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Bureau of Eastern Remedial Action

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In Proceedings for a Reorganization Under Chapter 11

In re Cantor Bros., Inc., Debtor.

Bankruptcy Case No. 893-80853-478

Judge Eisenberg

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State of New York and Michael D. Zagata as Commissioner of Environmental Conservation,

Plaintiffs,

-against-

Adversary Proceedings No. 894-8182-478

Cantor Bros., Inc.,

Defendant.

----------x

FINAL AGREEMENT AND STIPULATED ORDER

WHEREAS, Cantor Bros., Inc. (the "Debtor"), conducted business and commercial activities from on or before 1975 to April 1993 on property located at 50 Engineers Lane, Farmingdale, New York (the "Site");

WHEREAS, the Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State (the "Registry") as site number 1-52-021, and is classified by the New York State Department of Environmental Conservation ("NYSDEC" or "Department") as a class "2" site.

WHEREAS, Cantor Bros. consented to the entry of an order by the New York State Commissioner of Environmental

Conservation, dated March 25, 1992 ("Administrative Order"), requiring the Debtor to develop and implement a remedial investigation and feasibility study ("RI/FS") and appropriate interim remedial measures with respect to the contamination at the Site;

WHEREAS, Cantor Bros. filed a petition under Chapter 11 of the Bankruptcy Code on February 16, 1993, in the United States Bankruptcy Court for the Eastern District of New York;

WHEREAS, the NYSDEC filed an administrative proof of claim (the "NYSDEC Administrative claim") on March 7, 1994, asserting that the costs incurred and to be incurred by the Debtor in discharging its responsibilities and obligations under the Administrative Order and/or statutes relating to the protection of the environment, including the costs of implementing the final cleanup remedy for the Site selected by the NYSDEC, and the costs incurred or to be incurred by the NYSDEC for purposes of oversight or as a consequence of the Debtor's failure to comply with its obligations under the Administrative Order or applicable environmental statutes, including the obligation to implement the remedy, are entitled to administrative expense status and priority;

WHEREAS, the State of New York filed an adversary proceeding (the "Adversary Complaint") against the Debtor on April 19, 1994, adversary proceeding number 894-8182-478, in which New York State seeks, inter alia, the entry of a judgment directing the Debtor to comply with the Administrative Order and,

in addition, New York seeks the entry of a judgment declaring that the costs of compliance with the Administrative Order, including costs incurred by the State of New York, are entitled to administrative status and priority;

WHEREAS, the Debtor filed an Answer to New York State's Adversary Complaint asserting, inter alia, that the NYSDEC holds an unliquidated contingent claim that has not been classified as an administrative claim and that the Debtor cannot be compelled to comply with the Administrative Order until there is an order from the Bankruptcy Court authorizing and directing it to comply; that if the Administrative Order is deemed to be an administrative claim, it must be treated pari passu with any and all administrative claims; and that compliance with the Administrative Order cannot be an administrative expense unless the Site poses an imminent and identifiable danger to the public safety;

WHEREAS, it is the position of the State of New York that, inter alia, the Debtor is obligated to comply with the terms of the Administrative Order and that its failure to comply subjects the Debtor to civil and criminal sanctions and penalties under the New York Environmental Conservation Law;

WHEREAS, in order to advance the resolution of these matters and thereby minimize litigation costs, the parties negotiated and entered into an interim agreement and stipulated order (the "Interim Agreement and Order"), which the Court approved on June 26, 1996, which provided, inter alia, that

Debtor retain a contractor, Handex of New York, Inc. ("Handex"), to implement the following work items required under the Administrative Order, in accordance with the terms and conditions of performance in the Interim Agreement and Order: soil borings and laboratory analysis; groundwater sampling; data validation; waste management; preparation of a report summarizing Handex's investigation pursuant to the Interim Agreement and Order (the "Handex Report"); site structure investigation; and site history;

WHEREAS, NYSDEC accepts the Handex Report as providing sufficient information to enable the design of appropriate remedial measures sufficient to resolve the NYSDEC's claims against the Debtor in this adversary proceeding if the remedial measures are implemented;

WHEREAS, the Handex Report indicates that the soil beneath the former factory area of the Site is contaminated with volatile organic compounds, including, but not limited to, total xylene, toluene, and tetrachloroethylene ("PCE"), for which the most appropriate remedial technology would be a soil vapor extraction ("SVE") system, and the sediments in the storm drains are contaminated with semi-volatile organic compounds, which would most appropriately be remediated through removal and disposal of the liquids and the sediments in the storm drains;

WHEREAS, based on the Handex Report and the other information now known to it (and barring the discovery of contrary information), NYSDEC has concluded that this adversarial proceeding can be resolved if Debtor: (1) pursuant to approved

Work and Design Plans, installs and operates an SVE system to decrease the levels of contaminants in the ground beneath the former factory area to levels that meet the criteria in NYSDEC Technical Assistance and Guidance Memorandum ("TAGM") No. 4046 (a copy of which is annexed hereto as Exhibit A); (2) without the necessity of having an approved Work or Design Plan, cleans storm drains 1 through 10 by removing and appropriately disposing of the liquids and the sediments contained therein; and (3) seals the four monitoring wells associated with the underground storage tank area with grout;

WHEREAS, the parties to this agreement and stipulated order ("Agreement and Order") desire to advance the resolution of these matters and thereby avoid additional litigation costs;

WHEREAS, it is the intention of the parties that the work required under this Agreement and Order will remediate the Site to the point where it can be de-listed from the Registry, and the work has been planned to achieve that goal;

WHEREAS, the parties agree that nothing in this Order shall be construed to limit the right of the Debtor or any other party to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) and 6 NYCRR Section 375-1.9 to de-list the site from the Registry or to change its classification; and

WHEREAS, notwithstanding Debtor's agreement to carry out the terms of this Agreement and Order, Debtor does not admit or acknowledge any liability, fault, or wrongdoing or violation

of law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, THEREFORE, upon the consent and agreement of the parties by their attorneys, it is hereby ORDERED:

1. The Debtor shall retain a qualified contractor or contractors who shall complete the remedial work ("Remedial Work") and other obligations set forth below, in accordance with the terms and conditions herein. (For purposes of simplicity, the term "Debtor" shall hereinafter be read to encompass the Debtor's contractor or contractors.)

REMEDIAL WORK

Former Factory Area and Grouting of Monitoring Wells

2. The Debtor shall develop a work plan for the SVE system and grouting of the monitoring wells (the "Work Plan") and submit the Work Plan to NYSDEC within fifteen (15) days of approval of this Agreement and Order by the Court. The Work Plan shall include, but need not be limited to:

(a) A general description of the scope of work to install, test, operate and maintain the SVE system;

(b) the Site Quality Assurance Project Plan contained in the Handex Report with any modifications necessary for the SVE Work Plan;

(c) the Health and Safety Plan contained in the Handex Report with any modifications necessary for the SVE Work Plan;

(d) a description of the scope of work to grout the four (4) existing poly-vinyl chloride (PVC) monitoring wells associated with the underground storage tank area (as depicted on the Site map attached hereto as Exhibit B); and

(e) a chronological description of the anticipated remedial activities, together with a schedule for the performance of these activities.

3. The NYSDEC shall notify Debtor in writing of its approval or disapproval of the Work Plan, and, if disapproving, provide written comments explaining the reasons for disapproval.

4. If Debtor requires clarification of any of the reasons specified by the Department for its disapproval, or disagrees with the stated basis for disapproval, Debtor shall request clarification in writing, or request reconsideration of the denial for reasons stated by Debtor in writing, within ten (10) days after receiving written notice that Debtor's submittal has been disapproved. Within fifteen (15) days after receiving written notice that Debtor's submittal has been disapproved, or fifteen (15) days after receiving the Department's response to a timely request for clarification or reconsideration, Debtor shall make a revised submittal to the NYSDEC that addresses and resolves all of the NYSDEC's stated reasons for disapproving the first submittal. After receipt of any revised Work Plan submittal, the NYSDEC shall notify Debtor in writing of its approval or disapproval. If the NYSDEC disapproves the revised Work Plan, Debtor shall be in violation of this Agreement and

Order and the NYSDEC may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law, or under the terms of the Stipulation and Order. (Pursuant to Paragraph 22, NYSDEC's approval or disapproval shall be final and binding, subject only to challenge as arbitrary and capricious by motion upon proper notice.)

5. Within thirty (30) days of receipt of written notification that the Work Plan has been approved, Debtor shall submit a design plan and specifications (the "Design Plan") for the SVE system which shall include:

(a) a minimum of two (2) vapor extraction wells that will capture volatile organic contamination from the area under the chemical manufacturing area and extending to the trash dumpster area, as depicted on Exhibit B hereto;

(b) an SVE operation and maintenance (O & M) plan that provides for:

(1) remediation of the soil in this area until it meets the criteria set forth in TAGM 4046;

(2) operation of the SVE system until extraction well air samples are non-detect or asymptotic through pulsing; and

(3) a sampling program that verifies the results of the SVE system operation including, but not necessarily limited to, confirmatory soil sampling and SVE system effluent testing.

6. The Design Plan shall be prepared and certified by a professional engineer licensed to practice by the State of New York.

7. The NYSDEC shall notify Debtor in writing of its approval or disapproval of the Design Plan, and, if disapproving, provide written comments explaining the reasons for disapproval.

8. If Debtor requires clarification of any of the reasons specified by the NYSDEC for its disapproval, or disagrees with the stated basis for disapproval, Debtor shall request clarification in writing, or request reconsideration of the denial for reasons stated by Debtor in writing, within ten (10) days after receiving written notice that Debtor's submittal has been disapproved. Within fifteen (15) days after receiving written notice that Debtor's submittal has been disapproved, or fifteen (15) days after receiving the Department's response to a timely request for clarification or reconsideration, Debtor shall make a revised submittal to the NYSDEC that addresses and resolves all of the NYSDEC's stated reasons for disapproving the first submittal. After receipt of any revised Design Plan submittal, the NYSDEC shall notify Debtor in writing of its approval or disapproval. If the NYSDEC disapproves the revised Design Plan, Debtor shall be in violation of this Agreement and Order and the NYSDEC may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law, or under the terms of the Stipulation and Order. (Pursuant to Paragraph 22, NYSDEC's approval or disapproval shall be final

and binding, subject only to challenge as arbitrary and capricious by motion upon proper notice.)

9. Debtor shall commence implementation of the approved Work and Design Plans within fifteen (15) days of receiving written notification of NYSDEC's approval of the Design Plan, and shall implement the Plans in accordance with their terms until the remediation objectives specified therein are achieved.

10. Should circumstances warrant, Debtor may apply, in writing, to NYSDEC for permission to deviate from the approved Work and Design Plans. Debtor must obtain prior written approval from NYSDEC prior to deviating from the approved Plans in any material way. The NYSDEC shall respond to the request to deviate from the approved Plans within a reasonable amount of time. The period during which Debtor is required to complete the task which is the subject of the request to deviate shall be extended by the amount of time the NYSDEC takes to approve or disapprove the requested deviation. NYSDEC shall not unreasonably withhold its approval.

11. Within 30 days after completion of the Site remediation specified in the approved Plans, Debtor shall submit written notification to the NYSDEC that the Site remediation has been completed in accordance with the approved Plans. This written notification shall be certified by a professional engineer licensed to practice by the State of New York, and shall describe any changes to the SVE system design or other deviations

from the approved Work and Design Plans during construction and remediation.

Storm Drains

12. Debtor shall remove, sample and appropriately dispose of the water in the storm drains. Debtor shall remove the sediments and any other material in storm drains 1 through 10 to the base of the concrete drainage structure, and sample the removed material with the Toxicity Characteristic Leaching Procedure ("TCLP") to determine proper disposal. Debtor shall then dispose of the removed material as required by applicable rules and regulations and the TCLP results.

13. Debtor shall commence the storm drain remediation no later than thirty (30) days from the creation and funding of the escrow account referred to in Paragraph 17 below.

14. All manifests and analytic results generated in connection with the testing and removal of material from the storm drains shall be submitted to NYSDEC in report form.

15. Debtor shall backfill storm drains 1 through 10 to maintain structural integrity, with clean porous sand and/or gravel.

PAYMENT FOR CLEANUP WORK AND DISTRIBUTION OF REMAINING FUNDS

16. The total cost of performing the work required by this Agreement and Order will not exceed the sum of two hundred thousand dollars ($200,000). The $200,000 cost figure referred to above is derived from cost estimates obtained by the Debtor from its prospective contractor, EEA, Inc. ("EEA"), with an

allocation for contingencies added to the estimated cost of completing the work.

17. Upon approval of this Agreement and Order by the Court, the Debtor shall place the sum of $200,000 into an escrow account which shall be dedicated solely toward remediation of the Site until completion of the Remedial Work required hereunder, and thereafter distributed in accordance with the orders and directives of the Court. The law firm of Platzer, Swergold, Karlin, Levine, Goldberg & Jaslow, LLP shall be the escrow agent ("Escrow Agent"). This Agreement and Order shall be provided to the Escrow Agent and Paragraphs 17 through 21 incorporated by reference into, and made part of, the escrow agreement. Upon execution of the contract between the Debtor and EEA (the "EEA Contract"), the Escrow Agent shall pay to EEA an initial payment toward removal of the soil and liquids from the drainage structures in the sum of thirteen thousand dollars ($13,000). Upon receipt of written notice from NYSDEC that NYSDEC has approved the Design Plan, the Escrow Agent shall pay to EEA an initial payment of $16,000 toward construction of the SVE system. NYSDEC shall, simultaneously with notifying EEA that the Design Plan has been approved, notify the Escrow Agent that NYSDEC has approved the Design Plan.

18. In addition to the initial payments referenced in Paragraph 17, EEA shall receive progress payments ("Progress Payments") from the Escrow Agent as EEA completes various items of the Remedial Work, in accordance with the schedule of Progress

Payments set forth in Exhibit C hereto. The Escrow Agent shall withhold 5% retainage from Progress Payments pending completion of the Remedial Work.

19. The EEA Contract shall provide that payment will be made to EEA in accordance with Paragraphs 17 through 20 herein, including Exhibit C hereto.

20. The EEA contract shall additionally provide that:

a. EEA shall submit invoices for Progress Payments to the Escrow Agent, with simultaneous copies to NYSDEC and the other signatory parties hereto. NYSDEC shall determine whether payment of the Progress Payment is proper in accordance with the terms of this Agreement and Order, including Exhibit C hereto, and approve or disapprove the Progress Payment accordingly. If NYSDEC approves the Progress Payment, it shall notify the Escrow Agent, EEA and other parties hereto in writing. The Escrow Agent shall then pay EEA the approved Progress Payment amount.

b. If NYSDEC disapproves an invoiced Progress Payment, NYSDEC shall provide written notice of its reasons for such determination, specifying what EEA must do to complete the work item for which EEA is seeking a Progress Payment.

c. EEA shall have the right to seek a revision of the schedule of Progress Payments, including an upward revision of the amount due for a particular item of

Remedial Work and the total amount due to EEA under the EEA Contract, for good cause shown. Good cause shall mean due to unexpected and unforeseen occurrences necessitating additional costs to complete the Remedial Work required under the EEA Contract. Known additional costs for which payment will be made include the cost of electricity and the cost of replacing and properly disposing of carbon filters.

d. If both the Debtor and NYSDEC determine that EEA has shown good cause, the requested revision of the EEA Contract will be approved, and the Escrow Agent so instructed.

e. Unless otherwise approved by NYSDEC, all equipment dedicated for use in the Remedial Work shall be new. Equipment used solely in the construction process, such as tools, shall not be considered dedicated for use in the Remedial Work.

21. After NYSDEC has approved the work required hereunder as complete, and EEA has been fully paid for that work, including retainage, the Escrow Agent shall distribute any remaining funds in the escrow account in accordance with the orders and directives of the Court.

TERMS AND CONDITIONS FOR THE PERFORMANCE OF THE REMEDIAL WORK

22. All Remedial Work required hereunder shall be subject to NYSDEC supervision and approval. In the event that the Debtor and the NYSDEC disagree, then the determination of the

NYSDEC shall be final and binding, provided that the determination of the NYSDEC does not require the total expenditures for the work performed pursuant to this Agreement and Order to exceed $200,000. Debtor and creditor Apple Bank For Savings ("Apple") reserve the right to challenge, by motion upon proper notice, any determination by the NYSDEC that is arbitrary and capricious. The filing of a motion by the Debtor or creditor Apple challenging a NYSDEC determination shall not stay or delay the expeditious implementation of the disputed work item by the Debtor, unless such delay is agreed to by the NYSDEC in writing, or implementation of the disputed work item is stayed by a court pending its determination whether the item is "arbitrary and capricious."

23. The Debtor shall provide the NYSDEC with written notice of all fieldwork. Such written notice shall be delivered to the NYSDEC no less than five days prior to the start of the fieldwork referred to in the notice.

24. Following consultation with Debtor, the NYSDEC may require Debtor to modify and/or amplify and expand the work required under the approved Work and Design Plans if the NYSDEC determines, as a result of reviewing data generated by an activity required under this Agreement and Order, or as a result of reviewing any other data or facts, that such modification, amplification and/or expansion is necessary, unless the modification, amplification and/or expansion will cause the total cost of performing the Remedial Work required to implement this

Agreement and Order to exceed the $200,000 sum approved by the Court for implementation.

25. Debtor shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the NYSDEC to perform the technical, engineering and analytical obligations required by this Agreement and Order (collectively "Debtor's consultant(s)"). The experience, capabilities and qualifications of the firms or individuals selected by Debtor shall be submitted to the NYSDEC upon entry of this Agreement and Order (although nothing herein shall preclude Debtor from making this submission prior to entry of this Agreement and Order).

26. The NYSDEC shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Debtor, and the NYSDEC also shall have the right to take its own samples. Debtor shall make available to the NYSDEC the results of all sampling and/or tests or other data generated by Debtor with respect to implementation of this Agreement and Order and shall submit these results in the progress reports required by this Agreement and Order. The NYSDEC shall make available to Debtor the results of all samples and/or tests or other data generated by the NYSDEC with respect to the site which is the subject of this Agreement and Order.

27. Debtor shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Debtor's obligations under this Agreement

and Order. If, after Debtor's documented, good faith best efforts, Debtor fails to obtain these authorizations, the NYSDEC may take any appropriate action necessary to secure these authorizations.

28. Debtor and its successors and assigns shall be bound by this Agreement and Order. Debtor, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Agreement and Order. Any change in ownership or corporate status of Debtor including, but not limited to, any transfer of assets or real or personal property shall in no way alter Debtor's responsibilities under this Agreement and Order.

29. Debtor shall provide a copy of this Agreement and Order to each contractor hired to perform work required by this Agreement and Order and to each person representing Debtor with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Agreement and Order. Debtor or Debtor's contractor(s) shall provide written notice of this Agreement and Order to all subcontractors hired to perform any portion of the work required by this Agreement and Order. Debtor shall be responsible for ensuring that Debtor's contractors and subcontractors perform the work to be done under this Agreement and Order in accordance herewith.

CONVERSION TO A VOLUNTARY CLEANUP WORK PLAN

30. If Apple or any third party who qualifies for "volunteer" status (the "Volunteer") under the NYSDEC's Voluntary Cleanup Program (the "Program") applies for and is accepted as a volunteer to cleanup the Site for industrial use under the Program, NYSDEC shall, consistent with its legal authority, accept this Agreement and Order and any approved Work and Design Plans submitted to NYSDEC by the Debtor pursuant to this Agreement and Order as an approved work plan for inclusion in a voluntary third party cleanup agreement for the Site between the Volunteer and the NYSDEC.

31. In the event that a party qualifies and is subsequently approved as a Volunteer for cleanup of the Site under the Program, the EEA Contract shall be assigned by the Debtor, at the option of the Volunteer, to the Volunteer, who shall have all of the rights and obligations of the assignor under the EEA Contract. In the event of an assignment to a Volunteer, the escrow fund established hereunder shall remain dedicated to the cleanup of the Site until the cleanup is complete, as provided herein.

PETITION TO DE-LIST

32. Upon achievement of the cleanup goals of this Agreement, NYSDEC will, consistent with its legal authority, begin the process necessary to reclassify or de-list the Site from the Registry, unless Debtor or any other party has already begun the process. Any costs attributable to the

reclassification or de-listing process will not be paid by the Debtor or from the escrow account.

MISCELLANEOUS

33. This Agreement and Order shall supplement, and not supersede the Interim Agreement and Order. However, the terms of this Agreement and Order, including any previous orders, stipulations or agreements incorporated herein, shall constitute the complete and entire Agreement and Order between Debtor and the NYSDEC concerning implementation of the Site remediation required hereunder. No term, condition, understanding, or agreement purporting to modify or vary any term of this Agreement and Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the NYSDEC regarding any report, proposal, plan, specification, schedule, or any other submittal by Debtor shall be construed as relieving Debtor of its obligation to obtain such formal approvals as may be required by this Agreement and Order.

34. The caption of the State's adversary proceeding shall be changed to substitute as a party plaintiff the current NYSDEC Commissioner by deleting "Michael D. Zagata as Commissioner of the New York State Department of Environmental Conservation" and inserting in its place "John P. Cahill as Commissioner of the New York State Department of Environmental Conservation."

35. All references to "professional engineer" in this Agreement and Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

36. All references to "days" in this Agreement and Order are to calendar days unless otherwise specified.

37. The section headings set forth in this Agreement and Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Agreement and Order.

38. This Agreement and Order is subject to the approval of the United States Bankruptcy Court.

39. Any notices or reports required to be provided herein shall be in writing and sent by regular mail, or by hand delivery addressed as follows:

If to the Debtor:

Platzer, Swergold, Karlin, Levine, Goldberg
& Jaslow, LLP
150 East 52nd Street
New York, New York 10016
Attention: Michele K. Jaspan, Esq.

-and-

Martin Cantor
16 Foothill Road
East Northport, NY 11731

-and-

Cahn Wishod & Lamb, LLP
534 Broadhollow Road
Melville, New York 11747-9034
Attention: Frederick Eisenbud, Esq.

If to Apple:

Apple Bank For Savings
277 Park Avenue
New York, New York 10172
Attention: Michael B. Greene

With a copy to:

Baer Marks & Upham LLP
805 Third Avenue
New York, NY 10022
Attention: Jay L. Gottlieb, Esq.

If to the State:

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Andrew J. Gershon, Esq.

-and-

New York State Department of Environmental Conservation/DER
50 Wolf Road
Albany, New York 12233-7010
Attention: Steven M. Scharf, P.E.

-and-

New York State Department of Environmental Conservation/DEE
200 White Plains Road, 5th Fl.
Tarrytown, New York 10591-5805
Attention: Edward Devine, Esq.

40. In addition to the notices and reports that must be provided to Apple pursuant to Paragraph 39, copies of any correspondence between and among the Escrow Agent, Debtor and NYSDEC concerning implementation of this Agreement and Order shall be provided to Apple. In the event such correspondence includes lengthy exhibits or attachments, the party initiating the correspondence may omit such exhibits or attachments,

provided this omission is noted and Apple is provided with copies if it so requests.

41. This Agreement and Order shall survive dismissal of this case. The parties consent to the exclusive jurisdiction of the New York State Supreme Court for the County of New York, or, if a federal cause of action arises, of the United States District Court for the Southern District of New York, to decide any case or controversy arising out of this Agreement and Order.

42. This Agreement and Order is in full and final settlement of this adversary proceeding, and any and all claims filed in connection therewith by the NYSDEC and Apple.

SO AGREED:

Dated: New York, New York
October 31, 1997

DENNIS C. VACCO, ATTORNEY GENERAL FOR THE STATE OF NEW YORK
ATTORNEY FOR PLAINTIFFS

By: Andrew J. Gershon
ANDREW J. GERSHON (AG/6141)
Assistant Attorney General
120 Broadway
New York, New York 10271
(212) 416-8474

PLATZER, SWERGOLD, KARLIN, LEVINE, GOLDBERG & JASLOW, LLP
ATTORNEYS FOR DEBTOR

By: Michele K. Gaspan
MICHELE K. GASPAN (MK/1737)
For The Firm
150 East 52nd Street
New York, New York 10022
(212) 593-3000

Dated: New York, New York
October ~~October~~ November 3, 1997

BAER MARKS & UPHAM LLP
ATTORNEYS FOR APPLE BANK
FOR SAVINGS

By: _____
JAY GOTTLIEB (JG/9733)
A Member of the Firm
805 Third Avenue
New York, New York 10022
(212) 702-5700

SO ORDERED, this 7
day of ~~October~~ November, 1997

_____
UNITED STATES BANKRUPTCY JUDGE

cant\stip.7

EXHIBIT C

SCHEDULE OF PROGRESS PAYMENT

Work Item	When Progress Payment Due	Amount Due
Costs of removal of additional soil from drainage structures not covered by the $10,500 Initial Payment.	Upon presentation of weight tickets to NYSDEC demonstrating removal, NYSDEC shall notify Escrow Agent that payment is due. If the Escrow Agent does not receive approval of payment from the NYSDEC within seven (7) days, payment shall be deemed approved by NYSDEC.	$70 per ton of soil removed above 150 tons.
Removal and disposal of liquids from drainage structures not covered by the $2,500 Initial Payment.	Upon presentation to NYSDEC of documentation demonstrating that the liquids have been removed, NYSDEC shall notify Escrow Agent that payment is due. If the Escrow Agent does not receive approval of payment from the NYSDEC within seven (7) days, payment shall be deemed approved by NYSDEC.	$350/1000 gallons above 22,000 gallons.
Completion of remediation of drainage structures.	Within thirty (30) days of inspection and approval of the drainage structure remediation by NYSDEC.	$21,625
Payment when SVE system becomes operational	Upon inspection and approval of the SVE system as operational by NYSDEC, NYSDEC shall simultaneously notify EEA and Escrow Agent of its approval.	$16,000

Work Item	When Progress Payment Due	Amount Due
Third SVE well, if necessary.	Upon inspection and approval of the SVE system as operational by NYSDEC. NYSDEC shall simultaneously notify EEA and Escrow Agent of its approval.	$ 3,000
Reasonable and necessary monthly operating costs, including electricity.	Upon review and approval by NYSDEC of the monthly charges for operating costs as reasonable and necessary, NYSDEC shall notify Escrow Agent that payment is due. Monthly operating costs consistent with the cost estimates in the EEA letters of September 4, 1997, and August 29, 1997 to Frederick Eisenbud, Esq., which letters are annexed hereto, shall be presumed reasonable and necessary.	Electricity cost plus invoiced charges for other operating costs approved as reasonable and necessary by NYSDEC.

h:\epnajg\cant\exhibit

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

	In Proceedings for a Reorganization Under Chapter 11
In re Cantor Bros., Inc., Debtor.	Bankruptcy Case No. 893-80853-478
	Judge Eisenberg

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Cantor Bros., Inc., Defendant.	

