

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

THIS INDENTURE made this 20 day of December, 2007, between Tiago Holdings, LLC ("Grantor Fee Owner" or "Grantor"), a New York limited liability company having an office at 300 Robbins Lane, Syosset, New York, and the People of the State of New York (the "Grantee."), acting through their Commissioner of the Department of Environmental Conservation (the "Commissioner", or "NYSDEC" or "Department" as the context requires) with its headquarters located at 625 Broadway, Albany, New York 12233,

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

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

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

WHEREAS, Grantor, is the owner of real property located in the City of New York, New York County, New York known and designated on the tax map of the Borough of Manhattan as 517-544 East 116th Street, Block 1715, Lot 22, 539-555 East 117th Street and 512-522 East 118th Street, Block 1716, Lot 19, 527-549 East 118th Street, Block 1815, Lot 23, and 540-546 East 119th Street, Block 1815, Lot 31, which is designated as Site No. C231045 under the Brownfield Cleanup Agreement which is comprised of approximately 4.5 hereinafter more fully described in Schedule A attached hereto and made a part hereof (the " Controlled Property"); and;

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

NOW THEREFORE, in consideration of the covenants and mutual promises contained herein and the terms and conditions of **Brownfield Cleanup Agreement Number W2-1068-05-06** Grantor grants, conveys and releases to Grantee a permanent Environmental Easement pursuant to Article 71, Title 36 of the ECL in, on, over, under, and upon the Controlled Property as more fully described herein (“Environmental Easement”).

1. Purposes. Grantor and Grantee acknowledge that the Purposes of this Environmental Easement are: to convey to Grantee real property rights and interests that will run with the land in perpetuity in order to provide an effective and enforceable means of encouraging the reuse and redevelopment of this Controlled Property at a level that has been determined to be safe for a specific use while ensuring the performance of operation, maintenance, and/or monitoring requirements; and to ensure the potential restriction of future uses of the land that are inconsistent with the above-stated purpose.

2. Institutional and Engineering Controls. The following engineering and institutional controls (“Engineering and Institutional Controls”) apply to the use of the Controlled Property, run with the land, are binding on the Grantor and the Grantor’s successors and assigns, and are enforceable in law or equity against any owner of the Controlled Property, any lessees, and any person using the Controlled Property:

A. The Controlled Property may be used for commercial use and restricted residential use (as defined in NYSDEC Regulations Subpart 375-1.8(g)(2) as long as the following long-term Engineering and Institutional Controls are employed:

a) all engineering controls must be operated and maintained as specified in the Site Management Plan submitted by Grantor and approved by the Department for the Controlled Property (the “Site Management Plan”). No Engineering and Institutional Controls may be discontinued without a NYSDEC-approved amendment or extinguishment of this Environmental Easement;

b) Annual inspections of the Controlled Property, certifications of Engineering and Institutional Controls and usage of Controlled Property, and Site Management Reporting to the Department must be conducted in accordance with the NYSDEC-approved Site Management Plan;

- c) groundwater and other environmental or public health monitoring, and reporting of information thus obtained, must be performed in a manner specified in the Site Management Plan;
- d) on-site environmental monitoring devices, including but not limited to, groundwater monitor wells, must be protected and replaced as necessary to ensure continued functioning in the manner specified in the NYSDEC-approved Site Management Plan;
- e) vegetable gardens are prohibited; and
- f) residential habitation will not take place in the basement or first floor and shall only occur above the first floor.

The Grantor hereby acknowledges receipt of a copy of the NYSDEC-approved Site Management Plan, dated December 2007 ("SMP"). The SMP describes obligations that Grantor assumes on behalf of Grantor, its successors and assigns. The Grantor's assumption of the obligations contained in the SMP which may include sampling, monitoring, and/or operating a treatment system on the Controlled Property, and providing certified reports to the NYSDEC, is and remains a fundamental element of the Department's determination that the Controlled Property is safe for a specific use, but not all uses. Upon notice of not less than thirty (30) days the Department in exercise of its discretion and consistent with applicable law may revise the SMP. The notice shall be a final agency determination. The Grantor and all successors and assigns, assume the burden of complying with the SMP and obtaining an up-to-date version of the SMP from:

Regional Remediation Engineer
Region Two
NYS Department of Environmental Conservation
Hunters Point Plaza
47-40 21st Street
Long Island City, New York 11101-5401

or:

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

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

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

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

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

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

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

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

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

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

5. Enforcement

A. This Environmental Easement is enforceable in law or equity in perpetuity by Grantor, Grantee, or any affected local government, as defined in ECL Section 71-3603, against the owner of the Property, any lessees, and any person using the land. Enforcement shall not be defeated because of any subsequent adverse possession, laches,

estoppel, or waiver. It is not a defense in any action to enforce this environmental easement that: it is not appurtenant to an interest in real property; it is not of a character that has been recognized traditionally at common law; it imposes a negative burden; it imposes affirmative obligations upon the owner of any interest in the burdened property; the benefit does not touch or concern real property; there is no privity of estate or of contract; or it imposes an unreasonable restraint on alienation.

