

Exhibit 5
Operation and Maintenance Agreement

OPERATION AND MAINTENANCE AGREEMENT
Between Ohio EPA and TechSouth Development Co., LLC
Regarding the Former Techneglas Facility,
Franklin County, Ohio

This Operation and Maintenance Agreement ("Agreement") is entered into by the Director of the Ohio Environmental Protection Agency ("Director"), and TechSouth Development Co., LLC, a Delaware limited liability company ("Owner"), pursuant to Ohio Revised Code ("ORC") Chapter 3746 and Ohio Administrative Code ("OAC") Chapter 3745-300. In consideration of the mutual covenants and subject to the terms and conditions of this Agreement, the parties agree as follows:

1. **The NFA Letter.** A no further action letter (NFA Letter No. 09NFA373; the "NFA Letter") under the Voluntary Action Program ("VAP") was submitted to the Director on behalf of the Volunteers, TechSouth Development Co., LLC, a Delaware limited liability company, and the City of Columbus, on September 4, 2009, by Matthew D. Knecht, a certified professional (Certified Professional No.105), for approximately 46.371 acres of real property and consisting of eight entire parcels and a portion of a ninth parcel (the "Property"), all of which are owned by TechSouth Development Co., LLC, a Delaware limited liability company and located at 727 East Jenkins Avenue, Franklin County, Ohio. The legal description of the Property is attached hereto as Exhibit 1, and incorporated by reference herein. The NFA Letter includes an Operation and Maintenance Plan ("O&M Plan") for the Property. The term "O&M Plan" refers to the O&M Plan dated December 2009. The O&M Plan is attached hereto as Exhibit 2 and is incorporated into this Agreement by reference.
2. **Addenda to the NFA Letter.** An Addendum to the NFA Letter was submitted by the Certified Professional in December 2009 to address comments received on the NFA Letter and includes the December 2009 O&M Plan referenced above.
3. **Requirement for an Operation and Maintenance Agreement.** This Agreement is required for the Property pursuant to ORC 3746.10(C)(2) and 3746.12(A)(2) and OAC Rule 3745-300-11(A)(4) and 3745-300-11(E)(4).
4. **Remedy for the Property.** The remedy for the Property includes:
 - a. **Engineering Controls.** As provided in the O&M Plan, pavement engineering controls, and fencing as an interim engineering control until all of the pavement has been installed, a risk mitigation plan for the protection of future construction and excavation workers (RMP). The pavement engineering controls, fencing as an interim engineering control until all of the pavement has been installed, and RMP are only applicable to portions of two of the parcels that comprise the Property, specifically

Permanent Parcel Numbers (PPNs) 010-113409 and 010-112267, as described in the O&M Plan.

b. **Activity and Use Limitations.** The activity and use restrictions are set forth in the proposed Environmental Covenant developed pursuant to ORC 5301.80 to 5301.92 and consist of a commercial/industrial land use restriction and a restriction against the use of groundwater for the entire Property and a restriction on the construction of buildings for limited portions of the two parcels that are also subject to pavement engineering controls. Following the issuance of a covenant not to sue ("Covenant") for the Property, the Environmental Covenant will be recorded pursuant to ORC 3746.14 with the Franklin County Recorder's Office as deed records for the Property.

5. **Engineering Controls and Other Remedial Activities Subject to Operation and Maintenance Plan.** The engineering controls and other remedial activities, not including institutional controls, as set forth in *the Remedy for the Property Section of this Agreement*, are part of the voluntary action remedy and must be established and maintained by TechSouth Development Co., LLC in accordance with this Agreement and the O&M Plan to demonstrate that the Property will maintain and comply with the applicable standards set forth in ORC Chapter 3746 and OAC Chapter 3745-300 and in the covenant not to sue issued pursuant to ORC 3746.12 for the Property (the "Covenant").
6. **Implementation of O&M Plan.** TechSouth Development Co., LLC agrees to implement the engineering controls and other remedial activities for the Property in accordance with the O&M Plan, and perform all inspections, repairs, reporting, record keeping, and all other requirements in accordance with the O&M Plan.
7. **Property Access.** TechSouth Development Co., LLC certifies that it has access to the Property sufficient to fully implement the O&M Plan and this Agreement. Further, upon transfer of the Property or a portion thereof, the TechSouth Development Co., LLC shall require the transferee to maintain such access as a condition of the transfer.
8. **Recording of Agreement.** TechSouth Development Co., LLC shall cause this Agreement to be recorded as required by the Covenant and as required by ORC 3746.14.
9. **Effect of Violation of this Agreement.** Failure to comply with this Agreement or the O&M Plan, may constitute the failure to maintain an applicable standard in accordance with ORC 3746.12(B) and OAC Chapter 3745-300, and may be subject to the process outlined in the Compliance Schedule Section of this Agreement. Noncompliance with an institutional control for the Property voids the Covenant, as provided in ORC 3746.05.

10. **Financial Assurance.** TechSouth Development Co., LLC agrees to ensure that reasonable and adequate funds in the amount of at least Forty-six thousand one hundred nine dollars (\$46,109) ("Minimum Amount") are available to comply with this Agreement and the O&M Plan by executing and funding acceptable financial assurance. Examples of acceptable financial assurance include a trust fund, a surety bond guaranteeing payment into a trust fund, a surety bond guaranteeing performance of this Agreement and the O&M Plan, a letter of credit, an insurance policy, a financial test and corporate guarantee, an escrow account or such other financial assurance as approved by Ohio EPA. For its financial assurance, TechSouth Development Co., LLC has secured the commitment of funds from Greystone Select Holdings LLC in the aggregate amount of Forty-Six Thousand One Hundred Nine Dollars (\$46,109), attached hereto as Exhibit #3. TechSouth Development Co., LLC agrees to maintain the commitment of funds from Greystone Select Holdings LLC or execute and fund other comparable, acceptable financial assurance and submit a copy of each financial assurance to Ohio EPA. In the event the amount or form of financial assurance provided herein is inadequate to comply with the terms of this Agreement, the Director may propose a Modification of this paragraph pursuant to the Modification Section of this Agreement.
11. **Notice to Prospective Property Transferees.** At least thirty (30) days prior to the execution of any sales contract or other document transferring ownership of the Property or any portion of the Property, TechSouth Development Co., LLC agrees to provide written notice to the prospective Property transferee that the Property, or such portion of the Property, is subject to the Covenant, this Agreement, and the O&M Plan.
12. **Notice to the Director of Transfer of Property.** Within fourteen (14) days after a sale or other transfer of the Property, or any portion of the Property, TechSouth Development Co., LLC shall provide written notice to the Director that the Property, or such portion of the Property, has been sold or otherwise transferred. This notice submitted to the Director shall include:
 - a. The name, address, and telephone number of the new Property owner and the name, address, and telephone number of the contact person for the new Property owner;
 - b. A legal description of the Property or such portion of the Property being transferred; and
 - c. The closing date of the transfer of ownership of the Property or such portion of the Property.
13. **Option to Transfer this Agreement / Notice to Director.** Pursuant to ORC 3746.14(C), TechSouth Development Co., LLC may transfer this Agreement to any other person (the "Transferee") by assignment or in conjunction with the

acquisition of title to the Property. Within fourteen (14) days after such proposed transfer, TechSouth Development Co., LLC shall provide written notice to the Director of the terms and conditions of the transfer of obligations of this Agreement and the O&M Plan ("Transfer Terms and Conditions"), by submitting:

- a. The name, address, and telephone number of the Transferee and the name, address, and telephone number of the contact person for the Transferee;
- b. A statement of the extent to which the Transferee has assumed the obligations of this Agreement and the O&M Plan;
- c. A copy of the legal instrument(s) that provide the Transfer Terms and Conditions; and
- d. A copy of the Transferee's fully executed and funded proposed financial assurance that complies with the Financial Assurance Section of this Agreement. The Transferor's financial assurance shall remain effective until the Transferee's financial assurance is fully executed and funded.

Upon the Director's receipt of such notice of the Transfer Terms and Conditions in accordance with this section of the Agreement the Transferee is considered a party to this Agreement in accordance with the Transfer Terms and Conditions.

14. Subparceling. Upon written notice submitted by TechSouth Development Co., LLC to the Director that one or more parcels of the Property have been divided or subparceled, this Agreement shall apply separately to each subdivided parcel upon the date of subdivision or the date of the submission of written notice, whichever occurs later. TechSouth Development Co., LLC shall provide such written notice by submitting:

- a. The legal description of the subdivided parcels;
- b. A survey map or maps of the subdivided parcels;
- c. The date of the subdivision;
- d. A copy of the legal instrument(s) providing for the subdivision; and
- e. The names of the new owner, if any, of the subdivided parcels.

Upon the written notice submitted pursuant to this Section, this Agreement shall be deemed to be amended, without modification of this Agreement, to identify the subdivided parcels of the Property. The Covenant shall remain in effect for any subdivided portion of the Property that continues to comply with the requirements of this Agreement and the applicable standards that form the basis of the

Covenant. Any revocation of the Covenant for any parcel shall not be based solely on a finding that any other subdivided parcel of the Property no longer complies with the applicable standards or the requirements of this Agreement.

15. **Document Submittals / Notifications to Parties.** All documents, including but not limited to notices and reports, required to be submitted by TechSouth Development Co., LLC pursuant to this Agreement shall be identified by NFA No. 09NFA373 and addressed to:

Ohio Environmental Protection Agency
50 West Town Street
P.O. Box 1049
Columbus, OH 43216-1049
Attn: Manager, Voluntary Action Program

and Ohio Environmental Protection Agency
Central District Office
Division of Emergency and Remedial Response
50 West Town Street
P.O. Box 1049
Columbus, OH 43216-1049
Attn: VAP Project Coordinator

All documents, including any notice required to be submitted by Ohio EPA pursuant to this Agreement, shall be delivered to TechSouth Development Co., LLC and addressed as follows:

TechSouth Development Co., LLC
152 West 57th Street, 60th Floor
New York, NY 10019
Attn: Jonathan D. Coven

Any party may designate an alternative contact name or mailing address upon written notification to the other party.

16. **Modification of this Agreement or the O&M Plan.** TechSouth Development Co., LLC shall submit to the Director for review and approval each proposed modification of this Agreement or the O&M Plan, except for a minor modification, as defined below, or a modification proposed by the Director. This Agreement or the O&M Plan may be modified by agreement of the appropriate parties. Modifications shall be in writing, signed by the authorized representative of TechSouth Development Co., LLC and by the Director, and shall be effective on the date signed by the Director. Ohio EPA reserves the right to require the submittal of a new NFA Letter for a proposed modification that will result in the application of an applicable standard, land use, or a remedy different than that contained in the NFA Letter approved by the Covenant.

For purposes of this Agreement, "Modification" means any substantive or material change to a term or condition of this Agreement or the O&M Plan, such as a proposal to revise, replace, or terminate an engineering control, or to revise the financial assurance as required by Section 10 of this Agreement.

For purposes of this Agreement, "Minor Modification" means a non-substantive or non-material, administrative change to a term or condition of this Agreement or the O&M Plan, such as the transfer of this Agreement and the O&M Plan in accordance with the Option to Transfer Section of this Agreement, or a change of a named contact person or an address contained in this Agreement or the O&M Plan. Within fourteen (14) days after implementation of a Minor Modification to this Agreement or the O&M Plan, TechSouth Development Co., LLC agrees to provide Ohio EPA written notice of the Minor Modification.

17. **Compliance Schedule Agreement.** Within thirty (30) days after the mailing of notice from the Director of the finding that the Property or a portion of the Property no longer complies with the applicable standards upon which the issuance of the Covenant was based, TechSouth Development Co., LLC shall notify the Director of its intention to return the Property or such portion of the Property to compliance with the applicable standards upon which the Covenant was based ("cure") and enter into a compliance schedule agreement with the Director for such cure, in accordance with ORC 3746.12(B). The compliance schedule agreement shall establish a reasonable period of time for returning to compliance with those applicable standards.
18. **Compliance with Other Laws.** TechSouth Development Co., LLC shall conduct all activities pursuant to this Agreement and the O&M Plan in compliance with all local, state, and federal laws and regulations, including but not limited to requirements to obtain permits or authorizations. TechSouth Development Co., LLC acknowledges that Ohio EPA's review and approval of any health and safety measures or the RMP contained in the O&M Plan is limited to ensuring compliance with the requirements of ORC Chapter 3746 and OAC Chapter 3745-300 and does not extend to determining compliance with the Occupational Safety and Health Act, 29 U.S.C. 651 *et seq.*, the regulations adopted under that act, or any obligation imposed by the Occupational Safety and Health Administration.
19. **Inspections by Ohio EPA.** TechSouth Development Co., LLC shall allow the Director or his authorized representative to perform inspections to determine compliance with this Agreement. Such inspections shall be consistent with ORC Chapter 3746 and OAC Chapter 3745-300, including but not limited to the reasonableness of inspection timing and frequency in accordance with ORC 3746.21.

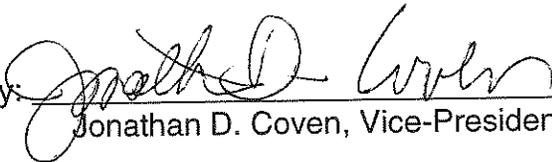
20. **Program Costs for Monitoring Compliance with this Agreement.** TechSouth Development Co., LLC agrees to reimburse Ohio EPA for the actual direct and indirect costs incurred by the Ohio EPA in monitoring compliance with this Agreement pursuant to ORC 3746.04(B)(8) and OAC 3745-300-03(E).
- a. Ohio EPA will periodically submit to TechSouth Development Co., LLC an itemized statement of its monitoring costs for the previous year(s). Monitoring costs include, but are not limited to, costs for reviewing submissions or reports required by this Agreement, conducting Property inspections, and corresponding with the Volunteer or its representative.
 - b. Within thirty (30) days of receipt of such itemized statement, TechSouth Development Co., LLC shall remit payment for all of Ohio EPA's monitoring costs for the previous year(s). If TechSouth Development Co., LLC disputes the accuracy of items on the itemized statement, a request for review of the statement may be made within thirty (30) days of receipt of the statement. After review, Ohio EPA will resubmit to TechSouth Development Co., LLC an itemized statement with appropriate revisions. TechSouth Development Co., LLC shall remit payment within fourteen (14) days of receipt of the resubmitted statement.
 - c. TechSouth Development Co., LLC shall remit payments to Ohio EPA pursuant to this Section of the Agreement as follows:
 - i. Payment shall be made by an official (or certified) check made payable to "Treasurer, State of Ohio." The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, P.O. Box 1049, 50 West Town Street, P.O. Box 1049, Columbus, Ohio 43216-1049.
 - ii. A copy of the transmittal letter and check shall be sent to the Fiscal Officer, DERR, Ohio EPA, 50 West Town Street, P.O. Box 1049, Columbus, Ohio 43216-1049.
 - iii. A copy of the transmittal letter and check shall be sent to the Program Manager of the Voluntary Action Program, DERR, Ohio EPA, 50 West Town Street, P.O. Box 1049, Columbus, Ohio 43216-1049.
21. **Termination.** This Agreement shall terminate upon (a) revocation or voidance of the Covenant, (b) a demonstration, in accordance with OAC 3745-300-11(D) and Section 5 of the O&M Plan, that implementation of this Agreement and the O&M Plan is no longer necessary for the Property to comply with applicable standards, upon written acknowledgment by the Manager of the VAP of the demonstration, or (c) otherwise upon the written approval of the Director of the Ohio EPA.