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WHEREAS, it is the position of the State of New York that, inter alia, the Debtor is obligated to comply with the terms of the Administrative Order and that its failure to comply subjects the Debtor to civil and criminal sanctions and penalties under the New York Environmental Conservation Law;

WHEREAS, in order to advance the resolution of these matters and thereby minimize litigation costs, the parties negotiated and entered into an interim agreement and stipulated order (the "Interim Agreement and Order"), which the Court approved on June 26, 1996, which provided, inter alia, that

Debtor retain a contractor, Handex of New York, Inc. ("Handex"), to implement the following work items required under the Administrative Order, in accordance with the terms and conditions of performance in the Interim Agreement and Order: soil borings and laboratory analysis; groundwater sampling; data validation; waste management; preparation of a report summarizing Handex's investigation pursuant to the Interim Agreement and Order (the "Handex Report"); site structure investigation; and site history;

WHEREAS, NYSDEC accepts the Handex Report as providing sufficient information to enable the design of appropriate remedial measures sufficient to resolve the NYSDEC's claims against the Debtor in this adversary proceeding if the remedial measures are implemented;

WHEREAS, the Handex Report indicates that the soil beneath the former factory area of the Site is contaminated with volatile organic compounds, including, but not limited to, total xylene, toluene, and tetrachloroethylene ("PCE"), for which the most appropriate remedial technology would be a soil vapor extraction ("SVE") system, and the sediments in the storm drains are contaminated with semi-volatile organic compounds, which would most appropriately be remediated through removal and disposal of the liquids and the sediments in the storm drains;

WHEREAS, based on the Handex Report and the other information now known to it (and barring the discovery of contrary information), NYSDEC has concluded that this adversarial proceeding can be resolved if Debtor: (1) pursuant to approved

Work and Design Plans, installs and operates an SVE system to decrease the levels of contaminants in the ground beneath the former factory area to levels that meet the criteria in NYSDEC Technical Assistance and Guidance Memorandum ("TAGM") No. 4046 (a copy of which is annexed hereto as Exhibit A); (2) without the necessity of having an approved Work or Design Plan, cleans storm drains 1 through 10 by removing and appropriately disposing of the liquids and the sediments contained therein; and (3) seals the four monitoring wells associated with the underground storage tank area with grout;

WHEREAS, the parties to this agreement and stipulated order ("Agreement and Order") desire to advance the resolution of these matters and thereby avoid additional litigation costs;

WHEREAS, it is the intention of the parties that the work required under this Agreement and Order will remediate the Site to the point where it can be de-listed from the Registry, and the work has been planned to achieve that goal;

WHEREAS, the parties agree that nothing in this Order shall be construed to limit the right of the Debtor or any other party to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) and 6 NYCRR Section 375-1.9 to de-list the site from the Registry or to change its classification; and

WHEREAS, notwithstanding Debtor's agreement to carry out the terms of this Agreement and Order, Debtor does not admit or acknowledge any liability, fault, or wrongdoing or violation

of law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, THEREFORE, upon the consent and agreement of the parties by their attorneys, it is hereby ORDERED:

1. The Debtor shall retain a qualified contractor or contractors who shall complete the remedial work ("Remedial Work") and other obligations set forth below, in accordance with the terms and conditions herein. (For purposes of simplicity, the term "Debtor" shall hereinafter be read to encompass the Debtor's contractor or contractors.)

REMEDIAL WORK

Former Factory Area and Grouting of Monitoring Wells

2. The Debtor shall develop a work plan for the SVE system and grouting of the monitoring wells (the "Work Plan") and submit the Work Plan to NYSDEC within fifteen (15) days of approval of this Agreement and Order by the Court. The Work Plan shall include, but need not be limited to:

(a) A general description of the scope of work to install, test, operate and maintain the SVE system;

(b) the Site Quality Assurance Project Plan contained in the Handex Report with any modifications necessary for the SVE Work Plan;

(c) the Health and Safety Plan contained in the Handex Report with any modifications necessary for the SVE Work Plan;

(d) a description of the scope of work to grout the four (4) existing poly-vinyl chloride (PVC) monitoring wells associated with the underground storage tank area (as depicted on the Site map attached hereto as Exhibit B); and

(e) a chronological description of the anticipated remedial activities, together with a schedule for the performance of these activities.

3. The NYSDEC shall notify Debtor in writing of its approval or disapproval of the Work Plan, and, if disapproving, provide written comments explaining the reasons for disapproval.

4. If Debtor requires clarification of any of the reasons specified by the Department for its disapproval, or disagrees with the stated basis for disapproval, Debtor shall request clarification in writing, or request reconsideration of the denial for reasons stated by Debtor in writing, within ten (10) days after receiving written notice that Debtor's submittal has been disapproved. Within fifteen (15) days after receiving written notice that Debtor's submittal has been disapproved, or fifteen (15) days after receiving the Department's response to a timely request for clarification or reconsideration, Debtor shall make a revised submittal to the NYSDEC that addresses and resolves all of the NYSDEC's stated reasons for disapproving the first submittal. After receipt of any revised Work Plan submittal, the NYSDEC shall notify Debtor in writing of its approval or disapproval. If the NYSDEC disapproves the revised Work Plan, Debtor shall be in violation of this Agreement and

Order and the NYSDEC may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law, or under the terms of the Stipulation and Order. (Pursuant to Paragraph 22, NYSDEC's approval or disapproval shall be final and binding, subject only to challenge as arbitrary and capricious by motion upon proper notice.)

5. Within thirty (30) days of receipt of written notification that the Work Plan has been approved, Debtor shall submit a design plan and specifications (the "Design Plan") for the SVE system which shall include:

(a) a minimum of two (2) vapor extraction wells that will capture volatile organic contamination from the area under the chemical manufacturing area and extending to the trash dumpster area, as depicted on Exhibit B hereto;

(b) an SVE operation and maintenance (O & M) plan that provides for:

(1) remediation of the soil in this area until it meets the criteria set forth in TAGM 4046;

(2) operation of the SVE system until extraction well air samples are non-detect or asymptotic through pulsing; and

(3) a sampling program that verifies the results of the SVE system operation including, but not necessarily limited to, confirmatory soil sampling and SVE system effluent testing.

6. The Design Plan shall be prepared and certified by a professional engineer licensed to practice by the State of New York.

7. The NYSDEC shall notify Debtor in writing of its approval or disapproval of the Design Plan, and, if disapproving, provide written comments explaining the reasons for disapproval.

8. If Debtor requires clarification of any of the reasons specified by the NYSDEC for its disapproval, or disagrees with the stated basis for disapproval, Debtor shall request clarification in writing, or request reconsideration of the denial for reasons stated by Debtor in writing, within ten (10) days after receiving written notice that Debtor's submittal has been disapproved. Within fifteen (15) days after receiving written notice that Debtor's submittal has been disapproved, or fifteen (15) days after receiving the Department's response to a timely request for clarification or reconsideration, Debtor shall make a revised submittal to the NYSDEC that addresses and resolves all of the NYSDEC's stated reasons for disapproving the first submittal. After receipt of any revised Design Plan submittal, the NYSDEC shall notify Debtor in writing of its approval or disapproval. If the NYSDEC disapproves the revised Design Plan, Debtor shall be in violation of this Agreement and Order and the NYSDEC may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law, or under the terms of the Stipulation and Order. (Pursuant to Paragraph 22, NYSDEC's approval or disapproval shall be final

and binding, subject only to challenge as arbitrary and capricious by motion upon proper notice.)

9. Debtor shall commence implementation of the approved Work and Design Plans within fifteen (15) days of receiving written notification of NYSDEC's approval of the Design Plan, and shall implement the Plans in accordance with their terms until the remediation objectives specified therein are achieved.

10. Should circumstances warrant, Debtor may apply, in writing, to NYSDEC for permission to deviate from the approved Work and Design Plans. Debtor must obtain prior written approval from NYSDEC prior to deviating from the approved Plans in any material way. The NYSDEC shall respond to the request to deviate from the approved Plans within a reasonable amount of time. The period during which Debtor is required to complete the task which is the subject of the request to deviate shall be extended by the amount of time the NYSDEC takes to approve or disapprove the requested deviation. NYSDEC shall not unreasonably withhold its approval.

11. Within 30 days after completion of the Site remediation specified in the approved Plans, Debtor shall submit written notification to the NYSDEC that the Site remediation has been completed in accordance with the approved Plans. This written notification shall be certified by a professional engineer licensed to practice by the State of New York, and shall describe any changes to the SVE system design or other deviations

from the approved Work and Design Plans during construction and remediation.

Storm Drains

12. Debtor shall remove, sample and appropriately dispose of the water in the storm drains. Debtor shall remove the sediments and any other material in storm drains 1 through 10 to the base of the concrete drainage structure, and sample the removed material with the Toxicity Characteristic Leaching Procedure ("TCLP") to determine proper disposal. Debtor shall then dispose of the removed material as required by applicable rules and regulations and the TCLP results.

13. Debtor shall commence the storm drain remediation no later than thirty (30) days from the creation and funding of the escrow account referred to in Paragraph 17 below.

14. All manifests and analytic results generated in connection with the testing and removal of material from the storm drains shall be submitted to NYSDEC in report form.

15. Debtor shall backfill storm drains 1 through 10 to maintain structural integrity, with clean porous sand and/or gravel.

PAYMENT FOR CLEANUP WORK AND DISTRIBUTION OF REMAINING FUNDS

16. The total cost of performing the work required by this Agreement and Order will not exceed the sum of two hundred thousand dollars ($200,000). The $200,000 cost figure referred to above is derived from cost estimates obtained by the Debtor from its prospective contractor, EEA, Inc. ("EEA"), with an

allocation for contingencies added to the estimated cost of completing the work.

17. Upon approval of this Agreement and Order by the Court, the Debtor shall place the sum of $200,000 into an escrow account which shall be dedicated solely toward remediation of the Site until completion of the Remedial Work required hereunder, and thereafter distributed in accordance with the orders and directives of the Court. The law firm of Platzer, Swergold, Karlin, Levine, Goldberg & Jaslow, LLP shall be the escrow agent ("Escrow Agent"). This Agreement and Order shall be provided to the Escrow Agent and Paragraphs 17 through 21 incorporated by reference into, and made part of, the escrow agreement. Upon execution of the contract between the Debtor and EEA (the "EEA Contract"), the Escrow Agent shall pay to EEA an initial payment toward removal of the soil and liquids from the drainage structures in the sum of thirteen thousand dollars ($13,000). Upon receipt of written notice from NYSDEC that NYSDEC has approved the Design Plan, the Escrow Agent shall pay to EEA an initial payment of $16,000 toward construction of the SVE system. NYSDEC shall, simultaneously with notifying EEA that the Design Plan has been approved, notify the Escrow Agent that NYSDEC has approved the Design Plan.

18. In addition to the initial payments referenced in Paragraph 17, EEA shall receive progress payments ("Progress Payments") from the Escrow Agent as EEA completes various items of the Remedial Work, in accordance with the schedule of Progress

Payments set forth in Exhibit C hereto. The Escrow Agent shall withhold 5% retainage from Progress Payments pending completion of the Remedial Work.

19. The EEA Contract shall provide that payment will be made to EEA in accordance with Paragraphs 17 through 20 herein, including Exhibit C hereto.

20. The EEA contract shall additionally provide that:

a. EEA shall submit invoices for Progress Payments to the Escrow Agent, with simultaneous copies to NYSDEC and the other signatory parties hereto. NYSDEC shall determine whether payment of the Progress Payment is proper in accordance with the terms of this Agreement and Order, including Exhibit C hereto, and approve or disapprove the Progress Payment accordingly. If NYSDEC approves the Progress Payment, it shall notify the Escrow Agent, EEA and other parties hereto in writing. The Escrow Agent shall then pay EEA the approved Progress Payment amount.

b. If NYSDEC disapproves an invoiced Progress Payment, NYSDEC shall provide written notice of its reasons for such determination, specifying what EEA must do to complete the work item for which EEA is seeking a Progress Payment.

c. EEA shall have the right to seek a revision of the schedule of Progress Payments, including an upward revision of the amount due for a particular item of

Remedial Work and the total amount due to EEA under the EEA Contract, for good cause shown. Good cause shall mean due to unexpected and unforeseen occurrences necessitating additional costs to complete the Remedial Work required under the EEA Contract. Known additional costs for which payment will be made include the cost of electricity and the cost of replacing and properly disposing of carbon filters.

d. If both the Debtor and NYSDEC determine that EEA has shown good cause, the requested revision of the EEA Contract will be approved, and the Escrow Agent so instructed.

e. Unless otherwise approved by NYSDEC, all equipment dedicated for use in the Remedial Work shall be new. Equipment used solely in the construction process, such as tools, shall not be considered dedicated for use in the Remedial Work.

21. After NYSDEC has approved the work required hereunder as complete, and EEA has been fully paid for that work, including retainage, the Escrow Agent shall distribute any remaining funds in the escrow account in accordance with the orders and directives of the Court.

TERMS AND CONDITIONS FOR THE PERFORMANCE OF THE REMEDIAL WORK

22. All Remedial Work required hereunder shall be subject to NYSDEC supervision and approval. In the event that the Debtor and the NYSDEC disagree, then the determination of the

NYSDEC shall be final and binding, provided that the determination of the NYSDEC does not require the total expenditures for the work performed pursuant to this Agreement and Order to exceed $200,000. Debtor and creditor Apple Bank For Savings ("Apple") reserve the right to challenge, by motion upon proper notice, any determination by the NYSDEC that is arbitrary and capricious. The filing of a motion by the Debtor or creditor Apple challenging a NYSDEC determination shall not stay or delay the expeditious implementation of the disputed work item by the Debtor, unless such delay is agreed to by the NYSDEC in writing, or implementation of the disputed work item is stayed by a court pending its determination whether the item is "arbitrary and capricious."

23. The Debtor shall provide the NYSDEC with written notice of all fieldwork. Such written notice shall be delivered to the NYSDEC no less than five days prior to the start of the fieldwork referred to in the notice.

24. Following consultation with Debtor, the NYSDEC may require Debtor to modify and/or amplify and expand the work required under the approved Work and Design Plans if the NYSDEC determines, as a result of reviewing data generated by an activity required under this Agreement and Order, or as a result of reviewing any other data or facts, that such modification, amplification and/or expansion is necessary, unless the modification, amplification and/or expansion will cause the total cost of performing the Remedial Work required to implement this

Agreement and Order to exceed the $200,000 sum approved by the Court for implementation.

25. Debtor shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the NYSDEC to perform the technical, engineering and analytical obligations required by this Agreement and Order (collectively "Debtor's consultant(s)"). The experience, capabilities and qualifications of the firms or individuals selected by Debtor shall be submitted to the NYSDEC upon entry of this Agreement and Order (although nothing herein shall preclude Debtor from making this submission prior to entry of this Agreement and Order).

26. The NYSDEC shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Debtor, and the NYSDEC also shall have the right to take its own samples. Debtor shall make available to the NYSDEC the results of all sampling and/or tests or other data generated by Debtor with respect to implementation of this Agreement and Order and shall submit these results in the progress reports required by this Agreement and Order. The NYSDEC shall make available to Debtor the results of all samples and/or tests or other data generated by the NYSDEC with respect to the site which is the subject of this Agreement and Order.

27. Debtor shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Debtor's obligations under this Agreement

and Order. If, after Debtor's documented, good faith best efforts, Debtor fails to obtain these authorizations, the NYSDEC may take any appropriate action necessary to secure these authorizations.

28. Debtor and its successors and assigns shall be bound by this Agreement and Order. Debtor, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Agreement and Order. Any change in ownership or corporate status of Debtor including, but not limited to, any transfer of assets or real or personal property shall in no way alter Debtor's responsibilities under this Agreement and Order.

29. Debtor shall provide a copy of this Agreement and Order to each contractor hired to perform work required by this Agreement and Order and to each person representing Debtor with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Agreement and Order. Debtor or Debtor's contractor(s) shall provide written notice of this Agreement and Order to all subcontractors hired to perform any portion of the work required by this Agreement and Order. Debtor shall be responsible for ensuring that Debtor's contractors and subcontractors perform the work to be done under this Agreement and Order in accordance herewith.

CONVERSION TO A VOLUNTARY CLEANUP WORK PLAN

30. If Apple or any third party who qualifies for "volunteer" status (the "Volunteer") under the NYSDEC's Voluntary Cleanup Program (the "Program") applies for and is accepted as a volunteer to cleanup the Site for industrial use under the Program, NYSDEC shall, consistent with its legal authority, accept this Agreement and Order and any approved Work and Design Plans submitted to NYSDEC by the Debtor pursuant to this Agreement and Order as an approved work plan for inclusion in a voluntary third party cleanup agreement for the Site between the Volunteer and the NYSDEC.

31. In the event that a party qualifies and is subsequently approved as a Volunteer for cleanup of the Site under the Program, the EEA Contract shall be assigned by the Debtor, at the option of the Volunteer, to the Volunteer, who shall have all of the rights and obligations of the assignor under the EEA Contract. In the event of an assignment to a Volunteer, the escrow fund established hereunder shall remain dedicated to the cleanup of the Site until the cleanup is complete, as provided herein.

PETITION TO DE-LIST

32. Upon achievement of the cleanup goals of this Agreement, NYSDEC will, consistent with its legal authority, begin the process necessary to reclassify or de-list the Site from the Registry, unless Debtor or any other party has already begun the process. Any costs attributable to the

reclassification or de-listing process will not be paid by the Debtor or from the escrow account.

MISCELLANEOUS

33. This Agreement and Order shall supplement, and not supersede the Interim Agreement and Order. However, the terms of this Agreement and Order, including any previous orders, stipulations or agreements incorporated herein, shall constitute the complete and entire Agreement and Order between Debtor and the NYSDEC concerning implementation of the Site remediation required hereunder. No term, condition, understanding, or agreement purporting to modify or vary any term of this Agreement and Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the NYSDEC regarding any report, proposal, plan, specification, schedule, or any other submittal by Debtor shall be construed as relieving Debtor of its obligation to obtain such formal approvals as may be required by this Agreement and Order.

34. The caption of the State's adversary proceeding shall be changed to substitute as a party plaintiff the current NYSDEC Commissioner by deleting "Michael D. Zagata as Commissioner of the New York State Department of Environmental Conservation" and inserting in its place "John P. Cahill as Commissioner of the New York State Department of Environmental Conservation."

35. All references to "professional engineer" in this Agreement and Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

36. All references to "days" in this Agreement and Order are to calendar days unless otherwise specified.

37. The section headings set forth in this Agreement and Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Agreement and Order.

38. This Agreement and Order is subject to the approval of the United States Bankruptcy Court.

39. Any notices or reports required to be provided herein shall be in writing and sent by regular mail, or by hand delivery addressed as follows:

If to the Debtor:

Platzer, Swergold, Karlin, Levine, Goldberg & Jaslow, LLP
150 East 52nd Street
New York, New York 10016
Attention: Michele K. Jaspan, Esq.

-and-

Martin Cantor
16 Foothill Road
East Northport, NY 11731

-and-

Cahn Wishod & Lamb, LLP
534 Broadhollow Road
Melville, New York 11747-9034
Attention: Frederick Eisenbud, Esq.

If to Apple:

Apple Bank For Savings
277 Park Avenue
New York, New York 10172
Attention: Michael B. Greene

With a copy to:

Baer Marks & Upham LLP
605 Third Avenue
New York, NY 10022
Attention: Jay L. Gottlieb, Esq.

If to the State:

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Andrew J. Gershon, Esq.

-and-

New York State Department of Environmental Conservation/DER
50 Wolf Road
Albany, New York 12233-7010
Attention: Steven M. Scharf, P.E.

-and-

New York State Department of Environmental Conservation/DEE
200 White Plains Road, 5th Fl.
Tarrytown, New York 10591-5805
Attention: Edward Devine, Esq.

40. In addition to the notices and reports that must be provided to Apple pursuant to Paragraph 39, copies of any correspondence between and among the Escrow Agent, Debtor and NYSDEC concerning implementation of this Agreement and Order shall be provided to Apple. In the event such correspondence includes lengthy exhibits or attachments, the party initiating the correspondence may omit such exhibits or attachments,

provided this omission is noted and Apple is provided with copies if it so requests.

41. This Agreement and Order shall survive dismissal of this case. The parties consent to the exclusive jurisdiction of the New York State Supreme Court for the County of New York, or, if a federal cause of action arises, of the United States District Court for the Southern District of New York, to decide any case or controversy arising out of this Agreement and Order.

42. This Agreement and Order is in full and final settlement of this adversary proceeding, and any and all claims filed in connection therewith by the NYSDEC and Apple.

SO AGREED:

Dated: New York, New York
October 31, 1997

DENNIS C. VACCO, ATTORNEY GENERAL FOR THE STATE OF NEW YORK
ATTORNEY FOR PLAINTIFFS

By: Andrew J. Gershon
ANDREW J. GERSHON (AG/6141)
Assistant Attorney General
120 Broadway
New York, New York 10271
(212) 416-8474

PLATZER, SWERGOLD, KARLIN, LEVINE, GOLDBERG & JASLOW, LLP
ATTORNEYS FOR DEBTOR

By: Michele K. Jaspan
MICHELE K. JASPAN (MK/1737)
For The Firm
150 East 52nd Street
New York, New York 10022
(212) 593-3000

Dated: New York, New York
October ~~3~~ November, 1997

BAER MARKS & UPHAM LLP
ATTORNEYS FOR APPLE BANK
FOR SAVINGS

By: _____
JAY GOTTLIEB (JG/9733)
A Member of the Firm
805 Third Avenue
New York, New York 10022
(212) 702-5700

SO ORDERED, this 2
day of ~~October~~ December, 1997

_____
UNITED STATES BANKRUPTCY JUDGE

cmt\stip.7

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

	In Proceedings for a Reorganization Under Chapter 11
In re Cantor Bros., Inc., Debtor.	Bankruptcy Case No. 893-80853-478
	Judge Eisenberg
State of New York and Langdon Marsh as Acting Commissioner of Environmental Conservation, Plaintiffs, -against- Cantor Bros., Inc., Defendant.	Adversary Proceedings No. 894-8182-478

file #152021 available

INTERIM AGREEMENT AND STIPULATED ORDER

WHEREAS, Cantor Bros., Inc., (the "Debtor" or "Cantor Bros.") conducted business and commercial activities from on or before 1975 to April 1993 on property located at 50 Engineers Lane, Farmingdale, New York (the "Site");

WHEREAS, the Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as site number 1-52-021, and is classified by the New York State Department of Environmental Conservation ("NYSDEC") as a class "2" site.

WHEREAS, Cantor Bros. consented to the entry of an order by the New York State Commissioner of Environmental Conservation, dated March 25, 1992 ("Administrative Order"), requiring the

Debtor to develop and implement a remedial investigation and feasibility study ("RI/FS") and appropriate interim remedial measures with respect to the contamination at the Site;

WHEREAS, Cantor Bros. filed a petition under Chapter 11 of the Bankruptcy Code on February 16, 1993, in the United States Bankruptcy Court for the Eastern District of New York;

WHEREAS, the NYSDEC filed an administrative proof of claim (the "NYSDEC Administrative claim") on March 7, 1994, asserting that the costs incurred and to be incurred by the Debtor in discharging its responsibilities and obligations under the Administrative Order and/or statutes relating to the protection of the environment, including the costs of implementing the final cleanup remedy for the Site selected by the NYSDEC, and the costs incurred or to be incurred by the NYSDEC for purposes of oversight or as a consequence of the Debtor's failure to comply with its obligations under the Administrative Order or applicable environmental statutes, including the obligation to implement the remedy, are entitled to administrative expense status and priority;

WHEREAS, the State of New York filed an adversary proceeding (the "Adversary Complaint") against the Debtor on April 19, 1994, adversary proceeding number 894-8182-478, in which New York State seeks, inter alia, the entry of a judgment directing the Debtor to comply with the Administrative Order and, in addition, New York seeks the entry of a judgment declaring that the costs of compliance with the Administrative Order, including costs

incurred by the State of New York, are entitled to administrative status and priority;

WHEREAS, the Debtor filed an Answer to New York State's Adversary Complaint asserting, inter alia, that the NYSDEC holds an unliquidated contingent claim that has not been classified as an administrative claim and that the Debtor cannot be compelled to comply with the Administrative Order until there is an order from the Bankruptcy Court authorizing and directing it to comply; that if the Administrative Order is deemed to be an administrative claim, it must be treated pari passu with any and all administrative claims; and that compliance with the Administrative Order cannot be an administrative expense unless the Site poses an imminent and identifiable danger to the public safety;

WHEREAS, it is the position of the State of New York that, inter alia, the Debtor is obligated to comply with the terms of the Administrative Order and that its failure to comply subjects the Debtor to civil and criminal sanctions and penalties under the New York Environmental Conservation Law;

WHEREAS, the parties to this interim agreement and stipulated order desire to advance the resolution of these matters and thereby avoid the additional litigation costs.

NOW, THEREFORE, upon the consent and agreement of the parties by their attorneys, it is hereby ORDERED:

1. The Debtor shall undertake the remedial work and other obligations set forth below.

2. The Debtor, by its contractor Handex of New York, Inc. ("Handex"), shall implement as part of the RI/FS and the Interim Remedial Measures required by the Administrative Order, the following work items:

REMEDIAL WORK

Soil Borings and Laboratory Analysis

A. Handex shall drill a total of 23 soil borings in areas potentially impacted by such structures as former underground storage tanks, trash dumpsters, leaching pools and storm drains. One (1) soil boring, at location TW-16, shall be drilled using a hollow stem auger or Cone Penetrometer. All other borings shall utilize a hollow stem auger. The approximate locations of the soil borings are indicated on the map attached hereto as appendix A.

B. Soil samples shall be collected from each boring starting at the base of the structure, e.g., storm drain/leaching pool, and continuing in five feet intervals until the water table is encountered approximately forty feet below land surface. The samples will be screened every five feet for Target Compound List volatile organic compounds ("VOCs") with a portable gas chromatograph ("GC"). Based on the portable GC results two (2) soil samples will be submitted to a New York State Department of Health ("NYSDOH") ELAP certified laboratory using Contract Laboratory Protocols ("CLP") for analysis of target compound list

volatile organic compounds ("VOCs") and target compound list semi-volatile organic compounds ("Semi-VOCs"). The samples submitted for laboratory analysis shall be selected using the following criteria:

i. If the portable GC results for VOC analysis are non-detect ("ND"), the sample just below the structure, e.g., storm drain/leach pool, will be analyzed for Semi-VOCs and the sample just above the water table will be analyzed for VOCs.

ii. If VOC's are detected then the sample with the highest GC results will be analyzed for VOC and Semi-VOC compounds. A second sample will be collected and analyzed for VOCs and Semi-VOCs in order to document the depth at which the VOC's are no longer present at detectable levels or, in the event that VOCs are detected to the water table, to determine the concentration in soil just above the water table.

C. The results of the soil boring program will be utilized in determining the need for additional work to delineate the areal extent of soil contamination as well as the number and location of such additional borings. Handex shall take and analyze such additional soil borings as may be necessary to determine the areal extent of the soil contamination. The additional soil borings shall be undertaken as part of the obligations arising under this agreement and order.

Groundwater Sampling

D. In addition to the soil samples collected in the borings installed inside the building, see appendix "A", one groundwater

sample shall be collected approximately five feet below the water table from the soil boring drilled at location TW-16, using a hollow stem auger or Cone Penetrometer. Handex shall submit the groundwater sample to the laboratory for Target Compound List VOC analysis.

E. Handex shall drill one (1) temporary groundwater well point at an off-site location south of the Site. Selection of the off-site location is subject to the approval of the DEC. The well point will be installed using a Hydro-punch/Cone Penetrometer Technology ("CPT") or hollow stem auger method. It is anticipated that groundwater will be encountered at approximately forty feet below land surface. The first sample shall be collected at ten feet below the water table followed by sample collections at ten feet intervals until two groundwater samples are non-detect using the portable GC.

F. The water samples collected shall be screened on site with a portable GC for VOCs. Based upon the GC screening the two samples with the highest GC results for VOCs shall be submitted to the laboratory for VOC analysis.