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

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

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

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

Parties shall address correspondence to:

Environmental Easement Attorney
Office of General Counsel
NYSDEC
625 Broadway
Albany New York 12233-5500

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

7. Recordation. Grantor shall record this instrument, within thirty (30) days of execution of this instrument by the Commissioner or her/his authorized representative in the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.
8. Amendment. This Environmental Easement may be amended only by an amendment executed by the Commissioner of the New York State Department of Environmental Conservation and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.
9. Extinguishment. This Environmental Easement may be extinguished only by a release by the Commissioner of the New York State Department of Environmental Conservation and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed by Article 9 of the Real Property Law.
10. Joint Obligation. If there are two or more parties identified as Grantor herein, the obligations imposed by this instrument upon them shall be joint and several.
11. Conflict with Reciprocal Easement. Any conflicts between the terms and provisions of that certain Reciprocal Easement, Restriction and Common Area Maintenance Declaration made as of January 31, 2007 by Tiago Holdings, LLC recorded in CRFN 2007000097184 and the terms and provisions of this environmental easement, shall be resolved in favor of this environmental easement.

County: New York Site No: C 230145 Contract/Order No: W2-1068-05-06

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

Tiago Holdings, LLC

By: FC East River Associates, LLC

By: RRG East River, LLC

By: 

Name: DAVID L. BERLINER

Title: SR. VICE PRESIDENT

Date: 12/10/2007

By: DWD Associates, LLC

By: 

Name: DAVID BLUHENSFELD

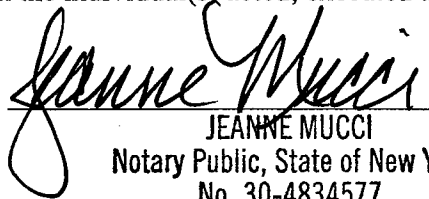
Title: MANAGER

Date: DEC. 7, 2007

Grantor's Acknowledgment

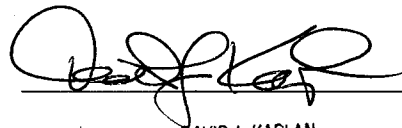
State of New York)
) ss.:
County of KINGS)

On the 10th day of Dec., 2007 before me, the undersigned, personally appeared DAVID L. BELINER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



JEANNE MUCCI
Notary Public, State of New York
No. 30-4834577
Qualified in Nassau County
Commission Expires March 30, 2011

State of New York)
) ss.:
County of NASSAU)

On the 7th day of DECEMBER, 2007, before me, the undersigned, personally appeared DAVID BLUMENFELD, personally known to me who or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


DAVID J. KAPLAN
Notary Public, State of New York
No. 02KA6010914
Qualified in Nassau County
Commission Expires July 27, 2009

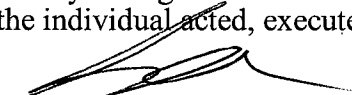
THIS ENVIRONMENTAL EASEMENT IS HEREBY ACCEPTED BY THE PEOPLE OF THE STATE OF NEW YORK, Acting By and Through the Department of Environmental Conservation

by: 
Alexander B. Grannis, Commissioner

Grantee's Acknowledgment

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

On the 20 day of December, in the year 2007, before me, the undersigned, personally appeared ALEXANDER B. GRANNIS, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Commissioner of the State of New York Department of Environmental Conservation, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public - State of New York

SCOTT OWENS
Notary Public, State of New York
No. 020W6108092
Qualified in Albany County
Commission Expires April 12, 2008

SCHEDULE A

NOVEMBER 22, 2006
REVISED SEPTEMBER 13, 2007
REVISED DECEMBER 7, 2007
C96511

METES & BOUNDS DESCRIPTION
BROWNFIELDS PARCEL
LANDS OF TIAGO HOLDINGS, LLC
LOT 22, BLOCK 1715, LOT 19, BLOCK 1716
AND LOTS 23 & 31, BLOCK 1815
BOROUGH OF MANHATTAN
CITY, COUNTY AND STATE OF NEW YORK

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, CITY, COUNTY AND STATE OF NEW YORK, MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDE OF EAST 116TH STREET (100 FOOT WIDE RIGHT OF WAY), SAID POINT BEING DISTANT 248.00 FEET FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF EAST 116TH STREET WITH THE EASTERLY SIDE OF PLEASANT AVENUE (A.K.A. AVENUE "A", A.K.A. PALADINO AVENUE, 100 FOOT WIDE RIGHT OF WAY) AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