22. **Waiver.** Owner agrees that the terms and conditions of this Agreement are lawful and reasonable and agree to comply with this Agreement. Owner hereby waives its right to appeal the terms and conditions of this Agreement, and hereby waives any and all rights it might have to seek judicial or administrative review of this Agreement either in law or equity. Owner reserves its right to participate in any appeal by a third party to the Environmental Review Appeals Commission or to any court.
23. **Entire Agreement.** The terms and conditions of this Agreement, including the O&M Plan, constitute the entire agreement of the parties. No oral or written representation shall be binding unless approved as a modification pursuant to the Modification Section of this Agreement. The terms and conditions of this Agreement shall be interpreted consistent with ORC Chapter 3746 and OAC Chapter 3745-300.
24. **Authorized Signatories.** Each undersigned representative of a signatory to this Agreement represents that he or she is fully authorized to execute this Agreement and to legally bind such signatory to this Agreement.
25. **Effective Date.** Upon execution of this Agreement by all parties, this Agreement shall be a valid and binding obligation enforceable in accordance with its terms and conditions and effective upon the date of the Director's signature.

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In witness whereof, the parties hereto have executed this Agreement.

TECHSOUTH DEVELOPMENT CO., LLC,
a Delaware limited liability company:

By: 
Jonathan D. Coven, Vice-President

Date: 12-23-09

OHIO ENVIRONMENTAL PROTECTION AGENCY:

By: 
Chris Korleski
Director of Ohio EPA

Date: 12/30/09

EXHIBIT 1

Property Legal Descriptions

Exhibit "A"
46.371 acre tract
East of Nineteenth Avenue, West of Champion Avenue
North of Woodrow Avenue, South of Frebis Avenue
City of Columbus, Ohio

Situated in the State of Ohio, City of Columbus, being a 46.371 acre tract out of the lands conveyed to TG707 Inc. in Instrument Number 200511160242350, located in the "Estate of William Merion, Deceased" Subdivision of record in Plat Book 17, Pages 256 through 260 of the Recorder's Office, Franklin County, Ohio (further shown and delineated upon Exhibit "B" attached hereto and made a part hereof), and being more particularly described as follows:

Beginning at a point 10 feet westerly of the southwesterly corner of Lot 358 of the said subdivision, and at the intersection of the northerly right-of-way line of Jenkins Avenue (50 feet in width) and the easterly right-of-way line of 19th Street (width varies);

Thence North 00 degrees 17 minutes 31 seconds West, along the easterly right-of-way line of said 19th Street, a distance of 269.23 feet to a point at the intersection of the aforesaid easterly right-of-way line and the southerly right-of-way line of Sheldon Avenue (50 feet in width);

Thence South 90 degrees 00 minutes 00 seconds East, along the said southerly right-of-way line, a distance of 338.70 feet to a point in the westerly line of Lot A of the said subdivision;

Thence North 00 degrees 36 minutes 02 seconds East, along the said westerly line of Lot A and the easterly line of Lot 274, Lot 246, Lot 218, and Lot 190 of the said subdivision, a distance of 606.80 feet to a point at the northeasterly corner of said Lot 190 and the northwesterly corner of said Lot A and in the southerly right-of-way line of Frebis Avenue (50 feet in width);

Thence South 89 degrees 58 minutes 26 seconds East, along the said southerly right-of-way line of Frebis Avenue, a distance of 300.75 feet to a point at the northeasterly corner of said Lot A and the northwesterly corner of Lot B of the said subdivision;

Thence South 00 degrees 36 minutes 02 seconds West, along the easterly line of said Lot A, the westerly line of said Lot B and the westerly line of a tract of land conveyed to Developers Seven, LLC., in Instrument Number 200202190044680, a distance of 674.85 feet to a point at the southwesterly corner of said Developers Seven, LLC. tract;

Thence South 90 degrees 00 minutes 00 seconds East, along the southerly line of said Developers Seven, LLC. tract, and through said Lot B, a distance of 316.92 feet to a point in the easterly line of said Lot B and the westerly line of the railroad property (Pennsylvania Lines, LLC);

Thence South 00 degrees 31 minutes 55 seconds West, along the easterly line of said Lot B, the westerly line of said railroad property, and through Jenkins Avenue, a distance of 251.00 feet to a point in the southerly right-of-way line of said Jenkins Avenue;

Thence South 90 degrees 00 minutes 00 seconds East, along the said southerly right-of-way line of Jenkins Avenue and the northerly line of Lot I of said subdivision, a distance of 455.56 feet to a point at the northwesterly corner of a tract of land conveyed to Nuuana Delong in Official Record Volume 29592, Page D19;

Thence South 00 degrees 26 minutes 34 seconds West, along the westerly line of said Delong tract, the westerly line of a tract of land conveyed to Iacovetta Holdings, LLC. in Instrument Number 200007310150976 and the easterly line of said Lot I, a distance of 398.83 feet to a point at the northwesterly corner of Lot 16 of the Champion Avenue Terrace Addition of record in Plat Book 20, Page 66;

Thence South 89 degrees 59 minutes 36 seconds East, along the northerly line of Lot 13 through Lot 16 (inclusive) of the aforesaid Addition, a distance of 196.97 feet to a point at the northeasterly corner of said Lot 13 and the northwesterly corner of Lot 9 of said Addition;

Thence South 00 degrees 26 minutes 24 seconds East, along the westerly line of Lot 9 through Lot 24 (inclusive) of the said Addition and through Markison Avenue, a distance of 432.55 feet to a point in the northerly line of Lot 25 of said Addition;

Thence North 89 degrees 59 minutes 36 seconds West, along the said northerly line of Lot 25, the northerly line of Lot 17 of said Addition and the northerly line of a tract of land conveyed to Ronald Reading in Instrument Number 200409010205349, a distance of 49.04 feet to a point;

Thence South 00 degrees 26 minutes 34 seconds West, through Lot 17 of the said Addition and along the westerly line of said Reading tract, a distance of 110.29 feet to a point in the southerly line of said Lot 17;

Thence North 89 degrees 59 minutes 36 seconds West, along the said southerly line of said Lot 17, a distance of 50.88 feet to a point;

Thence South 00 degrees 30 minutes 06 seconds West, along an easterly line of said TG707, Inc. tract, a distance of 449.94 feet to a point;

Thence South 90 degrees 00 minutes 00 seconds East, along a northerly line of said TG707, Inc. tract, a distance of 72.45 feet to a point in the westerly line of a 16 foot wide alley;

Thence South 00 degrees 30 minutes 06 seconds West, along the westerly line of the said 16 foot wide alley, a distance of 189.30 feet to a point at the northeasterly corner of a tract of land conveyed to Cra-Co Investments, LLC. in Instrument Number 200502230032922;

Thence North 90 degrees 00 minutes 00 seconds West, along the northerly line of said Cra-Co Investments, LLC. tract, a distance of 72.45 feet to a point at the northwesterly corner of said Cra-Co Investments, LLC. tract;

Thence South 00 degrees 30 minutes 06 seconds West, along the westerly line of said Cra-Co Investments, LLC. tract, a distance of 362.14 feet to a point at the southwesterly corner of said Cra-Co Investments, LLC. tract and in the northerly right-of-way line of Woodrow Avenue (50 feet in width);

Thence North 89 degrees 47 minutes 03 seconds West, along the aforesaid northerly right-of-way line, a distance of 524.59 feet to a point at a southwesterly corner of said TG707, Inc. tract and in the easterly line of said railroad property;

Thence North 00 degrees 31 minutes 55 seconds East, along the easterly line of said railroad property and through said Markison Avenue, a distance of 1,355.19 feet to a point at the southwesterly corner of said Lot I in the northerly right-of-way line of said Markison Avenue;

Thence North 89 degrees 59 minutes 36 seconds West, along the northerly right-of-way line of said Markison Avenue, through said railroad property and along the southerly line of Lot G of said "Estate of William Merion, Deceased" Subdivision, a distance of 963.27 feet to a point at the intersection of the said northerly right-of-way line of Markison Avenue and the easterly right-of-way line of said 19th Street;

Thence North 00 degrees 17 minutes 31 seconds East, along the aforesaid easterly right-of-way line and the westerly line of Lot 495 and Lot 471 of the said "Estate of William Merion, Deceased" Subdivision, a distance of 345.24 feet to a point at the southwesterly corner of Lot 447 of said subdivision in the northerly line of Southwood Avenue (vacate by ordinance #1508-93);

Thence North 90 degrees 00 minutes 00 seconds West, along the northerly line of said vacated Southwood Avenue, a distance of 10.00 feet to a point at the intersection of the northerly line of said vacated Southwood Avenue and the easterly right-of-way line of said 19th Avenue;

Thence North 00 degrees 17 minutes 31 seconds West, along the easterly line of said Nineteenth Avenue, a distance of 111.97 feet to a point at the intersection of the southerly line of a 16 foot wide alley (vacated by ordinance #'s 1932-95, 2176-78, and 103-66) and the easterly right-of-way line of said 19th Avenue;

Thence South 90 degrees 00 minutes 00 seconds East, along the southerly line of said vacate 16 foot wide alley and the northerly line of Lot 447 through Lot 452 (inclusive) of said subdivision, a distance of 220.00 feet to a point at the northeasterly corner of the said Lot 452;

Thence South 00 degrees 17 minutes 31 seconds East, along the easterly line of said Lot 452, a distance of 56.01 feet to a point;

Thence South 90 degrees 00 minutes 00 seconds East, through Lot 453 and Lot 454 of the said subdivision, a distance of 70.34 feet to a point in the easterly line of said Lot 454;

Thence North 00 degrees 17 minutes 31 seconds West, along the easterly line of said Lot 454, through aforesaid vacated 16 foot wide alley, along the easterly line of Lot 411, and through said Jenkins Avenue, a distance of 234.53 feet to a point at the southeasterly corner of Lot 365 in the said northerly right-of-way line of Jenkins Avenue;

Thence North 90 degrees 00 minutes 00 seconds West, along the said northerly right-of-way line of Jenkins Avenue and the southerly line of Lot 358 through 365 (inclusive) of the said subdivision, a distance of 290.34 feet to the **Point of Beginning**.

Containing 46.371 acres, more or less, within Franklin County Auditor's Parcel Numbers 010-113409, 010-235706, 010-236033, 010-112267, 010-238865, 010-240950, 010-050688, 010-112837, and 010-112838.

Excepting there from all existing and valid roadway and/or railway rights-of-way of record.

All references herein are to records in the Recorder's Office, Franklin County, Ohio.

The basis of bearings for this description is based on the northerly right-of-way line of Jenkins Avenue, being North 90 degrees 00 minutes 00 seconds West, as described in the deed conveyed to TG707 Inc. in Instrument Number 200511160242350.

This description is based on record information only and is not to be construed as a boundary survey as defined by the Minimum Standards for Boundary Surveys set forth and described in Ohio Revised Code 4733-37. This description is to be used for financial purposes only. This instrument was prepared by Columbus Engineering Consultants, Inc. in March 2007.

Daniel J. Hornyak 3/13/07

Daniel J. Hornyak
Registered Professional Surveyor No. 7963

Date



EXHIBIT 2

O&M Plan

**VOLUNTARY ACTION PROGRAM
OPERATION AND
MAINTENANCE PLAN**

**FORMER TECHNEGLAS FACILITY
727 EAST JENKINS AVENUE
COLUMBUS, FRANKLIN COUNTY, OHIO**

DECEMBER 2009

Prepared For:

**TechSouth Development Co., LLC, a Delaware Limited Liability Company
c/o Greystone & Company, Inc.
152 W. 57th Street
New York, New York 10019**

Prepared By

**HZW ENVIRONMENTAL CONSULTANTS, LLC
6105 Heisley Road
Mentor, Ohio 44060**

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Attachment 10 -	Elevation Survey Map

1.0 INTRODUCTION

On behalf of TechSouth Development Co., LLC, a Delaware Limited Liability Company (“TechSouth”, and the “Volunteer”), HzW Environmental Consultants, LLC (HzW) has prepared this Voluntary Action Program (VAP) Operation and Maintenance Plan (O&M) Plan in conformance with Ohio Administrative Code (OAC) Rule 3745-300-11 for the Former Techneglas, Inc. facility which has the street address of 727 East Jenkins Avenue, Columbus, Franklin County, Ohio (the “Property”). This O&M Plan describes four (4) areas on the Property subject to a permanent pavement engineering control to reliably prevent exposure of on-Property commercial/industrial workers to concentrations of constituents of concern (COCs) in soil that exceed VAP applicable standards. Since all these permanent engineering controls were not in place as of the date of the submittal of the Addendum to the NFA Letter for the Property, this O&M Plan also describes a temporary interim engineering control remedy (a fence) that will reliably prevent exposures of commercial/industrial workers and/or the general public from areas subject to the permanent engineering controls. In addition, this document describes a Risk Mitigation Plan (RMP) that has been put in place by the Volunteer to notify future construction/excavation workers of the fact that certain soils on-Property contain concentrations of lead that exceed the VAP Generic Direct Contact Standards (GDCS) for construction/excavation activities (750 mg/kg), and describe appropriate work activities and personal protective equipment that will be implemented in the event of construction or excavation activities in the three areas on-Property subject to the RMP.

The engineering controls described in this O&M Plan are subject to inspection/monitoring, repair, and reporting requirements as outlined in this plan, so that these controls:

1. Maintain the Property-specific risk level for commercial/industrial land use, as set forth in a Phase II Property Assessment report prepared by HzW in August 2009;
2. Eliminate or mitigate exposures to all commercial/industrial receptors sufficient to meet risk goals and continue compliance with VAP applicable standards;
3. Remain effective and reliable given the climactic conditions and commercial/industrial activities that will occur at the Property; and
4. Are maintained as contemplated under this O&M Plan until such time as the engineering controls are no longer required.

The RMP included as an attachment to this O&M Plan is subject to administration and enforcement by the Volunteer so long as the concentrations of lead that exceed the VAP GDCS within the construction/excavation

activities point of compliance remain on the Property. Any excavation activity that removes or otherwise eliminates the original concentrations of lead in soil that resulted in the necessity for the RMP is subject to verification through confirmation sampling, and risk re-evaluation by a VAP Certified Professional. If it is determined that the basis for original development of the RMP is no longer applicable due to subsequent removal of the affected soils, the Volunteer will seek termination of the requirement for an RMP at the Property from the Director of the Ohio Environmental Protection Agency (EPA).

The provisions of this O&M Plan will be subject to the terms of a separate O&M Agreement between the Volunteer and the Ohio EPA. A draft O&M Agreement has been prepared by the Volunteer, and will be executed by the Volunteer and the Ohio EPA upon determination by the agency that the Property, in fact, meets applicable standards under the VAP, and that the engineering controls outlined in this Plan are appropriate for the continued satisfaction of VAP applicable standards.

1.1. Synopsis of Property and Property History

The Property is comprised of eight (8) entire parcels, and a portion of a ninth parcel as described in the VAP Phase I and Phase II Property Assessment reports. In aggregate, the Property consists of 46.371 acres of land, all of which is currently owned by TechSouth.