G. Handex shall collect groundwater samples from the four (4) existing monitoring wells (MW-1 through MW-4) for VOC and Semi-VOC analysis. This task shall include collecting the appropriate QA/QC blanks for analysis. Handex may install and sample additional groundwater monitoring wells subject to the approval of DEC as provided in paragraph 3.

Data Validation

H. All samples collected under this agreement and order may be split and analyzed by the NYSDEC. NYSDEC Analytical Services

Protocols 91-1 and 91-2 with category B deliverables shall be utilized. This agreement and order does not establish data validation requirements. However, based upon its review of the QA/QC submittal, NYSDEC may require data validation which Handex shall perform, subject to the provisions of paragraph 3 below.

Waste Management

I. Drill cuttings, generated during the boring program and water generated from steam cleaning and purging of wells during groundwater sampling, shall be collected in 55 gallon drums and staged on-site. Upon receipt of the waste classification analysis, Handex shall contract with a transporter and a disposal facility for removal of the waste from the site.

Report Preparation

J. A report summarizing the investigation shall be prepared by Handex and submitted to the NYSDEC and counsel for the Debtor, the Apple Bank for Savings ("Apple") and the State. The report will include recommendations for additional work as and if necessary.

Site Structure Investigation

K. Upon completion of the field investigation work, Handex shall provide the NYSDEC, Apple and the Debtor, with a drawing based upon visual observations of all floor drains, cesspools, septic systems and leaching pools, and associated piping, referred to herein collectively as "structures", located on the Site.

L. Handex will make a concerted effort to locate structures identified in the as-built drawings but which could not be field verified during the site visit conducted on October 12, 1994. Handex will inspect each structure to determine its size and identify piping entering and exiting the structure. When possible, Handex will conduct dye testing and snaking, if required, to confirm use of the structures. Samples of relevant media will be collected and analyzed as and if appropriate. Please note, Handex is assuming no floor/wall destruction or excavation will be required to access and inspect these structures. This inspection will focus on accessible structures which appear to be active and are not permanently closed. Procedures for sampling of these structures can not be addressed at this time as conditions can not be anticipated.

M. The Site Plan, which is attached as Figure 2, "General Site Map", to the Draft Interim Remedial Measures, shall be updated, as necessary, to show the true location of all structures, including those identified in the architectural and/or as-built drawings. The update of the Site Plan shall be prepared after inspection by Handex of the structures. The Site Plan figures shall include bar scales.

Site History

N. Within sixty days from the date that this agreement and order is entered, Debtor shall provide the NYSDEC and Apple with a written statement describing in detail:

i. All business activities conducted on the Site;

ii. All chemical substances shipped to the Site;

iii. All chemical substances transported from the Site; and

iv. Storage, mixing and packaging of chemical substances at the site.

TERMS AND CONDITIONS FOR THE PERFORMANCE OF THE REMEDIAL WORK

3. Except as is otherwise explicitly provided in paragraph 2 above, all work required hereunder shall be performed in compliance with and under the terms set forth in the Administrative Order, attached hereto as appendix B, including but not limited to the provision that all work performed must be done subject to NYSDEC supervision and approval. In the event that the Debtor by its contractor and the NYSDEC disagree, then the determination of the NYSDEC shall be final and binding provided that the determination of the NYSDEC does not require the total expenditures for the work performed pursuant to this agreement and order to exceed the total cost established pursuant to paragraph 5. Debtor and Apple reserve the right to challenge by motion upon proper notice, any determination by the NYSDEC that is arbitrary and capricious. The filing of a motion by the Debtor or Apple challenging a NYSDEC determination shall not stay or delay the expeditious implementation of the disputed work item by the Debtor or Handex.

4. The fieldwork required by this agreement and order shall begin within thirty days of the entry of this agreement and order and substantially all work shall be completed within one hundred

and twenty days of the entry of this order. All reports and data submissions required pursuant to this agreement and order shall be delivered to the NYSDEC, the Debtor and Apple on or before sixty days after the completion of the fieldwork.

5. The total cost of performing the work required by this interim agreement and stipulated order shall not exceed the sum of one hundred twenty-five thousand dollars ($125,000.00) except upon application to and the approval of the Court. The $125,000 cost figure referred to above is derived from cost estimates submitted by Handex. The Debtor by its contractor Handex shall notify the State of New York and Apple in writing when costs totalling ~~one hundred~~ seventy thousand dollars (~~$100,000.00~~ $70,000.00) have been incurred. Such notice shall itemize the work that has yet to be done and the anticipated costs of such work.

6. The Debtor by its contractor Handex shall provide the NYSDEC with written notice of all fieldwork. Such written notice shall be delivered to the NYSDEC no less than five days prior to the start of the fieldwork referred to in the notice.

RESERVATION OF CLAIMS AND DEFENSES

7. This Interim Agreement and Stipulated Order obligates the Debtor to perform the remedial work and other obligations set forth herein. Following the completion of the work required under this agreement and order including the submission to the NYSDEC of the requisite reports, the NYSDEC may select a remedy for the Site. The Debtor's obligation, if any, to implement the selected remedy is not addressed by this agreement and

stipulation. With respect to the Debtor's obligation to implement the selected remedy and with respect to all other claims and obligations that are not explicitly addressed herein, including, but not limited to, additional sampling and the implementation of interim remedial measures, the parties reserve all of their rights and defenses for subsequent resolution either by agreement or litigation.

MISCELLANEOUS

8. The caption of the State's adversary proceeding shall be changed to substitute as a party plaintiff, the current NYSDEC Commissioner by deleting "Langdon Marsh as Acting Commissioner of Environmental Conservation" and inserting in its place "Michael D. Zagata as Commissioner of the New York State Department of Environmental Conservation."

9. This Interim Agreement and Stipulation Order is subject to the approval of the United States Bankruptcy Court.

10. Any notices or reports required to be provided herein shall be in writing and sent by regular mail, or by hand delivery addressed as follows:

If to the Debtor:

Platzer, Fineberg & Swergold
150 East 52nd Street
New York, New York 10016
Attention: Michele K. Jaspan

-and-

Martin Cantor
16 Foothill Road
East Northport, NY 11731

If to Handex:

Handex of New York, Inc.
61 C Carolyn Boulevard
Farmingdale, New York 11735
Attention: Carol Karp

If to Apple Bank for Savings:

Baer Marks & Upham, LLP
805 Third Avenue
New York, NY 10022
Attention: Jay L. Gottlieb, Esq.

If to the State:

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Norman Spiegel, Esq.

-and-

New York State Department of Environmental Conservation/DHWR
50 Wolf Road
Albany, New York 12233
Attention: Susan McCormick, P.E.

-and-

New York State Department of Environmental Conservation/DEE
200 White Plains Road, 5th Fl.
Tarrytown, New York 10591-5805
Attention: Samara Swanston, Esq.

SO AGREED:

Dated: Morganville, New Jersey
April , 1996

HANDEX OF NEW JERSEY, INC. d/b/a
HANDEX OF NEW YORK

By: _____
JOHN ST. JAMES (JJ/)
Chief Financial Officer
500 Campus Drive
Morganville, NJ 07751

SO AGREED:

Dated: New York, New York
April 15, 1996

DENNIS C. VACCO, ATTORNEY GENERAL
FOR THE STATE OF NEW YORK
ATTORNEY FOR PLAINTIFFS

By: _____
NORMAN SPIEGEL (NS/5619)
Assistant Attorney General
120 Broadway
New York, New York 10271
(212) 416-8454

Dated: New York, New York
April , 1996

PLATZER, FINEBERG & SWERGOLD
ATTORNEYS FOR DEBTOR

By: _____
MICHELE K. JASPAN (MK/1737)
For The Firm
150 East 52nd Street
New York, New York 10022
(212) 593-3000

Dated: New York, New York
April 16, 1996

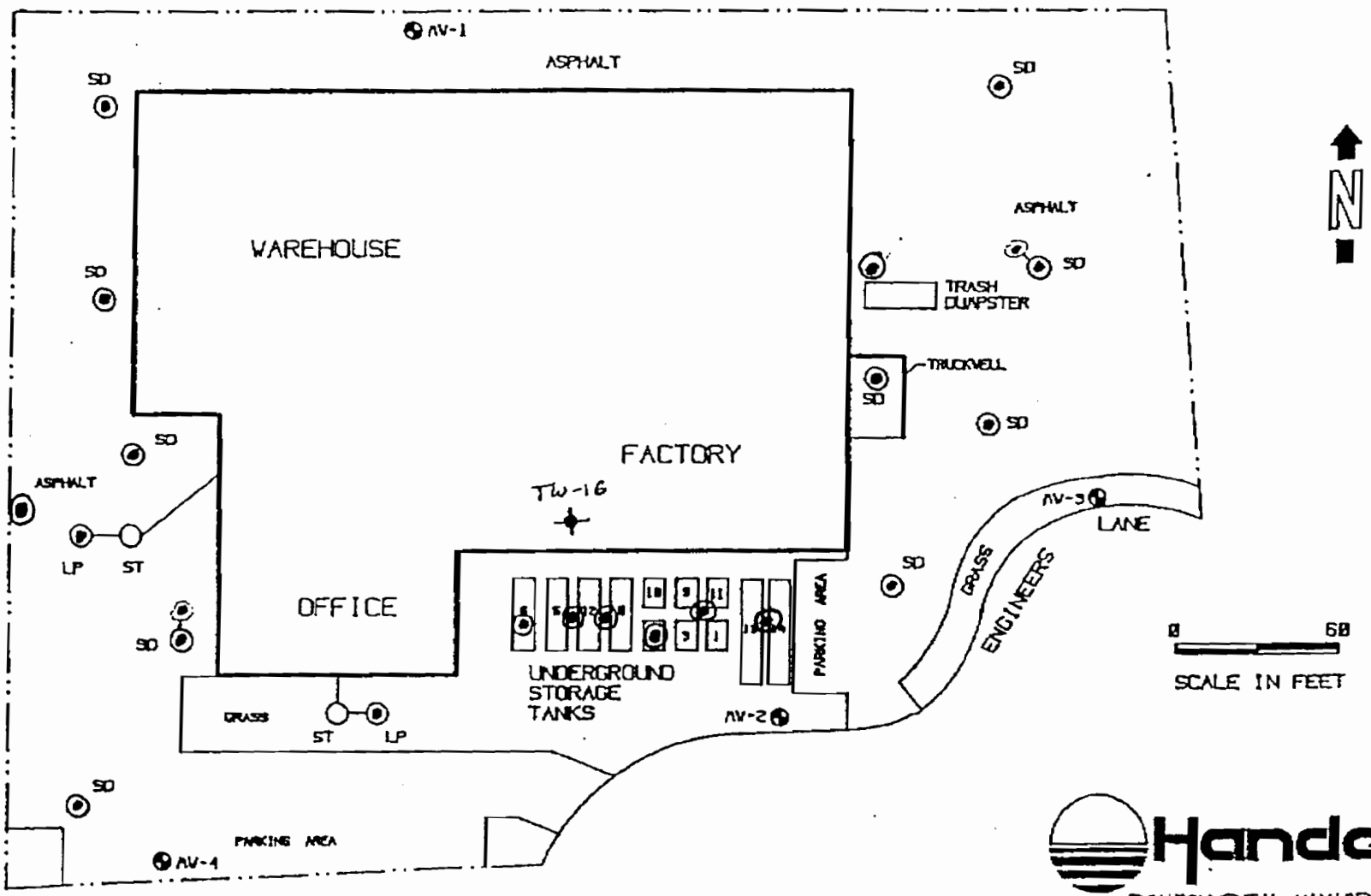
BAER, MARKS & UPHAM, LLP
ATTORNEYS FOR APPLE BANK
FOR SAVINGS

By: _____
JAY GOTTLIEB (JG/9733)
805 Third Avenue
New York, New York 10022
(212) 702-5700

SO ORDERED, this 26
day of June 1996

_____
UNITED STATES BANKRUPTCY JUDGE

no.1\spiegel\cantstp.10



SD = STORM DRAIN
ST = SETTLING TANK
LP = LEACHING POOL

NOTE: MONITORING WELL LOCATIONS ARE APPROXIMATE

⊙ Soil boring

✦ Soil boring/gw sample location

Handex
ENVIRONMENTAL MANAGEMENT

FIGURE 2

GENERAL SITE MAP

CANTOR BROTHERS
ENGINEERS LANE
FARMINGDALE, NEW YORK

2-10

Exhibit A

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Investigation/Feasibility
Study for an Inactive Hazardous Waste
Disposal Site, Under Article 27, Title 13,
and Article 71, Title 27 of the
Environmental Conservation Law
of the State of New York by

CANTOR BROTHERS, INC.,

Respondent.

ORDER
ON
CONSENT

INDEX #
W1-0570-91-12

Site Code # 1-52-021

WHEREAS,

1. The New York State Department of Environmental Conservation (the "Department") is responsible for enforcement of Article 27, Title 13 of the Environmental Conservation Law of the State of New York ("ECL"), entitled "Inactive Hazardous Waste Disposal Sites." This Order is entered into pursuant to the Department's authority under ECL Article 27, Title 13 and ECL Section 3-0301.

2. Cantor Brothers, Inc. ("Respondent"), is a corporation organized and existing under the laws of the State of New York. The site is located on Engineers Lane, Farmingdale, New York 11735, and is in the Town of Babylon. The owner of the site is Anman Realty Corp., Engineers Lane, P.O. Box 126, Farmingdale, New York 11735. Anman Realty Corp. is a wholly owned subsidiary of Cantor Bros., Inc. Cantor Bros., Inc. was incorporated in 1934. Emanuel Cantor owns 50%

Exhibit B

of the shares of the corporation and Martin Cantor has effective control of the remaining 50% of the shares. The Closing for the purchase of the site was on August 21, 1964. A map of the site is attached hereto and is incorporated into this Order as Appendix "A."

3. The Department maintains that the Site is an inactive hazardous waste disposal site, as that term is defined at ECL Section 27-1301(2), and presents a significant threat to the public health or environment. The Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as Site Number 1-52-021. The Department has classified the Site as a "2" pursuant to ECL Section 27-1305(4)(b).

4. A. Pursuant to ECL Section 27-1313(3)(a), whenever the Commissioner of Environmental Conservation (the "Commissioner") "finds that hazardous wastes at an inactive hazardous waste disposal site constitute a significant threat to the environment, he may order the owner of such site and/or any person responsible for the disposal of hazardous wastes at such site (i) to develop an inactive hazardous waste disposal site remedial program, subject to the approval of the Department, at such site, and (ii) to implement such program within reasonable time limits specified in the order."

B. Any person under order pursuant to ECL Section 27-1313(3)(a) has a duty imposed by ECL Article 27, Title 13 to carry out the remedial program committed to

under order. ECL Section 71-2705 provides that any person who fails to perform any duty imposed by ECL Article 27, Title 13 shall be liable for civil, administrative and/or criminal sanctions.

C. The Department also has the power, inter alia, to provide for the prevention and abatement of all water, land, and air pollution. ECL Section 3-0301(1)(i).

5. The Department and Respondent agree that the goals of this Order are for Respondent to (i) develop and implement a Remedial Investigation/Feasibility Study ("RI/FS") for the Site.

6. Respondent, having waived Respondent's right to a hearing herein as provided by law, and having consented to the issuance and entry of this Order, agrees to be bound by its terms. Respondent consents to and agrees not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and agrees not to contest the validity of this Order or its terms.

7. Nothing in this Order shall be construed to limit Respondent's right to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) to de-list the site from the Registry or to change its classification.

8. Notwithstanding Respondent's agreement to carry out the terms of this Order, Respondent does not admit or acknowledge any liability, fault or wrongdoing or violation of

law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, having considered this matter and being duly advised, IT IS ORDERED THAT:

I. Within 30 days after the effective date of this Order, Respondent shall submit to the Department all data within Respondent's possession or control regarding environmental conditions on-Site and off-Site, and other information described below, unless the Department advises the Respondent that such data have previously been provided to the Department. Unless already contained in the Phase I and Phase II reports previously prepared for the Department, the data and other information shall include:

A. A brief history and description of the Site, including the types, quantities, physical state, location, and dates of disposal of hazardous waste including methods of disposal and spillage of such wastes;

B. A concise summary of information held by Respondent and Respondent's attorneys and consultants with respect to all other PRPs responsible for such disposal of hazardous wastes, including but not limited to names, addresses, dates of disposal and any proof linking each such person responsible with hazardous wastes identified pursuant to subparagraph I(A); and

C. A comprehensive list and copies of all existing relevant reports with titles, authors, and subject matter, as well as a description of the results of all previous investigations of the Site and areas in the vicinity of the Site, including copies of all available topographic and property surveys, engineering studies and aerial photographs.

II. RI/FS Work Plan Contents and Submittals

A. Unless a longer period of time is agreed to in writing by the Department, Respondent shall submit to the Department, within 30 days after the effective date of this Order, a detailed work plan describing the methods and procedures to be implemented in performing an RI/FS for the Site ("RI/FS Work Plan").

B. (1) The RI/FS Work Plan shall include, but not be limited to, the following:

a. A chronological description of the anticipated RI/FS activities together with a schedule for the performance of these activities.

b. A Sampling and Analysis Plan that shall include:

(i) A quality assurance project plan that describes the quality assurance and quality control protocols necessary to achieve the initial data quality objectives. This plan shall designate a data validation expert and must describe such individual's qualifications and experience.

(ii) A field sampling plan that defines sampling and data gathering methods in a manner consistent with the "Compendium of Superfund Field Operations Method" (EPA/540/P-87/001, OSWER Directive 9355.0-14, December 1987) as supplemented by the Department.

c. A health and safety plan to protect persons at and in the vicinity of the Site during the performance of the RI/FS which shall be prepared in accordance with 29 C.F.R. 1910 and all other applicable standards by a certified health and safety professional. Respondent shall add supplemental items to this plan necessary to ensure the health and safety of all persons at or in the vicinity of the Site during the performance of any work pursuant to this Order.

d. A citizen participation plan that is, at a minimum, consistent with the Department's publication, "New York State Inactive Hazardous Waste Site Citizen Participation Plan," dated August 30, 1988, and any subsequent revisions thereto.

(2) The RI/FS Work Plan shall incorporate all elements of a RI/FS as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") [42 U.S.C. 9601 et seq.], as amended, the National Contingency Plan ("NCP") of March 8, 1990 [40 CFR Part 300], the USEPA guidance document entitled "Guidance for Conducting Remedial Investigations and Feasibility Studies

under CERCLA," dated October 1988, and any subsequent revisions to that guidance document in effect at the time the RI/FS Work Plan is submitted, and appropriate USEPA and Department technical and administrative guidance documents.

III. Performance and Reporting of Remedial Investigation

A. Within 30 days after the Department's approval of the RI/FS Work Plan, Respondent shall commence the Remedial Investigation.

B. Respondent shall perform the Remedial Investigation in accordance with the Department-approved RI/FS Work Plan.

C. During the performance of the Remedial Investigation, Respondent shall have on-Site a full-time representative who is qualified to supervise the work done.

D. Within the time frame set forth in the RI/FS Work Plan, Respondent shall prepare a Remedial Investigation Report that shall:

(1) include all data generated and all other information obtained during the Remedial Investigation:

(2) provide all of the assessments and evaluations set forth in CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2);

(3) identify any additional data that must be collected; and

(4) include a certification by the individual or firm with primary responsibility for the day to day

performance of the Remedial Investigation that all activities that comprised the Remedial Investigation were performed in full accordance with the Department-approved RI/FS Work Plan.

IV. Feasibility Study

A. Within 30 days after receipt of the Department's approval of the Remedial Investigation Report, Respondent shall perform, prepare, and submit a Feasibility Study evaluating on-Site remedial actions to eliminate, to the maximum extent practicable, all health and environmental hazards and potential hazards attributable to hazardous waste disposal at the Site. The Feasibility Study shall be prepared by and have the signature and seal of a professional engineer who shall certify that the Feasibility Study was prepared in accordance with this Order. The Department does not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall perform and prepare the Feasibility Study in accordance with the Department-approved RI/FS Work Plan and in a manner consistent with CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2).

C. Within 30 days after the Department's approval of the Feasibility Study, Respondent shall cooperate and assist the Department in soliciting public comment on the RI/FS and the proposed remedial action plan identified therein, in accordance with CERCLA, the NCP, the guidance

documents identified in Subparagraph II(B)(2), and with any Department policy and guidance documents in effect at the time the public comment period is initiated. After the close of the public comment period, the Department shall select a final remedial alternative for the site in a Record of Decision ("ROD").

V. Interim Remedial Measures

Before the effective date of the ROD, Respondent or the Department may propose interim remedial measures ("IRMs") for the Site on an as-needed basis. In proposing each IRM, Respondent shall submit to the Department a work plan which includes time frames for the completion of the IRM. Upon the Department's determination that the proposal is an appropriate interim remedial measure and its approval of such work plan, the work plan shall be incorporated into and become an enforceable part of this Order. Respondent shall then carry out such IRM in accordance with the requirements of the approved work plan and this Order.

VI. Progress Reports

Respondent shall submit to the parties set forth in paragraph XIII copies of written monthly progress reports that: (i) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (ii) include all results of sampling and tests and all other data received or generated by Respondent or Respondent's contractors or agents in the previous month, including quality

assurance/quality control information, whether conducted pursuant to this Order or conducted independently by Respondent; (iii) identify all work plans, reports, and other deliverables required by this Order that were completed and submitted during the previous month; (iv) describe all actions, including, but not limited to, data collection and implementation of work plans, that are scheduled for the next month and provide other information relating to the progress at the Site; (v) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Respondent's obligations under the Order, and efforts made to mitigate those delays or anticipated delays; (vi) include any modifications to any work plans that Respondent has proposed to the Department or that the Department has approved; and (vii) describe all activities undertaken in support of the Citizen Participation Plan during the previous month and those to be undertaken in the next month. Respondent shall submit these progress reports to the Department by the tenth day of every month following the effective date of this Order.

VII. Review of Submittals

A. (1) The Department shall review each of the submittals Respondent makes pursuant to this Order to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal was done, in accordance with this Order and generally accepted

technical and scientific principles. The Department shall notify Respondent in writing of its approval or disapproval of the submittal, except for the submittal discussed in Paragraph II(B)(1)(c). All Department-approved submittals shall be incorporated into and become an enforceable part of this Order.

(2) (a) If the Department disapproves a submittal, it shall so notify Respondent in writing and shall specify the reasons for its disapproval. Within 30 days after receiving written notice that Respondent's submittal has been disapproved, Respondent shall make a revised submittal to the Department that addresses and resolves all of the Department's stated reasons for disapproving the first submittal.

(b) After receipt of the revised submittal, the Department shall notify Respondent in writing of its approval or disapproval. If the Department disapproves the revised submittal, Respondent shall be in violation of this Order and the Department may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order.

B. Following consultation with Respondent, the Department may require Respondent to modify and/or amplify and expand a submittal if the Department determines, as a result of reviewing data generated by an activity required under this

Order or as a result of reviewing any other data or facts, that further work is necessary.

VIII. Penalties

A. (1) Respondent's failure to comply with any term of this Order may be deemed by the Department to be a violation of this Order and the ECL.

B. Respondent shall not suffer any penalty under this Order or be subject to any proceeding or action if it cannot comply with any requirement hereof because of war, riot, or an unforeseeable disaster arising exclusively from natural causes which the exercise of ordinary human prudence could not have prevented. Respondent shall, within five days of when it obtains knowledge of any such condition, notify the Department in writing. Respondent shall include in such notice the measures taken and to be taken by Respondent to prevent or minimize any delays and shall request an appropriate extension or modification of this Order. Failure to give such notice within such five-day period constitutes a waiver of any claim that a delay is not subject to penalties. Respondent shall have the burden of proving that an event is a defense to compliance with this Order pursuant to subparagraph VIII(B).

IX. Entry upon Site

Respondent hereby consents to the entry upon the Site or areas in the vicinity of the Site which may be under the control of the Respondent by any duly designated employee, consultant, contractor, or agent of the Department or any

State agency for purposes of inspection, sampling, and testing and to ensure Respondent's compliance with this Order.

X. Department's Reservation of Rights

A. Nothing contained in this Order shall be construed as barring, diminishing, adjudicating, or in any way affecting any of the Department's rights including, but not limited to nor exemplified by, the following:

1. the Department's right to bring any action or proceeding against anyone other than Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns;

2. the Department's right to enforce this Order against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns if Respondent fails to satisfy any of the terms of this Order;

3. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to claims for natural resources damages as a result of the release or threatened release of hazardous substances or constituents at or from the Site;

4. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to hazardous substances that are present at the Site or that have migrated from the Site;

5. the Department's right to require Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns to develop and implement IRMs for the Site; and

6. the Department's right to gather information and enter and inspect property and premises.

7. the Department's right to recover a sum of money which shall represent reimbursement for the Department's expenses including, but not limited to, direct labor, overhead, travel, analytical costs, and contractor costs incurred by the State of New York for work performed at the Site to date, as well as for negotiating this Order, reviewing and revising submittals made pursuant to this Order, overseeing activities conducted pursuant to this Order, and collecting and analyzing samples. Itemization of the costs shall include an accounting of personal services indicating the employee name, title, biweekly salary, and time spent (in hours) on the project during the billing period. The Department's approved fringe benefit and indirect cost rates shall be applied. Non-personal service costs shall be summarized by category of expense (e.g., supplies, materials, travel, contractual).

B. Nothing contained in this Order shall be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers.

XI. Indemnification

Respondent shall indemnify and hold the Department, the State of New York, and their representatives and employees harmless for all claims, suits, actions, damages, and costs of every name and description arising out of or resulting from the fulfillment or attempted fulfillment of this Order by Respondent, and/or Respondent's directors, officers, employees, servants, agents, successors, and assigns.

XII. Public Notice

A. After the effective date of this Order, Respondent shall file a Declaration of Covenants and Restrictions with the Suffolk County Clerk to give all parties who may acquire any interest in the Site notice of this Order.

B. If Respondent proposes to convey the whole or any part of Respondent's ownership interest in the Site, Respondent shall, not fewer than 60 days before the date of conveyance, notify the Department in writing of the identity of the transferee and of the nature and proposed date of the conveyance and shall notify the transferee in writing, with a copy to the Department, of the applicability of this Order.

XIII. Communications

A. All written communications required by this Order shall be transmitted by United States Postal Service, by private courier service, or hand delivered as follows:

Communication from Respondent shall be sent to:

1. Peter Bleiweiss
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

2. John Conover
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

3. Director, Bureau of Environmental
   Exposure Investigation
   New York State Department of Health
   2 University Place
   Albany, New York 12203

4. Raymond Cowen, Director, Region 1
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

5. Louis P. Oliva, Esq.
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

B. Copies of work plans and reports shall be submitted as follows:

1. Four copies (one unbound) to:

   Anthony Candela, P.E.
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

2. Two copies to:

   The Director
   NYS Department of Health
   Bureau of Env. Exposure Investigation
   2 University Place Room 205
   Albany, NY 12203

3. One copy to:

Michael O'Toole, P.E.
Division of Hazardous Waste Remediation
NYS Dept. of Environmental Conservation
50 Wolf Road
Albany, NY 12233-7010

4. One copy to:

Louis P. Oliva, Esq.
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

B. Within 30 days of the Department's approval of any report submitted pursuant to this Order, Respondent shall submit to Anthony Candela, a computer readable magnetic media copy of the approved report in American Standard Code for Information Interchange (ASCII) format.

