their authorized representatives to the Property at all reasonable times for the following purposes shall run with the land and be binding on Grantor:

- a) Implementing the work pursuant to the 1998 Consent Decree, including but not limited to the Operation and Maintenance-activities;
- b) Verifying any data or information relating to the Site;
- c) Verifying that no action is being taken on the Property in violation of the terms of this instrument or of any federal or state environmental laws or regulations;
- d) Conducting investigations under CERCLA relating to contamination on or near the Site, including, without limitation, sampling of air, water, sediments, soils; and
- e) Implementing additional or new response actions under CERCLA.

6. Reserved rights of Grantor: Grantor hereby reserves unto itself, its successors, and assigns, all rights and privileges in and to the use of the Property which are not incompatible with the restrictions, rights, covenants and easements granted herein.

7. Federal authority: Nothing in this document shall limit or otherwise affect EPA's rights of entry and access or EPA's authority to take response actions under CERCLA, the NCP, or other federal law.



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8. No public access and use: No right of access or use by the general public to any portion of the Property is conveyed by this instrument.
9. Public notice: Grantor agrees to include in each instrument conveying any interest in any portion of the Property, including but not limited to deeds, leases and mortgages, a notice which is in substantially the following form:

**NOTICE: THE INTEREST CONVEYED HEREBY IS
SUBJECT TO AN ENVIRONMENTAL PROTECTION
EASEMENT AND DECLARATION OF RESTRICTIVE
COVENANTS, DATED _____, 20____, RECORDED IN
THE OFFICE OF THE CLERK OF OSWEGO COUNTY ON
_____, 20____, IN BOOK _____, PAGE ____.**

Within thirty (30) days of the date and such instrument of conveyance is executed, Grantor agrees to provide Grantee and EPA with a certified true copy of said instrument (by certified mail with return receipt) and, if it has been recorded in the public land records, its recording reference.

10. Enforcement: The Grantee shall be entitled to enforce the terms of this instrument by resort to specific performance. All remedies available hereunder shall be in addition to any and all other remedies at law or in equity, including CERCLA. Any forbearance, delay or omission to exercise Grantee's rights under this instrument in the event of a breach of any term of this instrument shall not be deemed to be a waiver by the Grantee of such term or of any of the rights of the Grantee under this instrument.
11. Damages: Grantee shall also be entitled to recover damages for breach of any covenant or violation of the terms of this instrument including any impairment to the remedial action that increases the cost of the selected response action for the Site as a result of such breach or violation.
12. Waiver of certain defenses: Grantor hereby waives any defense of laches, estoppel, or prescription.
13. Covenants: Grantor hereby covenants to and with the Grantee and its assigns, that the Grantor is lawfully seized in fee simple of the Property, that the Grantor has a good and lawful right and power to sell and convey it or any interest therein, that the Property is free and clear of encumbrances and that the Grantor will forever warrant and defend the title thereto and the quiet possession thereof.



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14. Notices: Any notice, demand, request, consent, approval, or communication under this instrument that either party desires or is required to give to the other shall be in writing and shall either be served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor:

Mr. William Gallagher
President
Industrial Precision Products, Inc.
350 Mitchell Street
Oswego, New York 13126

To Grantee:

Thomas Dorsey
de maximis, inc.
Trustee
PAS Oswego Site Trust
450 Montbrook Lane
Knoxville, Tennessee, 37919

A copy of each such communication shall also be sent to the following:

To EPA:

Patricia Pierre
Project Manager
U.S. Environmental Protection Agency
Region II
Central New York Remediation Section
290 Broadway
New York, NY 10007-1866

To NYSDEC:

Mr. Payson Long
Environmental Engineer I
Remedial Bureau D
Division of Environmental Remediation
New York State Department of
Environmental Conservation
625 Broadway
Albany, NY 12233-7013

15. General Provisions:

Controlling law: The interpretation and performance of this instrument shall be governed by the laws of the United States or, if there are no applicable federal laws, by the law of New York State.