The engineering controls and RMP are only applicable to portions of two of the parcels, specifically Permanent Parcel Numbers (PPNs) 010-113409 and 010-112267. None of the activities described in this O&M Plan apply to the seven additional parcels that comprise the Property. Further, it is emphasized that the engineering controls and RMP are applicable to only *portions* of the two parcels listed above, not the two parcels in their entirety.

PPN 010-113409 was developed at some point between 1900 and 1922 for the manufacture of glass bottles. Glass manufacture of bottles and glass block continued until the advent of the television in the early 1950s. At that time, PPN 010-113409 was converted for the manufacture of television picture tube components by Kimball Glass Company, a subsidiary of the Owens-Illinois Company. PPN 010-112267 was acquired by the Kimball Glass Company in 1953, and was similarly used for industrial purposes associated with television picture tube manufacture. The date of the first appearance of the name "Techneglas, Inc." on tax maps and city directories is May 1995. Techneglas, Inc. consolidated the remaining parcels that comprise the Property between 1996 and 2000, and continued the manufacture of television picture tube assemblies on the Property until August 2004.

The Property is situated in an area of mixed land use. Properties immediately east and southeast of the Property are zoned for residential use, as are adjacent properties to the northwest. Properties to the southwest are zoned as "Exempt" (primarily), or commercial/industrial. Properties to the northeast and north are zoned for industrial use, as are adjacent parcels to the south. For the purposes of the VAP the intended future land use is commercial/industrial.

1.2. Previous Environmental Investigations

VAP-compliant Phase II Property Assessment activities were initiated by Malcolm Pirnie, Inc. (MPI) and PANDEY Environmental, LLC (PANDEY) in 2005, and continued through 2007. HzW was retained in 2008, and continued VAP Phase II assessment and remedial tasks through August 2009.

The MPI and PANDEY investigations indicated releases of COCs to environmental media in a variety of locations around the Property. COCs detected in environmental media included petroleum products, heavy metals, and – to a lesser extent – chlorinated and non-chlorinated solvents.

HzW reviewed these previous investigation reports, and prepared a stand-alone VAP Phase I Property Assessment report during 2009. Based upon all information collected, reviewed, and assimilated as part of the Phase I Property Assessment, the Certified Professional determined that there were seventeen (17) separate areas or features that satisfied the definition of an "identified area". All seventeen (17) of these identified areas were determined to be related to potential on-site source areas. The location of these identified areas is depicted on figures in the VAP Phase I and Phase II Property Assessment reports. A list of the identified areas is presented at the top of the following page. The primary media of concern were soil and groundwater beneath the Property. Indoor air was also considered a potentially impacted medium.

VAP Phase II Property Assessment data collection activities included sampling of soil in all on-Property identified areas, and the sampling of groundwater in identified areas with a documented release to an environmental medium. The results of soil sampling activities resulted in remedial efforts, which included the excavation, removal and off-site disposal of over 2650 tons of soil from Identified Areas 2, 3, 4, 6 and 7, as discussed in Section 5.6 of the Phase II Property Assessment report.

Identified Area	Name
1	Batch Yard/Forming Area
2	Former Chrome/Nickel Plating
3	North Railroad Siding
4	South Railroad Siding
5	Interior Railroad Sidings
6	Fuel Oil Spill Area
7	Cullet Storage Area #1
8	Historic Coal Yard and Print Shop
9	Earthen Berms
10	Sheldon Warehouses Area
11	UFO Building UST
12	RCRA Accumulation Areas (Four Inactive/Closed; One Active)
13	Cullet Storage Area #2
14	Historic PCB Spill Area
15	Woodrow Avenue Drum Spill Area
16	Abandoned Fuel Line Chase
17	North Jenkins Lot

1.3. Applicable Standards

A VAP No Further Action (NFA) Letter has been prepared for the Property, which indicates that the site meets VAP applicable standards. The applicable standards at the Property may be subdivided into five categories:

- A. VAP GDCS or Supplemental Risk-Derived Values (SRDV) for commercial/industrial land use. GDCS are published in OAC 3745-300-08. The SRDV (also referred to as "Supplemental Values") were derived by VAP staff for use by Volunteers through Technical Assistance, or other non-Property specific risk assessment procedures. The SRDV were provided to the Certified Professional by the Ohio EPA in February 2007.
- B. VAP GDCS or SRDV for construction/excavation activities. Again, GDCS are published in OAC 3745-300-08, and the SRDV for this pathway were provided to the Certified Professional by the Ohio EPA in February 2007.
- C. Property-specific vapor intrusion carcinogenic risk factors and hazard indices determined through application of the Johnson & Ettinger (J&E) model.
- D. A demonstration that groundwater which either currently exceeds VAP Generic Unrestricted Potable Use Standards (GUPUS), Risk-Derived Generic Unrestricted Potable Use Standards (RDGUPUS), or Supplemental Unrestricted Potable Use Values (SUPUV) do not pose a risk to potable or non-potable off-Property receptors, based upon a Class B demonstration for the uppermost saturated zone and an evaluation of the particular COCs and their possible effect

on non-potable receptors. The Class B demonstration was made in the Addendum to the NFA Letter, and is not discussed further in this O&M Plan, since none of the remedies described in this document are intended to evaluate the migration of COCs in groundwater toward non-potable receptors.

- E. Compliance with the same limits for those hazardous substances or petroleum that were investigated and remediated as part of this VAP action, as set forth in NPDES Permit 4IN00032*ND for the discharge of stormwater from the Property, which are incorporated by reference.

It has been determined that VAP applicable standards have been met for those exposure pathways that are complete on the Property. Certain institutional and engineering controls have been relied on to render certain exposure pathways incomplete. VAP regulations state that if an engineering control is used to render an exposure pathway incomplete, a VAP O&M Plan is required to maintain the integrity of the engineering control.

The categories of exposed populations subject to an engineering control or an RMP are discussed in the following subsections.

1.3.1 On-Property Commercial/Industrial Workers, Visitors, and Trespassers

Exposure of on-Property commercial/industrial workers, visitors, and trespassers to COCs in affected media was evaluated through multiple chemical adjustments (MCAs) presented in the VAP Phase II Property Assessment. In summary, workers, visitors and trespassers on the Property are protected relative to the soil direct contact pathway to a depth of two (2) feet below ground surface, bearing in mind the presence of a the temporary interim engineering control and the permanent pavement engineering controls on four portions of the Property.

1.3.2 Future Construction and Excavation Workers

Separate MCAs were prepared for future construction/excavation activities, specifically related to the soil direct contact pathway to a depth of up to 10 feet below existing ground surface. These MCAs, which were included in the VAP Phase II Property Assessment, indicate that the Property meets applicable standards for future construction and excavation workers relative to the soil direct contact pathway, bearing in mind the existence of a RMP which is applicable to three areas on the Property.

1.4. Summary of Institutional and Engineering Controls

Upon completion of all Phase II assessment and remedial activities, the Certified Professional concluded that the Property met VAP applicable standards for a commercial/industrial land use and construction/excavation activities. Several institutional controls were relied upon to eliminate a potential exposure pathway. All these are outlined in a draft environmental covenant (included as part of the VAP NFA Letter Form for the Property, and not included in this O&M Plan), and included:

- ◆ A restriction that the Property will be used for commercial/industrial purposes;
- ◆ A restriction against the extraction of groundwater on-Property for any purpose other than monitoring;
and
- ◆ A future building use restriction in Identified Area 1 and a portion of Identified Area 8.

In addition to the institutional controls discussed above, the Certified Professional relied upon permanent pavement engineering controls in four areas to eliminate the soil direct contact pathway for commercial/industrial land use on the Property. In that all pavement engineering controls were not in place as of the date of the Addendum to the VAP NFA Letter, the temporary interim engineering control (fence) was deployed to restrict access to those areas subject to a permanent pavement engineering control. These temporary interim and permanent engineering controls are the basis for this VAP O&M Plan.

Attachment 1 to this O&M Plan is a map showing the location of institutional and engineering controls (temporary interim and permanent) for the Property. In viewing Attachment 1, it should be borne in mind that the entire Property is subject to the commercial/industrial land use restriction, and the restriction against the extraction of groundwater for any purpose other than monitoring. The future building use restriction applies to the “2.633 Acre Easement” (Identified Area 1) and the “0.519 Acre Easement” (a portion of Identified Area 8). All four “easements” shown are subject to pavement engineering controls, as discussed below. The location of the temporary interim engineering control is also shown on Attachment 1. The RMP is applicable to the “2.633 Acre Easement” (Identified Area 1), the “1.150 Acre Easement” (which includes Identified Area 7), and the “0.519 Acre Easement” (a portion of Identified Area 8).

The temporary interim and permanent pavement engineering controls are summarized below, and described in greater detail in Section 2.0 of this O&M Plan.

◆ *Temporary Interim Engineering Control (Fence)*

In that the permanent pavement engineering controls were not yet in place in a portion of Identified Area 1 and all of Identified Areas 6, 7 and 8 at the time of the Addendum to the NFA Letter, a temporary interim engineering control (a 6-foot high chain link fence) was erected on a portion of the Property to prevent soil direct contact with the COCs listed below for the permanent pavement engineering controls for commercial/industrial workers, trespassers, and other visitors to the Property. The purpose of the temporary interim engineering control is to prevent access to areas of affected soils that exceed VAP applicable standards for the soil direct contact pathway. The area encompassed by the temporary interim engineering control is also subject to the RMP.

◆ *Pavement Engineering Control, Identified Area 1*

A concentration of benzo(a)pyrene (41.0 milligrams per kilogram [mg/kg]) that exceeded the VAP GDCS for commercial/industrial land use (7.7 mg/kg) was detected in a soil sample collected from the 0-2 foot depth interval by PANDEY in 2006. Furthermore, all of Identified Area 1 was historically used in the handling of raw materials containing lead that were used in glass manufacture. Since the area was subject to paving as part of improvements to the former main manufacturing building, the Volunteer opted to consider all of Identified Area 1 subject to a pavement engineering control remedy. The purpose of this engineering control is to prevent direct contact with these soils by commercial/industrial personnel who work at the Property. This area is also subject to an RMP.

◆ *Pavement Engineering Control, Identified Area 2*

Following remedial activities in Identified Area 2, concentrations of arsenic in two of the confirmatory wall samples exceeded the VAP single-chemical GDCS for commercial/industrial land use (82 mg/kg). With one exception, the detected concentrations of arsenic in other confirmatory wall samples from Identified Area 2 were in excess of 50.0 mg/kg, and would therefore result in the Property-wide MCA for soil direct contact in the commercial/industrial point of compliance interval (0-2 feet) to exceed VAP applicable standards. Based upon these findings, the Volunteer opted to rely upon a pavement engineering control to eliminate the commercial/industrial soil direct contact exposure pathway in Identified Area 2. As stated in the VAP Phase II Property Assessment report, an RMP is **not** necessary for this area.

◆ *Pavement Engineering Control, Identified Areas 6 and 7*

Following remedial activities in Identified Areas 6 and 7, a concentration of benzo(a)pyrene (6.2 mg/kg) remained in soil within the 0-2 foot commercial/industrial direct contact interval in Identified Area 6 that, when factored into a Property-wide MCA, would result in an exceedance of VAP applicable standards. Further, following remedial activities in Identified Area 7, a concentration of lead (3700 mg/kg) was detected in one of the confirmatory soil samples collected from a depth of 1.5 feet below ground surface. This concentration exceeds the VAP GDCS for lead for both commercial/industrial land use and construction/excavation activities. As a result, the Volunteer opted to rely upon a pavement engineering control to address commercial/industrial soil direct contact in Identified Areas 6 and 7. In addition, Identified Area 7 would be subject to an RMP, while Identified Area 6 does not require an RMP. However, in that only one legal description was prepared for these two contiguous areas, it is understood that the entire area indicated in the legal description for Identified Areas 6 and 7 is subject to an RMP.

◆ *Pavement Engineering Control, Identified Area 8*

Eight (8) of thirty-four (34) soil samples collected by PANDEY and/or MPI in Identified Area 8 exceeded the VAP GDCS for lead for construction/excavation activities, while three (3) of the samples collected from the 0-2 foot depth interval exceeded the commercial/industrial land use GDCS. Therefore, the Certified Professional concluded that lead concentration within the both the commercial/industrial and construction/excavation activities points of compliance exceeded VAP applicable standards in Identified Area 8. Given these data, the Certified Professional concluded that Identified Area 8 would be subject to a pavement engineering control to prevent soil direct contact with lead within the commercial/industrial point of compliance interval. This area is also subject to an RMP.

◆ *RMP*

Concentrations of lead within the 0-10 foot construction/excavation activities point of compliance exceeded the VAP GDCS of 750 mg/kg in Identified Areas 1, 7 and 8. As stated above, since Identified Areas 6 and 7 are contiguous and were described as one unit for the purposes of a pavement engineering control, Identified Area 6 is also subject to an RMP, although soils within Identified Area 6 were factored into the overall construction/excavation activities MCAs for the Property which met VAP risk requirements. The purpose of the RMP is to provide notification to prospective construction/excavation workers in these two areas of the presence of arsenic concentrations that exceed the VAP GDCS, and to outline precautionary measures that must be undertaken for any construction/excavation activities in these two areas.

2.0 ENGINEERING CONTROLS

As stated above, temporary interim and permanent pavement engineering controls were relied upon in portions of the Property to mitigate commercial/industrial soil direct contact risk. All permanent pavement engineering controls are intended to mitigate risks posed to commercial/industrial workers, visitors or trespassers to the Property. The temporary interim engineering control (a fence) is intended to mitigate risks posed to commercial/industrial workers, visitors or trespassers until such time as the permanent pavement engineering controls are in place for the entire Property. The purpose of the RMP is to mitigate risks posed to future construction or excavation workers.

2.1. Engineering Controls for Commercial/Industrial Workers, Visitors, and Trespassers

Four areas on the Property are subject to engineering controls to prevent exposure to COCs by commercial/industrial workers, visitors, or trespassers to the site. These engineering controls are:

2.1.1 *Temporary Interim Engineering Control, Portion of Identified Area 1 and all of Identified Areas 6, 7 and 8*

A temporary interim engineering control remedy (a 6-foot high chain link fence) has been erected in those portions of the Property where permanent engineering controls were not in place as of the date of the Addendum to NFA Letter. The purpose of this temporary interim engineering control remedy is to prevent soil direct contact by commercial/industrial workers, visitors and trespassers from concentrations of COCs that exceeded VAP GDCS until such time as permanent pavement engineering controls are in place. The location of the temporary interim engineering control remedy relative to the permanent pavement engineering controls not yet installed is included on **Attachment 2**.

2.1.2 *Pavement Engineering Control, Identified Area 1*

The majority of the pavement engineering control in Identified Area 1 has already been deployed. The pavement engineering control in this portion of the Property will be installed north of the former main manufacturing building in Identified Area 1 to prevent commercial/industrial workers, visitors, or trespassers from direct contact exposure to soil within the identified area. The plat and legal description of the pavement engineering control in Identified Area 1 prepared by a Professional Surveyor licensed in the State of Ohio (and referred to by the surveyor as a "pavement easement") is included as **Attachment 3**.