C. Communication to be made from the Department to the Respondent shall be sent to:

Frederick Eisenbud, Esq.
Cahn Wishod Wishod & Lamb
534 Broadhollow Road
CS 9034
Melville, NY 11747-9034

D. The Department and Respondent reserve the right to designate additional or different addressees for communication or written notice to the other.

XV. Miscellaneous

A. All activities and submittals required by this Order shall address on-Site contamination resulting from the disposal of hazardous waste at the Site. The Department does

not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the Department to perform the technical, engineering and analytical obligations required by this Order. The experience, capabilities and qualifications of the firms or individuals selected by Respondent shall be submitted to the Department within 30 days after the effective date of this Order. The Department's approval of these firms or individuals shall be obtained prior to initiation of any activities for which the Respondent and such firms or individuals will be responsible.

C. The Department shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Respondent, and the Department also shall have the right to take its own samples. Respondent shall make available to the Department the results of all sampling and/or tests or other data generated by Respondent with respect to implementation of this Order and shall submit these results in the progress reports required by this Order. The Department shall make available to Respondent the results of all samples and/or tests or other data generated by the Department with respect to the site which is the subject of this Order.

D. Respondent shall notify the Department at least 10 working days in advance of any field activities to be conducted pursuant to this Order.

E. Respondent shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Respondent's obligations under this Order. If after Respondent's documented, good faith best efforts, Respondent fails to obtain these authorizations, the Department may take any appropriate action necessary to secure these authorizations.

F. Respondent and its successors and assigns shall be bound by this Order. Respondent, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Order. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall in no way alter Respondent's responsibilities under this Order.

G. Respondent shall provide a copy of this Order to each contractor hired to perform work required by this Order and to each person representing Respondent with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Order. Respondent or Respondent's contractors shall provide written notice of this Order to all subcontractors hired to perform any portion of the work required by this

Order. Respondent shall nonetheless be responsible for ensuring that Respondent's contractors and subcontractors perform the work to be done under this Order in accordance with this Order.

H. All references to "professional engineer" in this Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

I. All references to "days" in this Order are to calendar days unless otherwise specified.

J. The section headings set forth in this Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Order.

K. (1) The terms of this Order shall constitute the complete and entire Order between Respondent and the Department concerning the Site. No term, condition, understanding, or agreement purporting to modify or vary any term of this Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the Department regarding any report, proposal, plan, specification, schedule, or any other submittal shall be construed as relieving Respondent of Respondent's obligation to obtain such formal approvals as may be required by this Order.

(2) If Respondent desires that any provision of this Order be changed, Respondent shall make timely written application, signed by the Respondent, for the Commissioner's consideration setting forth reasonable grounds for the relief sought. Such written application shall be delivered or mailed to:

1. Louis P. Oliva, Esq.
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

2. Peter Bleiweiss
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

3. Anthony Candela, P.E.
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

L. The effective date of this Order shall be the date it is signed by the Commissioner or his designee.

DATED: 3/25, New York
, 1992

THOMAS C. JORLING
Commissioner
New York State Department
of Environmental Conservation

by: Edward O. Sullivan
Deputy Commissioner
New York State Department
of Environmental Conservation

CONSENT BY RESPONDENT

CANTOR BROTHERS, INC.

Respondent hereby consents to the issuing and entering of this Order, waives Respondent's right to a hearing herein as provided by law, and agrees to be bound by this Order.

By: Matthew Miller
Matthew Miller

Title: Treasurer and General Manager

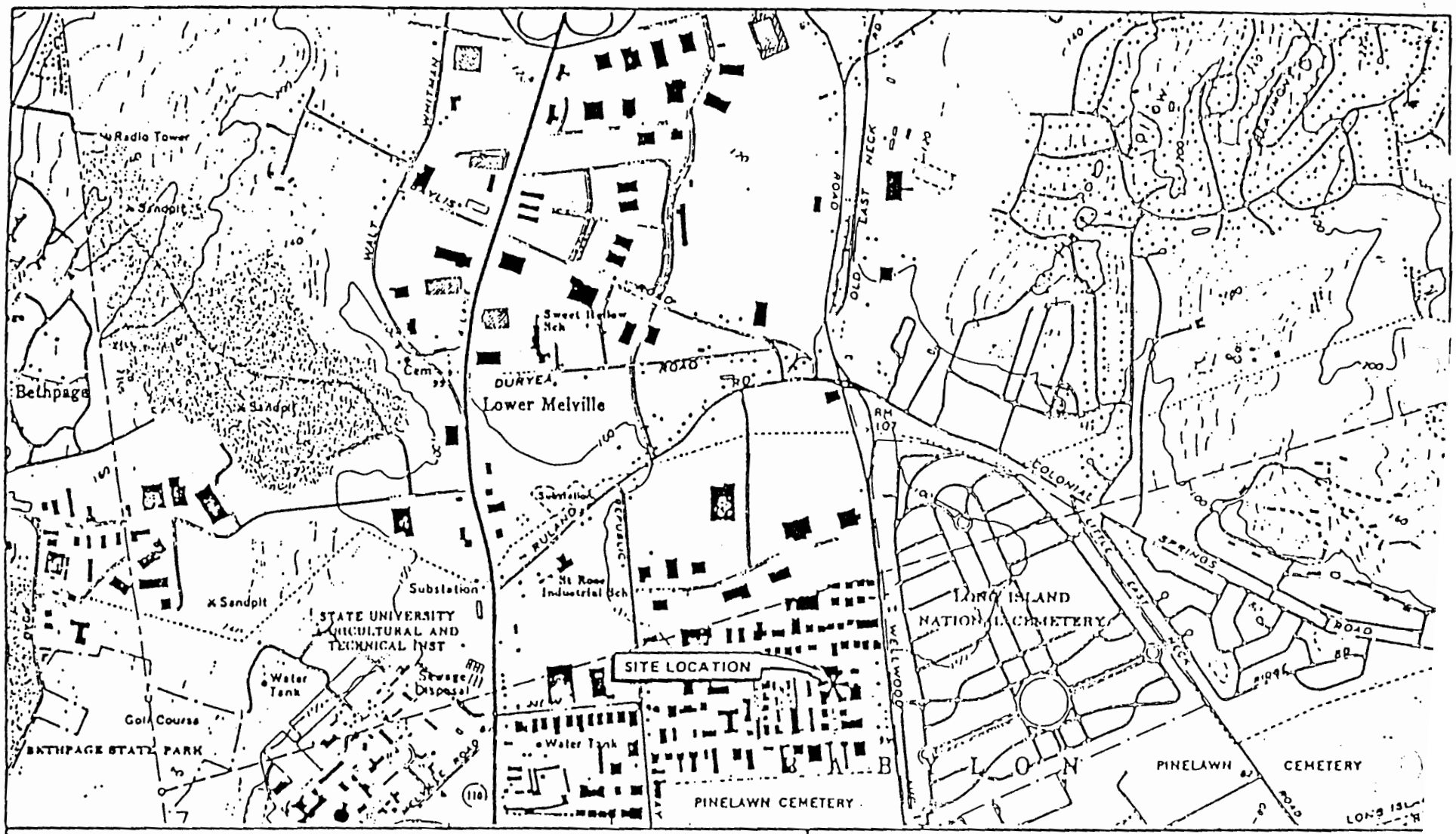
Date: March 9, 1992

STATE OF NEW YORK)
) s.s.:
COUNTY OF Suffolk)

On this 9th day of March, 1992, before me personally came MATTHEW MILLER, to me known, who being duly sworn, did depose and say that he resides in HUNTINGTON STATION NY; that he is the TREASURER & GENERAL MANAGER of the Cantor Bros., Inc., the corporation described in and which executed the foregoing instrument; that he knew the seal of the corporation; that the seal affixed to this instrument was such corporate seal; that it was so affixed by the order of the Board of Directors of the corporation and that he signed his name pursuant to a resolution of the Board of Directors.

Lilli Schlindra
Notary Public

LILLI SCHLINDRA
Notary Public, State of New York
No. 30-4680958
Qualified in Nassau County
Commission Expires November 30, 19 92

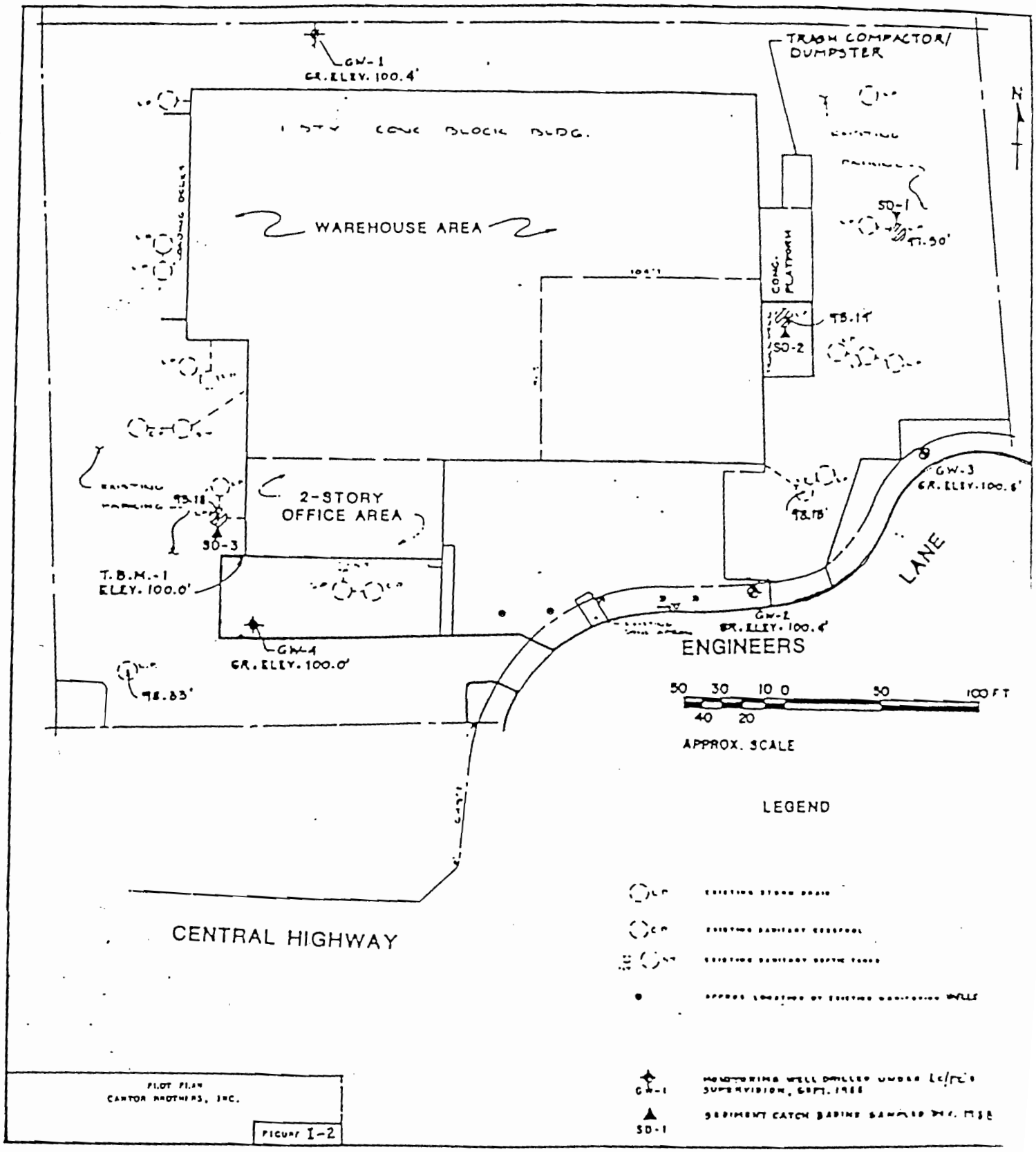


NOTE: BASE MAP FROM USGS, HUNTINGTON QUAD, 1979

SITE LOCATION MAP
CANTOR BROTHERS, INC.

WOODWARD—CLYDE CONSULTANTS
CONSULTING ENGINEERS, GEOLOGISTS AND ENVIRONMENTAL SCIENTISTS
WAYNE, NEW JERSEY

DR. BY:	CIG	SCALE: 1 IN. = 2000 FT		PROJ. NO.:	82C4648
CK'D. BY:	AJS	DATE: 31 AUGUST 1983		FIG. NO.:	1



PLOT PLAN
CANTOR BROTHERS, INC.

FIGURE I-2

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Investigation/Feasibility
Study for an Inactive Hazardous Waste
Disposal Site, Under Article 27, Title 13,
and Article 71, Title 27 of the
Environmental Conservation Law
of the State of New York by

CANTOR BROTHERS, INC.,

Respondent.

ORDER
ON
CONSENT

INDEX #
W1-0570-91-12

Site Code # 1-52-021

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Investigation/Feasibility
Study for an Inactive Hazardous Waste
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and Article 71, Title 27 of the
Environmental Conservation Law
of the State of New York by

CANTOR BROTHERS, INC.,

Respondent.

ORDER
ON
CONSENT

INDEX #
W1-0570-91-12

Site Code # 1-52-021

WHEREAS,

1. The New York State Department of Environmental Conservation (the "Department") is responsible for enforcement of Article 27, Title 13 of the Environmental Conservation Law of the State of New York ("ECL"), entitled "Inactive Hazardous Waste Disposal Sites." This Order is entered into pursuant to the Department's authority under ECL Article 27, Title 13 and ECL Section 3-0301.

2. Cantor Brothers, Inc. ("Respondent"), is a corporation organized and existing under the laws of the Sta of New York. The site is located on Engineers Lane, Farmingdale, New York 11735, and is in the Town of Babylor The owner of the site is Anman Realty Corp., Engineers La P.O. Box 126, Farmingdale, New York 11735. Anman Realty is a wholly owned subsidiary of Cantor Bros., Inc. Can Bros., Inc. was incorporated in 1934. Emanuel Cantor

of the shares of the corporation and Martin Cantor has effective control of the remaining 50% of the shares. The Closing for the purchase of the site was on August 21, 1964. A map of the site is attached hereto and is incorporated into this Order as Appendix "A."

3. The Department maintains that the Site is an inactive hazardous waste disposal site, as that term is defined at ECL Section 27-1301(2), and presents a significant threat to the public health or environment. The Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as Site Number 1-52-021. The Department has classified the Site as a "2" pursuant to ECL Section 27-1305(4)(b).

4. A. Pursuant to ECL Section 27-1313(3)(a), whenever the Commissioner of Environmental Conservation (the "Commissioner") "finds that hazardous wastes at an inactive hazardous waste disposal site constitute a significant threat to the environment, he may order the owner of such site and/or any person responsible for the disposal of hazardous wastes at such site (i) to develop an inactive hazardous waste disposal site remedial program, subject to the approval of the Department, at such site, and (ii) to implement such program within reasonable time limits specified in the order."

B. Any person under order pursuant to ECL Section 27-1313(3)(a) has a duty imposed by ECL Article 27, Title 13 to carry out the remedial program committed to

under order. ECL Section 71-2705 provides that any person who fails to perform any duty imposed by ECL Article 27, Title 13 shall be liable for civil, administrative and/or criminal sanctions.

C. The Department also has the power, inter alia, to provide for the prevention and abatement of all water, land, and air pollution. ECL Section 3-0301(1)(i).

5. The Department and Respondent agree that the goals of this Order are for Respondent to (i) develop and implement a Remedial Investigation/Feasibility Study ("RI/FS") for the Site.

6. Respondent, having waived Respondent's right to a hearing herein as provided by law, and having consented to the issuance and entry of this Order, agrees to be bound by its terms. Respondent consents to and agrees not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and agrees not to contest the validity of this Order or its terms.

7. Nothing in this Order shall be construed to limit Respondent's right to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) to de-list the site from the Registry or to change its classification.

8. Notwithstanding Respondent's agreement to carry out the terms of this Order, Respondent does not admit or acknowledge any liability, fault or wrongdoing or violation of

law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, having considered this matter and being duly advised, IT IS ORDERED THAT:

I. Within 30 days after the effective date of this Order, Respondent shall submit to the Department all data within Respondent's possession or control regarding environmental conditions on-Site and off-Site, and other information described below, unless the Department advises the Respondent that such data have previously been provided to the Department. Unless already contained in the Phase I and Phase II reports previously prepared for the Department, the data and other information shall include:

A. A brief history and description of the Site, including the types, quantities, physical state, location, and dates of disposal of hazardous waste including methods of disposal and spillage of such wastes;

B. A concise summary of information held by Respondent and Respondent's attorneys and consultants with respect to all other PRPs responsible for such disposal of hazardous wastes, including but not limited to names, addresses, dates of disposal and any proof linking each such person responsible with hazardous wastes identified pursuant to subparagraph I(A); and

C. A comprehensive list and copies of all existing relevant reports with titles, authors, and subject matter, as well as a description of the results of all previous investigations of the Site and areas in the vicinity of the Site, including copies of all available topographic and property surveys, engineering studies and aerial photographs.

II. RI/FS Work Plan Contents and Submittals

A. Unless a longer period of time is agreed to in writing by the Department, Respondent shall submit to the Department, within 30 days after the effective date of this Order, a detailed work plan describing the methods and procedures to be implemented in performing an RI/FS for the Site ("RI/FS Work Plan").

B. (1) The RI/FS Work Plan shall include, but not be limited to, the following:

a. A chronological description of the anticipated RI/FS activities together with a schedule for the performance of these activities.

b. A Sampling and Analysis Plan that shall include:

(i) A quality assurance project plan that describes the quality assurance and quality control protocols necessary to achieve the initial data quality objectives. This plan shall designate a data validation expert and must describe such individual's qualifications and experience.

(ii) A field sampling plan that defines sampling and data gathering methods in a manner consistent with the "Compendium of Superfund Field Operations Method" (EPA/540/P-87/001, OSWER Directive 9355.0-14, December 1987) as supplemented by the Department.

c. A health and safety plan to protect persons at and in the vicinity of the Site during the performance of the RI/FS which shall be prepared in accordance with 29 C.F.R. 1910 and all other applicable standards by a certified health and safety professional. Respondent shall add supplemental items to this plan necessary to ensure the health and safety of all persons at or in the vicinity of the Site during the performance of any work pursuant to this Order.

d. A citizen participation plan that is, at a minimum, consistent with the Department's publication, "New York State Inactive Hazardous Waste Site Citizen Participation Plan," dated August 30, 1988, and any subsequent revisions thereto.

(2) The RI/FS Work Plan shall incorporate all elements of a RI/FS as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") [42 U.S.C. 9601 et seq.], as amended, the National Contingency Plan ("NCP") of March 8, 1990 [40 CFR Part 300], the USEPA guidance document entitled "Guidance for Conducting Remedial Investigations and Feasibility Studies

under CERCLA," dated October 1988, and any subsequent revisions to that guidance document in effect at the time the RI/FS Work Plan is submitted, and appropriate USEPA and Department technical and administrative guidance documents.

III. Performance and Reporting of Remedial Investigation

A. Within 30 days after the Department's approval of the RI/FS Work Plan, Respondent shall commence the Remedial Investigation.

B. Respondent shall perform the Remedial Investigation in accordance with the Department-approved RI/FS Work Plan.

C. During the performance of the Remedial Investigation, Respondent shall have on-Site a full-time representative who is qualified to supervise the work done.

D. Within the time frame set forth in the RI/FS Work Plan, Respondent shall prepare a Remedial Investigation Report that shall:

(1) include all data generated and all other information obtained during the Remedial Investigation:

(2) provide all of the assessments and evaluations set forth in CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2);

(3) identify any additional data that must be collected; and

(4) include a certification by the individual or firm with primary responsibility for the day to day

performance of the Remedial Investigation that all activities that comprised the Remedial Investigation were performed in full accordance with the Department-approved RI/FS Work Plan.

IV. Feasibility Study

A. Within 30 days after receipt of the Department's approval of the Remedial Investigation Report, Respondent shall perform, prepare, and submit a Feasibility Study evaluating on-Site remedial actions to eliminate, to the maximum extent practicable, all health and environmental hazards and potential hazards attributable to hazardous waste disposal at the Site. The Feasibility Study shall be prepared by and have the signature and seal of a professional engineer who shall certify that the Feasibility Study was prepared in accordance with this Order. The Department does not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall perform and prepare the Feasibility Study in accordance with the Department-approved RI/FS Work Plan and in a manner consistent with CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2).

C. Within 30 days after the Department's approval of the Feasibility Study, Respondent shall cooperate and assist the Department in soliciting public comment on the RI/FS and the proposed remedial action plan identified therein, in accordance with CERCLA, the NCP, the guidance

documents identified in Subparagraph II(B)(2), and with any Department policy and guidance documents in effect at the time the public comment period is initiated. After the close of the public comment period, the Department shall select a final remedial alternative for the site in a Record of Decision ("ROD").

V. Interim Remedial Measures

Before the effective date of the ROD, Respondent or the Department may propose interim remedial measures ("IRMs") for the Site on an as-needed basis. In proposing each IRM, Respondent shall submit to the Department a work plan which includes time frames for the completion of the IRM. Upon the Department's determination that the proposal is an appropriate interim remedial measure and its approval of such work plan, the work plan shall be incorporated into and become an enforceable part of this Order. Respondent shall then carry out such IRM in accordance with the requirements of the approved work plan and this Order.

VI. Progress Reports

Respondent shall submit to the parties set forth in paragraph XIII copies of written monthly progress reports that: (i) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (ii) include all results of sampling and tests and all other data received or generated by Respondent or Respondent's contractors or agents in the previous month, including quality

assurance/quality control information, whether conducted pursuant to this Order or conducted independently by Respondent; (iii) identify all work plans, reports, and other deliverables required by this Order that were completed and submitted during the previous month; (iv) describe all actions, including, but not limited to, data collection and implementation of work plans, that are scheduled for the next month and provide other information relating to the progress at the Site; (v) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Respondent's obligations under the Order, and efforts made to mitigate those delays or anticipated delays; (vi) include any modifications to any work plans that Respondent has proposed to the Department or that the Department has approved; and (vii) describe all activities undertaken in support of the Citizen Participation Plan during the previous month and those to be undertaken in the next month. Respondent shall submit these progress reports to the Department by the tenth day of every month following the effective date of this Order.

VII. Review of Submittals

A. (1) The Department shall review each of the submittals Respondent makes pursuant to this Order to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal was done, in accordance with this Order and generally accepted

technical and scientific principles. The Department shall notify Respondent in writing of its approval or disapproval of the submittal, except for the submittal discussed in Paragraph II(B)(1)(c). All Department-approved submittals shall be incorporated into and become an enforceable part of this Order.

(2) (a) If the Department disapproves a submittal, it shall so notify Respondent in writing and shall specify the reasons for its disapproval. Within 30 days after receiving written notice that Respondent's submittal has been disapproved, Respondent shall make a revised submittal to the Department that addresses and resolves all of the Department's stated reasons for disapproving the first submittal.

(b) After receipt of the revised submittal, the Department shall notify Respondent in writing of its approval or disapproval. If the Department disapproves the revised submittal, Respondent shall be in violation of this Order and the Department may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order.

B. Following consultation with Respondent, the Department may require Respondent to modify and/or amplify and expand a submittal if the Department determines, as a result of reviewing data generated by an activity required under this

Order or as a result of reviewing any other data or facts, that further work is necessary.

VIII. Penalties

A. (1) Respondent's failure to comply with any term of this Order may be deemed by the Department to be a violation of this Order and the ECL.

B. Respondent shall not suffer any penalty under this Order or be subject to any proceeding or action if it cannot comply with any requirement hereof because of war, riot, or an unforeseeable disaster arising exclusively from natural causes which the exercise of ordinary human prudence could not have prevented. Respondent shall, within five days of when it obtains knowledge of any such condition, notify the Department in writing. Respondent shall include in such notice the measures taken and to be taken by Respondent to prevent or minimize any delays and shall request an appropriate extension or modification of this Order. Failure to give such notice within such five-day period constitutes a waiver of any claim that a delay is not subject to penalties. Respondent shall have the burden of proving that an event is a defense to compliance with this Order pursuant to subparagraph VIII(B).

IX. Entry upon Site

Respondent hereby consents to the entry upon the Site or areas in the vicinity of the Site which may be under the control of the Respondent by any duly designated employee, consultant, contractor, or agent of the Department or any

State agency for purposes of inspection, sampling, and testing and to ensure Respondent's compliance with this Order.

X. Department's Reservation of Rights

A. Nothing contained in this Order shall be construed as barring, diminishing, adjudicating, or in any way affecting any of the Department's rights including, but not limited to nor exemplified by, the following:

1. the Department's right to bring any action or proceeding against anyone other than Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns;

2. the Department's right to enforce this Order against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns if Respondent fails to satisfy any of the terms of this Order;

3. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to claims for natural resources damages as a result of the release or threatened release of hazardous substances or constituents at or from the Site;

4. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to hazardous substances that are present at the Site or that have migrated from the Site;

5. the Department's right to require Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns to develop and implement IRMs for the Site; and

6. the Department's right to gather information and enter and inspect property and premises.

7. the Department's right to recover a sum of money which shall represent reimbursement for the Department's expenses including, but not limited to, direct labor, overhead, travel, analytical costs, and contractor costs incurred by the State of New York for work performed at the Site to date, as well as for negotiating this Order, reviewing and revising submittals made pursuant to this Order, overseeing activities conducted pursuant to this Order, and collecting and analyzing samples. Itemization of the costs shall include an accounting of personal services indicating the employee name, title, biweekly salary, and time spent (in hours) on the project during the billing period. The Department's approved fringe benefit and indirect cost rates shall be applied. Non-personal service costs shall be summarized by category of expense (e.g., supplies, materials, travel, contractual).

B. Nothing contained in this Order shall be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers.

XI. Indemnification

Respondent shall indemnify and hold the Department, the State of New York, and their representatives and employees harmless for all claims, suits, actions, damages, and costs of every name and description arising out of or resulting from the fulfillment or attempted fulfillment of this Order by Respondent, and/or Respondent's directors, officers, employees, servants, agents, successors, and assigns.

XII. Public Notice

A. After the effective date of this Order, Respondent shall file a Declaration of Covenants and Restrictions with the Suffolk County Clerk to give all parties who may acquire any interest in the Site notice of this Order.

B. If Respondent proposes to convey the whole or any part of Respondent's ownership interest in the Site, Respondent shall, not fewer than 60 days before the date of conveyance, notify the Department in writing of the identity of the transferee and of the nature and proposed date of the conveyance and shall notify the transferee in writing, with a copy to the Department, of the applicability of this Order.

XIII. Communications

A. All written communications required by this Order shall be transmitted by United States Postal Service, by private courier service, or hand delivered as follows:

Communication from Respondent shall be sent to:

1. Peter Bleiweiss
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

2. John Conover
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

3. Director, Bureau of Environmental
   Exposure Investigation
   New York State Department of Health
   2 University Place
   Albany, New York 12203

4. Raymond Cowen, Director, Region 1
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

5. Louis P. Oliva, Esq.
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

B. Copies of work plans and reports shall be submitted as follows:

1. Four copies (one unbound) to:

   Anthony Candela, P.E.
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

2. Two copies to:

   The Director
   NYS Department of Health
   Bureau of Env. Exposure Investigation
   2 University Place Room 205
   Albany, NY 12203

3. One copy to:

Michael O'Toole, P.E.
Division of Hazardous Waste Remediation
NYS Dept. of Environmental Conservation
50 Wolf Road
Albany, NY 12233-7010

4. One copy to:

Louis P. Oliva, Esq.
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

B. Within 30 days of the Department's approval of any report submitted pursuant to this Order, Respondent shall submit to Anthony Candela, a computer readable magnetic media copy of the approved report in American Standard Code for Information Interchange (ASCII) format.