Liberal construction: Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the grant to effect the purpose of this instrument and the policy and purpose of CERCLA. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

Severability: If any provision of this instrument, or the application of it to any person or circumstance, is found to be invalid, the remainder of the provisions of this instrument, or the application of such provisions to persons or circumstances other than those to which it is found to be invalid, as the case may be, shall not be affected thereby.



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Entire agreement: This instrument sets forth the entire agreement of the parties with respect to rights and restrictions created hereby, and supersedes all prior discussions, negotiations, understandings, or agreements relating thereto, all of which are merged herein; provided that nothing in this instrument shall be deemed to alter or modify the Consent Decree.

No forfeiture: Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

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.

Assignment: The rights and obligations of the Grantor and Grantee created under this agreement may be assigned only with the prior written consent of EPA. Notice of any such assignments shall be made pursuant to Paragraph 14 of this agreement.

Successors: The covenants, easements, terms, conditions, and restrictions of this instrument shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and permitted assigns and shall continue as a servitude running in perpetuity with the Property. The term "Grantor," wherever used herein, and any pronouns used in place thereof, shall include the persons and/or entities named at the beginning of this document, identified as "Grantor" and their personal representatives, heirs, successors, and permitted assigns. The term "Grantee," wherever used herein, and any pronouns used in place thereof, shall include the persons and/or entities named at the beginning of this document, identified as "Grantee" and their personal representatives, heirs, successors, and permitted assigns.

Captions: The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.


Third-Party Beneficiary: Grantor and Grantee hereby agree that EPA and NYSDEC shall be, on behalf of the public, third-party beneficiaries of the benefits, rights and obligations conveyed to Grantee in this instrument; provided that nothing in this instrument shall be construed to create any obligations on the part of EPA or NYSDEC.

TO HAVE AND TO HOLD unto the Grantee and its assigns forever.



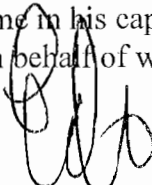
IN WITNESS WHEREOF, Grantor has caused this instrument to be signed in its name.

Executed this 1st day of March, 2006.


William Gallagher
President
Industrial Precision Products, Inc.

STATE OF NEW YORK)
) ss.:
COUNTY OF OSWEGO)

On the 1st day of March in the year 2006 before me, the undersigned, personally appeared William Gallagher 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, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed this instrument.

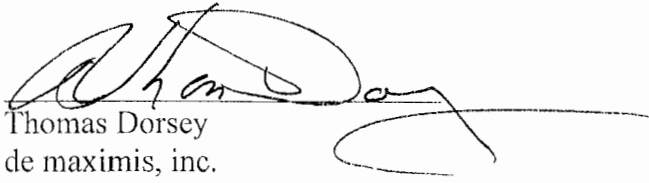


Notary Public

EDWARD A. MERVINE
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN OSWEGO CO NO 4966098
My Commission Expires On April 30, 2006


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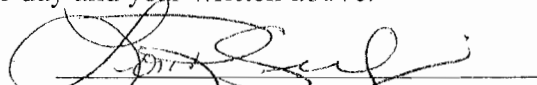
This instrument is accepted this 22nd day of February, 2006.



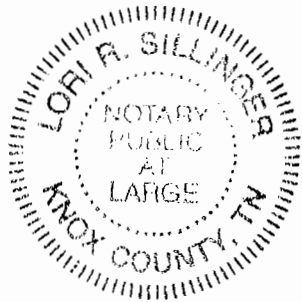
Thomas Dorsey
de maximis, inc.
Trustee
PAS Oswego Site Trust

STATE OF TENNESSEE)
COUNTY OF KNOX)