The pavement in this area will consist of 6-inch thick concrete. The concrete will be new, and will be installed by June 1, 2010. In that it will be new concrete, there will be no significant cracks, man-ways, or other access points through the pavement that would provide an exposure point through the pavement to the underlying soil. As a result, the pavement in this area is a reliable means to prevent exposure to underlying soils by commercial/industrial workers, visitors, and trespassers to the Property. The pavement engineering control shall be maintained such that a minimum of 4 inches of concrete remains in the area described in Attachment 3 until such time as the termination criteria relative to this engineering control have been achieved.

2.1.3 Pavement Engineering Control, Identified Area 2

This pavement engineering control is already in place, and was installed inside the former main manufacturing building in Identified Area 2 to prevent commercial/industrial workers, visitors, or trespassers from direct contact exposure to soil within the identified area. The plat and legal description of the pavement engineering control in Identified Area 2 prepared by a Professional Surveyor licensed in the State of Ohio (and referred to by the surveyor as a “pavement easement”) is included as **Attachment 4**.

The pavement in this area consists of 6-inch thick concrete. The concrete is new, and there are no significant cracks, man-ways, or other access points through the pavement that provide an exposure point through the pavement to the underlying soil. As a result, the pavement in this area is a reliable means to prevent exposure to underlying soils by commercial/industrial workers, visitors, and trespassers to the Property. The pavement engineering control shall be maintained such that a minimum of 4 inches of concrete remains in the area described in Attachment 4 until such time as the termination criteria relative to this engineering control have been achieved.

2.1.4 Pavement Engineering Control, Identified Areas 6 and 7

A pavement engineering control will be installed east of the former main manufacturing building in Identified Areas 6 and 7 to prevent commercial/industrial workers, visitors, or trespassers from direct contact exposure to soil within the identified area. The plat and legal description of the pavement engineering control in Identified Areas 6 and 7 prepared by a Professional Surveyor licensed in the State of Ohio (and referred to by the surveyor as a “pavement easement”) is included as **Attachment 5**.

The pavement in this area will consist of 3-inch thick asphalt or 6-inches of concrete in certain areas. The majority of the pavement in this area is existing, and is typical of industrial sites. However, there are no cracks or gouges in existing pavements that would result in a breach of the pavement engineering control (defined in Section 3.2 as cracks greater than ½ inch in width or which fully penetrate the pavement control, fissures, or depressions in the cover), assuming a commercial/industrial land use. Any new pavement in this area will consist of asphalt (3-inches thick), and will not have significant cracks, man-ways, or other access points through the pavement that would provide an exposure point through the pavement to the underlying soil. As a result, the pavement engineering control in this area will be a reliable means to prevent exposure to underlying soils by commercial/industrial workers, visitors, and trespassers to the Property. The pavement engineering control shall be maintained such that a minimum of 3 inches of hard surface pavement (asphalt or concrete) remains in the area described in Attachment 5 until such time as the termination criteria relative to this engineering control have been achieved.

2.1.5 Pavement Engineering Control, Identified Area 8

A pavement engineering control will be installed northeast of the former main manufacturing building in Identified Area 8 to prevent commercial/industrial workers, visitors, or trespassers from direct contact exposure to soils within the identified area. The plat and legal description of the pavement engineering control in Identified Area 8 prepared by a Professional Surveyor licensed in the State of Ohio (and referred to by the surveyor as a “pavement easement”) is included as **Attachment 6**.

The pavement in this area will consist of 3-inch thick asphalt or 6-inches of concrete in certain areas. Some of the pavement in this area is existing, and consists of concrete typical of industrial sites. However, there are no cracks or gouges in existing pavements that would result in a breach of the pavement engineering control (defined in Section 3.2 as cracks greater than ½ inch in width or which fully penetrate the pavement control, fissures, or depressions in the cover), assuming a commercial/industrial land use. Any new pavement in this area will consist of asphalt (3-inches thick), and will not have significant cracks, man-ways, or other access points through the pavement that would provide an exposure point through the pavement to the underlying soil. As a result, the pavement engineering control in this area will be a reliable means to prevent exposure to underlying soils by commercial/industrial workers, visitors, and trespassers to the Property. The pavement engineering control shall be maintained such that a minimum of 3 inches of hard surface pavement (asphalt or concrete) remains in the area described in Attachment 6 until such time as the termination criteria relative to this engineering control have been achieved.

2.2. RMP for Future Construction and Excavation Workers

The RMP identifies risk mitigation measures to be administered by the Volunteer and implemented in order for the Property to remain in compliance with VAP applicable standards for construction and excavation activities.

The RMP is necessary in that three areas on the Property (Identified Area 1 – refer to Attachment 3; Identified Areas 6 and 7 – refer to Attachment 5; and Identified Area 8 – refer to Attachment 6) contained concentrations of lead in soil within the construction/excavation activities soil direct contact point of compliance that exceeded VAP applicable standards. Plats and legal descriptions for the three areas subject to an RMP were introduced in earlier sections, and are included in Attachments 3, 5 and 6, respectively.

The RMP itself is included in **Attachment 7**. The RMP contains sections that outline:

- ◆ The purpose of the RMP
- ◆ COCs at the Property and in the areas subject to the RMP
- ◆ The primary routes of exposure to COCs (in this case, lead)
- ◆ A description of the precautionary measures to prevent exposure
- ◆ Actions to be taken in the event that significant exposure occurs
- ◆ The methods for handling soils during excavation activities (including pavement restoration all areas)
- ◆ Notification procedures to construction/excavation workers
- ◆ Responsibilities for administering and implementing the RMP
- ◆ Notification requirements of the Volunteer to the Ohio EPA
- ◆ Termination criteria for the RMP

Included as attachments to the RMP are the same plats and legal descriptions in Attachments 3, 5 and 6 in this O&M Plan, to describe the locations on the Property subject to the RMP.

3.0 NORMAL OPERATION AND MAINTENANCE OF ENGINEERING CONTROLS

The Property is considered to satisfy applicable standards when the pavement engineering controls described in Section 2.0 are not breached. The following sections prescribe the inspection, reporting, and response procedures necessary to ensure that temporary interim and permanent pavement engineering controls employed at the Property are adequate to maintain compliance with applicable standards.

The RMP is not subject to inspection, and is not discussed below. Rather, the RMP is subject to administration (notification and reporting) and enforcement (evaluating compliance with the provisions of the RMP by construction/excavation workers) by the Volunteer.

3.1. Schedule of Inspection Events

Scheduled inspections of the temporary interim engineering control will occur monthly. The scheduled inspections shall commence 30 days after the execution of the O&M Agreement, and continue on a monthly basis until such time as the temporary interim engineering control is no longer necessary (i.e., the permanent pavement engineering controls are in place). Unscheduled periodic inspections may be conducted at any time, but are required to be conducted when the Volunteer (or subsequent owner of the Property) or his designated representative knows, or has reason to know, or a breach in the temporary interim engineering control relied upon at the Property. Periodic inspections may vary in thoroughness from partial to complete inspection. Scheduled and unscheduled periodic inspection events shall be conducted in accordance with the procedures described in Sections 3.2 and 3.3 of this O&M Plan.

Scheduled inspections of the pavement engineering controls shall occur semi-annually. The scheduled inspections shall occur in the spring (April or May) and autumn (October or November) of each calendar year. Scheduled inspections of the pavement engineering controls shall not be conducted when snow cover, vehicles, or materials are stockpiled in a manner that could interfere with identification of breaches in the pavement engineering control.

Unscheduled periodic inspections may be conducted at any time, but are required to be conducted when the Volunteer (or subsequent owner of the Property) or his designated representative knows, or has reason to know, of a breach of any pavement engineering control relied upon at the Property. Periodic inspections may vary in thoroughness from partial to complete inspection. Scheduled and unscheduled periodic inspection

events shall be conducted in accordance with the procedures described in Sections 3.2 and 3.3 of this O&M Plan.

3.2. Inspection of Engineering Controls

Physical inspection of the interim temporary engineering control is necessary to ensure that the fence is meeting its stated purpose. The purpose of the physical inspections is to note the presence of any areas of damage or breaches that would compromise the integrity of the fence to prevent access to the area by commercial/industrial workers, visitors, and trespassers. A breach would be a missing or unsecured fence section, broken mesh, gaps, or other holes in the fence that would permit access to the area without physically scaling the fence.

Similarly, visual inspections at the Property are necessary to ensure that the pavement engineering controls meet their stated purpose. The purpose of the visual inspections is to note the presence of any areas of damage and/or breaches that may compromise the integrity of a pavement engineering control at the Property.

The areas to be inspected during all scheduled (monthly and semi-annual) inspections shall include the temporary interim and permanent pavement engineering controls shown or legally described in Attachments 2 through 6. Breaches of the pavement engineering control include, but are not limited to, any indication of disintegration, deterioration, or degradation which compromises the structural integrity of the cover (e.g., cracks greater than ½ inch in width or which fully penetrate the pavement control, fissures, or depressions in the cover).

3.3. Inspection Responses

3.3.1 Scheduled Inspections

During scheduled inspections conducted in accordance with Sections 3.1 and 3.2, any and all breaches in the temporary interim or pavement engineering controls (a “breach” is defined in Section 3.2) shall be detailed on Form 1 (**Attachment 8**). Each scheduled inspection shall include the day and time of the inspection, the area inspected, and the person performing the inspection.

3.3.2 *Periodic Unscheduled Inspections*

Periodic unscheduled inspections which reveal a breach of a temporary interim or permanent pavement engineering control or violation of an institutional control may also be documented on a completed Form 1, depending upon the thoroughness of the unscheduled inspection conducted. As with scheduled inspection reports, the Volunteer (or Property owner, if the Property is transferred) shall submit these on an annual basis to the Director of the Ohio EPA, and retain copies of these inspection records for a period of five (5) years.

3.3.3 *Response Actions*

If, during any inspection (scheduled or unscheduled), a breach is identified, the breach area shall be physically marked (e.g., circled with spray paint and/or barricaded) and shall remain marked until such time as the necessary repairs are made in accordance with Section 4.0 of this O&M Plan.

3.4 Reporting and Records Retention

The Volunteer (or Property owner, if the Property is transferred) shall maintain completed originals of Form 1, and submit these on an annual basis to the Director of the Ohio EPA or his designated representative along with a compilation of the Monthly Operating Report information submitted to the Ohio EPA, Division of Surface Water for NPDES Permit No. 4IN00032*ND. The Volunteer (or Property owner) shall retain copies of inspection records for a period of five (5) years.

4.0 REPAIR OF ENGINEERING CONTROLS

This section describes the requirements for (1) the repair of a temporary interim engineering control undertaken in response to the requirements of Section 3.3.3 of this O&M Plan, (2) the repair of any pavement engineering control undertaken in response to the requirements of Section 3.3.3 of this O&M Plan; and (3) the restoration of any engineering control when the engineering control is purposefully compromised by construction activities.

4.1. Repairs Required by Inspection

Any breach and/or damage to a temporary interim engineering control remedy shall be repaired promptly, but no later than fifteen (15) days from the discovery of the breach. Appropriate methods of repair include all methods which restore the ability of the temporary interim engineering control to fulfill the objectives described in Section 2.0 of this O&M Plan. Appropriate methods of repair include, but are not limited to, replacement of damaged fence sections, re-wiring/re-securing fence sections to each other, or any other means by which any breached pavement engineering control is restored to meet the criteria in Section 2.0 of this O&M Plan to prevent access by commercial/industrial workers to the area indicated on Attachment 2.

Any breach or damage to a permanent pavement engineering control shall be repaired promptly, but no later than 60 days from discovery of the breach. The timing of repairs may be subject to favorable weather and/or construction conditions. Appropriate methods of repair include all methods which restore the ability of any pavement engineering control. Appropriate methods of repair include, but are not limited to, patching or replacement of the pavement engineering control,. Replacement of a pavement engineering control with an alternative engineering control not consistent with the legally described boundaries is prohibited, unless this O&M Plan is modified.

The Volunteer (or the Property owner, if the Property is transferred) shall identify (on Form 1 in the case of a scheduled or unscheduled inspection) the date of completion of each repair and, if not repaired as of the date of Form 1 completion (in the case of a scheduled, semi-annual inspection), an estimated date of completion.

All measures taken and work performed during repair of those pavement engineering controls described in Sections 2.1.1, 2.1.3 and 2.1.4 shall comply with the requirements of the RMP in Attachment 6.

4.2. Protection of On-Site Workers, Visitors and Trespassers to the Site During Repair Activities

During any repair to a breach in a permanent pavement engineering control that will require 30 or more days to effect, the Volunteer (or Property owner, if the Property is transferred) or its designated representative shall ensure that workers, visitors, and trespassers at the Property are not exposed to soils which, either individually or in combination, exceed VAP commercial/industrial GDCS or otherwise exceed an applicable standard. Such precautions may include fencing, security guards, and other precautions necessary to effectively and reliably limit exposure in the same manner provided by the engineering control. The Volunteer or Property owner must document the interim steps taken on Form 1.

4.3. Post-Repair Inspection

All repairs to a temporary interim engineering control in accordance with Section 4.1 shall be inspected within fifteen (15) days of the discovery of the breach to ensure that the temporary interim engineering controls employed at the Property have been restored to meet the requirements of Section 2.0 of this O&M Plan. Similarly, all repairs to a pavement engineering control in accordance with Sections 4.1 and 4.2 shall be inspected within 30 days after completion of the repair event, to ensure that all pavement engineering controls employed at the Property have been restored to meet the requirements of Section 2.0 of this O&M Plan. A report of all post repair inspection results shall be attached to the completed Form 1. At a minimum, documentation must include:

- A. Identification of the repair event;
- B. Beginning and ending dates of the event (for a repair, the date of the inspection which identified the breach, and date of the repair); and
- C. A summary of the repair activities.

4.4. Reporting and Records Retention

The Volunteer (or Property owner, if the Property is transferred) shall maintain completed originals of Form 1 documenting any repairs undertaken during the year (and post-repair inspection reports), and submit these on an annual basis to the Director of the Ohio EPA or his designated representative. The Volunteer (or Property owner) shall retain copies of repair (and post-repair inspection) records for a period of five (5) years.

4.5 Records Destruction

Prior to the destruction of any inspection documents, the Volunteer (or Property owner, if the Property is transferred) shall notify the Director of the Ohio EPA by Certified Mail of its intent to destroy the documents. The Property owner shall provide Ohio EPA a time period of 90 days during which the Ohio EPA may notify the Volunteer or Property owner by Certified Mail of its intent to obtain and retain such documents. If the Ohio EPA notifies the Volunteer or Property owner of its intent to obtain and retain the documents, the Ohio EPA shall arrange for the transfer of such documents from the Volunteer or Property owner within a time period not to exceed 90 days from the date of receipt of the notice from the Volunteer or Property owner.