C. Communication to be made from the Department to the Respondent shall be sent to:

Frederick Eisenbud, Esq.
Cahn Wishod Wishod & Lamb
534 Broadhollow Road
CS 9034
Melville, NY 11747-9034

D. The Department and Respondent reserve the right to designate additional or different addressees for communication or written notice to the other.

XV. Miscellaneous

A. All activities and submittals required by this Order shall address on-Site contamination resulting from the disposal of hazardous waste at the Site. The Department does

not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the Department to perform the technical, engineering and analytical obligations required by this Order. The experience, capabilities and qualifications of the firms or individuals selected by Respondent shall be submitted to the Department within 30 days after the effective date of this Order. The Department's approval of these firms or individuals shall be obtained prior to initiation of any activities for which the Respondent and such firms or individuals will be responsible.

C. The Department shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Respondent, and the Department also shall have the right to take its own samples. Respondent shall make available to the Department the results of all sampling and/or tests or other data generated by Respondent with respect to implementation of this Order and shall submit these results in the progress reports required by this Order. The Department shall make available to Respondent the results of all samples and/or tests or other data generated by the Department with respect to the site which is the subject of this Order.

D. Respondent shall notify the Department at least 10 working days in advance of any field activities to be conducted pursuant to this Order.

E. Respondent shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Respondent's obligations under this Order. If after Respondent's documented, good faith best efforts, Respondent fails to obtain these authorizations, the Department may take any appropriate action necessary to secure these authorizations.

F. Respondent and its successors and assigns shall be bound by this Order. Respondent, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Order. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall in no way alter Respondent's responsibilities under this Order.

G. Respondent shall provide a copy of this Order to each contractor hired to perform work required by this Order and to each person representing Respondent with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Order. Respondent or Respondent's contractors shall provide written notice of this Order to all subcontractors hired to perform any portion of the work required by this

Order. Respondent shall nonetheless be responsible for ensuring that Respondent's contractors and subcontractors perform the work to be done under this Order in accordance with this Order.

H. All references to "professional engineer" in this Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

I. All references to "days" in this Order are to calendar days unless otherwise specified.

J. The section headings set forth in this Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Order.

K. (1) The terms of this Order shall constitute the complete and entire Order between Respondent and the Department concerning the Site. No term, condition, understanding, or agreement purporting to modify or vary any term of this Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the Department regarding any report, proposal, plan, specification, schedule, or any other submittal shall be construed as relieving Respondent of Respondent's obligation to obtain such formal approvals as may be required by this Order.

(2) If Respondent desires that any provision of this Order be changed, Respondent shall make timely written application, signed by the Respondent, for the Commissioner's consideration setting forth reasonable grounds for the relief sought. Such written application shall be delivered or mailed to:

1. Louis P. Oliva, Esq.
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

2. Peter Bleiweiss
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

3. Anthony Candela, P.E.
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

L. The effective date of this Order shall be the date it is signed by the Commissioner or his designee.

DATED: 3/25, New York
, 1992

THOMAS C. JORLING
Commissioner
New York State Department
of Environmental Conservation

by: Edward O. Sullivan
Deputy Commissioner
New York State Department
of Environmental Conservation

CONSENT BY RESPONDENT

CANTOR BROTHERS, INC.

Respondent hereby consents to the issuing and entering of this Order, waives Respondent's right to a hearing herein as provided by law, and agrees to be bound by this Order.

By: Matthew Miller
Matthew Miller

Title: Treasurer and General Manager

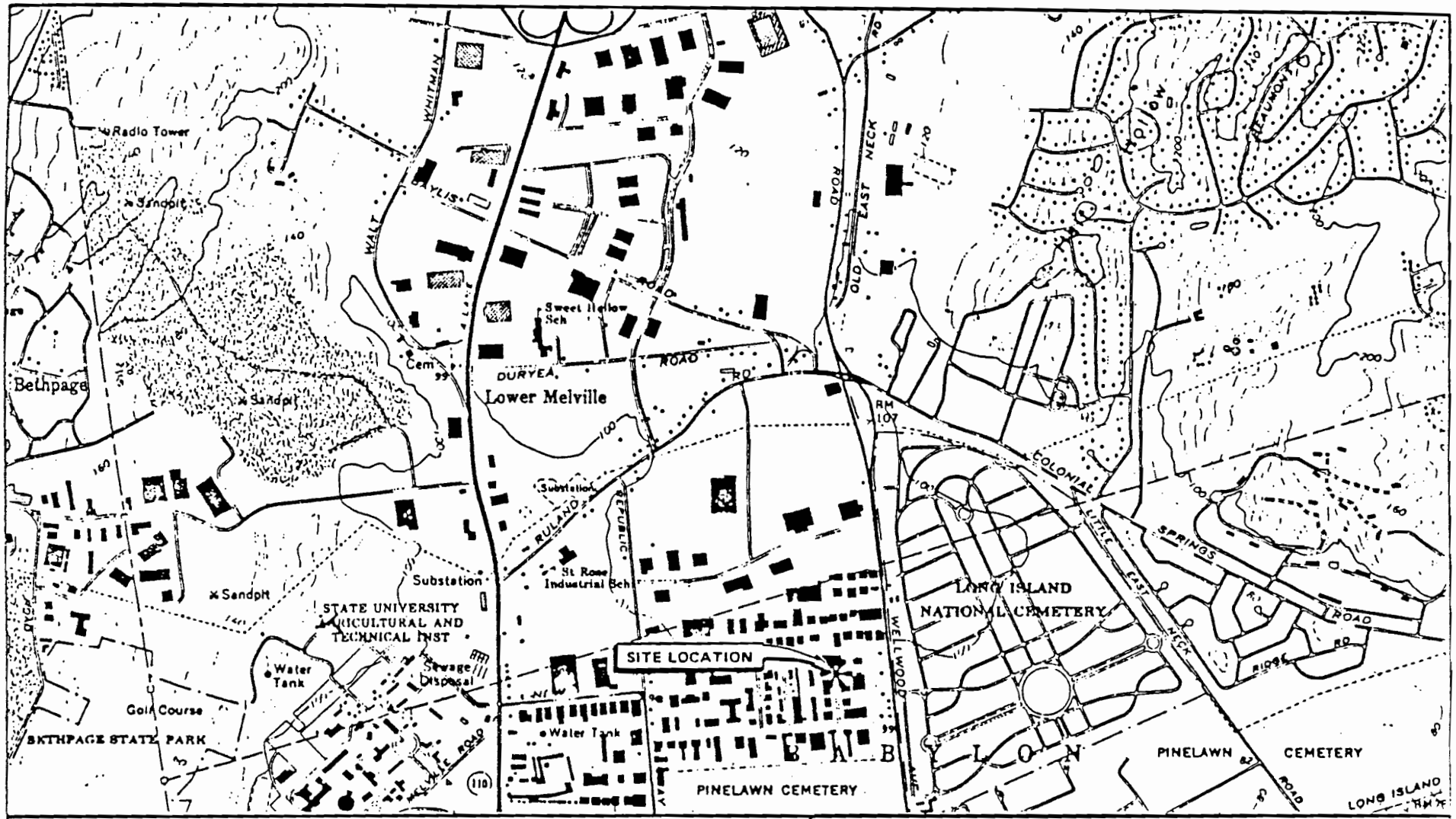
Date: March 9, 1992

STATE OF NEW YORK)
) s.s.:
COUNTY OF Suffolk)

On this 9th day of March, 1992, before me personally came MATTHEW MILLER, to me known, who being duly sworn, did depose and say that he resides in HUNTINGTON STATION NY; that he is the TREASURER & GENERAL MANAGER of the Cantor Bros., Inc., the corporation described in and which executed the foregoing instrument; that he knew the seal of the corporation; that the seal affixed to this instrument was such corporate seal; that it was so affixed by the order of the Board of Directors of the corporation and that he signed his name pursuant to a resolution of the Board of Directors.

Lilli Schlindra
Notary Public

LILLI SCHLINDRA
Notary Public, State of New York
No. 30-4680958
Qualified in Nassau County
Commission Expires November 30, 1992



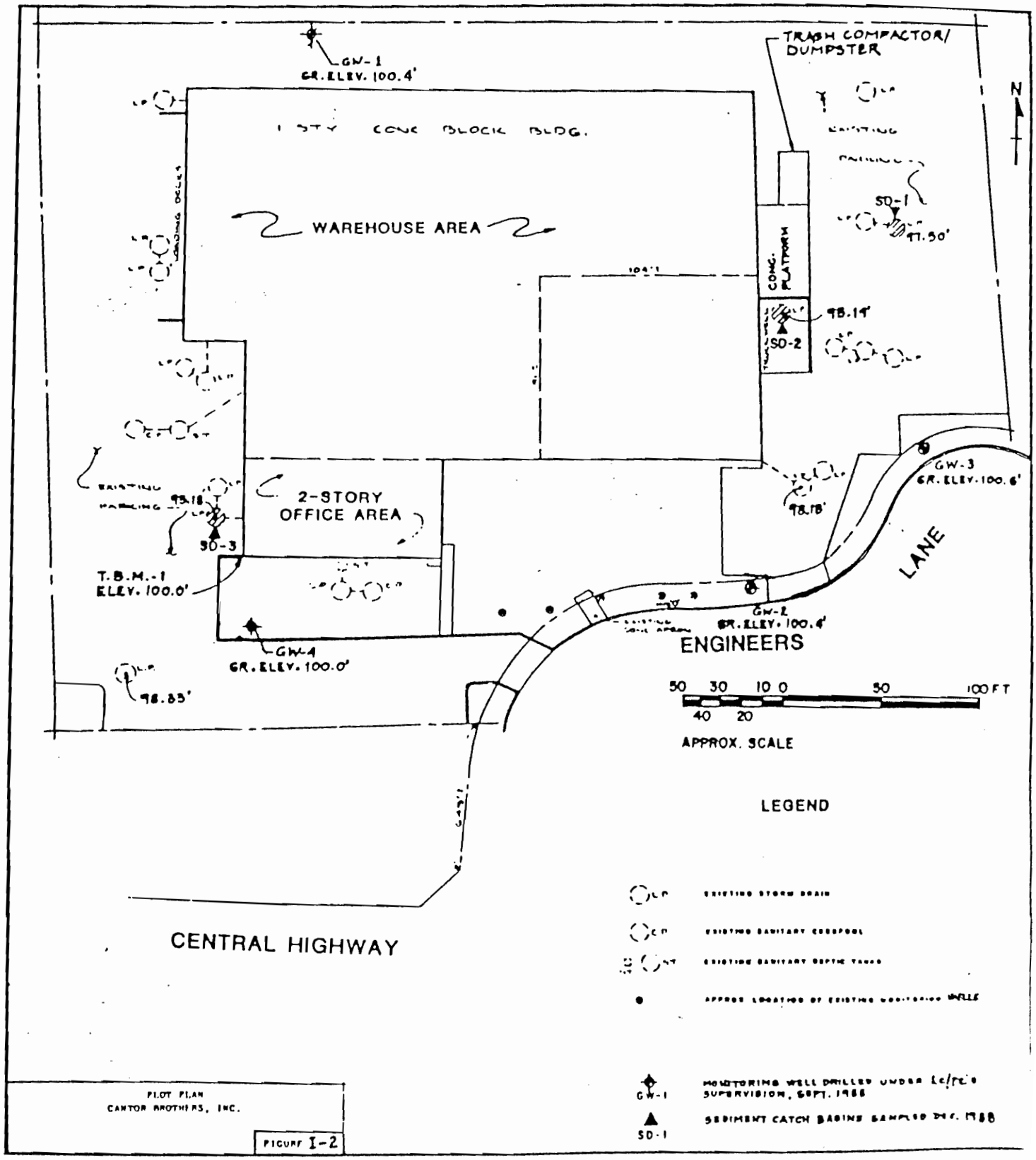
NOTE: BASE MAP FROM USGS, HUNTINGTON QUAD, 1979

SITE LOCATION MAP
CANTOR BROTHERS, INC.

WOODWARD—CLYDE CONSULTANTS

CONSULTING ENGINEERS, GEOLOGISTS AND ENVIRONMENTAL SCIENTISTS
WAYNE, NEW JERSEY

DR. BY: CIG	SCALE: 1 IN. = 2000 FT	PROJ. NO.: 82C4548-14	
CK'D. BY: AJS	DATE: 31 AUGUST 1983	FIG. NO.: 1	



PLOT PLAN
CANTOR BROTHERS, INC.

FIGURE I-2

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

	In Proceedings for a Reorganization Under Chapter 11
In re Cantor Bros., Inc., Debtor.	Bankruptcy Case No. 893-80853-478
	Judge Eisenberg
State of New York and Michael D. Zagata as Commissioner of Environmental Conservation, Plaintiffs, -against- Cantor Bros., Inc., Defendant.	Adversary Proceedings No. 894-8182-478

FINAL AGREEMENT AND STIPULATED ORDER

WHEREAS, Cantor Bros., Inc. (the "Debtor"), conducted business and commercial activities from on or before 1975 to April 1993 on property located at 50 Engineers Lane, Farmingdale, New York (the "Site");

WHEREAS, the Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State (the "Registry") as site number 1-52-021, and is classified by the New York State Department of Environmental Conservation ("NYSDEC" or "Department") as a class "2" site.

WHEREAS, Cantor Bros. consented to the entry of an order by the New York State Commissioner of Environmental

Conservation, dated March 25, 1992 ("Administrative Order"), requiring the Debtor to develop and implement a remedial investigation and feasibility study ("RI/FS") and appropriate interim remedial measures with respect to the contamination at the Site;

WHEREAS, Cantor Bros. filed a petition under Chapter 11 of the Bankruptcy Code on February 16, 1993, in the United States Bankruptcy Court for the Eastern District of New York;

WHEREAS, the NYSDEC filed an administrative proof of claim (the "NYSDEC Administrative claim") on March 7, 1994, asserting that the costs incurred and to be incurred by the Debtor in discharging its responsibilities and obligations under the Administrative Order and/or statutes relating to the protection of the environment, including the costs of implementing the final cleanup remedy for the Site selected by the NYSDEC, and the costs incurred or to be incurred by the NYSDEC for purposes of oversight or as a consequence of the Debtor's failure to comply with its obligations under the Administrative Order or applicable environmental statutes, including the obligation to implement the remedy, are entitled to administrative expense status and priority;

WHEREAS, the State of New York filed an adversary proceeding (the "Adversary Complaint") against the Debtor on April 19, 1994, adversary proceeding number 894-8182-478, in which New York State seeks, inter alia, the entry of a judgment directing the Debtor to comply with the Administrative Order and,

in addition, New York seeks the entry of a judgment declaring that the costs of compliance with the Administrative Order, including costs incurred by the State of New York, are entitled to administrative status and priority;

WHEREAS, the Debtor filed an Answer to New York State's Adversary Complaint asserting, inter alia, that the NYSDEC holds an unliquidated contingent claim that has not been classified as an administrative claim and that the Debtor cannot be compelled to comply with the Administrative Order until there is an order from the Bankruptcy Court authorizing and directing it to comply; that if the Administrative Order is deemed to be an administrative claim, it must be treated pari passu with any and all administrative claims; and that compliance with the Administrative Order cannot be an administrative expense unless the Site poses an imminent and identifiable danger to the public safety;

WHEREAS, it is the position of the State of New York that, inter alia, the Debtor is obligated to comply with the terms of the Administrative Order and that its failure to comply subjects the Debtor to civil and criminal sanctions and penalties under the New York Environmental Conservation Law;

WHEREAS, in order to advance the resolution of these matters and thereby minimize litigation costs, the parties negotiated and entered into an interim agreement and stipulated order (the "Interim Agreement and Order"), which the Court approved on June 26, 1996, which provided, inter alia, that

Debtor retain a contractor, Handex of New York, Inc. ("Handex"), to implement the following work items required under the Administrative Order, in accordance with the terms and conditions of performance in the Interim Agreement and Order: soil borings and laboratory analysis; groundwater sampling; data validation; waste management; preparation of a report summarizing Handex's investigation pursuant to the Interim Agreement and Order (the "Handex Report"); site structure investigation; and site history;

WHEREAS, NYSDEC accepts the Handex Report as providing sufficient information to enable the design of appropriate remedial measures sufficient to resolve the NYSDEC's claims against the Debtor in this adversary proceeding if the remedial measures are implemented;

WHEREAS, the Handex Report indicates that the soil beneath the former factory area of the Site is contaminated with volatile organic compounds, including, but not limited to, total xylene, toluene, and tetrachloroethylene ("PCE"), for which the most appropriate remedial technology would be a soil vapor extraction ("SVE") system, and the sediments in the storm drains are contaminated with semi-volatile organic compounds, which would most appropriately be remediated through removal and disposal of the liquids and the sediments in the storm drains;

WHEREAS, based on the Handex Report and the other information now known to it (and barring the discovery of contrary information), NYSDEC has concluded that this adversarial proceeding can be resolved if Debtor: (1) pursuant to approved

Work and Design Plans, installs and operates an SVE system to decrease the levels of contaminants in the ground beneath the former factory area to levels that meet the criteria in NYSDEC Technical Assistance and Guidance Memorandum ("TAGM") No. 4046 (a copy of which is annexed hereto as Exhibit A); (2) without the necessity of having an approved Work or Design Plan, cleans storm drains 1 through 10 by removing and appropriately disposing of the liquids and the sediments contained therein; and (3) seals the four monitoring wells associated with the underground storage tank area with grout;

WHEREAS, the parties to this agreement and stipulated order ("Agreement and Order") desire to advance the resolution of these matters and thereby avoid additional litigation costs;

WHEREAS, it is the intention of the parties that the work required under this Agreement and Order will remediate the Site to the point where it can be de-listed from the Registry, and the work has been planned to achieve that goal;

WHEREAS, the parties agree that nothing in this Order shall be construed to limit the right of the Debtor or any other party to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) and 6 NYCRR Section 375-1.9 to de-list the site from the Registry or to change its classification; and

WHEREAS, notwithstanding Debtor's agreement to carry out the terms of this Agreement and Order, Debtor does not admit or acknowledge any liability, fault, or wrongdoing or violation

of law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, THEREFORE, upon the consent and agreement of the parties by their attorneys, it is hereby ORDERED:

1. The Debtor shall retain a qualified contractor or contractors who shall complete the remedial work ("Remedial Work") and other obligations set forth below, in accordance with the terms and conditions herein. (For purposes of simplicity, the term "Debtor" shall hereinafter be read to encompass the Debtor's contractor or contractors.)

REMEDIAL WORK

Former Factory Area and Grouting of Monitoring Wells

2. The Debtor shall develop a work plan for the SVE system and grouting of the monitoring wells (the "Work Plan") and submit the Work Plan to NYSDEC within fifteen (15) days of approval of this Agreement and Order by the Court. The Work Plan shall include, but need not be limited to:

(a) A general description of the scope of work to install, test, operate and maintain the SVE system;

(b) the Site Quality Assurance Project Plan contained in the Handex Report with any modifications necessary for the SVE Work Plan;

(c) the Health and Safety Plan contained in the Handex Report with any modifications necessary for the SVE Work Plan;

(d) a description of the scope of work to grout the four (4) existing poly-vinyl chloride (PVC) monitoring wells associated with the underground storage tank area (as depicted on the Site map attached hereto as Exhibit B); and

(e) a chronological description of the anticipated remedial activities, together with a schedule for the performance of these activities.

3. The NYSDEC shall notify Debtor in writing of its approval or disapproval of the Work Plan, and, if disapproving, provide written comments explaining the reasons for disapproval.

4. If Debtor requires clarification of any of the reasons specified by the Department for its disapproval, or disagrees with the stated basis for disapproval, Debtor shall request clarification in writing, or request reconsideration of the denial for reasons stated by Debtor in writing, within ten (10) days after receiving written notice that Debtor's submittal has been disapproved. Within fifteen (15) days after receiving written notice that Debtor's submittal has been disapproved, or fifteen (15) days after receiving the Department's response to a timely request for clarification or reconsideration, Debtor shall make a revised submittal to the NYSDEC that addresses and resolves all of the NYSDEC's stated reasons for disapproving the first submittal. After receipt of any revised Work Plan submittal, the NYSDEC shall notify Debtor in writing of its approval or disapproval. If the NYSDEC disapproves the revised Work Plan, Debtor shall be in violation of this Agreement and

Order and the NYSDEC may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law, or under the terms of the Stipulation and Order. (Pursuant to Paragraph 22, NYSDEC's approval or disapproval shall be final and binding, subject only to challenge as arbitrary and capricious by motion upon proper notice.)

5. Within thirty (30) days of receipt of written notification that the Work Plan has been approved, Debtor shall submit a design plan and specifications (the "Design Plan") for the SVE system which shall include:

(a) a minimum of two (2) vapor extraction wells that will capture volatile organic contamination from the area under the chemical manufacturing area and extending to the trash dumpster area, as depicted on Exhibit B hereto;

(b) an SVE operation and maintenance (O & M) plan that provides for:

(1) remediation of the soil in this area until it meets the criteria set forth in TAGM 4046;

(2) operation of the SVE system until extraction well air samples are non-detect or asymptotic through pulsing; and

(3) a sampling program that verifies the results of the SVE system operation including, but not necessarily limited to, confirmatory soil sampling and SVE system effluent testing.

6. The Design Plan shall be prepared and certified by a professional engineer licensed to practice by the State of New York.

7. The NYSDEC shall notify Debtor in writing of its approval or disapproval of the Design Plan, and, if disapproving, provide written comments explaining the reasons for disapproval.

8. If Debtor requires clarification of any of the reasons specified by the NYSDEC for its disapproval, or disagrees with the stated basis for disapproval, Debtor shall request clarification in writing, or request reconsideration of the denial for reasons stated by Debtor in writing, within ten (10) days after receiving written notice that Debtor's submittal has been disapproved. Within fifteen (15) days after receiving written notice that Debtor's submittal has been disapproved, or fifteen (15) days after receiving the Department's response to a timely request for clarification or reconsideration, Debtor shall make a revised submittal to the NYSDEC that addresses and resolves all of the NYSDEC's stated reasons for disapproving the first submittal. After receipt of any revised Design Plan submittal, the NYSDEC shall notify Debtor in writing of its approval or disapproval. If the NYSDEC disapproves the revised Design Plan, Debtor shall be in violation of this Agreement and Order and the NYSDEC may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law, or under the terms of the Stipulation and Order. (Pursuant to Paragraph 22, NYSDEC's approval or disapproval shall be final

and binding, subject only to challenge as arbitrary and capricious by motion upon proper notice.)

9. Debtor shall commence implementation of the approved Work and Design Plans within fifteen (15) days of receiving written notification of NYSDEC's approval of the Design Plan, and shall implement the Plans in accordance with their terms until the remediation objectives specified therein are achieved.

10. Should circumstances warrant, Debtor may apply, in writing, to NYSDEC for permission to deviate from the approved Work and Design Plans. Debtor must obtain prior written approval from NYSDEC prior to deviating from the approved Plans in any material way. The NYSDEC shall respond to the request to deviate from the approved Plans within a reasonable amount of time. The period during which Debtor is required to complete the task which is the subject of the request to deviate shall be extended by the amount of time the NYSDEC takes to approve or disapprove the requested deviation. NYSDEC shall not unreasonably withhold its approval.

11. Within 30 days after completion of the Site remediation specified in the approved Plans, Debtor shall submit written notification to the NYSDEC that the Site remediation has been completed in accordance with the approved Plans. This written notification shall be certified by a professional engineer licensed to practice by the State of New York, and shall describe any changes to the SVE system design or other deviations

from the approved Work and Design Plans during construction and remediation.

Storm Drains

12. Debtor shall remove, sample and appropriately dispose of the water in the storm drains. Debtor shall remove the sediments and any other material in storm drains 1 through 10 to the base of the concrete drainage structure, and sample the removed material with the Toxicity Characteristic Leaching Procedure ("TCLP") to determine proper disposal. Debtor shall then dispose of the removed material as required by applicable rules and regulations and the TCLP results.

13. Debtor shall commence the storm drain remediation no later than thirty (30) days from the creation and funding of the escrow account referred to in Paragraph 17 below.

14. All manifests and analytic results generated in connection with the testing and removal of material from the storm drains shall be submitted to NYSDEC in report form.

15. Debtor shall backfill storm drains 1 through 10 to maintain structural integrity, with clean porous sand and/or gravel.

PAYMENT FOR CLEANUP WORK AND DISTRIBUTION OF REMAINING FUNDS

16. The total cost of performing the work required by this Agreement and Order will not exceed the sum of two hundred thousand dollars ($200,000). The $200,000 cost figure referred to above is derived from cost estimates obtained by the Debtor from its prospective contractor, EEA, Inc. ("EEA"), with an

allocation for contingencies added to the estimated cost of completing the work.

17. Upon approval of this Agreement and Order by the Court, the Debtor shall place the sum of $200,000 into an escrow account which shall be dedicated solely toward remediation of the Site until completion of the Remedial Work required hereunder, and thereafter distributed in accordance with the orders and directives of the Court. The law firm of Platzer, Swergold, Karlin, Levine, Goldberg & Jaslow, LLP shall be the escrow agent ("Escrow Agent"). This Agreement and Order shall be provided to the Escrow Agent and Paragraphs 17 through 21 incorporated by reference into, and made part of, the escrow agreement. Upon execution of the contract between the Debtor and EEA (the "EEA Contract"), the Escrow Agent shall pay to EEA an initial payment toward removal of the soil and liquids from the drainage structures in the sum of thirteen thousand dollars ($13,000). Upon receipt of written notice from NYSDEC that NYSDEC has approved the Design Plan, the Escrow Agent shall pay to EEA an initial payment of $16,000 toward construction of the SVE system. NYSDEC shall, simultaneously with notifying EEA that the Design Plan has been approved, notify the Escrow Agent that NYSDEC has approved the Design Plan.

18. In addition to the initial payments referenced in Paragraph 17, EEA shall receive progress payments ("Progress Payments") from the Escrow Agent as EEA completes various items of the Remedial Work, in accordance with the schedule of Progress

Payments set forth in Exhibit C hereto. The Escrow Agent shall withhold 5% retainage from Progress Payments pending completion of the Remedial Work.

19. The EEA Contract shall provide that payment will be made to EEA in accordance with Paragraphs 17 through 20 herein, including Exhibit C hereto.

20. The EEA contract shall additionally provide that:

a. EEA shall submit invoices for Progress Payments to the Escrow Agent, with simultaneous copies to NYSDEC and the other signatory parties hereto. NYSDEC shall determine whether payment of the Progress Payment is proper in accordance with the terms of this Agreement and Order, including Exhibit C hereto, and approve or disapprove the Progress Payment accordingly. If NYSDEC approves the Progress Payment, it shall notify the Escrow Agent, EEA and other parties hereto in writing. The Escrow Agent shall then pay EEA the approved Progress Payment amount.

b. If NYSDEC disapproves an invoiced Progress Payment, NYSDEC shall provide written notice of its reasons for such determination, specifying what EEA must do to complete the work item for which EEA is seeking a Progress Payment.

c. EEA shall have the right to seek a revision of the schedule of Progress Payments, including an upward revision of the amount due for a particular item of

Remedial Work and the total amount due to EEA under the EEA Contract, for good cause shown. Good cause shall mean due to unexpected and unforeseen occurrences necessitating additional costs to complete the Remedial Work required under the EEA Contract. Known additional costs for which payment will be made include the cost of electricity and the cost of replacing and properly disposing of carbon filters.

d. If both the Debtor and NYSDEC determine that EEA has shown good cause, the requested revision of the EEA Contract will be approved, and the Escrow Agent so instructed.

e. Unless otherwise approved by NYSDEC, all equipment dedicated for use in the Remedial Work shall be new. Equipment used solely in the construction process, such as tools, shall not be considered dedicated for use in the Remedial Work.

