

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

THIS INDENTURE made this 19th day of March, 2009, between Owner(s) SW Victor-Manchester, LLC, having an office at 430 East Genesee Street, Syracuse, New York 13202 (the "Grantor"), and The People of the State of New York (the "Grantee."), acting through their Commissioner of the Department of Environmental Conservation (the "Commissioner", or "NYSDEC" or "Department" as the context requires) with its headquarters located at 625 Broadway, Albany, New York 12233,

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

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

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

WHEREAS, Grantor, is the owner of real property located at the address of 6132 Victor-Manchester Road in the Town of Farmington, County of Ontario, State of New York known and designated on the tax map of the County Clerk of Ontario as tax map parcel numbers; Section 29.00 Block 1 Lot 12.0 and Lot 76.1, being the same as that property conveyed to Grantor by deed on September 4, 2007 and recorded in the Land Records of the Ontario County Clerk at Liber 1192 at page 134 of Deeds, comprised of approximately 3.64 ± acres, and 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 Order on Consent and Administrative Settlement Number B8-0315-90-01 Grantor grants, conveys and releases to Grantee a permanent Environmental Easement pursuant to Article 71, Title 36 of the ECL in, on, over, under, and upon the Controlled Property as more fully described herein ("Environmental Easement").

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

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

A. The Controlled Property may be used for **commercial** use as long as the following long-term engineering controls are employed and the land use restrictions specified below are adhered to :

- i) Residential use of this property is prohibited.
- ii) The groundwater beneath the Controlled Property may not be utilized without applicable treatment and approval from the Department and New York State Department of Health (NYSDOH);
- iii) The Site Management Plan (SMP), dated December 2008, must be implemented for the Controlled Property;
- iv) Soils at the Controlled Property shall be managed in accordance with the approved SMP, dated December, 2008. The SMP includes requirements for the characterization, handling, and disposal/re-use of residual potentially contaminated media (e.g. soil, bedrock, fill) and requirements for soils imported to the site;
- v) The potential for vapor intrusion for any building(s) on the Controlled Property must be evaluated and mitigation shall be implemented, if necessary, prior to occupancy of the structure(s);
- vi) The Grantor and its successors and assigns must provide all persons who acquire any interest in the Controlled Property a true and complete copy of the Site Management Plan dated December 2008, that the Department has approved for the Controlled Property and all Department-approved amendments to the Site Management Plan.

The Grantor hereby acknowledges receipt of a copy of the NYSDEC-approved Site Management Plan dated December 2008 ("SMP"). The SMP describes obligations that the Grantor assumes on behalf of Grantor, its successors and assigns. The Grantor's assumption of the obligations contained in the SMP which may include sampling, monitoring, and/or operating a treatment system on the Controlled Property, and providing certified reports to the NYSDEC, is and remains a fundamental element of the Department's determination that the Controlled Property is safe for a specific use, but not all uses. Upon notice of not less than thirty (30) days the Department in exercise of its discretion and consistent with applicable law may revise the SMP. The notice shall be a final agency determination. The Grantor and all successors and assigns, assume the burden of complying with the SMP and obtaining an up-to-date version of the SMP from:

Regional Remediation Engineer: or
Region 8
NYS DEC
6274 East Avon-Lima Road
East Avon, NY 14414-8519

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

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

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

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

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

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

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

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

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: Site Number: C 835008
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.

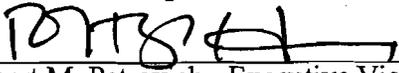
9. Extinguishment. This Environmental Easement may be extinguished only by a release by the Commissioner of the New York State Department of Environmental Conservation and filed with the office of the recording officer for the county or counties where the Property is situated in the manner prescribed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

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

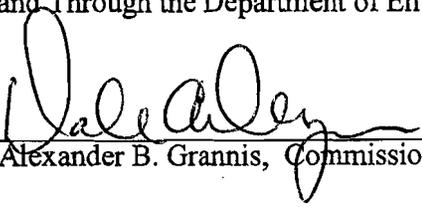
Grantor's Name: SW Victor-Manchester, LLC

By: S & W Redevelopment of North America, LLC .

By: 
Robert M. Petrovich - Executive Vice President

Title: ERP Member Date: 3/11/09
Member

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

Dale A. Desnoyers, Director
Division of Environmental Remediation

Grantor's Acknowledgment

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

On the 11th day of March, in the year 2009, before me, the undersigned, personally appeared Robert M. Petrovich, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christine N. Malkoske
Notary Public - State of New York

CHRISTINE N MALKOSKE
Notary Public, State of New York
No. 01MA6167684
Onondaga County
Commission Expires June 4, 2011

Grantee's Acknowledgment

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the 19th day of March, in the year 2009, before me, the undersigned, personally appeared Dale A. Desnoyers, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is (are) subscribed to the within instrument and acknowledged to me that he/she/ executed the same in his/her/ capacity as Commissioner of the State of New York Department of Environmental Conservation, and that by his/her/ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Cristin M. Clarke
Notary Public - State of New York

CRISTIN M. CLARKE, ESQ.
NOTARY PUBLIC - STATE OF NEW YORK
NO. 02CL6056390
QUALIFIED IN SARATOGA COUNTY
COMMISSION EXPIRES MARCH 19, 2011

SCHEDULE "A"
PROPERTY DESCRIPTION

Address: 6132 Victor-Manchester Road, Town of Farmington, NY
Ontario County
Tax Map No. - 029.00-01-12.000 & 029.00-01-76.1

ALLTHAT TRACT OR PARCEL OF LAND situate in the Town of Farmington, County of Ontario and State of New York, being parts of Lot No. 59 & Lot No. 60, and more particularly described as follows:

Beginning at a point in the northerly right of way for NYS Route 96 at its intersection with the division line between lands now or formerly of SW Victor-Manchester, LLC Tax Parcel 029.00-1-76.1 on the east and lands now or formerly of Soper Powersports, LLC Tax Parcel 029.00-1-73.11 on the west: thence

1) N 1° 04' 50" E along said division line a distance of 311.44 feet to an angle point; thence

2) S 89° 54' 40" E through the lands now or formerly of SW Victor-Manchester, LLC Tax Parcel 029.00-1-76.1 a distance of 171.77 feet to a point in the westerly boundary of lands now or formerly of SW Victor-Manchester, LLC Tax Parcel 029.00-1-12: Thence

3) N 1° 04' 50" E along said westerly boundary line a distance of 325.87 feet to a angle point; thence

4) S 89° 26' 40" E along the northerly boundary of lands now or formerly of SW Victor-Manchester, LLC Tax Parcel 029.0-1-12 a distance of 165.00 feet to a angle point; thence

5) S 1° 04' 50" W along the easterly boundary of lands now or formerly of SW Victor-Manchester, LLC Tax Parcel 029.00-1-12 a distance of 635.97 feet to a point in the northerly right of way for NYS Route 96; thence

6) N 89° 54' 40" W along said right of way a distance of 336.77 feet to the point of beginning.