5.0 TERMINATION CRITERIA

5.1 Temporary Interim Engineering Controls

The termination criteria for a temporary interim engineering controls on the Property are as follow:

- ◆ Placement of the permanent engineering controls in the legally described areas outlined in this O&M Plan.
- ◆ A change in the point of compliance such that the placement of a permanent pavement engineering control is no longer required to satisfy commercial/industrial land use applicable standards for soil direct contact. Ohio EPA concurrence with the revised point of compliance would be required prior to termination of any of the provisions outlined in this O&M Plan.
- ◆ Removal from the Property or the point of compliance of those soils that currently exceed the VAP GDCS for benzo(a)pyrene or lead for commercial/industrial land use. For this termination criterion to be satisfied, the Volunteer (or Property owner if the Property is transferred) must: 1) document the removal of all soils necessary for the site to meet applicable standards absent the engineering control; 2) document the proper removal and disposal of the soils from the Property and/or point of compliance; and 3) demonstrate (through submittal of a revised cumulative MCA for commercial/industrial land use) that the Property meets commercial/industrial VAP applicable standards. Ohio EPA concurrence with the appropriate removal from the Property or the point of compliance of the soils currently proposed for placement beneath a permanent pavement engineering control would be required prior to termination of any of the provisions outlined in this O&M Plan.
- ◆ Another termination criterion mutually agreed upon by the Volunteer (or the Property owner, if the Property is transferred) and the Ohio EPA, as outlined in the O&M Agreement.

5.2 Pavement Engineering Control(s)

The termination criteria for any pavement engineering control on the Property are as follow:

- ◆ A change in the point of compliance (e.g., the addition of fill) in the area of a pavement engineering control such that the pavement engineering control is no longer required to satisfy commercial/industrial land use applicable standards for soil direct contact. Ohio EPA concurrence with the revised point of compliance would be required prior to termination of any of the provisions outlined in this O&M Plan.
- ◆ Removal from the Property or the point of compliance of those soils that currently exceed the VAP GDCS for benzo(a)pyrene, arsenic or lead for commercial/industrial land use. For this termination criterion to be satisfied, the Volunteer (or Property owner if the Property is transferred) must: 1) document the removal of all soils necessary for the site to meet applicable standards absent the engineering control; 2) document the proper removal and disposal of the soils from the Property and/or point of compliance; and 3) demonstrate (through submittal of a revised cumulative MCA for commercial/industrial land use) that the Property meets commercial/industrial VAP applicable standards. Ohio EPA concurrence with the appropriate removal from the Property or the point of compliance of the soils currently beneath the pavement engineering control would be required prior to termination of any of the provisions outlined in this O&M Plan.
- ◆ Another termination criterion mutually agreed upon by the Volunteer (or the Property owner, if the Property is transferred) and the Ohio EPA, as outlined in the O&M Agreement.

Until such time as one of these termination criteria are satisfied and written concurrence received from the Ohio EPA, the terms of this O&M Plan will remain in full force and effect relative to the pavement engineering controls.

5.3 RMP

The termination criteria for the RMP on the Property are as follow:

- ◆ Removal from the Property or the point of compliance of those soils that currently exceed the VAP GDCS for lead for construction/excavation activities. For this termination criterion to be satisfied, the Volunteer (or Property owner if the Property is transferred) must: 1) document the removal of all soils necessary for the site to meet applicable standards absent the RMP; 2) document the proper removal and disposal of the soils from the Property and/or construction/excavation activities point of compliance; and 3) demonstrate (through submittal of a revised MCA for soil direct contact for construction/excavation activities) that the Property meets construction/excavation activity VAP applicable standards. Ohio EPA concurrence with the appropriate removal from the Property or construction/excavation activities point of compliance of soils that result in the need for an RMP would be required prior to termination of any of the provisions outlined in this O&M Plan.
- ◆ Another termination criterion mutually agreed upon by the Volunteer (or the Property owner, if the Property is transferred) and the Ohio EPA, as outlined in the O&M Agreement.

Until such time as one of these termination criterion is satisfied and written concurrence received from the Ohio EPA, the terms of the executed O&M Agreement will remain in full force and effect relative to the RMP.

5.4 Reporting Requirements Regarding NPDES Permit Information

The termination criteria for annual reporting of a summary of the information contained in the Monthly Operating Reports for NPDES Permit No. 4IN00032*ND shall be the termination of the NPDES Permit.

Until such time as one of this termination criterion is satisfied and written concurrence received from the Ohio EPA, the terms of the executed O&M Agreement will remain in full force and effect relative to compliance with the reporting requirements.

6.0 O&M AGREEMENT

As stated above, the provisions of this O&M Plan will be subject to the terms of a separate O&M Agreement between the Volunteer and the Ohio EPA. A draft O&M Agreement is included in **Attachment 9**. The language and provisions of the final O&M Agreement will be negotiated between the Volunteer and the Ohio EPA upon determination by the agency that the Property, in fact, meets applicable standards under the VAP, and that the pavement engineering controls outlined in this Plan (and the RMP attached to this O&M Plan) are appropriate for the continued satisfaction of VAP applicable standards.

7.0 COMPLIANCE WITH OAC 3745-300-11(D)(1)(d)

OAC 3745-300-11(D)(1)(d) indicates that if a Volunteer invokes a 2-foot point of compliance for commercial/industrial activities, an elevation survey map of the Property be prepared and submitted as part of the VAP No Further Action (NFA) Letter. Since the invocation of a 2-foot point of compliance is considered an “institutional control” under the VAP, this elevation survey map is included as an attachment to the VAP O&M Plan. This survey map of the Property at a contour interval of 2-feet is included as **Attachment 10**.

ATTACHMENT 1
PROPERTY MAP SHOWING LOCATION OF INSTITUTIONAL AND ENGINEERING
CONTROLS



Evans, Mechwart, Hombelien & Tilton, Inc.
 Engineers • Surveyors • Planners • Scientists
 5502 New Albany Road, Columbus, OH 43204
 Phone: 614.778.4500 Fax: 688.772.2448
 emht.com

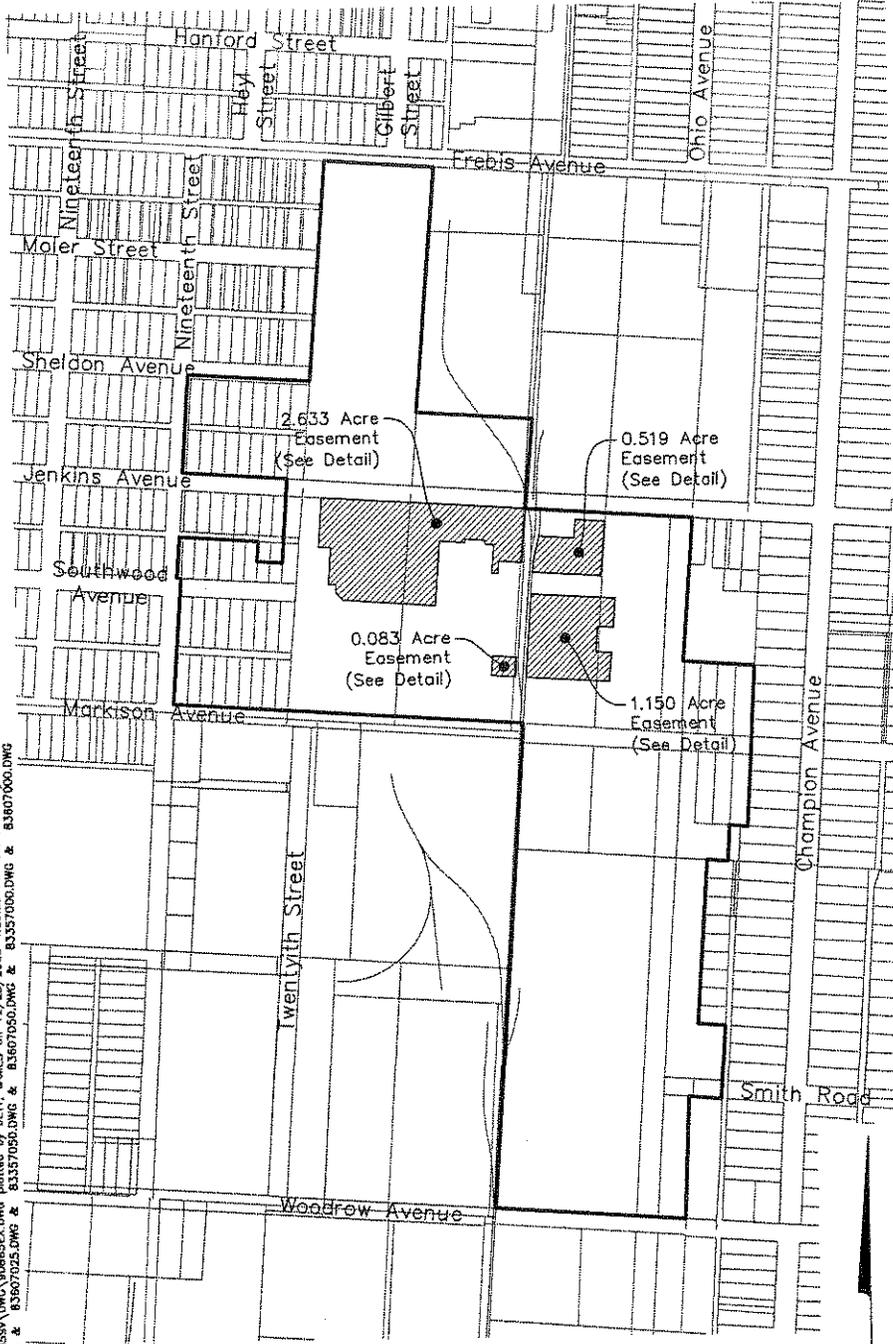
EXHIBIT PAVEMENT EASEMENT

CITY OF COLUMBUS, COUNTY OF FRANKLIN, STATE OF OHIO

Date: August 27, 2009

Job No. 2009-0865

Scale: 1" = 400'



J:\2009\0865\086555\086555.dwg created by JETT, JAMES on 12/23/2009 4:25:35 PM last saved by MANNING on 8/28/2009 6:57:10 AM
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GRAPHIC SCALE (in feet)

ATTACHMENT 2

MAP SHOWING LOCATION of TEMPORARY INTERIM ENGINEERING CONTROL

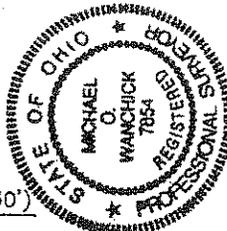
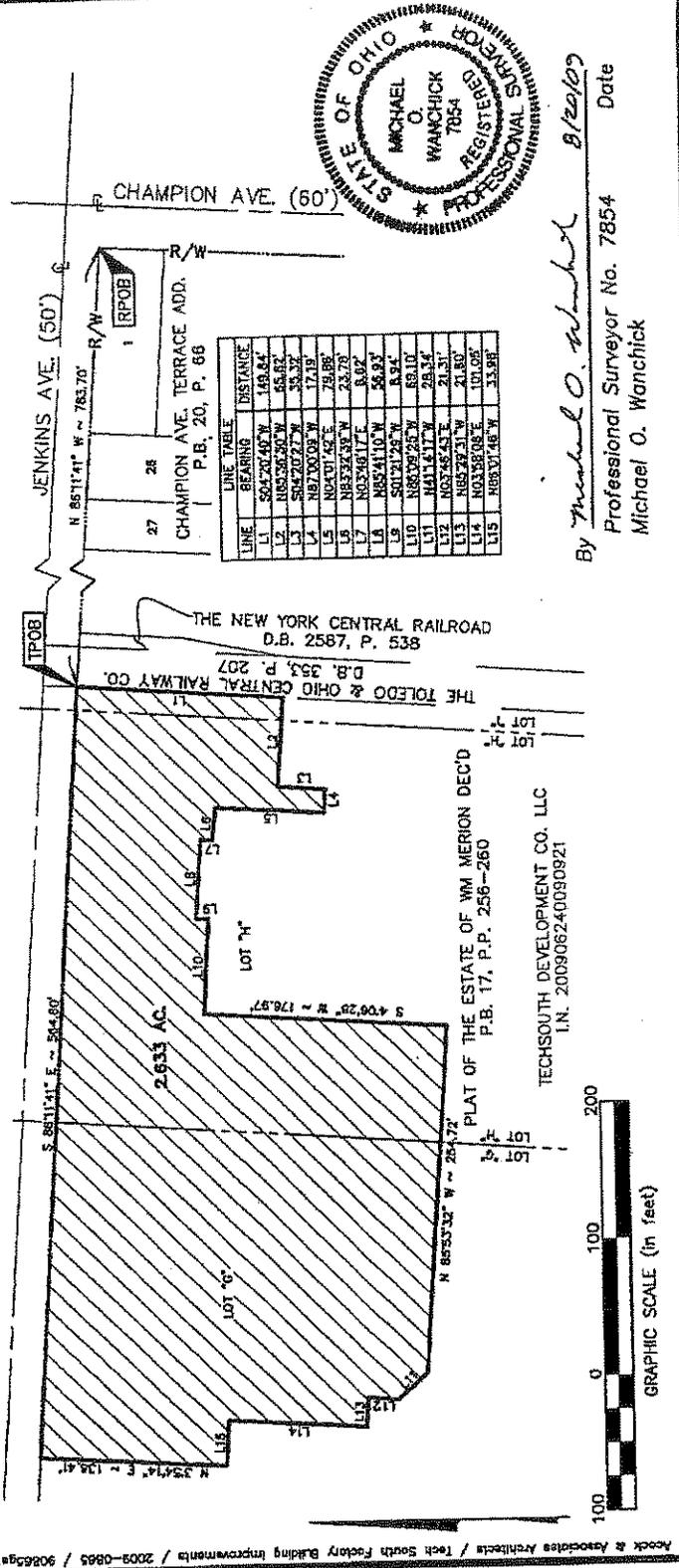
ATTACHMENT 3
PLAT AND LEGAL DESCRIPTION FOR PAVEMENT ENGINEERING CONTROL,
IDENTIFIED AREA 1

Date: August 19, 2009
 Job No. 2009-0865
 Scale: 1" = 100'

PAVEMENT EASEMENT

LOTS G, H & I
 PLAT OF THE ESTATE OF WM MERION DEC'D. (P.B. 17, P.P. 256-260)
 CITY OF COLUMBUS, COUNTY OF FRANKLIN, STATE OF OHIO

EMHT
 Evans, Mechwart, Hornbush & Tibon, Inc.
 Engineers • Surveyors • Planners • Scientists
 5500 New Albany Road, Columbus, OH 43246
 Phone: 614.775.4590 Fax: 614.775.3466
 emht.com



By *Michael O. Wanchick* 8/19/09 Date
 Professional Surveyor No. 7854
 Michael O. Wanchick

Accock & Associates Architects / Tech South Factory Building Improvements / 2009-0865 / 90865g

PAVEMENT EASEMENT
2.633 ACRES

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots G, H and I of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North 86° 11' 41" West, with the southerly right-of-way line of Jenkins Ave, a distance of 783.70 feet, to a point on an easterly line of said Techsouth Development Co. LLC tract and on the westerly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, P. 207, the TRUE POINT OF BEGINNING;

Thence South 04° 20' 40" West, with an easterly line of said Techsouth Development Co. LLC tract and with the westerly line of The Toledo & Ohio Central Railway Co. tract and across said Lot I, a distance of 149.84 feet to a point;

Thence across said Techsouth Development Co. LLC tract and said Lots G, H, and I, the following courses and distances:

North 85° 36' 30" West, a distance of 65.82 feet to a point;

South 04° 20' 27" West, a distance of 35.32 feet to a point;

North 87° 00' 09" West, a distance of 17.19 feet to a point;

North 04° 01' 42" East, a distance of 79.86 feet to a point;

North 83° 32' 39" West, a distance of 23.78 feet to a point;

North 03° 48' 17" East, a distance of 8.62 feet to a point;

North 85° 41' 10" West, a distance of 56.93 feet to a point;

South 01° 21' 29" West, a distance of 8.94 feet to a point;

North 86° 09' 25" West, a distance of 69.10 feet to a point;

South 04° 06' 28" West, a distance of 176.97 feet to a point;

North 85° 53' 32" West, a distance of 254.72 feet to a point;

North 41° 14' 17" West, a distance of 28.34 feet to a point;

North 03° 46' 43" East, a distance of 21.31 feet to a point;

North 85° 29' 31" West, a distance of 21.60 feet to a point;

North 03° 58' 08" East, a distance of 101.05 feet to a point;

North 86° 01' 46" West, a distance of 33.98 feet to a point;

North 03° 54' 14" East, a distance of 136.41 feet to a point on the southerly right-of-way line of said Jenkins Ave;

South 86° 11' 41" East, with the southerly right-of-way line of Jenkins Ave., a distance of 564.60 feet to the TRUE POINT OF BEGINNING and containing 2.633 acres, more or less.