On the 22nd day of February in the year 2006 before me personally came R. Thomas Dorsey to me known, who, being duly sworn, did depose and say that he/she/they reside(s) in KNOXVILLE⁴⁶⁰ Montbrook Ln [if the place of residence is in a city, including the street and street number, if any, thereof]; that he is Trustee of the PAS Oswego Site Trust, the Trust described in and which executed the above instrument. *AND APPROVED TO ME ON THE 20/5/15 OF WHOSE NAME IS SUBSCRIBED TO THE WITHIN SATISFACTORY EVIDENCE TO BE THE INDIVIDUAL HE EXECUTED THE SAME IN HIS CAPACITY.* *SATISFACTORY EVIDENCE TO BE THE INDIVIDUAL WHOSE NAME IS SUBSCRIBED TO THE WITHIN AND APPROVED TO ME THAT*
Witness my hand and official seal hereto affixed the day and year written above.



Notary Public in and for the
State of Tennessee



My Commission Expires: 12/22/07

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Attachments

Exhibit A Legal description of the Property

Exhibit B Approximate location of groundwater plume



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George J. Williams, County Clerk

EXHIBIT A



George J. Williams, County Clerk

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Issued By:

TICOR TITLE INSURANCE COMPANY

Schedule A (cont'd)

No: 5403-25262

The land referred to in this Commitment is described as follows:

AN EASEMENT OVER PREMISES DESCRIBED AS:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego and State of New York, being part of Lot 37 of the 18th Township of Scriba's Patent, bounded and described as follows: Beginning at the southwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by Deed dated February 20, 1963 and recorded in Oswego County Clerk's Office Book 662 at page 757; thence South 62 deg. 32' 40 seconds West a distance of 200 feet; thence North 27 deg. 27' 20 seconds West to the center line of Mitchell Street; running thence Easterly along the centerline of Mitchell Street to a point in the northwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by deed dated February 20, 1963 and recorded in the Oswego County Clerk's Office Book of Deeds 662 at page 757; thence South 27 deg. 27' 20 seconds East to the place of beginning, together with the appurtenances and all the estate and rights of the party of the first part in and to said premises.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallager from Stepehn L. Gallagher by deed recorded in the Oswego County Clerk's Office in Book 813 at page 294.

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego, County of Oswego and State of New York, being a part of Lots 36 and 37, of the Eighteenth Township of Scriba's Patent, bounded and described as follows: BEGINNING at the southwesterly corner of the property conveyed by Operation Oswego County, Inc., to Stephen L. Gallagher by deed dated the 2nd day of December, 1964, which deed is shown in Book 677 at page 661; thence North 62 deg. 32' 40" East 400 feet to a point; thence South 27 deg. 27' 20" East 100 feet to a point; thence South 62 deg. 32' 40" West 550 feet to an iron bar; thence North 27 deg. 27' 20" West, 573.25 feet to a point in the center line of Mitchell Street; formerly known as the Baldwin Road; thence North 88 deg. 23' 40" East along the center line of Mitchell Street 166.67 feet to the northwest corner of said premises described in said deed shown at Book 677 at page 661; thence South 27 deg. 27' 20" East 687.80 feet to the place of beginning. Being a portion of premises delineated on a map entitled "Survey of Part of Lot 37, Eighteenth Township, Scriba's Patent", dated August 21, 1970, prepared by Donald S. Severance, L.S. #35613, which has been heretofore filed in the Oswego County Clerk's Office.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Operation Oswego County by deed recorded in the Oswego County Clerk's Office in Book 741 at page 567.