21. After NYSDEC has approved the work required hereunder as complete, and EEA has been fully paid for that work, including retainage, the Escrow Agent shall distribute any remaining funds in the escrow account in accordance with the orders and directives of the Court.

TERMS AND CONDITIONS FOR THE PERFORMANCE OF THE REMEDIAL WORK

22. All Remedial Work required hereunder shall be subject to NYSDEC supervision and approval. In the event that the Debtor and the NYSDEC disagree, then the determination of the

NYSDEC shall be final and binding, provided that the determination of the NYSDEC does not require the total expenditures for the work performed pursuant to this Agreement and Order to exceed $200,000. Debtor and creditor Apple Bank For Savings ("Apple") reserve the right to challenge, by motion upon proper notice, any determination by the NYSDEC that is arbitrary and capricious. The filing of a motion by the Debtor or creditor Apple challenging a NYSDEC determination shall not stay or delay the expeditious implementation of the disputed work item by the Debtor, unless such delay is agreed to by the NYSDEC in writing, or implementation of the disputed work item is stayed by a court pending its determination whether the item is "arbitrary and capricious."

23. The Debtor shall provide the NYSDEC with written notice of all fieldwork. Such written notice shall be delivered to the NYSDEC no less than five days prior to the start of the fieldwork referred to in the notice.

24. Following consultation with Debtor, the NYSDEC may require Debtor to modify and/or amplify and expand the work required under the approved Work and Design Plans if the NYSDEC determines, as a result of reviewing data generated by an activity required under this Agreement and Order, or as a result of reviewing any other data or facts, that such modification, amplification and/or expansion is necessary, unless the modification, amplification and/or expansion will cause the total cost of performing the Remedial Work required to implement this

Agreement and Order to exceed the $200,000 sum approved by the Court for implementation.

25. Debtor shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the NYSDEC to perform the technical, engineering and analytical obligations required by this Agreement and Order (collectively "Debtor's consultant(s)"). The experience, capabilities and qualifications of the firms or individuals selected by Debtor shall be submitted to the NYSDEC upon entry of this Agreement and Order (although nothing herein shall preclude Debtor from making this submission prior to entry of this Agreement and Order).

26. The NYSDEC shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Debtor, and the NYSDEC also shall have the right to take its own samples. Debtor shall make available to the NYSDEC the results of all sampling and/or tests or other data generated by Debtor with respect to implementation of this Agreement and Order and shall submit these results in the progress reports required by this Agreement and Order. The NYSDEC shall make available to Debtor the results of all samples and/or tests or other data generated by the NYSDEC with respect to the site which is the subject of this Agreement and Order.

27. Debtor shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Debtor's obligations under this Agreement

and Order. If, after Debtor's documented, good faith best efforts, Debtor fails to obtain these authorizations, the NYSDEC may take any appropriate action necessary to secure these authorizations.

28. Debtor and its successors and assigns shall be bound by this Agreement and Order. Debtor, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Agreement and Order. Any change in ownership or corporate status of Debtor including, but not limited to, any transfer of assets or real or personal property shall in no way alter Debtor's responsibilities under this Agreement and Order.

29. Debtor shall provide a copy of this Agreement and Order to each contractor hired to perform work required by this Agreement and Order and to each person representing Debtor with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Agreement and Order. Debtor or Debtor's contractor(s) shall provide written notice of this Agreement and Order to all subcontractors hired to perform any portion of the work required by this Agreement and Order. Debtor shall be responsible for ensuring that Debtor's contractors and subcontractors perform the work to be done under this Agreement and Order in accordance herewith.

CONVERSION TO A VOLUNTARY CLEANUP WORK PLAN

30. If Apple or any third party who qualifies for "volunteer" status (the "Volunteer") under the NYSDEC's Voluntary Cleanup Program (the "Program") applies for and is accepted as a volunteer to cleanup the Site for industrial use under the Program, NYSDEC shall, consistent with its legal authority, accept this Agreement and Order and any approved Work and Design Plans submitted to NYSDEC by the Debtor pursuant to this Agreement and Order as an approved work plan for inclusion in a voluntary third party cleanup agreement for the Site between the Volunteer and the NYSDEC.

31. In the event that a party qualifies and is subsequently approved as a Volunteer for cleanup of the Site under the Program, the EEA Contract shall be assigned by the Debtor, at the option of the Volunteer, to the Volunteer, who shall have all of the rights and obligations of the assignor under the EEA Contract. In the event of an assignment to a Volunteer, the escrow fund established hereunder shall remain dedicated to the cleanup of the Site until the cleanup is complete, as provided herein.

PETITION TO DE-LIST

32. Upon achievement of the cleanup goals of this Agreement, NYSDEC will, consistent with its legal authority, begin the process necessary to reclassify or de-list the Site from the Registry, unless Debtor or any other party has already begun the process. Any costs attributable to the

reclassification or de-listing process will not be paid by the Debtor or from the escrow account.

MISCELLANEOUS

33. This Agreement and Order shall supplement, and not supersede the Interim Agreement and Order. However, the terms of this Agreement and Order, including any previous orders, stipulations or agreements incorporated herein, shall constitute the complete and entire Agreement and Order between Debtor and the NYSDEC concerning implementation of the Site remediation required hereunder. No term, condition, understanding, or agreement purporting to modify or vary any term of this Agreement and Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the NYSDEC regarding any report, proposal, plan, specification, schedule, or any other submittal by Debtor shall be construed as relieving Debtor of its obligation to obtain such formal approvals as may be required by this Agreement and Order.

34. The caption of the State's adversary proceeding shall be changed to substitute as a party plaintiff the current NYSDEC Commissioner by deleting "Michael D. Zagata as Commissioner of the New York State Department of Environmental Conservation" and inserting in its place "John P. Cahill as Commissioner of the New York State Department of Environmental Conservation."

35. All references to "professional engineer" in this Agreement and Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

36. All references to "days" in this Agreement and Order are to calendar days unless otherwise specified.

37. The section headings set forth in this Agreement and Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Agreement and Order.

38. This Agreement and Order is subject to the approval of the United States Bankruptcy Court.

39. Any notices or reports required to be provided herein shall be in writing and sent by regular mail, or by hand delivery addressed as follows:

If to the Debtor:

Platzer, Swergold, Karlin, Levine, Goldberg
& Jaslow, LLP
150 East 52nd Street
New York, New York 10016
Attention: Michele K. Jaspan, Esq.

-and-

Martin Cantor
16 Foothill Road
East Northport, NY 11731

-and-

Cahn Wishod & Lamb, LLP
534 Broadhollow Road
Melville, New York 11747-9034
Attention: Frederick Eisenbud, Esq.

If to Apple:

Apple Bank For Savings
277 Park Avenue
New York, New York 10172
Attention: Michael B. Greene

With a copy to:

Baer Marks & Upham LLP
805 Third Avenue
New York, NY 10022
Attention: Jay L. Gottlieb, Esq.

If to the State:

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Andrew J. Gershon, Esq.

-and-

New York State Department of Environmental Conservation/DER
50 Wolf Road
Albany, New York 12233-7010
Attention: Steven M. Scharf, P.E.

-and-

New York State Department of Environmental Conservation/DEE
200 White Plains Road, 5th Fl.
Tarrytown, New York 10591-5805
Attention: Edward Devine, Esq.

40. In addition to the notices and reports that must be provided to Apple pursuant to Paragraph 39, copies of any correspondence between and among the Escrow Agent, Debtor and NYSDEC concerning implementation of this Agreement and Order shall be provided to Apple. In the event such correspondence includes lengthy exhibits or attachments, the party initiating the correspondence may omit such exhibits or attachments,

provided this omission is noted and Apple is provided with copies if it so requests.

41. This Agreement and Order shall survive dismissal of this case. The parties consent to the exclusive jurisdiction of the New York State Supreme Court for the County of New York, or, if a federal cause of action arises, of the United States District Court for the Southern District of New York, to decide any case or controversy arising out of this Agreement and Order.

42. This Agreement and Order is in full and final settlement of this adversary proceeding, and any and all claims filed in connection therewith by the NYSDEC and Apple.

SO AGREED:

Dated: New York, New York
October 31, 1997

DENNIS C. VACCO, ATTORNEY GENERAL FOR THE STATE OF NEW YORK
ATTORNEY FOR PLAINTIFFS

By: Andrew J. Gershon
ANDREW J. GERSHON (AG/6141)
Assistant Attorney General
120 Broadway
New York, New York 10271
(212) 416-8474

PLATZER, SWERGOLD, KARLIN, LEVINE, GOLDBERG & JASLOW, LLP
ATTORNEYS FOR DEBTOR

By: Michele K. Jaspan
MICHELE K. JASPAN (MK/1737)
For The Firm
150 East 52nd Street
New York, New York 10022
(212) 593-3000

Dated: New York, New York
~~October~~ November 3, 1997

BAER MARKS & UPHAM LLP
ATTORNEYS FOR APPLE BANK
FOR SAVINGS

By: _____
JAY GOTTLIEB (JG/9733)
A Member of the Firm
805 Third Avenue
New York, New York 10022
(212) 702-5700

SO ORDERED, this 2
day of ~~October~~ December, 1997

_____
UNITED STATES BANKRUPTCY JUDGE

cmt\ttlp.7

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

----------x

In Proceedings for a Reorganization Under Chapter 11

In re Cantor Bros., Inc.,
Debtor.

Bankruptcy Case No. 893-80853-478

Judge Eisenberg

----------x

State of New York and Langdon Marsh as Acting Commissioner of Environmental Conservation,

Plaintiffs,

-against-

Adversary Proceedings No. 894-8182-478

Cantor Bros., Inc.,
Defendant.

----------x

file #152021 foilable

INTERIM AGREEMENT AND STIPULATED ORDER

WHEREAS, Cantor Bros., Inc., (the "Debtor" or "Cantor Bros.") conducted business and commercial activities from on or before 1975 to April 1993 on property located at 50 Engineers Lane, Farmingdale, New York (the "Site");

WHEREAS, the Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as site number 1-52-021, and is classified by the New York State Department of Environmental Conservation ("NYSDEC") as a class "2" site.

WHEREAS, Cantor Bros. consented to the entry of an order by the New York State Commissioner of Environmental Conservation, dated March 25, 1992 ("Administrative Order"), requiring the

Debtor to develop and implement a remedial investigation and feasibility study ("RI/FS") and appropriate interim remedial measures with respect to the contamination at the Site;

WHEREAS, Cantor Bros. filed a petition under Chapter 11 of the Bankruptcy Code on February 16, 1993, in the United States Bankruptcy Court for the Eastern District of New York;

WHEREAS, the NYSDEC filed an administrative proof of claim (the "NYSDEC Administrative claim") on March 7, 1994, asserting that the costs incurred and to be incurred by the Debtor in discharging its responsibilities and obligations under the Administrative Order and/or statutes relating to the protection of the environment, including the costs of implementing the final cleanup remedy for the Site selected by the NYSDEC, and the costs incurred or to be incurred by the NYSDEC for purposes of oversight or as a consequence of the Debtor's failure to comply with its obligations under the Administrative Order or applicable environmental statutes, including the obligation to implement the remedy, are entitled to administrative expense status and priority;

WHEREAS, the State of New York filed an adversary proceeding (the "Adversary Complaint") against the Debtor on April 19, 1994, adversary proceeding number 894-8182-478, in which New York State seeks, inter alia, the entry of a judgment directing the Debtor to comply with the Administrative Order and, in addition, New York seeks the entry of a judgment declaring that the costs of compliance with the Administrative Order, including costs

incurred by the State of New York, are entitled to administrative status and priority;

WHEREAS, the Debtor filed an Answer to New York State's Adversary Complaint asserting, inter alia, that the NYSDEC holds an unliquidated contingent claim that has not been classified as an administrative claim and that the Debtor cannot be compelled to comply with the Administrative Order until there is an order from the Bankruptcy Court authorizing and directing it to comply; that if the Administrative Order is deemed to be an administrative claim, it must be treated pari passu with any and all administrative claims; and that compliance with the Administrative Order cannot be an administrative expense unless the Site poses an imminent and identifiable danger to the public safety;

WHEREAS, it is the position of the State of New York that, inter alia, the Debtor is obligated to comply with the terms of the Administrative Order and that its failure to comply subjects the Debtor to civil and criminal sanctions and penalties under the New York Environmental Conservation Law;

WHEREAS, the parties to this interim agreement and stipulated order desire to advance the resolution of these matters and thereby avoid the additional litigation costs.

NOW, THEREFORE, upon the consent and agreement of the parties by their attorneys, it is hereby ORDERED:

1. The Debtor shall undertake the remedial work and other obligations set forth below.

2. The Debtor, by its contractor Handex of New York, Inc. ("Handex"), shall implement as part of the RI/FS and the Interim Remedial Measures required by the Administrative Order, the following work items:

REMEDIAL WORK

Soil Borings and Laboratory Analysis

A. Handex shall drill a total of 23 soil borings in areas potentially impacted by such structures as former underground storage tanks, trash dumpsters, leaching pools and storm drains. One (1) soil boring, at location TW-16, shall be drilled using a hollow stem auger or Cone Penetrometer. All other borings shall utilize a hollow stem auger. The approximate locations of the soil borings are indicated on the map attached hereto as appendix A.

B. Soil samples shall be collected from each boring starting at the base of the structure, e.g., storm drain/leaching pool, and continuing in five feet intervals until the water table is encountered approximately forty feet below land surface. The samples will be screened every five feet for Target Compound List volatile organic compounds ("VOCs") with a portable gas chromatograph ("GC"). Based on the portable GC results two (2) soil samples will be submitted to a New York State Department of Health ("NYSDOH") ELAP certified laboratory using Contract Laboratory Protocols ("CLP") for analysis of target compound list

volatile organic compounds ("VOCs") and target compound list semi-volatile organic compounds ("Semi-VOCs"). The samples submitted for laboratory analysis shall be selected using the following criteria:

i. If the portable GC results for VOC analysis are non-detect ("ND"), the sample just below the structure, e.g., storm drain/leach pool, will be analyzed for Semi-VOCs and the sample just above the water table will be analyzed for VOCs.

ii. If VOC's are detected then the sample with the highest GC results will be analyzed for VOC and Semi-VOC compounds. A second sample will be collected and analyzed for VOCs and Semi-VOCs in order to document the depth at which the VOC's are no longer present at detectable levels or, in the event that VOCs are detected to the water table, to determine the concentration in soil just above the water table.

C. The results of the soil boring program will be utilized in determining the need for additional work to delineate the areal extent of soil contamination as well as the number and location of such additional borings. Handex shall take and analyze such additional soil borings as may be necessary to determine the areal extent of the soil contamination. The additional soil borings shall be undertaken as part of the obligations arising under this agreement and order.

Groundwater Sampling

D. In addition to the soil samples collected in the borings installed inside the building, see appendix "A", one groundwater

sample shall be collected approximately five feet below the water table from the soil boring drilled at location TW-16, using a hollow stem auger or Cone Penetrometer. Handex shall submit the groundwater sample to the laboratory for Target Compound List VOC analysis.

E. Handex shall drill one (1) temporary groundwater well point at an off-site location south of the Site. Selection of the off-site location is subject to the approval of the DEC. The well point will be installed using a Hydro-punch/Cone Penetrometer Technology ("CPT") or hollow stem auger method. It is anticipated that groundwater will be encountered at approximately forty feet below land surface. The first sample shall be collected at ten feet below the water table followed by sample collections at ten feet intervals until two groundwater samples are non-detect using the portable GC.

F. The water samples collected shall be screened on site with a portable GC for VOCs. Based upon the GC screening the two samples with the highest GC results for VOCs shall be submitted to the laboratory for VOC analysis.

G. Handex shall collect groundwater samples from the four (4) existing monitoring wells (MW-1 through MW-4) for VOC and Semi-VOC analysis. This task shall include collecting the appropriate QA/QC blanks for analysis. Handex may install and sample additional groundwater monitoring wells subject to the approval of DEC as provided in paragraph 3.

Data Validation

H. All samples collected under this agreement and order may be split and analyzed by the NYSDEC. NYSDEC Analytical Services

Protocols 91-1 and 91-2 with category B deliverables shall be utilized. This agreement and order does not establish data validation requirements. However, based upon its review of the QA/QC submittal, NYSDEC may require data validation which Handex shall perform, subject to the provisions of paragraph 3 below.

Waste Management

I. Drill cuttings, generated during the boring program and water generated from steam cleaning and purging of wells during groundwater sampling, shall be collected in 55 gallon drums and staged on-site. Upon receipt of the waste classification analysis, Handex shall contract with a transporter and a disposal facility for removal of the waste from the site.

Report Preparation

J. A report summarizing the investigation shall be prepared by Handex and submitted to the NYSDEC and counsel for the Debtor, the Apple Bank for Savings ("Apple") and the State. The report will include recommendations for additional work as and if necessary.

Site Structure Investigation

K. Upon completion of the field investigation work, Handex shall provide the NYSDEC, Apple and the Debtor, with a drawing based upon visual observations of all floor drains, cesspools, septic systems and leaching pools, and associated piping, referred to herein collectively as "structures", located on the Site.

L. Handex will make a concerted effort to locate structures identified in the as-built drawings but which could not be field verified during the site visit conducted on October 12, 1994. Handex will inspect each structure to determine its size and identify piping entering and exiting the structure. When possible, Handex will conduct dye testing and snaking, if required, to confirm use of the structures. Samples of relevant media will be collected and analyzed as and if appropriate. Please note, Handex is assuming no floor/wall destruction or excavation will be required to access and inspect these structures. This inspection will focus on accessible structures which appear to be active and are not permanently closed. Procedures for sampling of these structures can not be addressed at this time as conditions can not be anticipated.

M. The Site Plan, which is attached as Figure 2, "General Site Map", to the Draft Interim Remedial Measures, shall be updated, as necessary, to show the true location of all structures, including those identified in the architectural and/or as-built drawings. The update of the Site Plan shall be prepared after inspection by Handex of the structures. The Site Plan figures shall include bar scales.

Site History

N. Within sixty days from the date that this agreement and order is entered, Debtor shall provide the NYSDEC and Apple with a written statement describing in detail:

i. All business activities conducted on the Site;

ii. All chemical substances shipped to the Site;

iii. All chemical substances transported from the Site; and

iv. Storage, mixing and packaging of chemical substances at the site.

TERMS AND CONDITIONS FOR THE PERFORMANCE OF THE REMEDIAL WORK

3. Except as is otherwise explicitly provided in paragraph 2 above, all work required hereunder shall be performed in compliance with and under the terms set forth in the Administrative Order, attached hereto as appendix B, including but not limited to the provision that all work performed must be done subject to NYSDEC supervision and approval. In the event that the Debtor by its contractor and the NYSDEC disagree, then the determination of the NYSDEC shall be final and binding provided that the determination of the NYSDEC does not require the total expenditures for the work performed pursuant to this agreement and order to exceed the total cost established pursuant to paragraph 5. Debtor and Apple reserve the right to challenge by motion upon proper notice, any determination by the NYSDEC that is arbitrary and capricious. The filing of a motion by the Debtor or Apple challenging a NYSDEC determination shall not stay or delay the expeditious implementation of the disputed work item by the Debtor or Handex.

4. The fieldwork required by this agreement and order shall begin within thirty days of the entry of this agreement and order and substantially all work shall be completed within one hundred

and twenty days of the entry of this order. All reports and data submissions required pursuant to this agreement and order shall be delivered to the NYSDEC, the Debtor and Apple on or before sixty days after the completion of the fieldwork.

5. The total cost of performing the work required by this interim agreement and stipulated order shall not exceed the sum of one hundred twenty-five thousand dollars ($125,000.00) except upon application to and the approval of the Court. The $125,000 cost figure referred to above is derived from cost estimates submitted by Handex. The Debtor by its contractor Handex shall notify the State of New York and Apple in writing when costs totalling ~~one hundred~~ seventy thousand dollars ($70,000.00) ~~($100,000.00)~~ have been incurred. Such notice shall itemize the work that has yet to be done and the anticipated costs of such work.

6. The Debtor by its contractor Handex shall provide the NYSDEC with written notice of all fieldwork. Such written notice shall be delivered to the NYSDEC no less than five days prior to the start of the fieldwork referred to in the notice.

RESERVATION OF CLAIMS AND DEFENSES

7. This Interim Agreement and Stipulated Order obligates the Debtor to perform the remedial work and other obligations set forth herein. Following the completion of the work required under this agreement and order including the submission to the NYSDEC of the requisite reports, the NYSDEC may select a remedy for the Site. The Debtor's obligation, if any, to implement the selected remedy is not addressed by this agreement and

stipulation. With respect to the Debtor's obligation to implement the selected remedy and with respect to all other claims and obligations that are not explicitly addressed herein, including, but not limited to, additional sampling and the implementation of interim remedial measures, the parties reserve all of their rights and defenses for subsequent resolution either by agreement or litigation.

MISCELLANEOUS

8. The caption of the State's adversary proceeding shall be changed to substitute as a party plaintiff, the current NYSDEC Commissioner by deleting "Langdon Marsh as Acting Commissioner of Environmental Conservation" and inserting in its place "Michael D. Zagata as Commissioner of the New York State Department of Environmental Conservation."

9. This Interim Agreement and Stipulation Order is subject to the approval of the United States Bankruptcy Court.

10. Any notices or reports required to be provided herein shall be in writing and sent by regular mail, or by hand delivery addressed as follows:

If to the Debtor:

Platzer, Fineberg & Swergold
150 East 52nd Street
New York, New York 10016
Attention: Michele K. Jaspan

-and-

Martin Cantor
16 Foothill Road
East Northport, NY 11731

If to Handex:

Handex of New York, Inc.
61 C Carolyn Boulevard
Farmingdale, New York 11735
Attention: Carol Karp

If to Apple Bank for Savings:

Baer Marks & Upham, LLP
805 Third Avenue
New York, NY 10022
Attention: Jay L. Gottlieb, Esq.

If to the State:

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Norman Spiegel, Esq.

-and-

New York State Department of Environmental Conservation/DHWR
50 Wolf Road
Albany, New York 12233
Attention: Susan McCormick, P.E.

-and-

New York State Department of Environmental Conservation/DEE
200 White Plains Road, 5th Fl.
Tarrytown, New York 10591-5805
Attention: Samara Swanston, Esq.

SO AGREED:

Dated: Morganville, New Jersey
April , 1996

HANDEX OF NEW JERSEY, INC. d/b/a
HANDEX OF NEW YORK

By: _____
JOHN ST. JAMES (JJ/)
Chief Financial Officer, Treas. Sec.
500 Campus Drive
Morganville, NJ 07751

SO AGREED:

Dated: New York, New York
April 15, 1996

DENNIS C. VACCO, ATTORNEY GENERAL
FOR THE STATE OF NEW YORK
ATTORNEY FOR PLAINTIFFS

By: _____
NORMAN SPIEGEL (NS/5619)
Assistant Attorney General
120 Broadway
New York, New York 10271
(212) 416-8454

Dated: New York, New York
April , 1996

PLATZER, FINEBERG & SWERGOLD
ATTORNEYS FOR DEBTOR

By: _____
MICHELE K. JASPAN (MK/1737)
For The Firm
150 East 52nd Street
New York, New York 10022
(212) 593-3000

Dated: New York, New York
April 16, 1996

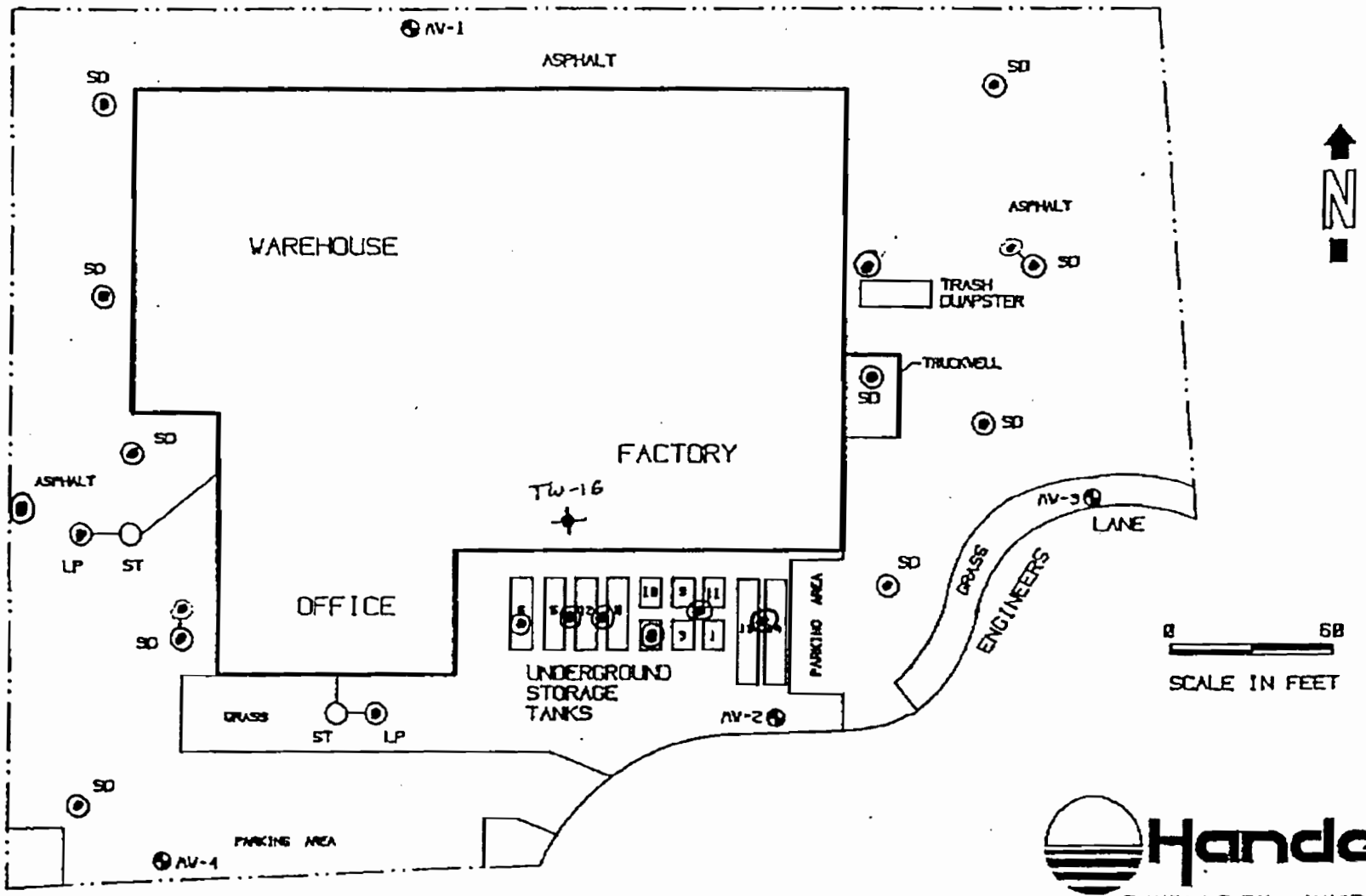
BAER, MARKS & UPHAM, LLP
ATTORNEYS FOR APPLE BANK
FOR SAVINGS

By: _____
JAY GOTTLIEB (JG/9733)
805 Third Avenue
New York, New York 10022
(212) 702-5700

SO ORDERED, this 26
day of June 1996

_____
UNITED STATES BANKRUPTCY JUDGE

no.1\spiegel\cantstp.10



SD = STORM DRAIN
ST = SETTLING TANK
LP = LEACHING POOL

NOTE: MONITORING WELL LOCATIONS ARE APPROXIMATE

⊙ Soil boring

✦ Soil boring/gw sample location

Handex
ENVIRONMENTAL MANAGEMENT

FIGURE 2

GENERAL SITE MAP

CANTOR BROTHERS
ENGINEERS LANE
FARMINGDALE, NEW YORK

2-10

Exhibit A

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Investigation/Feasibility
Study for an Inactive Hazardous Waste
Disposal Site, Under Article 27, Title 13,
and Article 71, Title 27 of the
Environmental Conservation Law
of the State of New York by

CANTOR BROTHERS, INC.,

Respondent.

