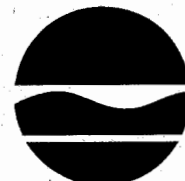


**FILE COPY**

**New York State Department of Environmental Conservation**  
**Division of Environmental Enforcement**  
**Bureau of Superfund and Brownfield Restoration, 14<sup>th</sup> Floor**  
625 Broadway, Albany, New York 12233-5550  
**Phone:** (518) 402-9512 • **FAX:** (518) 402-9019  
**Website:** www.dec.state.ny.us



Denise M. Sheehan  
Commissioner

**REGULAR MAIL**

June 21, 2006

Raymond N. Pomeroy, Esq.  
Beveridge & Diamond, PC  
15th Floor  
477 Madison Avenue  
New York, New York 10022-5802

Re: River Place I Holdings, LLC; Environmental Easement; C231024  
City of New York, County of New York, Block 1089, Lot 1  
Brownfields Site Cleanup Agreement Number W2-1017-04-09

River Place II Holdings, LLC; Environmental Easement; C231012  
City of New York, County of New York; Block 1089, Lot 3  
Brownfields Site Cleanup Agreement Number W2-1018-04-09

Dear Mr. Pomeroy:

Thank you for your submission relating the two above referenced Brownfield Cleanup Program Sites, River Place I Holdings, LLC (C231024) and River Place II Holdings, LLC (C231012). I reviewed your submission, which included environmental easement agreements ("easements") along with a redline version of each easement, a legal description of each affected property ("property"), a survey of each property, a insurance policy for each property and a commitment letter from Steward Title Insurance Company for each title insurance policy. Upon reviewing of your submission and conferring with the Sites' project manager, Douglas MacNeal, P.E., I finalized the easements and my comments on the title insurance policies.

Please review the enclosed easements along with the explanation, set forth below, of changes made to the easements and comments on the title insurance policies. Changes made to the easements, as further explained below, conform them to the Department of Environmental Conservation's (the "Department's") environmental easement form and describe the Sites' environmental controls. Comments on the title insurance policies enumerated and explained below require the title insurance company to insure superior interest will not effect the Department's interest in the easements.

#### Easement Comments

The enclosed easements contain two types of changes: first, changes to the language of the easements themselves; second, changes to the environmental controls. Changes to the language of the easements themselves conform them to the language of the Department's environmental easement form. Changes to the easements' environmental controls more accurately describe the Sites' environmental controls.

First, changes conform the easements to the Department's environmental easement form. Both easements I received contained changes to the Department's model environmental easement form. Most notably, each easement included a paragraph 11, entitled "Discharge from Obligation," that did not appear in the Department's model environmental easement. The enclosed easements eliminate said paragraph along with other minor changes, such as the capitalization of terms like environmental easement. These changes appear in the enclosed easements because the Department requires environmental easements conform to the Department's environmental easement form.

Second, changes to the environmental controls in paragraph 2A more accurately describe the Sites' environmental controls. Changes include renaming references to the Sites' operation, maintenance, and monitoring plan (the "OM&M Plan"). Since the Sites have a management plan (an "SMP Plan") rather than a OM&M Plan, references to the OM&M Plan have been renamed to refer to the SMP Plan instead. Changes also include an additional reference to the vapor barrier. The easement for lot 3, River Place Holdings II, LLC, refers to the vapor barrier in paragraph 2(A)(4). The easement for lot 1, River Place Holdings I, LLC, however, makes no reference to the vapor barrier even though the vapor barrier overlaps lot 1. Accordingly, paragraph 2(A)(4) in the easement for lot 3 has been included as paragraph 2(A)(6) in the easement for lot 1. Changes, like the two above explained changes, allow the easements to more accurately reflect the Sites' environmental controls.

Please contact me (518-402-9512) with any questions regarding changes to the enclosed easements and then forward the executed easements to the Sites' project manager at the following address:

Douglas MacNeal, P.E.  
Environmental Engineer I  
New York State Department of Environmental Conservation  
Division of Environmental Remediation  
Bureau C, Section C  
625 Broadway  
Albany, New York 12233

Upon receipt and review of the executed easements, Douglas MacNeal, P.E., will forward to same through the appropriate Division of Environmental Remediation Bureau Chief to me.

Title Insurance Policy Comments

Just as the easements I received require the above discussed changes, the title insurance policies I received require changes. The title insurance policies I received identified superior interest effecting the Department's interest in the easements. Said superior interests include encroachments, zoning lot restrictions, and liens. These interests must be addressed. Stewart Title Insurance Company, as enumerated below, must insure the exceptions to the policies.

With regard to the exceptions listed in schedule B, part 1 of the title insurance policy for River Place I, LLC (lot 1; title number TA#04 (01) 1250B), exception one (1) must be insured not to interfere with the use and enjoyment of the insured easement. Exceptions two (2) through nine (9) inclusive must be insured to be subordinate to the insured easement. Additionally, the Department must be insured against any superior interest gained through a lien like taxes or mortgages.

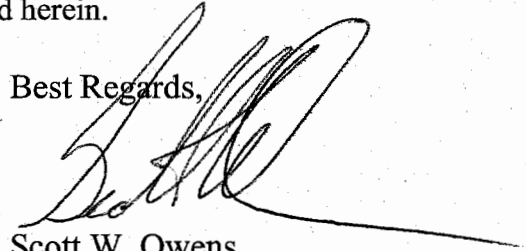
With regard to the exceptions listed in schedule B, part 1 of the title insurance policy for River Place II, LLC (lot 3; title number TA#05 (01) 472A), exception one (1) must be insured not to interfere with the use and enjoyment of the insured easement. Exceptions two (2) through seven (7) inclusive must be insured to be subordinate to the insured easement. Additionally, the Department must be insured against any superior interest gained through a lien like taxes or mortgages.

Please contact me (518-402-9512) with any questions with regard to the above described insurance the Department requests, and when the revised title insurance policies become available, please forward them to me.

Upon the Department's receipt of the revised title insurance policies and the enclosed properly executed easements, the Department will further review the instruments. Assuming the instruments satisfy the Department's review, the Department will execute the easements, and then forward the executed easement to you for recordation and return in accordance with the applicable provisions of the easements and the Environmental Conservation Law ("ECL"). Applicable recordation and return provisions include paragraph seven (7) of the easements and ECL section 71-3605 subsection eight (8), which require the easements' recordation in New York County within thirty (30) days of Commissioner Sheehan's execution of the easements.

Please note nothing contained herein constitutes a waiver by the Department and/or the State of New York of any rights held pursuant to any applicable law or a release for any party from any obligations accrued pursuant to those same laws. Furthermore, the Department reserves all rights regarding the easements discussed herein.

Best Regards,

A handwritten signature in black ink, appearing to read 'Scott W. Owens', with a long horizontal flourish extending to the right.

Scott W. Owens  
Senior Attorney

cc: Richard Sherman, Esq.  
Michael J. Lesser, Esq.  
Douglas MacNeal, P.E.

SWO/swo:234553