George J. Williams, County Clerk

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EXHIBIT B



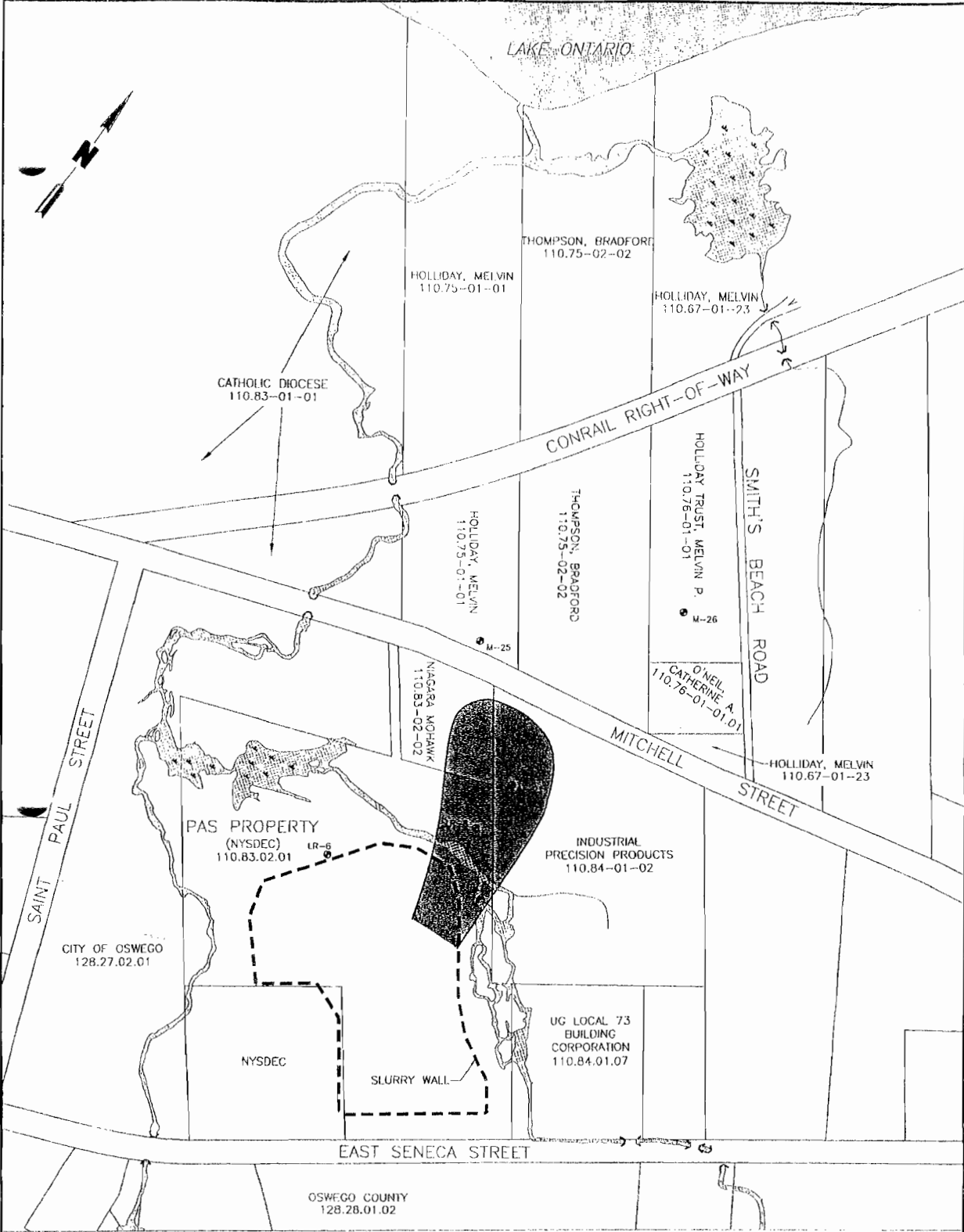
George J. Williams, County Clerk

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LEGEND

 EXTENT OF BEDROCK VOC PLUME BASED ON LONG-TERM MONITORING DATA THROUGH MAY 2003

RCL:

BASE MAP ADAPTED FROM PHASE 1 AND PHASE 2 SPRDS. BASE MAPS, AND FROM OSWEGO COUNTY TAX MAPS 110.60, 110.67, 110.68, 110.75, 110.76, 110.83, 110.84, 128.27 AND 128.28

Title: EXTENT OF BEDROCK VOC PLUME SOUTH OF MITCHELL STREET			
Prepared For: de maximis, Inc.			
 ROUX ASSOCIATES, INC. <i>Environmental Consulting & Management</i>	Compiled by: LM	Date: 8/28/03	FIGURE 2
	Prepared by: RF	Scale: AS SHOWN	
	Project Mgr: LM	Office: MA	
	File No: DM0112602	Project: 32701MOB	

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ATTACHMENT C
TITLE INSURANCE POLICY

TA OWNER'S (10-17-92)



Ticor Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, TICOR TITLE INSURANCE COMPANY, a California Corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

In Witness Whereof, TICOR TITLE INSURANCE COMPANY has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.