ORDER
ON
CONSENT

INDEX #
W1-0570-91-12

Site Code # 1-52-021

WHEREAS,

1. The New York State Department of Environmental Conservation (the "Department") is responsible for enforcement of Article 27, Title 13 of the Environmental Conservation Law of the State of New York ("ECL"), entitled "Inactive Hazardous Waste Disposal Sites." This Order is entered into pursuant to the Department's authority under ECL Article 27, Title 13 and ECL Section 3-0301.

2. Cantor Brothers, Inc. ("Respondent"), is a corporation organized and existing under the laws of the State of New York. The site is located on Engineers Lane, Farmingdale, New York 11735, and is in the Town of Babylon. The owner of the site is Anman Realty Corp., Engineers Lane, P.O. Box 126, Farmingdale, New York 11735. Anman Realty Corp. is a wholly owned subsidiary of Cantor Bros., Inc. Cantor Bros., Inc. was incorporated in 1934. Emanuel Cantor owns 50%

Exhibit B

of the shares of the corporation and Martin Cantor has effective control of the remaining 50% of the shares. The Closing for the purchase of the site was on August 21, 1964. A map of the site is attached hereto and is incorporated into this Order as Appendix "A."

3. The Department maintains that the Site is an inactive hazardous waste disposal site, as that term is defined at ECL Section 27-1301(2), and presents a significant threat to the public health or environment. The Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as Site Number 1-52-021. The Department has classified the Site as a "2" pursuant to ECL Section 27-1305(4)(b).

4. A. Pursuant to ECL Section 27-1313(3)(a), whenever the Commissioner of Environmental Conservation (the "Commissioner") "finds that hazardous wastes at an inactive hazardous waste disposal site constitute a significant threat to the environment, he may order the owner of such site and/or any person responsible for the disposal of hazardous wastes at such site (i) to develop an inactive hazardous waste disposal site remedial program, subject to the approval of the Department, at such site, and (ii) to implement such program within reasonable time limits specified in the order."

B. Any person under order pursuant to ECL Section 27-1313(3)(a) has a duty imposed by ECL Article 27, Title 13 to carry out the remedial program committed to

under order. ECL Section 71-2705 provides that any person who fails to perform any duty imposed by ECL Article 27, Title 13 shall be liable for civil, administrative and/or criminal sanctions.

C. The Department also has the power, inter alia, to provide for the prevention and abatement of all water, land, and air pollution. ECL Section 3-0301(1)(i).

5. The Department and Respondent agree that the goals of this Order are for Respondent to (i) develop and implement a Remedial Investigation/Feasibility Study ("RI/FS") for the Site.

6. Respondent, having waived Respondent's right to a hearing herein as provided by law, and having consented to the issuance and entry of this Order, agrees to be bound by its terms. Respondent consents to and agrees not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and agrees not to contest the validity of this Order or its terms.

7. Nothing in this Order shall be construed to limit Respondent's right to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) to de-list the site from the Registry or to change its classification.

8. Notwithstanding Respondent's agreement to carry out the terms of this Order, Respondent does not admit or acknowledge any liability, fault or wrongdoing or violation of

law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, having considered this matter and being duly advised, IT IS ORDERED THAT:

I. Within 30 days after the effective date of this Order, Respondent shall submit to the Department all data within Respondent's possession or control regarding environmental conditions on-Site and off-Site, and other information described below, unless the Department advises the Respondent that such data have previously been provided to the Department. Unless already contained in the Phase I and Phase II reports previously prepared for the Department, the data and other information shall include:

A. A brief history and description of the Site, including the types, quantities, physical state, location, and dates of disposal of hazardous waste including methods of disposal and spillage of such wastes;

B. A concise summary of information held by Respondent and Respondent's attorneys and consultants with respect to all other PRPs responsible for such disposal of hazardous wastes, including but not limited to names, addresses, dates of disposal and any proof linking each such person responsible with hazardous wastes identified pursuant to subparagraph I(A); and

C. A comprehensive list and copies of all existing relevant reports with titles, authors, and subject matter, as well as a description of the results of all previous investigations of the Site and areas in the vicinity of the Site, including copies of all available topographic and property surveys, engineering studies and aerial photographs.

II. RI/FS Work Plan Contents and Submittals

A. Unless a longer period of time is agreed to in writing by the Department, Respondent shall submit to the Department, within 30 days after the effective date of this Order, a detailed work plan describing the methods and procedures to be implemented in performing an RI/FS for the Site ("RI/FS Work Plan").

B. (1) The RI/FS Work Plan shall include, but not be limited to, the following:

a. A chronological description of the anticipated RI/FS activities together with a schedule for the performance of these activities.

b. A Sampling and Analysis Plan that shall include:

(i) A quality assurance project plan that describes the quality assurance and quality control protocols necessary to achieve the initial data quality objectives. This plan shall designate a data validation expert and must describe such individual's qualifications and experience.

(ii) A field sampling plan that defines sampling and data gathering methods in a manner consistent with the "Compendium of Superfund Field Operations Method" (EPA/540/P-87/001, OSWER Directive 9355.0-14, December 1987) as supplemented by the Department.

c. A health and safety plan to protect persons at and in the vicinity of the Site during the performance of the RI/FS which shall be prepared in accordance with 29 C.F.R. 1910 and all other applicable standards by a certified health and safety professional. Respondent shall add supplemental items to this plan necessary to ensure the health and safety of all persons at or in the vicinity of the Site during the performance of any work pursuant to this Order.

d. A citizen participation plan that is, at a minimum, consistent with the Department's publication, "New York State Inactive Hazardous Waste Site Citizen Participation Plan," dated August 30, 1988, and any subsequent revisions thereto.

(2) The RI/FS Work Plan shall incorporate all elements of a RI/FS as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") [42 U.S.C. 9601 et seq.], as amended, the National Contingency Plan ("NCP") of March 8, 1990 [40 CFR Part 300], the USEPA guidance document entitled "Guidance for Conducting Remedial Investigations and Feasibility Studies

under CERCLA," dated October 1988, and any subsequent revisions to that guidance document in effect at the time the RI/FS Work Plan is submitted, and appropriate USEPA and Department technical and administrative guidance documents.

III. Performance and Reporting of Remedial Investigation

A. Within 30 days after the Department's approval of the RI/FS Work Plan, Respondent shall commence the Remedial Investigation.

B. Respondent shall perform the Remedial Investigation in accordance with the Department-approved RI/FS Work Plan.

C. During the performance of the Remedial Investigation, Respondent shall have on-Site a full-time representative who is qualified to supervise the work done.

D. Within the time frame set forth in the RI/FS Work Plan, Respondent shall prepare a Remedial Investigation Report that shall:

(1) include all data generated and all other information obtained during the Remedial Investigation:

(2) provide all of the assessments and evaluations set forth in CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2);

(3) identify any additional data that must be collected; and

(4) include a certification by the individual or firm with primary responsibility for the day to day

performance of the Remedial Investigation that all activities that comprised the Remedial Investigation were performed in full accordance with the Department-approved RI/FS Work Plan.

IV. Feasibility Study

A. Within 30 days after receipt of the Department's approval of the Remedial Investigation Report, Respondent shall perform, prepare, and submit a Feasibility Study evaluating on-Site remedial actions to eliminate, to the maximum extent practicable, all health and environmental hazards and potential hazards attributable to hazardous waste disposal at the Site. The Feasibility Study shall be prepared by and have the signature and seal of a professional engineer who shall certify that the Feasibility Study was prepared in accordance with this Order. The Department does not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall perform and prepare the Feasibility Study in accordance with the Department-approved RI/FS Work Plan and in a manner consistent with CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2).

C. Within 30 days after the Department's approval of the Feasibility Study, Respondent shall cooperate and assist the Department in soliciting public comment on the RI/FS and the proposed remedial action plan identified therein, in accordance with CERCLA, the NCP, the guidance

documents identified in Subparagraph II(B)(2), and with any Department policy and guidance documents in effect at the time the public comment period is initiated. After the close of the public comment period, the Department shall select a final remedial alternative for the site in a Record of Decision ("ROD").

V. Interim Remedial Measures

Before the effective date of the ROD, Respondent or the Department may propose interim remedial measures ("IRMs") for the Site on an as-needed basis. In proposing each IRM, Respondent shall submit to the Department a work plan which includes time frames for the completion of the IRM. Upon the Department's determination that the proposal is an appropriate interim remedial measure and its approval of such work plan, the work plan shall be incorporated into and become an enforceable part of this Order. Respondent shall then carry out such IRM in accordance with the requirements of the approved work plan and this Order.

VI. Progress Reports

Respondent shall submit to the parties set forth in paragraph XIII copies of written monthly progress reports that: (i) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (ii) include all results of sampling and tests and all other data received or generated by Respondent or Respondent's contractors or agents in the previous month, including quality

assurance/quality control information, whether conducted pursuant to this Order or conducted independently by Respondent; (iii) identify all work plans, reports, and other deliverables required by this Order that were completed and submitted during the previous month; (iv) describe all actions, including, but not limited to, data collection and implementation of work plans, that are scheduled for the next month and provide other information relating to the progress at the Site; (v) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Respondent's obligations under the Order, and efforts made to mitigate those delays or anticipated delays; (vi) include any modifications to any work plans that Respondent has proposed to the Department or that the Department has approved; and (vii) describe all activities undertaken in support of the Citizen Participation Plan during the previous month and those to be undertaken in the next month. Respondent shall submit these progress reports to the Department by the tenth day of every month following the effective date of this Order.

VII. Review of Submittals

A. (1) The Department shall review each of the submittals Respondent makes pursuant to this Order to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal was done, in accordance with this Order and generally accepted

technical and scientific principles. The Department shall notify Respondent in writing of its approval or disapproval of the submittal, except for the submittal discussed in Paragraph II(B)(1)(c). All Department-approved submittals shall be incorporated into and become an enforceable part of this Order.

(2) (a) If the Department disapproves a submittal, it shall so notify Respondent in writing and shall specify the reasons for its disapproval. Within 30 days after receiving written notice that Respondent's submittal has been disapproved, Respondent shall make a revised submittal to the Department that addresses and resolves all of the Department's stated reasons for disapproving the first submittal.

(b) After receipt of the revised submittal, the Department shall notify Respondent in writing of its approval or disapproval. If the Department disapproves the revised submittal, Respondent shall be in violation of this Order and the Department may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order.

B. Following consultation with Respondent, the Department may require Respondent to modify and/or amplify and expand a submittal if the Department determines, as a result of reviewing data generated by an activity required under this

Order or as a result of reviewing any other data or facts, that further work is necessary.

VIII. Penalties

A. (1) Respondent's failure to comply with any term of this Order may be deemed by the Department to be a violation of this Order and the ECL.

B. Respondent shall not suffer any penalty under this Order or be subject to any proceeding or action if it cannot comply with any requirement hereof because of war, riot, or an unforeseeable disaster arising exclusively from natural causes which the exercise of ordinary human prudence could not have prevented. Respondent shall, within five days of when it obtains knowledge of any such condition, notify the Department in writing. Respondent shall include in such notice the measures taken and to be taken by Respondent to prevent or minimize any delays and shall request an appropriate extension or modification of this Order. Failure to give such notice within such five-day period constitutes a waiver of any claim that a delay is not subject to penalties. Respondent shall have the burden of proving that an event is a defense to compliance with this Order pursuant to subparagraph VIII(B).

IX. Entry upon Site

Respondent hereby consents to the entry upon the Site or areas in the vicinity of the Site which may be under the control of the Respondent by any duly designated employee, consultant, contractor, or agent of the Department or any

State agency for purposes of inspection, sampling, and testing and to ensure Respondent's compliance with this Order.

X. Department's Reservation of Rights

A. Nothing contained in this Order shall be construed as barring, diminishing, adjudicating, or in any way affecting any of the Department's rights including, but not limited to nor exemplified by, the following:

1. the Department's right to bring any action or proceeding against anyone other than Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns;

2. the Department's right to enforce this Order against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns if Respondent fails to satisfy any of the terms of this Order;

3. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to claims for natural resources damages as a result of the release or threatened release of hazardous substances or constituents at or from the Site;

4. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to hazardous substances that are present at the Site or that have migrated from the Site;

5. the Department's right to require Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns to develop and implement IRMs for the Site; and

6. the Department's right to gather information and enter and inspect property and premises.

7. the Department's right to recover a sum of money which shall represent reimbursement for the Department's expenses including, but not limited to, direct labor, overhead, travel, analytical costs, and contractor costs incurred by the State of New York for work performed at the Site to date, as well as for negotiating this Order, reviewing and revising submittals made pursuant to this Order, overseeing activities conducted pursuant to this Order, and collecting and analyzing samples. Itemization of the costs shall include an accounting of personal services indicating the employee name, title, biweekly salary, and time spent (in hours) on the project during the billing period. The Department's approved fringe benefit and indirect cost rates shall be applied. Non-personal service costs shall be summarized by category of expense (e.g., supplies, materials, travel, contractual).

B. Nothing contained in this Order shall be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers.

XI. Indemnification

Respondent shall indemnify and hold the Department, the State of New York, and their representatives and employees harmless for all claims, suits, actions, damages, and costs of every name and description arising out of or resulting from the fulfillment or attempted fulfillment of this Order by Respondent, and/or Respondent's directors, officers, employees, servants, agents, successors, and assigns.

XII. Public Notice

A. After the effective date of this Order, Respondent shall file a Declaration of Covenants and Restrictions with the Suffolk County Clerk to give all parties who may acquire any interest in the Site notice of this Order.

B. If Respondent proposes to convey the whole or any part of Respondent's ownership interest in the Site, Respondent shall, not fewer than 60 days before the date of conveyance, notify the Department in writing of the identity of the transferee and of the nature and proposed date of the conveyance and shall notify the transferee in writing, with a copy to the Department, of the applicability of this Order.

XIII. Communications

A. All written communications required by this Order shall be transmitted by United States Postal Service, by private courier service, or hand delivered as follows:

Communication from Respondent shall be sent to:

1. Peter Bleiweiss
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

2. John Conover
NYS Dept. of Environmental Conservation
SUNY Building # 40
Stony Brook, NY 11790-2356

3. Director, Bureau of Environmental
Exposure Investigation
New York State Department of Health
2 University Place
Albany, New York 12203

4. Raymond Cowen, Director, Region 1
NYS Dept. of Environmental Conservation
SUNY Building # 40
Stony Brook, NY 11790-2356

5. Louis P. Oliva, Esq.
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

B. Copies of work plans and reports shall be submitted as follows:

1. Four copies (one unbound) to:

Anthony Candela, P.E.
NYS Dept. of Environmental Conservation
SUNY Building # 40
Stony Brook, NY 11790-2356

2. Two copies to:

The Director
NYS Department of Health
Bureau of Env. Exposure Investigation
2 University Place Room 205
Albany, NY 12203

3. One copy to:

Michael O'Toole, P.E.
Division of Hazardous Waste Remediation
NYS Dept. of Environmental Conservation
50 Wolf Road
Albany, NY 12233-7010

4. One copy to:

Louis P. Oliva, Esq.
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

B. Within 30 days of the Department's approval of any report submitted pursuant to this Order, Respondent shall submit to Anthony Candela, a computer readable magnetic media copy of the approved report in American Standard Code for Information Interchange (ASCII) format.

C. Communication to be made from the Department to the Respondent shall be sent to:

Frederick Eisenbud, Esq.
Cahn Wishod Wishod & Lamb
534 Broadhollow Road
CS 9034
Melville, NY 11747-9034

D. The Department and Respondent reserve the right to designate additional or different addressees for communication or written notice to the other.

XV. Miscellaneous

A. All activities and submittals required by this Order shall address on-Site contamination resulting from the disposal of hazardous waste at the Site. The Department does

not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the Department to perform the technical, engineering and analytical obligations required by this Order. The experience, capabilities and qualifications of the firms or individuals selected by Respondent shall be submitted to the Department within 30 days after the effective date of this Order. The Department's approval of these firms or individuals shall be obtained prior to initiation of any activities for which the Respondent and such firms or individuals will be responsible.

C. The Department shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Respondent, and the Department also shall have the right to take its own samples. Respondent shall make available to the Department the results of all sampling and/or tests or other data generated by Respondent with respect to implementation of this Order and shall submit these results in the progress reports required by this Order. The Department shall make available to Respondent the results of all samples and/or tests or other data generated by the Department with respect to the site which is the subject of this Order.

D. Respondent shall notify the Department at least 10 working days in advance of any field activities to be conducted pursuant to this Order.

E. Respondent shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Respondent's obligations under this Order. If after Respondent's documented, good faith best efforts, Respondent fails to obtain these authorizations, the Department may take any appropriate action necessary to secure these authorizations.

F. Respondent and its successors and assigns shall be bound by this Order. Respondent, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Order. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall in no way alter Respondent's responsibilities under this Order.

G. Respondent shall provide a copy of this Order to each contractor hired to perform work required by this Order and to each person representing Respondent with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Order. Respondent or Respondent's contractors shall provide written notice of this Order to all subcontractors hired to perform any portion of the work required by this

Order. Respondent shall nonetheless be responsible for ensuring that Respondent's contractors and subcontractors perform the work to be done under this Order in accordance with this Order.

H. All references to "professional engineer" in this Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

I. All references to "days" in this Order are to calendar days unless otherwise specified.

J. The section headings set forth in this Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Order.

K. (1) The terms of this Order shall constitute the complete and entire Order between Respondent and the Department concerning the Site. No term, condition, understanding, or agreement purporting to modify or vary any term of this Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the Department regarding any report, proposal, plan, specification, schedule, or any other submittal shall be construed as relieving Respondent of Respondent's obligation to obtain such formal approvals as may be required by this Order.

(2) If Respondent desires that any provision of this Order be changed, Respondent shall make timely written application, signed by the Respondent, for the Commissioner's consideration setting forth reasonable grounds for the relief sought. Such written application shall be delivered or mailed to:

1. Louis P. Oliva, Esq.
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

2. Peter Bleiweiss
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

3. Anthony Candela, P.E.
NYS Dept. of Environmental Conservation
SUNY Building # 40
Stony Brook, NY 11790-2356

L. The effective date of this Order shall be the date it is signed by the Commissioner or his designee.

DATED: 3/25, New York
, 1992

THOMAS C. JORLING
Commissioner
New York State Department
of Environmental Conservation

by: Edward O. Sullivan
Deputy Commissioner
New York State Department
of Environmental Conservation

CONSENT BY RESPONDENT

CANTOR BROTHERS, INC.

Respondent hereby consents to the issuing and entering of this Order, waives Respondent's right to a hearing herein as provided by law, and agrees to be bound by this Order.

By: Matthew Miller
Matthew Miller

Title: Treasurer and General Manager

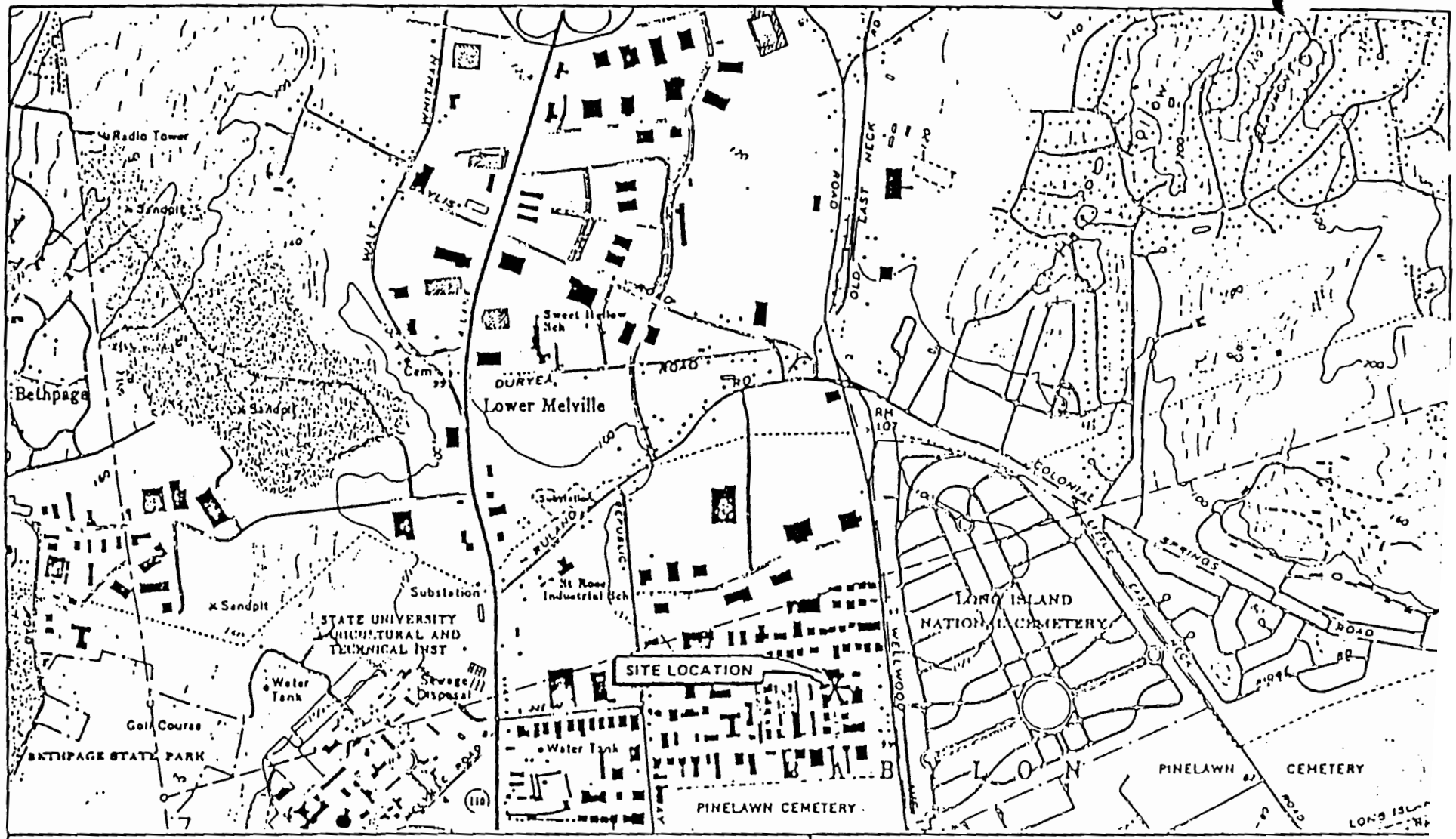
Date: March 9, 1992

STATE OF NEW YORK)
) s.s.:
COUNTY OF Suffolk)

On this 9th day of March, 1992, before me personally came MATTHEW MILLER, to me known, who being duly sworn, did depose and say that he resides in HUNTINGTON STATION NY; that he is the TREASURER & GENERAL MANAGER of the Cantor Bros., Inc., the corporation described in and which executed the foregoing instrument; that he knew the seal of the corporation; that the seal affixed to this instrument was such corporate seal; that it was so affixed by the order of the Board of Directors of the corporation and that he signed his name pursuant to a resolution of the Board of Directors.

Lilli Schlindra
Notary Public

LILLI SCHLINDRA
Notary Public, State of New York
No. 30-4680958
Qualified in Nassau County
Commission Expires November 30, 1992

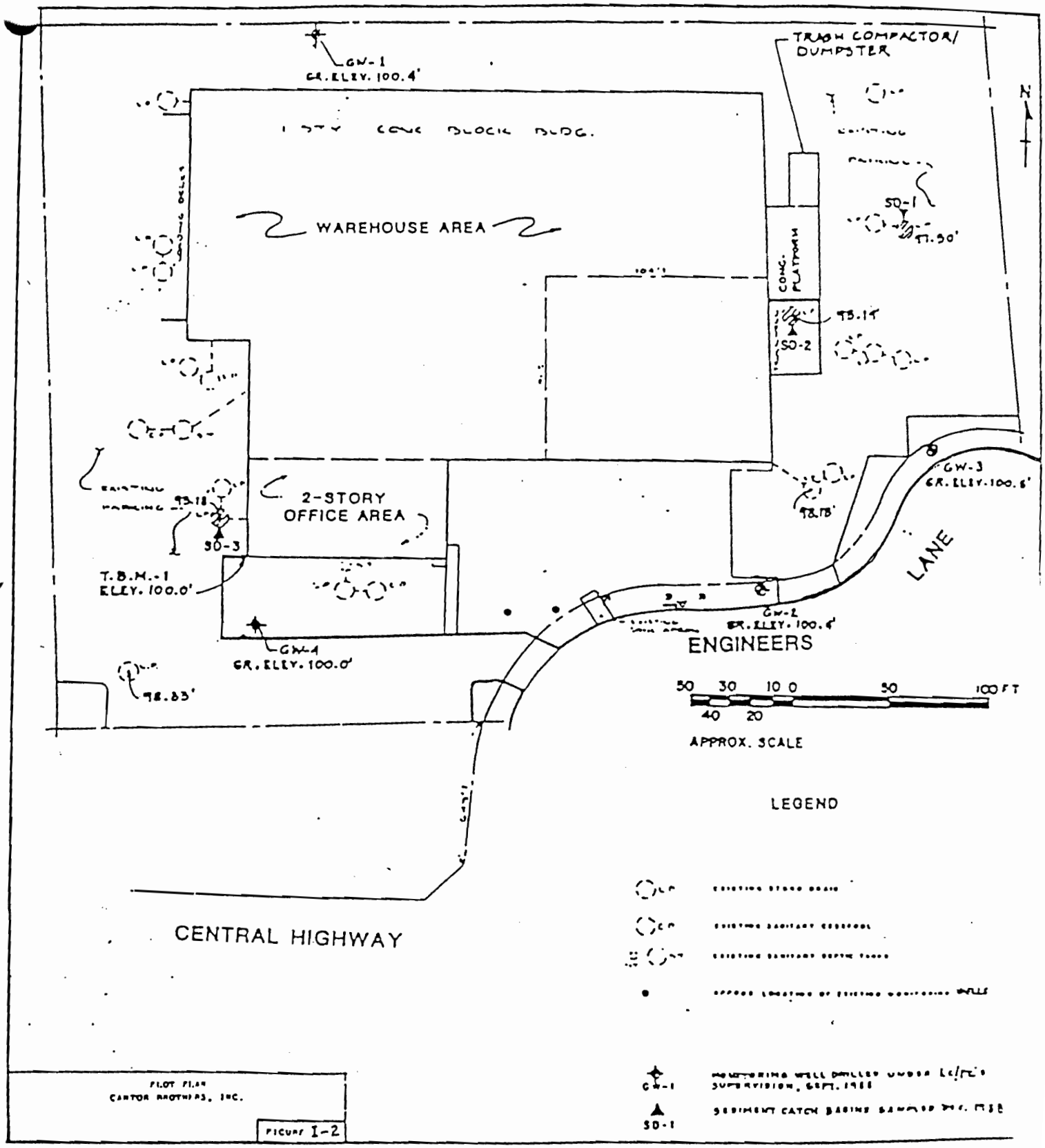


NOTE: BASE MAP FROM USGS, HUNTINGTON QUAD, 1979

SITE LOCATION MAP
CANTOR BROTHERS, INC.

