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JUL 16 2010

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK**

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OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

In Re:

**GREENER CLEANERS, LTD.,  
d/b/a Kem Cleaners**

Debtor.

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Chapter 11  
Case No. 08-14239

Hon. Robert E. Littlefield

**STIPULATION AND ORDER**

WHEREAS Debtor commenced dry-cleaning operations at the property located at 809 State Street in Schenectady (the "Site") in 1999, and

WHEREAS the Site had served as an automobile sales, service and/or gasoline filling station from the 1930s to the 1980s, and

WHEREAS based on an inspection of the Site in October 2007, the New York State Department of Environmental Conservation ("Department") alleged that there were certain violations of the Environmental Conservation Law ("ECL") relating to the operation and maintenance of Debtor's dry cleaning machines, which at the time used the solvent perchloroethylene ("perc") in the dry cleaning process, and

WHEREAS in December 2008 the Debtor filed a bankruptcy petition in the instant case, and

WHEREAS in February 2009 the Department retained Precision Environmental Services ("Precision") to conduct a subsurface investigation to determine the extent and magnitude of solvent contamination in groundwater and soil at the Site and also filed an administrative

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enforcement action against the Debtor, and

WHEREAS in October 2009 the Department received a copy of the investigation results from Precision, which showed the presence of perc in groundwater in concentrations exceeding state standards adjacent to the main building on the Site and perc and acetone in soil vapor underneath the main building, and

WHEREAS all dry cleaning products containing compounds of the type detected in the subsurface have been removed from the property and are no longer used at the Site, and

WHEREAS the Debtor and the Department desire to have remedial measures taken to eliminate exposures to the dry cleaning compounds detected in the groundwater and in vapor, and

WHEREAS the Department filed a proof of claim in the amount of \$36,500 reflecting its claim for penalties in the administrative enforcement action and filed an amended proof of claim in the amount of \$56,500 to reflect the \$20,000 paid to Precision for the Site investigation, and

WHEREAS on November 3, 2009 the Department filed a motion for administrative expense priority in the amount of \$20,000, and the Court granted this motion on April 14, 2010, and

WHEREAS at auction on July 7, 2010, the Debtor sold all of its dry cleaning facilities except one to Noe Street, LLC d/b/a Best Cleaners, a company that is not in any way affiliated with Debtor ("Noe"), and

WHEREAS Noe affirms by its signature below that it is not in any way affiliated with Debtor and that it will not use perc in any dry cleaning operations at the Site, and

WHEREAS the signatories to this Stipulation and Order intend to address the

of the Site.

2. **Noe's Obligations.** Noe shall pay the Department \$20,000 pursuant to the following payment schedule: \$10,000 at the closing of the 363(b) sale; an additional \$5,000 by January 31, 2012 provided that the Department determines that there are off-Site exposure pathway(s) that threaten public health or the environment and notify Noe of same by January 15, 2012; an additional \$5,000 by January 31, 2013 provided that the Department determines that there are off-Site exposure pathway(s) that threaten public health or the environment and notifies Noe of same by January 15, 2013. These payments shall satisfy the Noe's obligations with respect to investigation and remediation of the Site, provided that (i) Noe does not use perc in any dry cleaning operations at the Site, and (ii) continues to operate any soil vapor extraction system or sub-slab depressurization system installed at the Site prior to or after the closing.

3. **Department's Obligations.** With respect to Debtor, the Department agrees not to oppose Debtor's 363(b) sale or plan for liquidation of assets and further to dismiss the administrative enforcement action against Debtor upon the Court's closing of the bankruptcy case. Regarding Noe, the Department hereby releases and covenants not to sue Noe, its directors, officers, shareholders, and successors-in-interest (provided that any such successors are not affiliated with Debtor) for any contamination existing at the Site at the date of closing subject to Noe satisfying its obligations set forth in ¶ 2, supra. The Department shall send notice in writing to Noe at the following address: Noe Street c/o Best Cleaners, 265 Osborne Road, Loudonville, New York 12211.

4. **This Stipulation and Order becomes effective when approved by the Court.**

outstanding issues related to the investigation and remediation of environmental conditions detected during the 2009 investigation and in so doing resolve the pending administrative enforcement action against Debtor, the Department's proof of claim in the instant case, and clarify the obligations of Noe for existing contamination at the Site, and

WHEREAS the resolution of these issues will be protective of the environment while also providing reasonable certainty as to the scope of Debtor's and Noe's financial obligations concerning the investigation and remediation of the property so that the Debtor may proceed with a 11 U.S.C. § 363(b) sale and wind down its affairs and so that the Noe may do the necessary financial planning to take over Debtor's business, and,

WHEREAS the Department acknowledges the limited financial resources of the Debtor based on its filings in the instant case and projection of proceeds anticipated by the sale of Debtor's business, and,

WHEREAS it is the objective and intention of the signatories to provide for the elimination of any significant threats to the environment and public health, if any are present, arising from conditions at the Site,

NOW, it is therefore Stipulated and Agreed by and between the parties, to be So Ordered by the Court that:

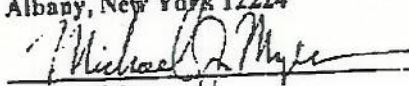
1. Debtor's Obligations. The Debtor commits to pay \$65,000 to reimburse the Department for work completed at the Site and to fund further investigation and remediation at the Site. This obligation shall be treated as an administrative claim and paid to the Department pro rata with the other administrative claims in this case. These payments shall satisfy Debtor's obligations with respect to investigation and remediation

5. The Court shall retain jurisdiction over this matter for purposes of enforcing or modifying this Stipulation and Order.

6. This Stipulation and Order shall constitute the full and complete agreement among the signatories and shall not be modified except upon written consent of all signatories.

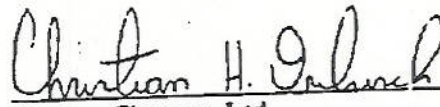
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JUL 14 2010  
Dated: July 14, 2010

By:

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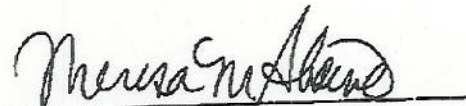
Dated: July 14, 2010

By:

  
Greener Cleaners, Ltd.  
Debtor In Possession  
809 State Street  
Schenectady, New York

Dated: July 14, 2010


By:

  
Noe Street, LLC

THE FOREGOING STIPULATION AND AGREEMENT IS SO ORDERED

Dated:

JUL 16 2010


  
Honorable Robert E. Littlefield  
United State Bankruptcy Judge

The Court shall retain jurisdiction over this matter for purposes of enforcing or  
modifying this Stipulation and Order.  
This Stipulation and Order shall constitute the full and complete agreement  
among the signatories and shall not be modified or amended without consent of all  
signatories.

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THE FOREGOING STIPULATION AND AGREEMENT IS SO ORDERED

  
Honorable Robert E. Livingston  
United States District Judge

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