1. NORTHERLY, PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 100.92 FEET (100 FEET, 11 INCHES) TO THE CENTER LINE OF BLOCK 1715, THENCE;
2. EASTERLY, PARALLEL WITH THE NORTHERLY SIDE OF EAST 116TH STREET, A DISTANCE OF 106.92 FEET (106 FEET, 11 INCHES) TO A POINT, THENCE;
3. NORTHERLY, PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 100.92 FEET (100 FEET, 11 INCHES) TO A POINT ON THE SOUTHERLY SIDE OF EAST 117TH STREET (60 FOOT WIDE RIGHT OF WAY), THENCE;
4. EASTERLY, ALONG THE SOUTHERLY SIDE OF EAST 117TH STREET, A DISTANCE OF 30.00 FEET TO A POINT, THENCE;
5. NORTHERLY, ALONG THE EASTERLY TERMINUS OF EAST 117TH STREET AND BEING PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 60.00 FEET TO A POINT ON THE NORTHERLY SIDE OF EAST 117TH STREET, THENCE;
6. WESTERLY, ALONG THE NORTHERLY SIDE OF EAST 117TH STREET, A DISTANCE OF 61.92 FEET (61 FEET, 11 INCHES) TO A POINT, THENCE;

7. NORTHERLY, PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 100.92 FEET (100 FEET, 11 INCHES) TO THE CENTER LINE OF BLOCK 1716, THENCE;
8. WESTERLY, PARALLEL WITH THE NORTHERLY SIDE OF EAST 116TH STREET, A DISTANCE OF 125.00 FEET TO A POINT, THENCE;
9. NORTHERLY, PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 100.92 FEET (100 FEET, 11 INCHES) TO THE SOUTHERLY SIDE OF EAST 118TH STREET (60 FOOT WIDE RIGHT OF WAY), THENCE;
10. EASTERLY, ALONG THE SOUTHERLY SIDE OF EAST 118TH STREET, A DISTANCE OF 196.98 FEET (196 FEET, 11 3/4 INCHES) TO A POINT, THENCE;
11. NORTHERLY, ALONG THE EASTERLY TERMINUS OF EAST 118TH STREET AND BEING PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 60.00 FEET TO A POINT ON THE NORTHERLY SIDE OF EAST 118TH STREET, THENCE;
12. WESTERLY, ALONG THE NORTHERLY SIDE OF EAST 118TH STREET, A DISTANCE OF 40.04 FEET (40 FEET, 1/2 INCH) TO A POINT, THENCE;
13. NORTHERLY, PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 100.92 FEET (100 FEET, 11 INCHES) TO THE CENTER LINE OF BLOCK 1815, THENCE;
14. EASTERLY, PARALLEL WITH THE NORTHERLY SIDE OF EAST 116TH STREET, A DISTANCE OF 125.20 FEET (125 FEET, 2 3/8 INCHES) TO A POINT, THENCE;
15. NORTHERLY, PARALLEL WITH THE EASTERLY SIDE OF PLEASANT AVENUE, A DISTANCE OF 100.92 FEET (100 FEET, 11 INCHES) TO THE SOUTHERLY SIDE OF EAST 119TH STREET (60 FOOT WIDE RIGHT OF WAY), THENCE;
16. EASTERLY, ALONG THE SOUTHERLY SIDE OF EAST 119TH STREET, A DISTANCE OF 129.70 FEET (129 FEET, 8 3/8 INCHES) TO THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF EAST 119TH STREET AND THE NEW WESTERLY SIDE OF FRANKLIN D. ROOSEVELT DRIVE (A.K.A. EAST RIVER DRIVE, A.K.A. AVENUE "B", VARIABLE WIDTH RIGHT OF WAY), THENCE; THE FOLLOWING FOUR (4) COURSES ALONG SAID NEW WESTERLY SIDE OF FRANKLIN D. ROOSEVELT DRIVE:
 17. SOUTHERLY, A DISTANCE OF 77.74 FEET (77 FEET, 8 7/8 INCHES) TO A POINT OF CURVATURE, THENCE;
 18. ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 1,000.00 FEET, A CENTRAL ANGLE OF 25 DEGREES - 27 MINUTES - 37 SECONDS, AN ARC LENGTH OF 444.37 FEET (444 FEET, 4 1/2 INCHES), TO A POINT OF TANGENCY, THENCE;
 19. SOUTHWESTERLY, A DISTANCE OF 87.41 FEET (87 FEET, 4 7/8 INCHES) TO A POINT, THENCE;
 20. SOUTHWESTERLY, A DISTANCE OF 138.35 FEET (138 FEET, 4 1/4 INCHES) TO THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY SIDE OF FRANKLIN D. ROOSEVELT DRIVE AND THE NORTHERLY SIDE OF EAST 116TH STREET, THENCE;

21. WESTERLY, ALONG THE NORTHERLY SIDE OF EAST 116TH STREET, A DISTANCE OF 263.62 FEET (263 FEET, 7 ½ INCHES) TO THE POINT AND PLACE OF BEGINNING.

CONTAINING 194,457 SQUARE FEET OR 4.464 ACRES

CONTROL POINT ASSOCIATES, INC.