EVANS, MECHEWART, HAMBLETON, & TILTON, INC.

Michael O. Wanchick 8/20/09

Michael O. Wanchick
Professional Surveyor No. 7854

Date

ATTACHMENT 4
PLAT AND LEGAL DESCRIPTION FOR PAVEMENT ENGINEERING CONTROL,
IDENTIFIED AREA 2

PAVEMENT EASEMENT
0.083 ACRE

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots H and I of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North 86° 11' 41" West, with the southerly right-of-way line of Jenkins Ave, a distance of 783.70 feet, to a point on an easterly line of said Techsouth Development Co. LLC tract and on the westerly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, P. 207;

Thence South 04° 20' 40" West, with an easterly line of said Techsouth Development Co. LLC tract and with the westerly line of The Toledo & Ohio Central Railway Co. tract, across said Lot I, a distance of 411.41 feet, to the TRUE POINT OF BEGINNING;

Thence continuing South 04° 20' 40" West, with an easterly line of said Techsouth Development Co. LLC tract and with the westerly line of The Toledo & Ohio Central Railway Co. tract, across said Lot I, a distance of 54.00 feet, to a point;

Thence across said Techsouth Development Co. LLC tract and across said Lots I and H, the following courses and distances:

North 85° 39' 20" West, a distance of 67.00 feet, to a point;

North 04° 20' 40" East, a distance of 54.00 feet, to a point;

South 85° 39' 20" East, a distance of 67.00 feet, to the TRUE POINT OF BEGINNING, and containing 0.083 acre more or less.



WANS, MECHWART, HAMBLETON, & TILTON, INC.

Michael O. Wanchick
Professional Surveyor No. 7854

12/16/09

Date

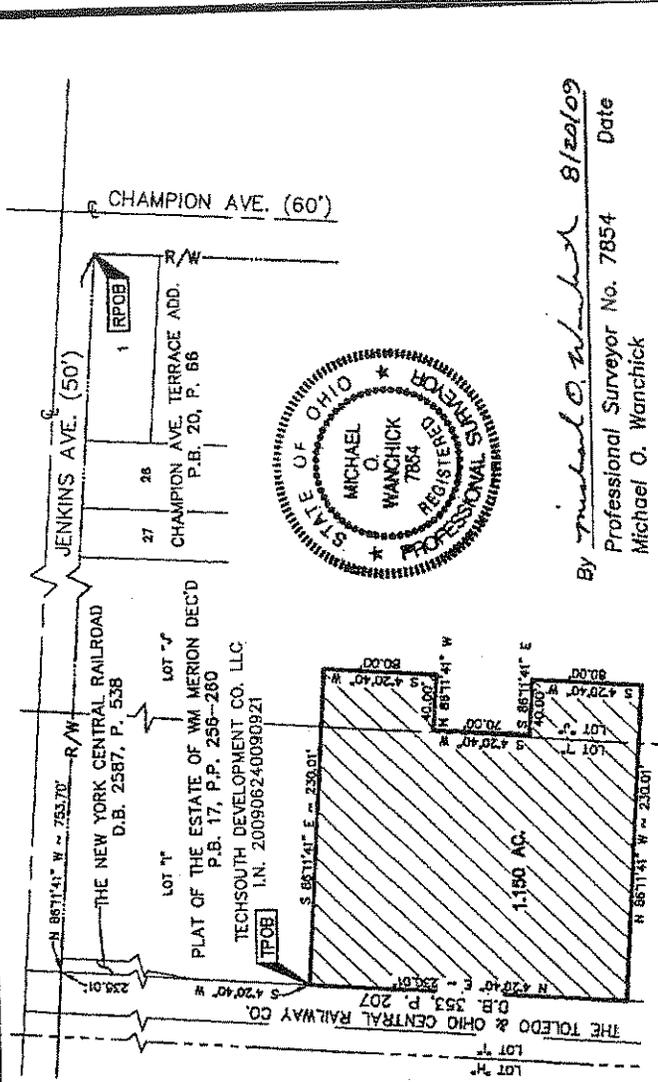
ATTACHMENT 5
PLAT AND LEGAL DESCRIPTION FOR PAVEMENT ENGINEERING CONTROL,
IDENTIFIED AREAS 6 and 7

Date: August 20, 2009
 Job No. 2009-0865
 Scale: 1" = 100'

PAVEMENT EASEMENT

LOTS I & J
 PLAT OF THE ESTATE OF WM MERION DEC'D. (P.B. 17, P.P. 256-260)
 CITY OF COLUMBUS, COUNTY OF FRANKLIN, STATE OF OHIO

EMHT
 Experts, Mechanical, Hamilton & Blon, Inc.
 Engineers • Surveyors • Planners • Scientists
 5503 New Albany Road, Columbus, OH 43054
 Phone: 614.775.4500 Fax: 614.775.3448
 emht.com



By *Michael O. Wanchick* 8/20/09
 Professional Surveyor No. 7854 Date
 Michael O. Wanchick

PAVEMENT EASEMENT
1.150 ACRES

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots I and J of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North 86° 11' 41" West, with the southerly right-of-way line of Jenkins Ave, a distance of 753.70 feet, to a point at the northwesterly corner of the tract conveyed to The New York Central Railroad of record in Deed Book 2587, P. 538 and on the easterly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, P. 207;

Thence South 04° 20' 40" West, with the westerly line of The New York Central Railroad tract, with the easterly line of The Toledo & Ohio Central Railway Co. tract, and a westerly line of said Techsouth Development Co. LLC tract, across said Lot I, a distance of 235.01 feet, to the TRUE POINT OF BEGINNING;

Thence across said Techsouth Development Co. LLC tract and said lots I and J, the following courses and distances:

South 86° 11' 41" East, a distance of 230.01 feet to a point;

South 04° 20' 40" West, a distance of 80.00 feet to a point;

North 86° 11' 41" West, a distance of 40.00 feet to a point;

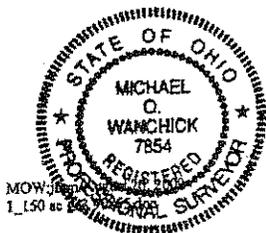
South 04° 20' 40" West, a distance of 70.00 feet to a point;

South 86° 11' 41" East, a distance of 40.00 feet to a point;

South 04° 20' 40" West, a distance of 80.00 feet to a point;

North 86° 11' 41" West, a distance of 230.01 feet to a point on a westerly line of said Techsouth Development Co. LLC tract and on the easterly line of The Toledo & Ohio Central Railway Co. tract;

Thence North 04° 20' 40" East, with a westerly line of said Techsouth Development Co. LLC tract and with the easterly line of The Toledo & Ohio Central Railway Co. tract a distance of 230.01 feet to the TRUE POINT OF BEGINNING and containing 1.150 acres, more or less.



EVANS, MECHWART, HAMBLETON, & TILTON, INC.

Michael O. Wanchick 8/20/09
Michael O. Wanchick Date
Professional Surveyor No. 7854

ATTACHMENT 6
PLAT AND LEGAL DESCRIPTION FOR PAVEMENT ENGINEERING CONTROL, PORTION
OF IDENTIFIED AREA 8

PAVEMENT EASEMENT
0.519 ACRES

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots I and J of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North $86^{\circ} 11' 41''$ West, with the southerly right-of-way line of Jenkins Ave, a distance of 743.70 feet, to a point at the northeasterly corner of the tract conveyed to The New York Central Railroad of record in Deed Book 2587, P. 538 and on a westerly line of said Techsouth Development Co, LLC tract;

Thence South $04^{\circ} 20' 40''$ West, with the easterly line of The New York Central Railroad tract, with a westerly line of said Techsouth Development Co, LLC tract, across said Lot I, a distance of 74.86 feet, to the TRUE POINT OF BEGINNING;

Thence across said Techsouth Development Co. LLC tract and said Lots I and J, the following courses and distances:

South $86^{\circ} 11' 41''$ East, a distance of 100.02 feet to a point;

North $04^{\circ} 20' 40''$ East, a distance of 50.00 feet to a point;

South $86^{\circ} 11' 41''$ East, a distance of 80.00 feet to a point;

South $04^{\circ} 20' 40''$ West, a distance of 150.01 feet to a point;

North $86^{\circ} 11' 41''$ West, a distance of 190.01 feet to a point on a westerly line of said Techsouth Development Co. LLC tract and on the easterly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, page 207;

Thence North $04^{\circ} 20' 40''$ East, with a westerly line of said Techsouth Development Co. LLC tract and the easterly line of The Toledo & Ohio Central Railway Co. tract a distance of 24.92 feet to a the southerly corner of The New York Central Railroad tract;

Thence North $11^{\circ} 54' 25''$ East, with a westerly line of said Techsouth Development Co. LLC tract and the easterly line of The New York Central Railroad tract, a distance of 75.84 feet to the TRUE POINT OF BEGINNING and containing 0.519 acre, more or less.

EVANS, MECHWART, HAMBLETON, & TILTON, INC.



Michael O. Wanchick
Michael O. Wanchick
Professional Surveyor No. 7854

8/20/09

Date

ATTACHMENT 7
RISK MITIGATION PLAN

**RISK MITIGATION PLAN:
PRECAUTIONS FOR AVOIDING POTENTIAL HEALTH RISKS
DURING CONSTRUCTION AND EXCAVATION ACTIVITIES**

**Former Technglas, Inc. Property
727 East Jenkins Avenue
Columbus, Franklin County, Ohio**

August 2009

1.0 PURPOSE OF RISK MITIGATION PLAN

The purpose of this Risk Management Plan (RMP) is to identify risk mitigation measures to be implemented on portions of the former Technglas, Inc. property located at 727 East Jenkins Avenue, Columbus, Franklin County, Ohio ("the Property"). The RMP is intended to address continued compliance with construction/excavation activities applicable standards under the Ohio Environmental Protection Agency's (EPA's) Voluntary Action Program (VAP).

Implementation of this RMP in the affected portions of the Property will provide protection of construction and/or excavation workers from chemicals of concern in soils at the Property. This RMP outlines activities to be implemented to maintain construction/excavation risk mitigation measures and reporting requirements to the Ohio EPA.

The RMP is considered an institutional control at the Property under the VAP. The Volunteer (or subsequent owner if the Property is transferred) has the responsibility to implement the RMP in the event of construction/excavation activities in the affected portions of the Property, in accordance with an Operations & Maintenance (O&M) Agreement entered into by and between the Volunteer and the Ohio EPA. All workers that engage in construction and/or excavation activities in affected portions of the Property are required to adhere to the provisions of this RMP.

2.0 CHEMICALS OF CONCERN AT THE PROPERTY

The Property consists of eight (8) parcels and a portion of a ninth parcel comprising 46.371 acres of land within an area of mixed residential and industrial land use. The Property, which is irregular in shape, is bordered to the north by Frebis Avenue and to the south by Woodrow Avenue. A portion of the Property extends west to Nineteenth Street, while the eastern portions of the Property adjoin the rear lot lines or an alley of residential lots that front Champion Avenue. The Property is developed with several commercial/industrial and ancillary buildings and concrete and asphalt surfaces.

Initial development of the Property occurred between 1900 and 1922 as the Property was occupied by several glass companies for the manufacture of glass bottles and glass block until approximately 1949. In 1953 the Kimble Glass Company acquired the Property. The Kimble Glass Company is best known for the manufacture of pharmaceutical drug vials; however, with the advent of the television in the early 1950s, the Property was used to manufacture television picture tube assemblies during the early to mid 1950s. The manufacture of television picture tube assemblies continued at the Property under several different entities – the most recent being Technglas, Inc. – until August 2004.

VAP Phase II Property Assessment activities conducted at the Property identified a variety of constituents of concern (COCs) in soil and groundwater. Subsequent remedial activities were conducted in locations in which concentrations of chemicals of concern exceeded applicable VAP standards.

Based on these assessment and remedial activities, the Property meets VAP applicable standards for future construction/excavation activities except in certain portions of the Property, referred to as Identified Areas 1, 7 and 8. In these areas, residual concentrations of lead exceeded the VAP Generic Direct Contact Standard (GDCS) for construction/excavation activities (750 milligrams per kilogram, or "mg/kg") within the 0-10 foot point of compliance for these activities. These areas are discussed in greater detail below.

Identified Area 1

Identified Area 1, in its entirety, is subject to an RMP based on concentrations of lead detected in soil that exceeded the VAP GDCS for construction/excavation activities. A legal description and schematic of Identified Area 1 is presented as Exhibit 1. Construction and/or excavation workers in this area may be exposed to concentrations of lead that exceed VAP soil direct contact standards for construction/excavation activities.

Identified Area 7

Identified Area 7, in its entirety, is subject to an RMP based on concentrations of lead detected in confirmatory soil samples collected during remedial activities in this area that exceeded the VAP GDCS for construction/excavation activities. A legal description and schematic of the area subject to the RMP is presented as Exhibit 2. It should be noted that the legally described limits in Exhibit 2 include both Identified Areas 6 and 7. Therefore, while soils within Identified Area 6 met VAP applicable standards for construction/excavation activities, the entire area described in Exhibit 2 is subject to this RMP, until such time as the legal description may be revised to exclude Identified Area 6. Construction and/or excavation workers in this area may be exposed to concentrations of lead that exceed VAP soil direct contact standards for construction/excavation activities.

Identified Area 8

A portion of Identified Area 8 is subject to an RMP based on the concentrations of lead detected during VAP Phase II Property Assessment activities that exceeded the VAP GDCS for construction/excavation activities. A legal description and schematic of that portion of Identified Area 8 subject to the RMP is presented as Exhibit 3. Construction and/or excavation workers in this area may be exposed to concentrations of lead that exceed VAP soil direct contact standards for construction/excavation activities.

3.0 CHEMICAL HAZARDS AND EXPOSURES

The COC in this RMP is lead. The primary routes of exposure to lead are ingestion, inhalation of dust, and dermal contact. Exposures to lead during construction/excavation activities are generally of short duration; however, they are more intense in nature than normal commercial/industrial use of a Property. Exposures to soils containing lead in excess of VAP standards for construction and excavation workers can be effectively controlled and the health hazards minimized through the procedures presented in this RMP.