Issued By:

TICOR TITLE INSURANCE COMPANY
 34 E. BRIDGE ST. -STE 200
 OSWEGO, NY 13126
 Tel (315)342-2184 Fax (315)342-5959

TICOR TITLE INSURANCE COMPANY

By

President

Attest

Secretary

Countersigned



Policy Number:

5403-25262

Authorized Signatory

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

Issued by

Ticor Title Insurance Company

Endorsement

Attached to and forming a part of Policy of Title Insurance No. 5403-25262

CODE: NYO

DATED: March 1, 2006

STANDARD NEW YORK ENDORSEMENT

(OWNER'S POLICY)

1. The following is added to the insuring provisions on the face page of this policy:

"5. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

"(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or incumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of the policy unless otherwise expressly stated.

This endorsement, when countersigned below by a validating signatory, is made a part of the policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

Buy/Borrow: de maximis, inc., Trustee of the PAS Os
Seller: Industrial Precision Products, Inc.
Lender:
Prop: 350 Mitchell Street, Oswego, New York
(Oswego County)



Ticor Title Insurance Company

By

President

Attest

Secretary

Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

OWNER'S POLICY OF TITLE INSURANCE
ALTA OWNER'S (10-17-92)

No: 5403-25262

Date of Policy: March 1, 2006

Amount of Insurance: \$5,000.00

1. Name of Insured:

de maximis, inc., Trustee of The PAS Oswego Site Trust

by Environmental Protection Easement and Declaration of Restrictive Covenants made by Industrial Precision Products, Inc. to grantee dated February 22, 2006 and recorded March 1, 2006, Instrument #R-2006-002511.

2. The estate or interest in the land which is covered by this Policy is:

FEE SIMPLE

3. Title to the estate or interest in the land is vested in the Insured.

4. The land herein described is encumbered by the following mortgage or trust deed, and assignments:

and the mortgages or trust deeds, if any, shown in Schedule B hereof.

5. The land referred to in this Policy is known as:

Address: 350 Mitchell Street
City/Town: Oswego
County: Oswego
State: NY
Lot No.:
Subdivision:

(Legal Description Continued on Attached Page)

This Policy valid only if Schedule B is attached.

OWNER'S POLICY OF TITLE INSURANCE
ALTA OWNER'S (10-17-92)

No: 5403-25262

AN EASEMENT OVER PREMISES DESCRIBED AS:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego and State of New York, being part of Lot 37 of the 18th Township of Scriba's Patent, bounded and described as follows: Beginning at the southwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by Deed dated February 20, 1963 and recorded in Oswego County Clerk's Office Book 662 at page 757; thence South 62 deg. 32' 40 seconds West a distance of 200 feet; thence North 27 deg. 27' 20 seconds West to the center line of Mitchell Street; running thence Easterly along the centerline of Mitchell Street to a point in the northwesterly corner of the property conveyed by Operation Oswego, Inc., the party of the first part herein, to Stephen L. Gallagher, the party of the second part herein, by deed dated February 20, 1963 and recorded in the Oswego County Clerk's Office Book of Deeds 662 at page 757; thence South 27 deg. 27' 20 seconds East to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Oswego, County of Oswego and State of New York, being a part of Lots 36 and 37, of the Eighteenth Township of Scriba's Patent, bounded and described as follows: BEGINNING at the southwesterly corner of the property conveyed by Operation Oswego County, Inc., to Stephen L. Gallagher by deed dated the 2nd day of December, 1964, which deed is shown in Book 677 at page 661; thence North 62 deg. 32' 40" East 400 feet to a point; thence South 27 deg. 27' 20" East 100 feet to a point; thence South 62 deg. 32' 40" West 550 feet to an iron bar; thence North 27 deg. 27' 20" West, 573.25 feet to a point in the center line of Mitchell Street; formerly known as the Baldwin Road; thence North 88 deg. 23' 40" East along the center line of Mitchell Street 166.67 feet to the northwest corner of said premises described in said deed shown at Book 677 at page 661; thence South 27 deg. 27' 20" East 687.80 feet to the place of beginning. Being a portion of premises delineated on a map entitled "Survey of Part of Lot 37, Eighteenth Township, Scriba's Patent", dated August 21, 1970, prepared by Donald S. Severance, L.S. #35613, which has been heretofore filed in the Oswego County Clerk's Office.