WOODWARD—CLYDE CONSULTANTS
CONSULTING ENGINEERS, GEOLOGISTS AND ENVIRONMENTAL SCIENTIS
WAYNE, NEW JERSEY

DR. BY: CIG	SCALE: 1 IN. = 2000 FT	PROJ. NO.: 82C4648	
CK'D. BY: AJS	DATE: 31 AUGUST 1983	FIG. NO.: 1	



PILOT PLAN
CANTOR BROTHERS, INC.

FIGURE I-2

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Investigation/Feasibility
Study for an Inactive Hazardous Waste
Disposal Site, Under Article 27, Title 13,
and Article 71, Title 27 of the
Environmental Conservation Law
of the State of New York by

CANTOR BROTHERS, INC.,

Respondent.

ORDER
ON
CONSENT

INDEX #
W1-0570-91-12

Site Code # 1-52-021

STATE OF NEW YORK: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

In the Matter of the
Development and Implementation
of a Remedial Investigation/Feasibility
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Environmental Conservation Law
of the State of New York by

CANTOR BROTHERS, INC.,

Respondent.

ORDER
ON
CONSENT

INDEX #
W1-0570-91-12

Site Code # 1-52-021

WHEREAS,

1. The New York State Department of Environmental Conservation (the "Department") is responsible for enforcement of Article 27, Title 13 of the Environmental Conservation Law of the State of New York ("ECL"), entitled "Inactive Hazardous Waste Disposal Sites." This Order is entered into pursuant to the Department's authority under ECL Article 27, Title 13 and ECL Section 3-0301.

2. Cantor Brothers, Inc. ("Respondent"), is a corporation organized and existing under the laws of the State of New York. The site is located on Engineers Lane, Farmingdale, New York 11735, and is in the Town of Babylon. The owner of the site is Anman Realty Corp., Engineers Lane, P.O. Box 126, Farmingdale, New York 11735. Anman Realty Corp. is a wholly owned subsidiary of Cantor Bros., Inc. Cantor Bros., Inc. was incorporated in 1934. Emanuel Cantor owns 50%

of the shares of the corporation and Martin Cantor has effective control of the remaining 50% of the shares. The Closing for the purchase of the site was on August 21, 1964. A map of the site is attached hereto and is incorporated into this Order as Appendix "A."

3. The Department maintains that the Site is an inactive hazardous waste disposal site, as that term is defined at ECL Section 27-1301(2), and presents a significant threat to the public health or environment. The Site has been listed in the Registry of Inactive Hazardous Waste Disposal Sites in New York State as Site Number 1-52-021. The Department has classified the Site as a "2" pursuant to ECL Section 27-1305(4)(b).

4. A. Pursuant to ECL Section 27-1313(3)(a), whenever the Commissioner of Environmental Conservation (the "Commissioner") "finds that hazardous wastes at an inactive hazardous waste disposal site constitute a significant threat to the environment, he may order the owner of such site and/or any person responsible for the disposal of hazardous wastes at such site (i) to develop an inactive hazardous waste disposal site remedial program, subject to the approval of the Department, at such site, and (ii) to implement such program within reasonable time limits specified in the order."

B. Any person under order pursuant to ECL Section 27-1313(3)(a) has a duty imposed by ECL Article 27, Title 13 to carry out the remedial program committed to

under order. ECL Section 71-2705 provides that any person who fails to perform any duty imposed by ECL Article 27, Title 13 shall be liable for civil, administrative and/or criminal sanctions.

C. The Department also has the power, inter alia, to provide for the prevention and abatement of all water, land, and air pollution. ECL Section 3-0301(1)(i).

5. The Department and Respondent agree that the goals of this Order are for Respondent to (i) develop and implement a Remedial Investigation/Feasibility Study ("RI/FS") for the Site;

6. Respondent, having waived Respondent's right to a hearing herein as provided by law, and having consented to the issuance and entry of this Order, agrees to be bound by its terms. Respondent consents to and agrees not to contest the authority or jurisdiction of the Department to issue or enforce this Order, and agrees not to contest the validity of this Order or its terms.

7. Nothing in this Order shall be construed to limit Respondent's right to file a petition with the Commissioner pursuant to ECL Section 27-1305(4)(b) to de-list the site from the Registry or to change its classification.

8. Notwithstanding Respondent's agreement to carry out the terms of this Order, Respondent does not admit or acknowledge any liability, fault or wrongdoing or violation of

law, regulation or permit of any kind whatsoever in any way related to the Site.

NOW, having considered this matter and being duly advised, IT IS ORDERED THAT:

I. Within 30 days after the effective date of this Order, Respondent shall submit to the Department all data within Respondent's possession or control regarding environmental conditions on-Site and off-Site, and other information described below, unless the Department advises the Respondent that such data have previously been provided to the Department. Unless already contained in the Phase I and Phase II reports previously prepared for the Department, the data and other information shall include:

A. A brief history and description of the Site, including the types, quantities, physical state, location, and dates of disposal of hazardous waste including methods of disposal and spillage of such wastes;

B. A concise summary of information held by Respondent and Respondent's attorneys and consultants with respect to all other PRPs responsible for such disposal of hazardous wastes, including but not limited to names, addresses, dates of disposal and any proof linking each such person responsible with hazardous wastes identified pursuant to subparagraph I(A); and

C. A comprehensive list and copies of all existing relevant reports with titles, authors, and subject matter, as well as a description of the results of all previous investigations of the Site and areas in the vicinity of the Site, including copies of all available topographic and property surveys, engineering studies and aerial photographs.

II. RI/FS Work Plan Contents and Submittals

A. Unless a longer period of time, is agreed to in writing by the Department, Respondent shall submit to the Department, within 30 days after the effective date of this Order, a work plan describing the methods and procedures to be implemented in performing an RI/FS for the Site ("RI/FS Work Plan").

B. (1) The RI/FS Work Plan shall include, but not be limited to, the following:

a. A chronological description of the anticipated RI/FS activities together with a schedule for the performance of these activities.

b. A Sampling and Analysis Plan that shall include:

(i) A quality assurance project plan that describes the quality assurance and quality control protocols necessary to achieve the initial data quality objectives. This plan shall designate a data validation expert and must describe such individual's qualifications and experience.

(ii) A field sampling plan that defines sampling and data gathering methods in a manner consistent with the "Compendium of Superfund Field Operations Method" (EPA/540/P-87/001, OSWER Directive 9355.0-14, December 1987) as supplemented by the Department.

c. A health and safety plan to protect persons at and in the vicinity of the Site during the performance of the RI/FS which shall be prepared in accordance with 29 C.F.R. 1910 and all other applicable standards by a certified health and safety professional. Respondent shall add supplemental items to this plan necessary to ensure the health and safety of all persons at or in the vicinity of the Site during the performance of any work pursuant to this Order.

d. A citizen participation plan that is, at a minimum, consistent with the Department's publication, "New York State Inactive Hazardous Waste Site Citizen Participation Plan," dated August 30, 1988, and any subsequent revisions thereto.

(2) The RI/FS Work Plan shall incorporate all elements of a RI/FS as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") [42 U.S.C. 9601 et seq.], as amended, the National Contingency Plan ("NCP") of March 8, 1990 [40 CFR Part 300], the USEPA guidance document entitled "Guidance for Conducting Remedial Investigations and Feasibility Studies

under CERCLA," dated October 1988, and any subsequent revisions to that guidance document in effect at the time the RI/FS Work Plan is submitted, and appropriate USEPA and Department technical and administrative guidance documents.

III. Performance and Reporting of Remedial Investigation

A. Within 30 days after the Department's approval of the RI/FS Work Plan, Respondent shall commence the Remedial Investigation.

B. Respondent shall perform the Remedial Investigation in accordance with the Department-approved RI/FS Work Plan.

C. During the performance of the Remedial Investigation, Respondent shall have on-Site a full-time representative who is qualified to supervise the work done.

D. Within the time frame set forth in the RI/FS Work Plan, Respondent shall prepare a Remedial Investigation Report that shall:

(1) include all data generated and all other information obtained during the Remedial Investigation:

(2) provide all of the assessments and evaluations set forth in CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2);

(3) identify any additional data that must be collected; and

(4) include a certification by the individual or firm with primary responsibility for the day to day

performance of the Remedial Investigation that all activities that comprised the Remedial Investigation were performed in full accordance with the Department-approved RI/FS Work Plan.

IV. Feasibility Study

A. Within 30 days after receipt of the Department's approval of the Remedial Investigation Report, Respondent shall perform, prepare, and submit a Feasibility Study evaluating on-Site remedial actions to eliminate, to the maximum extent practicable, all health and environmental hazards and potential hazards attributable to hazardous waste disposal at the Site. The Feasibility Study shall be prepared by and have the signature and seal of a professional engineer who shall certify that the Feasibility Study was prepared in accordance with this Order. The Department does not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall perform and prepare the Feasibility Study in accordance with the Department-approved RI/FS Work Plan and in a manner consistent with CERCLA, the NCP, and the guidance documents identified in Subparagraph II(B)(2).

C. Within 30 days after the Department's approval of the Feasibility Study, Respondent shall cooperate and assist the Department in soliciting public comment on the RI/FS and the proposed remedial action plan identified therein, in accordance with CERCLA, the NCP, the guidance

documents identified in Subparagraph II(B)(2), and with any Department policy and guidance documents in effect at the time the public comment period is initiated. After the close of the public comment period, the Department shall select a final remedial alternative for the site in a Record of Decision ("ROD").

V. Interim Remedial Measures

Before the effective date of the ROD, Respondent or the Department may propose interim remedial measures ("IRMs") for the Site on an as-needed basis. In proposing each IRM, Respondent shall submit to the Department a work plan which includes time frames for the completion of the IRM. Upon the Department's determination that the proposal is an appropriate interim remedial measure and its approval of such work plan, the work plan shall be incorporated into and become an enforceable part of this Order. Respondent shall then carry out such IRM in accordance with the requirements of the approved work plan and this Order.

VI. Progress Reports

Respondent shall submit to the parties set forth in paragraph XIII copies of written monthly progress reports that: (i) describe the actions which have been taken toward achieving compliance with this Order during the previous month; (ii) include all results of sampling and tests and all other data received or generated by Respondent or Respondent's contractors or agents in the previous month, including quality

assurance/quality control information, whether conducted pursuant to this Order or conducted independently by Respondent; (iii) identify all work plans, reports, and other deliverables required by this Order that were completed and submitted during the previous month; (iv) describe all actions, including, but not limited to, data collection and implementation of work plans, that are scheduled for the next month and provide other information relating to the progress at the Site; (v) include information regarding percentage of completion, unresolved delays encountered or anticipated that may affect the future schedule for implementation of the Respondent's obligations under the Order, and efforts made to mitigate those delays or anticipated delays; (vi) include any modifications to any work plans that Respondent has proposed to the Department or that the Department has approved; and (vii) describe all activities undertaken in support of the Citizen Participation Plan during the previous month and those to be undertaken in the next month. Respondent shall submit these progress reports to the Department by the tenth day of every month following the effective date of this Order.

VII. Review of Submittals

A. (1) The Department shall review each of the submittals Respondent makes pursuant to this Order to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal was done, in accordance with this Order and generally accepted

technical and scientific principles. The Department shall notify Respondent in writing of its approval or disapproval of the submittal, except for the submittal discussed in Paragraph II(B)(1)(c). All Department-approved submittals shall be incorporated into and become an enforceable part of this Order.

(2) (a) If the Department disapproves a submittal, it shall so notify Respondent in writing and shall specify the reasons for its disapproval. Within 30 days after receiving written notice that Respondent's submittal has been disapproved, Respondent shall submit a revised submittal to the Department that addresses and resolves all of the Department's stated reasons for disapproving the first submittal.

(b) After receipt of the revised submittal, the Department shall notify Respondent in writing of its approval or disapproval. If the Department disapproves the revised submittal, Respondent shall be in violation of this Order and the Department may take any action or pursue whatever rights it has pursuant to any provision of statutory or common law. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order.

B. Following consultation with Respondent, the Department may require Respondent to modify and/or amplify and expand a submittal if the Department determines, as a result of reviewing data generated by an activity required under this

Order or as a result of reviewing any other data or facts, that further work is necessary.

VIII. Penalties

A. (1) Respondent's failure to comply with any term of this Order may be deemed by the Department to be a violation of this Order and the ECL.

B. Respondent shall not suffer any penalty under this Order or be subject to any proceeding or action if it cannot comply with any requirement hereof because of war, riot, or an unforeseeable disaster arising exclusively from natural causes which the exercise of ordinary human prudence could not have prevented. Respondent shall, within five days of when it obtains knowledge of any such condition, notify the Department in writing. Respondent shall include in such notice the measures taken and to be taken by Respondent to prevent or minimize any delays and shall request an appropriate extension or modification of this Order. Failure to give such notice within such five-day period constitutes a waiver of any claim that a delay is not subject to penalties. Respondent shall have the burden of proving that an event is a defense to compliance with this Order pursuant to subparagraph VIII(B).

IX. Entry upon Site

Respondent hereby consents to the entry upon the Site or areas in the vicinity of the Site which may be under the control of the Respondent by any duly designated employee, consultant, contractor, or agent of the Department or any

State agency for purposes of inspection, sampling, and testing and to ensure Respondent's compliance with this Order.

X. Department's Reservation of Rights

A. Nothing contained in this Order shall be construed as barring, diminishing, adjudicating, or in any way affecting any of the Department's rights including, but not limited to nor exemplified by, the following:

1. the Department's right to bring any action or proceeding against anyone other than Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns;

2. the Department's right to enforce this Order against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns if Respondent fails to satisfy any of the terms of this Order;

3. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to claims for natural resources damages as a result of the release or threatened release of hazardous substances or constituents at or from the Site;

4. the Department's right to bring any action or proceeding against Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns with respect to hazardous substances that are present at the Site or that have migrated from the Site;

5. the Department's right to require Respondent and/or any of Respondent's directors, officers, employees, servants, agents, successors, and assigns to develop and implement IRMs for the Site; and

6. the Department's right to gather information and enter and inspect property and premises.

7. the Department's right to recover a sum of money which shall represent reimbursement for the Department's expenses including, but not limited to, direct labor, overhead, travel, analytical costs, and contractor costs incurred by the State of New York for work performed at the Site to date, as well as for negotiating this Order, reviewing and revising submittals made pursuant to this Order, overseeing activities conducted pursuant to this Order, and collecting and analyzing samples. Itemization of the costs shall include an accounting of personal services indicating the employee name, title, biweekly salary, and time spent (in hours) on the project during the billing period. The Department's approved fringe benefit and indirect cost rates shall be applied. Non-personal service costs shall be summarized by category of expense (e.g., supplies, materials, travel, contractual).

B. Nothing contained in this Order shall be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers.

XI. Indemnification

Respondent shall indemnify and hold the Department, the State of New York, and their representatives and employees harmless for all claims, suits, actions, damages, and costs of every name and description arising out of or resulting from the fulfillment or attempted fulfillment of this Order by Respondent, and/or Respondent's directors, officers, employees, servants, agents, successors, and assigns.

XII. Public Notice

A. After the effective date of this Order, Respondent shall file a Declaration of Covenants and Restrictions with the Suffolk County Clerk to give all parties who may acquire any interest in the Site notice of this Order.

B. If Respondent proposes to convey the whole or any part of Respondent's ownership interest in the Site, Respondent shall, not fewer than 60 days before the date of conveyance, notify the Department in writing of the identity of the transferee and of the nature and proposed date of the conveyance and shall notify the transferee in writing, with a copy to the Department, of the applicability of this Order.

XIII. Communications

A. All written communications required by this Order shall be transmitted by United States Postal Service, by private courier service, or hand delivered as follows:

Communication from Respondent shall be sent to:

1. Peter Bleiweiss
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

2. John Conover
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

3. Director, Bureau of Environmental
   Exposure Investigation
   New York State Department of Health
   2 University Place
   Albany, New York 12203

4. Raymond Cowen, Director, Region 1
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

5. Louis P. Oliva, Esq.
   Division of Environmental Enforcement
   NYS Dept. of Environmental Conservation
   202 Mamaroneck Avenue Room 304
   White Plains, NY 10601-5381

B. Copies of work plans and reports shall be submitted as follows:

1. Four copies (one unbound) to:

   Anthony Candela, P.E.
   NYS Dept. of Environmental Conservation
   SUNY Building # 40
   Stony Brook, NY 11790-2356

2. Two copies to:

   The Director
   NYS Department of Health
   Bureau of Env. Exposure Investigation
   2 University Place Room 205
   Albany, NY 12203

3. One copy to:

Michael O'Toole, P.E.
Division of Hazardous Waste Remediation
NYS Dept. of Environmental Conservation
50 Wolf Road
Albany, NY 12233-7010

4. One copy to:

Louis P. Oliva, Esq.
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

B. [redacted] submit to Anthony Candela, [redacted] copy of the approved report in American Standard Code for Information Interchange (ASCII) format.

C. Communication to be made from the Department to the Respondent shall be sent to:

Frederick Eisenbud, Esq.
Cahn Wishod Wishod & Lamb
534 Broadhollow Road
CS 9034
Melville, NY 11747-9034

D. The Department and Respondent reserve the right to designate additional or different addressees for communication or written notice to the other.

XV. Miscellaneous

A. [redacted] disposal of hazardous waste at the Site. [redacted]

not release the Respondent from any liability the Respondent may have for the off-Site migration of hazardous substances.

B. Respondent shall retain professional consultants, contractors, laboratories, quality assurance/quality control personnel and data validators acceptable to the Department to perform the technical, engineering and analytical obligations required by this Order. The experience, capabilities and qualifications of the firms or individuals selected by Respondent shall be submitted to the Department within 30 days after the effective date of this Order. The Department's approval of these firms or individuals shall be obtained prior to initiation of any activities for which the Respondent and such firms or individuals will be responsible.

C. The Department shall have the right to obtain split samples, duplicate samples, or both, of all substances and materials sampled by Respondent, and the Department also shall have the right to take its own samples. Respondent shall make available to the Department the results of all sampling and/or tests or other data generated by Respondent with respect to implementation of this Order and shall submit these results in the progress reports required by this Order. The Department shall make available to Respondent the results of all samples and/or tests or other data generated by the Department with respect to the site which is the subject of this Order.

D. Respondent shall notify the Department at least 10 working days in advance of any field activities to be conducted pursuant to this Order.

E. Respondent shall obtain whatever permits, easements, rights-of-way, rights-of-entry, approvals, or authorizations are necessary to perform Respondent's obligations under this Order. If after Respondent's documented, good faith best efforts, Respondent fails to obtain these authorizations, the Department may take any appropriate action necessary to secure these authorizations.

F. Respondent and its successors and assigns shall be bound by this Order. Respondent, through its officers, directors, agents, servants, employees, successors and assigns, shall be responsible for implementing the terms of this Order. Any change in ownership or corporate status of Respondent including, but not limited to, any transfer of assets or real or personal property shall in no way alter Respondent's responsibilities under this Order.

G. Respondent shall provide a copy of this Order to each contractor hired to perform work required by this Order and to each person representing Respondent with respect to the Site and shall condition all contracts entered into hereunder upon performance in conformity with the terms of this Order. Respondent or Respondent's contractors shall provide written notice of this Order to all subcontractors hired to perform any portion of the work required by this

Order. Respondent shall nonetheless be responsible for ensuring that Respondent's contractors and subcontractors perform the work to be done under this Order in accordance with this Order.

H. All references to "professional engineer" in this Order are to an individual registered as a professional engineer in accordance with Article 145 of the New York State Education Law.

I. All references to "days" in this Order are to calendar days unless otherwise specified.

J. The section headings set forth in this Order are included for convenience of reference only and shall be disregarded in the construction and interpretation of any of the provisions of this Order.

K. (1) The terms of this Order shall constitute the complete and entire Order between Respondent and the Department concerning the Site. No term, condition, understanding, or agreement purporting to modify or vary any term of this Order shall be binding unless made in writing and subscribed by the party to be bound. No informal advice, guidance, suggestion, or comment by the Department regarding any report, proposal, plan, specification, schedule, or any other submittal shall be construed as relieving Respondent of Respondent's obligation to obtain such formal approvals as may be required by this Order.

(2) If Respondent desires that any provision of this Order be changed, Respondent shall make timely written application, signed by the Respondent, for the Commissioner's consideration setting forth reasonable grounds for the relief sought. Such written application shall be delivered or mailed to:

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NYS Dept. of Environmental Conservation
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White Plains, NY 10601-5381

2. Peter Bleiweiss
Division of Environmental Enforcement
NYS Dept. of Environmental Conservation
202 Mamaroneck Avenue Room 304
White Plains, NY 10601-5381

3. Anthony Candela, P.E.
NYS Dept. of Environmental Conservation
SUNY Building # 40
Stony Brook, NY 11790-2356

L. The effective date of this Order shall be the date it is signed by the Commissioner or his designee.

DATED: 3/25, New York
, 1992

THOMAS C. JORLING
Commissioner
New York State Department
of Environmental Conservation

by: Edward O. Sullivan
Deputy Commissioner
New York State Department
of Environmental Conservation

E O Sullivan

CONSENT BY RESPONDENT

CANTOR BROTHERS, INC.

Respondent hereby consents to the issuing and entering of this Order, waives Respondent's right to a hearing herein as provided by law, and agrees to be bound by this Order.

By: Matthew Miller
Matthew Miller

Title: Treasurer and General Manager

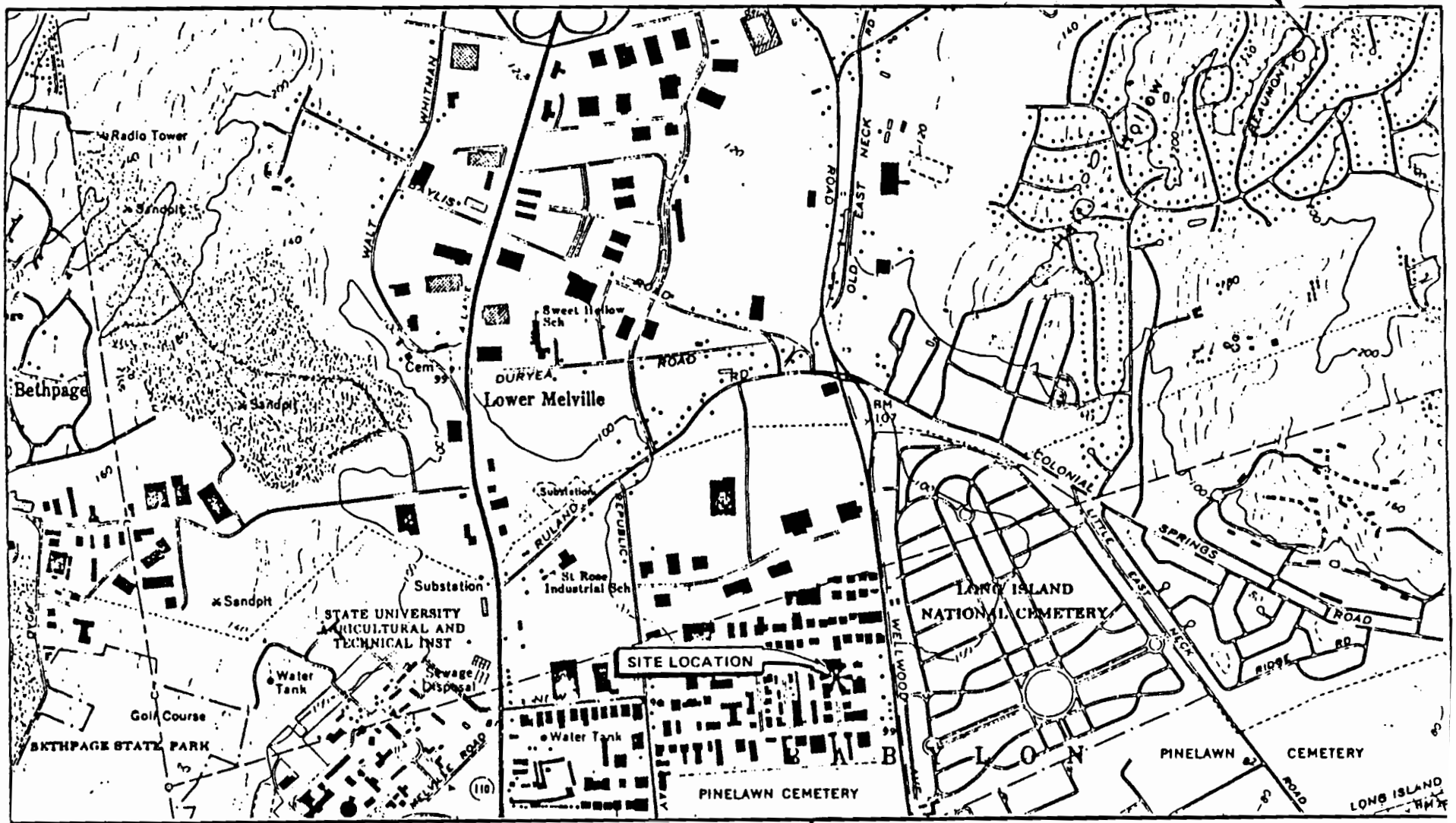
Date: March 9, 1992

STATE OF NEW YORK)
) s.s.:
COUNTY OF Suffolk)

On this 9th day of March, 1992, before me personally came MATTHEW MILLER, to me known, who being duly sworn, did depose and say that he resides in HUNTINGTON STATION, NY; that he is the TREASURER & GENERAL MANAGER of the Cantor Bros., Inc., the corporation described in and which executed the foregoing instrument; that he knew the seal of the corporation; that the seal affixed to this instrument was such corporate seal; that it was so affixed by the order of the Board of Directors of the corporation and that he signed his name pursuant to a resolution of the Board of Directors.

Lilli Schlindra
Notary Public

LILLI SCHLINDRA
Notary Public, State of New York
No. 30-4680958
Qualified in Nassau County
Commission Expires November 30, 1992



NOTE: BASE MAP FROM USGS, HUNTINGTON QUAD, 1979

N

SITE LOCATION MAP
CANTOR BROTHERS, INC.

WOODWARD—CLYDE CONSULTANTS

CONSULTING ENGINEERS, GEOLOGISTS AND ENVIRONMENTAL SCIENTISTS
WAYNE, NEW JERSEY

DR. BY: CIG	SCALE: 1 IN. = 2000 FT	PROJ. NO.: 82C4548-14	
CK'D. BY: AJS	DATE: 31 AUGUST 1983	FIG. NO.: 1	