The potential for lead in soils to impact human health is limited to non-carcinogenic effects. There is no evidence that suggests that lead is a carcinogen. Rather, chronic over-exposure to lead causes impairment of the nervous system, the respiratory system, or reduced kidney or liver function. Workers would be anticipated to be exposed to lead during excavation in the legally described areas from ground surface to the groundwater interface. The VAP "point of compliance" for construction/excavation

activities at the Property is 10 feet below ground surface. The potential exposure pathways to lead in soil for construction/excavation workers consist of the following:

- Inhalation of soil particles containing lead; and
- Oral ingestion of soil containing lead.

The following section lists precautions to prevent exposures when working in the areas legally described in Exhibits 1-3.

4.0 PRECAUTIONS AGAINST EXPOSURES

Controls are in place at the Property to protect against future human contact with chemicals of concern in soil. An environmental covenant will be recorded with the deed for the Property which will restrict the use of the Property to commercial and/or industrial purposes. Identified Areas 1, 7 and 8 are subject to an engineering control (i.e., pavement) which prevents direct contact with soil by commercial and/or industrial workers or visitors to the Property. However, neither the environmental covenant nor the engineering control will prevent direct contact exposures by construction and/or excavation workers.

Construction and/or excavation workers should attempt to limit direct contact exposure to soils or minimize the time after contact that the soil remains on the skin. The potential for increased health risks can be avoided through simple, common-sense precautions. Specific precautions that should be taken during all on-Property construction and/or excavation activities include the following:

1. Wear clothes that limit the skin area available for contact with the soil. Examples of such clothing include gloves, hard hats, long sleeve shirts and long pants.
2. Wash hands frequently and always before eating, smoking, chewing gum or tobacco, or other activities that involve contact between the hands and the mouth. This will prevent the ingestion of soils on the hands through the mouth.
3. Do not apply ointments, cream, make-up or other substances before washing both the area to which the substance is to be applied and, if the substance is to be applied by hand, the hands. The application of such substances can provide a mechanism by which soil can be trapped next to the skin. In addition, do not apply such substances in the general area of where the soil is exposed, especially if there is visible dust as a result of excavation or other activities.
4. Cover cuts, scrapes and other open skin areas.
5. Wash hands and other exposed areas, especially those areas with visible dirt, before leaving the work site for extended time periods. This limits the amount of time that the soil is potentially in contact with the skin, thereby reducing the amount of the chemicals that can be absorbed through the skin.
6. Change work clothes shortly after leaving the Property, especially those work clothes having either visible dirt or made damp through sweat or other liquids. Wash such clothes prior to wearing again. Gloves and other such items that come into direct contact with the soil should also be washed, if possible.
7. Wash hair and other less accessible portions of the body shortly after leaving the work site for the day. Dirt and dust that contain substances such as lead can settle in the hair and spread by

contact between the hands and the hair. Dirt and dust can also infiltrate under and through clothing, especially clothing becoming wet or sweaty.

5.0 ACTIONS TO BE TAKEN IF SIGNIFICANT EXPOSURES OCCUR

If significant exposures to contaminated materials are suspected to have occurred at the Property, the following steps must be implemented:

1. Immediately remove all personnel from the work area, and take steps to remove affected items of clothing and wash affected areas of skin, etc.
2. Restrict access to the contaminated area.
3. Perform sampling and analysis as required to determine levels of personal protective equipment, decontamination of personnel and equipment, training needs, medical surveillance and waste management requirements prior to resuming work at the Property.
4. Provide medical surveillance of personnel as needed.

6.0 HANDLING OF SOILS DURING EXCAVATION

Specific requirements for handling soils removed during excavation activities within Identified Areas 1, 7 and 8 are presented below.

Identified Area 1

Should future excavation activities be conducted within Identified Area 1, excavated soil must be handled accordingly. If excavated soils within Identified Area 1 are anticipated to remain on-site, the excavated soil must be returned to the interval from which it was excavated and the pavement engineering control must be restored. However, if excavated soils are anticipated to be disposed off-site, the excavated soils must be properly characterized and disposed in accordance with applicable laws and regulations. If excavated soils are disposed off-site, the excavation must be backfilled with clean fill material.

Identified Area 7

Should future excavation activities be conducted within Identified Area 7, excavated soil must be handled accordingly. If excavated soils within Identified Area 7 are anticipated to remain on-site, the excavated soil must be returned to the interval from which it was excavated and the pavement engineering control must be restored. However, if excavated soils are anticipated to be disposed off-site, the excavated soils must be properly characterized and disposed in accordance with applicable laws and regulations. If excavated soils are disposed off-site, the excavation must be backfilled with clean fill material.

Identified Area 8

Should future excavation activities be conducted within the portion of Identified Area 8 subject to this RMP and an engineering control, excavated soil must be handled accordingly. If excavated soils within the portion of Identified Area 8 are anticipated to remain on-site, the excavated soil must be returned to the interval from which it was excavated and the pavement engineering control must be restored. However, if excavated soils within the engineering control are anticipated to be disposed off-

site, the excavated soils must be properly characterized and disposed in accordance with applicable laws and regulations. If excavated soils are disposed off-site, the excavation must be backfilled with clean fill material.

7.0 NOTIFICATION TO WORKERS

Should construction and/or excavation activities be conducted within the areas described in Exhibits 1 through 3, the Volunteer (or subsequent Property owner) is responsible for communicating the following information to workers prior to the initiation of construction/excavation activities:

- ◆ Lead is a naturally-occurring heavy metal and is utilized for commercial and industrial purposes.
- ◆ Lead enters the environment in a variety of ways. It is generated from the burning of fossil fuels and mining activities. Lead is used in industrial manufacturing, particularly in the production of batteries, ammunition, brass, glass, pigments, printing and x-ray shields. In addition, lead is found in paints, ceramic and pottery products, caulking and pipe solder. Lead was also utilized as a gasoline additive until being banned in the United States in 1996.
- ◆ The primary routes of human exposure to lead are through ingestion and inhalation.
- ◆ The health effects of lead are generally the same whether it enters the body through ingestion or inhalation. Although lead can affect almost every organ and system in the human body, the main target is the nervous system in adults and children.
- ◆ No conclusive evidence exists indicating that lead causes cancer although lead is considered a probable human carcinogen or reasonably anticipated to be a human carcinogen.
- ◆ Exposure to lead is more dangerous for young children than adults as children are more vulnerable to lead poisoning.
- ◆ The frequency and severity of health effects increases with the concentration of lead in the blood. Symptoms of acute exposure to lead include loss of appetite, nausea, vomiting, stomach cramps, constipation, difficulty sleeping, fatigue, moodiness, headache, joint or muscle aches, anemia and decreased sexual drive.
- ◆ Chronic exposure to lead in adults can result in damage to the blood-forming, nervous, urinary and reproductive systems. The effects of chronic lead exposure may include decreased performance on tests that measure nervous system function, weakness in the fingers, wrists or ankles, increases in blood pressure and anemia. Exposure to high lead levels can severely damage the brain and kidneys in adults or children and ultimately cause death; cause miscarriage in pregnant women; and damage reproductive organs in men.

8.0 IMPLEMENTING THE RISK MITIGATION PLAN

The responsibility for implementing this RMP belongs with the Property owner. The Property owner is responsible for preparation of annual reports to the Ohio EPA and also for notifying the Ohio EPA if the RMP was implemented during the year (e.g., for subsurface excavation or repairs). Notification of RMP implementation must be sent to the following address:

Ohio EPA
Central District Office
50 West Town Street
Suite 700
Columbus, Ohio 43215
Attn: Former Technglas, Inc. Property Coordinator

9.0 NOTIFICATIONS TO THE OHIO EPA

Annual reports will be prepared by the Property owner and submitted to the Director of the Ohio EPA at the Ohio EPA's Central Office in Columbus, Ohio, with a copy transmitted to the Ohio EPA's Central District Office. The annual reports will describe any events that took place during the year which required implementation of specific provisions of this RMP. The report will describe the activities conducted and how the RMP was implemented. Annual reports must be submitted to the Ohio EPA even if this RMP was not implemented. Attachment 8 of the O&M Plan contains the appropriate reporting form.

10.0 TERMINATION OF THE RISK MANAGEMENT PLAN

The Property owner may elect to petition the Director of the Ohio EPA to terminate this RMP. The termination criteria were outlined in the VAP O&M Plan for the Property.

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EXHIBIT 1

LEGAL DESCRIPTION AND SCHEMATIC OF IDENTIFIED AREA 1

PAVEMENT EASEMENT
2.633 ACRES

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots G, H and I of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North 86° 11' 41" West, with the southerly right-of-way line of Jenkins Ave, a distance of 783.70 feet, to a point on an easterly line of said Techsouth Development Co. LLC tract and on the westerly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, P. 207, the TRUE POINT OF BEGINNING;

Thence South 04° 20' 40" West, with an easterly line of said Techsouth Development Co. LLC tract and with the westerly line of The Toledo & Ohio Central Railway Co. tract and across said Lot I, a distance of 149.84 feet to a point;

Thence across said Techsouth Development Co. LLC tract and said Lots G, H, and I, the following courses and distances:

North 85° 36' 30" West, a distance of 65.82 feet to a point;

South 04° 20' 27" West, a distance of 35.32 feet to a point;

North 87° 00' 09" West, a distance of 17.19 feet to a point;

North 04° 01' 42" East, a distance of 79.86 feet to a point;

North 83° 32' 39" West, a distance of 23.78 feet to a point;

North 03° 48' 17" East, a distance of 8.62 feet to a point;

North 85° 41' 10" West, a distance of 56.93 feet to a point;

South 01° 21' 29" West, a distance of 8.94 feet to a point;

North 86° 09' 25" West, a distance of 69.10 feet to a point;

South 04° 06' 28" West, a distance of 176.97 feet to a point;

North 85° 53' 32" West, a distance of 254.72 feet to a point;

North 41° 14' 17" West, a distance of 28.34 feet to a point;

North 03° 46' 43" East, a distance of 21.31 feet to a point;

North 85° 29' 31" West, a distance of 21.60 feet to a point;

North 03° 58' 08" East, a distance of 101.05 feet to a point;

North 86° 01' 46" West, a distance of 33.98 feet to a point;

North 03° 54' 14" East, a distance of 136.41 feet to a point on the southerly right-of-way line of said Jenkins Ave;

South 86° 11' 41" East, with the southerly right-of-way line of Jenkins Ave., a distance of 564.60 feet to the TRUE POINT OF BEGINNING and containing 2.633 acres, more or less.



EVANS, MECHWART, HAMBLETON, & TILTON, INC.

Michael O. Wanchick

8/20/09

Michael O. Wanchick
Professional Surveyor No. 7854

Date

Date: August 19, 2009

Job No. 2009-0865

Scale: 1" = 100'

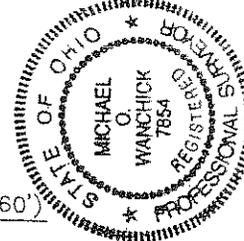
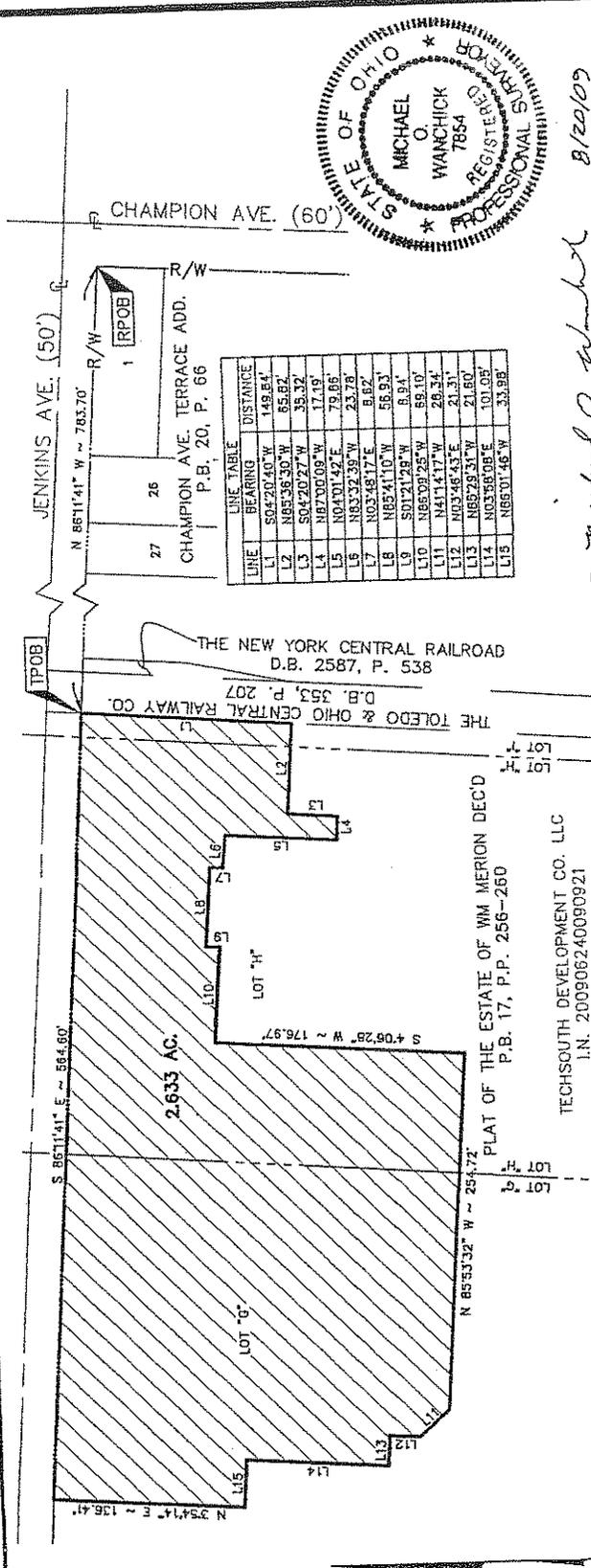
PAVEMENT EASEMENT

LOTS G, H & I

PLAT OF THE ESTATE OF WM MERION DEC'D. (P.B. 17, P.P. 256-260)
CITY OF COLUMBUS, COUNTY OF FRANKLIN, STATE OF OHIO

Evans, Mischewski, Hamilton & Elton, Inc.
Engineers • Surveyors • Planners • Architects
5500 New Albany Road, Columbus, OH 43054
Phone: 614.775.4500 Fax: 614.775.3448
emht.com

Acock & Associates Architects / Tech South Factory Building Improvements / 2009-0865 / 908659e1



By *Michael O. Wanchick* 8/20/09 Date
Professional Surveyor No. 7854
Michael O. Wanchick

EXHIBIT 2

LEGAL DESCRIPTION AND SCHEMATIC OF IDENTIFIED AREA 7

PAVEMENT EASEMENT
1.150 ACRES

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots I and J of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North 86° 11' 41" West, with the southerly right-of-way line of Jenkins Ave, a distance of 753.70 feet, to a point at the northwesterly corner of the tract conveyed to The New York Central Railroad of record in Deed Book 2587, P. 538 and on the easterly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, P. 207;

Thence South 04° 20' 40" West, with the westerly line of The New York Central Railroad tract, with the easterly line of The Toledo & Ohio Central Railway Co. tract, and a westerly line of said Techsouth Development Co. LLC tract, across said Lot I, a distance of 235.01 feet, to the TRUE POINT OF BEGINNING;

Thence across said Techsouth Development Co. LLC tract and said lots I and J, the following courses and distances:

South 86° 11' 41" East, a distance of 230.01 feet to a point;

South 04° 20' 40" West, a distance of 80.00 feet to a point;

North 86° 11' 41" West, a distance of 40.00 feet to a point;

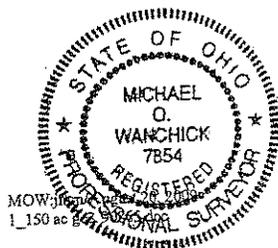
South 04° 20' 40" West, a distance of 70.00 feet to a point;

South 86° 11' 41" East, a distance of 40.00 feet to a point;

South 04° 20' 40" West, a distance of 80.00 feet to a point;

North 86° 11' 41" West, a distance of 230.01 feet to a point on a westerly line of said Techsouth Development Co. LLC tract and on the easterly line of The Toledo & Ohio Central Railway Co. tract;

Thence North 04° 20' 40" East, with a westerly line of said Techsouth Development Co. LLC tract and with the easterly line of The Toledo & Ohio Central Railway Co. tract a distance of 230.01 feet to the TRUE POINT OF BEGINNING and containing 1.150 acres, more or less.