Being the same premises conveyed to Stephen L. Gallagher and Amelia B. Gallagher from Operation Oswego County by deed recorded in the Oswego County Clerk's Office in Book 741 at page 567.

OWNER'S POLICY OF TITLE INSURANCE
ALTA OWNER'S (10-17-92)

No: 5403-25262

This Policy does not insure against loss or damage (and the Company will not pay costs, legal fees, or expenses) which arise by reason of the following items, and the mortgage, if any referred to in Item 4 of Schedule A.

1. Rights of the tenants, and/or others in possession, if any.
2. The 2nd payment of the 2006 County taxes are a lien but are not yet due and payable.
3. 2005-2006 School Taxes paid, however, subject to penalties and interest, if any.
4. The 2006 City taxes are a lien but are not yet due and payable.
5. Unpaid water bills and sidewalk assessments.
6. Taxes or special assessments which are not shown as existing liens by the public records.
7. Mortgage in the amount of \$325,000.00 and interest made by Industrial Precision Products, Inc. to Key Bank of New York dated July 28, 1994 and recorded in the Oswego County Clerk's Office on July 28, 1994 in Book 1593 of Mortgages at page 236&c.

NOTE: This mortgage is subordinate to the insured instrument by Subordination Agreement between Key Bank of New York and PAS of Oswego Site Trust dated February 1, 2006 and recorded March 1, 2006, Instrument #R-2006-002508.

8. Financing Statement from Industrial Precision Products, Inc. to County of Oswego Industrial Development Agency filed November 26, 1997, File No. 97-003548.

NOTE: Above UCC continued by File No. U-2002-00052, filed February 25, 2002.

9. Financing Statement from Industrial Precision Products, Inc. to Key Bank National Assoc. filed January 5, 1998, File No. 98-000050.

NOTE: Above UCC continued by File No. U-2002-00198, filed August 20, 2002.

10. Mortgage in the amount of \$80,000.00 and interest made by Industrial Precision Products, Inc. to County of Oswego Industrial Development Agency dated January 16, 2004 and recorded in the Oswego County Clerk's Office on January 20, 2004, Instrument #R-2004-000774.

NOTE: This mortgage is subordinate to the insured instrument by Subordination Agreement between County of Oswego Industrial Development Agency and PAS of Oswego Site Trust dated January 24, 2005 and recorded March 1, 2006, Instrument #R-2006-002509.

11. Financing Statement from Industrial Precision Products, Inc. and William J. Gallagher to County of Oswego Industrial Development Agency filed January 20, 2004, Instrument #U-2004-00006.

12. Mortgage in the amount of \$50,000.00 and interest made by Industrial Precision Products, Inc. to City of Oswego, Community Development Office dated April 2, 2004 and recorded in the Oswego County Clerk's Office on April 2, 2004, Instrument #R-2004-004236.

NOTE: This mortgage is subordinate to the insured instrument by Subordination Agreement between City of Oswego, Community Development Office and PAS of Oswego Site Trust dated January 3, 2005 and recorded March 1, 2006, Instrument #R-2006-002507.

(CONTINUED)

OWNER'S POLICY OF TITLE INSURANCE

ALTA OWNER'S (10-17-92)

No: 5403-25262

13. Financing Statement from Industrial Precision Products, Inc. and William J. Gallagher to City of Oswego Community Development Office filed April 2, 2004, Instrument #U-2004-00067.
14. Mortgage in the amount of \$246,000.00 and interest made by Industrial Precision Products, Inc. to KeyBank National Association dated October 1997 and recorded in the Oswego County Clerk's Office on October 28, 1997 in Book 1928 of Mortgages at page 212&c.
NOTE: This mortgage is subordinate to the insured instrument by Subordination Agreement between KeyBank National Association and PAS of Oswego Site Trust dated January 5, 2006 and recorded March 1, 2006, Instrument #R-2006-002510.
15. No title is insured to the lands lying within the bounds of any street or highway of the adjoining premises.
16. Subject to the rights or claims of the Onondaga Indian Nation of New York or persons or groups of persons claiming under them, but this policy insures against loss or damage which the insured may sustain by reason of any right or claim of title which has been or may be asserted, of record or not, by or on behalf of any Indian or Indian Tribe on the basis that the prior purported transfer or termination of aboriginal or other title held by the Tribe was invalid by virtue of the Act of July 22, 1790, "An Act to Regulate Trade and Intercourse with the Indian Tribes" (1 Stat. 137, 138), any subsequent reenactment of that Act or any similar Federal or State Law. This policy includes insurance against loss or damage by reason of unmarketability of title (as hereinafter defined) on account of said defect. With respect to said defect, the offer of any title insurance company licensed to transact business in the State of New York, including this company, to insure at its regular rates the title to the land herein described in the manner herein set forth above shall be conclusive evidence of the marketability of the title hereby insured. The company agrees, upon request of any mortgagee or vendee of the insured, or the mortgagee of such vendee, to issue its policy containing the same affirmative coverage set forth above, but subject to the same condition.
17. Appropriation dated December 4, 1986 from the People of the State of New York filed April 7, 1987, File #2059, Project: PAS Oswego Site.
18. Appropriation dated December 4, 1986 from the People of the State of New York filed June 29, 1987, File #2061, Project: PAS Oswego Site, Proceeding 8595, HW-Oswego 1500.
19. The exact acreage of the premises is not insured.
20. Any state of facts that an accurate survey would show or an inspection of the premises would disclose.
21. Subject to Terms & Easements as contained in deed made by Industrial Precision Products, Inc. to the City of Oswego dated November 19, 2004 and recorded January 27, 2005 as Instrument No. R-2005-001025. (See attached copy)
22. Section 316-b of the Real Property Law requires recording officers to provide proper books for making an index of present owners of inactive hazardous waste disposal sites contained in the annual report required by Section 27-1305 of the Environmental Conservation Law. The index shall also contain the tax map, parcel number or the section, block and lot number of the site. The inactive hazardous waste site, as it appears in the index may include all or a portion of the premises under examination.
23. Terms and conditions contained in easement from Industrial Precision Products, Inc. to de maximis, inc., Trustee of the PAS Oswego Site Trust dated February 22, 2006 and recorded March 1, 2006, Instrument #R-2006-002511.

Issued By:

TICOR TITLE INSURANCE COMPANY

Signature Page

OWNER'S POLICY OF TITLE INSURANCE
ALTA OWNER'S (10-17-92)

No: 5403-25262

Countersigned


Authorized Signatory

Fidelity National Financial Group of Companies' Privacy Statement
July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We may also disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability To Correct Errors Or Request Changes Or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Fidelity National Financial, Inc.
601 Riverside Drive
Jacksonville, FL 32204

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company maybe liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,
(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at the issuing office or to:

Ticor Title Insurance Company
Attn: Claims Department
711 Third Avenue, 5th Floor
New York, NY 10017