EVANS, MECHWART, HAMBLETON, & TILTON, INC.

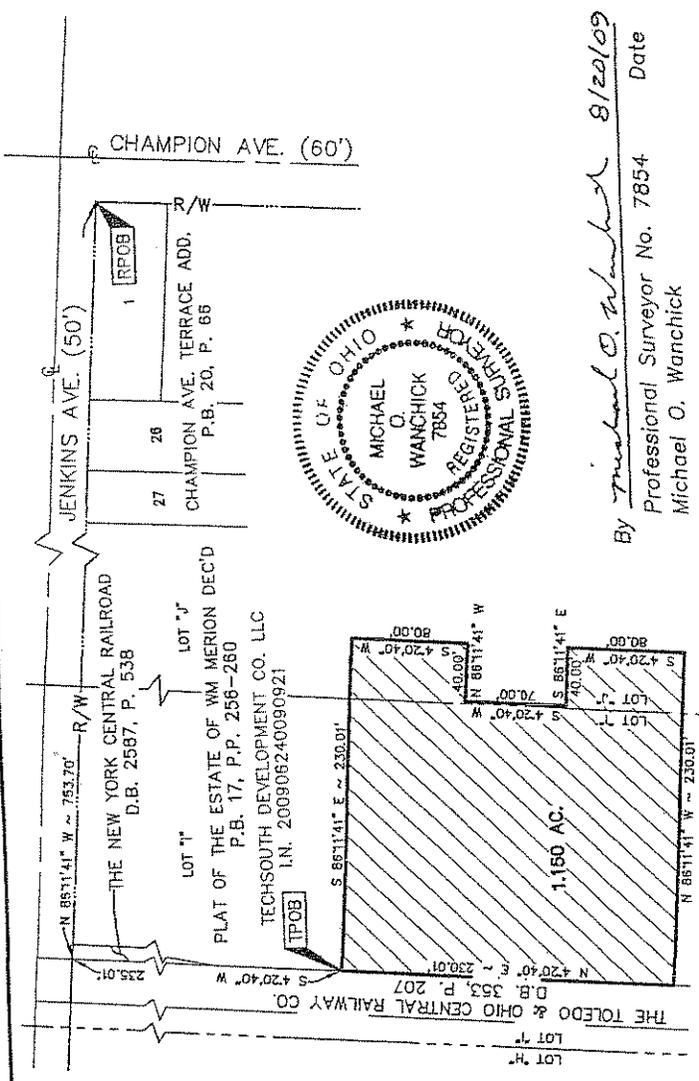
Michael O. Wanchick 8/20/09
Michael O. Wanchick Date
Professional Surveyor No. 7854

Date: August 20, 2009
 Job No. 2009-0865
 Scale: 1" = 100'

PAVEMENT EASEMENT

LOTS I & J
 PLAT OF THE ESTATE OF WM MERION DEC'D. (P.B. 17, P.P. 256-260)
 CITY OF COLUMBUS, COUNTY OF FRANKLIN, STATE OF OHIO

EMHT
 Evans, Mechwart, Hombleton & Tilton, Inc.
 Surveyors • Planners • Scientists
 5300 New Albany Road, Columbus, OH 43254
 Phone: 614.775.4500 Toll Free: 888.775.3448
 emht.com



By *Michael O. Wanchick* 8/20/09
 Professional Surveyor No. 7854 Date
 Michael O. Wanchick



EXHIBIT 3

LEGAL DESCRIPTION AND SCHEMATIC OF THE
PORTION OF IDENTIFIED AREA 8

PAVEMENT EASEMENT
0.519 ACRES

Situated in the State of Ohio, County of Franklin, City of Columbus, lying in Lots I and J of "Plat of the Estate of WM Merion Dec'd.", of record in Plat Book 17, Pages 256 - 260, being a strip of land on, over, and across the tract conveyed to Techsouth Development Co. LLC by deed of record in Instrument Number 200906240090921, (all references are to the records of the Recorder's Office, Franklin County, Ohio) and being more particularly described as follows:

Beginning for reference, at a 1 inch iron pipe found the intersection of the southerly right-of-way line of Jenkins Avenue and the westerly right-of-way line of Champion Avenue being the northeasterly corner of lot number 1 of "Champion Ave. Terrace Add." of record in Plat Book 20, Page 66;

Thence North 86° 11' 41" West, with the southerly right-of-way line of Jenkins Ave, a distance of 743.70 feet, to a point at the northeasterly corner of the tract conveyed to The New York Central Railroad of record in Deed Book 2587, P. 538 and on a westerly line of said Techsouth Development Co, LLC tract;

Thence South 04° 20' 40" West, with the easterly line of The New York Central Railroad tract, with a westerly line of said Techsouth Development Co, LLC tract, across said Lot I, a distance of 74.86 feet, to the TRUE POINT OF BEGINNING;

Thence across said Techsouth Development Co. LLC tract and said Lots I and J, the following courses and distances:

South 86° 11' 41" East, a distance of 100.02 feet to a point;

North 04° 20' 40" East, a distance of 50.00 feet to a point;

South 86° 11' 41" East, a distance of 80.00 feet to a point;

South 04° 20' 40" West, a distance of 150.01 feet to a point;

North 86° 11' 41" West, a distance of 190.01 feet to a point on a westerly line of said Techsouth Development Co. LLC tract and on the easterly line of the tract conveyed to The Toledo & Ohio Central Railway Co. by deed of record in Deed Book 353, page 207;

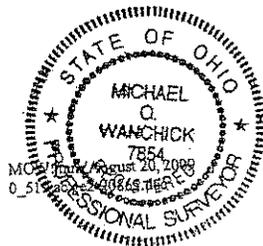
Thence North 04° 20' 40" East, with a westerly line of said Techsouth Development Co. LLC tract and the easterly line of The Toledo & Ohio Central Railway Co. tract a distance of 24.92 feet to a the southerly corner of The New York Central Railroad tract;

Thence North 11° 54' 25" East, with a westerly line of said Techsouth Development Co. LLC tract and the easterly line of The New York Central Railroad tract, a distance of 75.84 feet to the TRUE POINT OF BEGINNING and containing 0.519 acre, more or less.

EVANS, MECHWART, HAMBLETON, & TILTON, INC.

Michael O. Wanchick
Michael O. Wanchick
Professional Surveyor No. 7854

8/20/09
Date



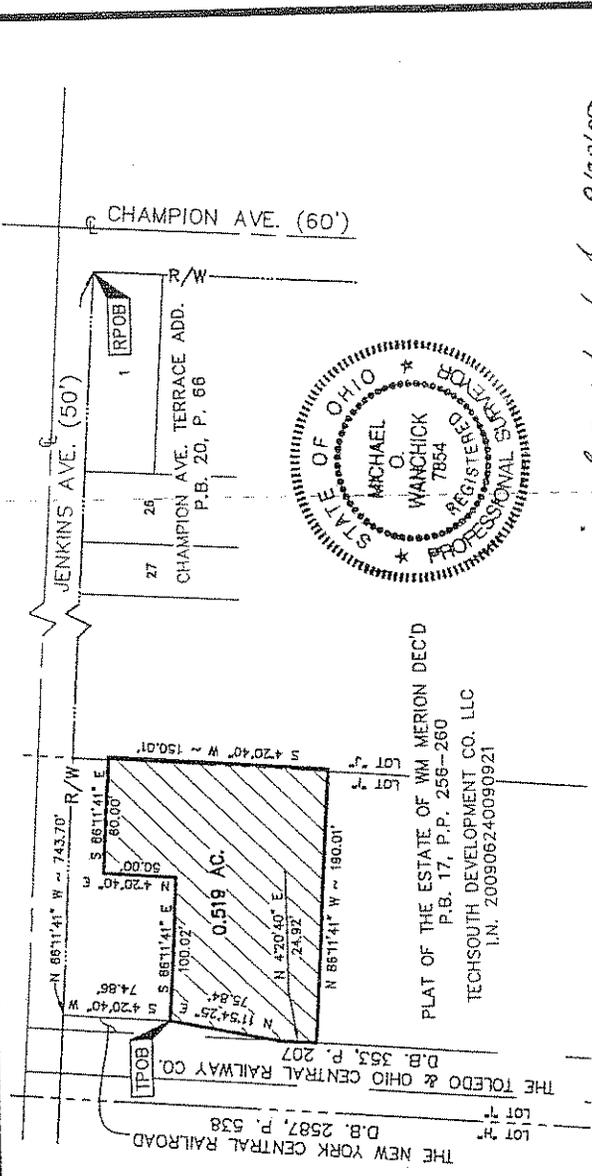
Date: August 20, 2009
 Job No. 2009-0865
 Scale: 1" = 100'

PAVEMENT EASEMENT

LOTS I & J

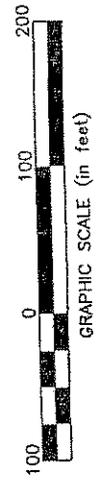
PLAT OF THE ESTATE OF WM MERION DEC'D. (P.B. 17, P.P. 256-260)
 CITY OF COLUMBUS, COUNTY OF FRANKLIN, STATE OF OHIO

EMH&T
 Evans, Mechwart, Hambleton & Tillon, Inc.
 Engineers • Surveyors • Planners • GIS • 43054
 5500 New Albany Road, Columbus, OH 43254
 Phone: 614.775.4500 Toll Free: 888.775.3668
 emht.com



PLAT OF THE ESTATE OF WM MERION DEC'D
 P.B. 17, P.P. 256-260
 TECHSOUTH DEVELOPMENT CO. LLC
 I.N. 200806240090921

By *Michael O. Wanchick* 8/20/09
 Professional Surveyor No. 7854 Date
 Michael O. Wanchick



ATTACHMENT 8

FORM 1 – INSPECTION FORM

O&M INSPECTION FORM
FORMER TECHNEGLAS, INC. FACILITY
727 EAST JENKINS AVENUE
COLUMBUS, OHIO

Inspector: _____ Affiliation: _____

Date: _____ Phone Number: _____

Time: _____ Scheduled: _____ Unscheduled: _____

Area(s) of Property Inspected:

Weather Conditions: _____

1. During the past year, did you conduct any projects that involved an excavation? Yes No
If no, go to question 3.
2. Did the excavation project penetrate any area subject to a pavement engineering control? Yes No

If the answer to either of the above questions is yes, please describe the excavation activity and location of the excavation. (If necessary, please attach any additional information to this form.) _____

3. Is the Property continued to be used for commercial/industrial purposes in accordance with the environmental covenant for the Property?

Yes No

If no, please describe revised land use: _____

4. Groundwater at the Property may not be used for any purposes, potable or otherwise, except for investigation and remediation. Is the groundwater being used consistent with the specified groundwater restriction designated in the environmental covenant?
- Yes No

If no, please describe. _____

5. Other than the annual submittals called for in the O&M Plan, have you submitted any notifications to the Director of the Ohio EPA regarding the Property and/or its O&M obligations during the past year?
- Yes No

If yes, please attach a copy of the notification(s) to this form.

6. As part of any inspection (scheduled or otherwise), were any breaches observed in the temporary interim engineering control?
- Yes No

7. As part of any inspection (scheduled or otherwise), were any breaches observed in either any pavement engineering control?
- Yes No

8. If yes, please describe below:

Breach	Interim Remedy	Permanent Pavement	Date of Breach	Date Repairs Completed	Date of Postrepair Inspection

Actions to address a breach in a temporary interim engineering control or a permanent pavement engineering control must be submitted in a report attached to this Form, in compliance with Section 4 of the approved O&M Plan, which documents:

- A. Identification of action as a repair.
- B. Beginning and ending dates of action or estimated date of completion (if this form is submitted before the action is complete).
- C. Summary of Action.
- D. Summary of Restoration of Engineering Control and compliance with all terms and conditions.

- E. Summary of measures taken for the protection of employees and the general public.
- F. Date and results of post construction and post-repair inspection (to occur within 30 days after completion of the action).

8. During the past year, was it necessary to implement the RMP in any of the three areas described in the RMP?

Yes

No

If yes, please describe the activities that resulted in implementation of the RMP: _____

(Use additional sheets, as necessary, and attach to this form.)

ATTACHMENT 9
DRAFT O&M AGREEMENT

OPERATION AND MAINTENANCE AGREEMENT
Between Ohio EPA and TechSouth Development Co., LLC
Regarding the Former Techneglas Facility,
Franklin County, Ohio

This Operation and Maintenance Agreement ("Agreement") is entered into by the Director of the Ohio Environmental Protection Agency ("Director"), and TechSouth Development Co., LLC, a Delaware limited liability company ("Owner"), pursuant to Ohio Revised Code ("ORC") Chapter 3746 and Ohio Administrative Code ("OAC") Chapter 3745-300. In consideration of the mutual covenants and subject to the terms and conditions of this Agreement, the parties agree as follows:

1. **The NFA Letter.** A no further action letter (NFA Letter No. _____; the "NFA Letter") under the Voluntary Action Program ("VAP") was submitted to the Director on behalf of the Volunteers, TechSouth Development Co., LLC, a Delaware limited liability company, and the City of Columbus, on September 4, 2009, by Matthew D. Knecht, a certified professional (Certified Professional No.105), for approximately 46.371 acres of real property and consisting of eight entire parcels and a portion of a ninth parcel (the "Property"), all of which are owned by TechSouth Development Co., LLC, a Delaware limited liability company and located at 727 East Jenkins Avenue, Franklin County, Ohio. The legal description of the Property is attached hereto as Exhibit 1, and incorporated by reference herein. The NFA Letter includes an Operation and Maintenance Plan ("O&M Plan") for the Property. The term "O&M Plan" refers to the O&M Plan dated August 2009. The O&M Plan is attached hereto as Exhibit 2 and is incorporated into this Agreement by reference.
2. **Addenda to the NFA Letter.** [If necessary.]
3. **Requirement for an Operation and Maintenance Agreement.** This Agreement is required for the Property pursuant to ORC 3746.10(C)(2) and 3746.12(A)(2).
4. **Remedy for the Property.** The remedy for the Property includes pavement engineering controls, a risk mitigation plan for the protection of future construction and excavation workers (RMP) and activity and use restrictions. The pavement engineering controls and RMP are only applicable to portions of two of the parcels that comprise the Property, specifically Permanent Parcel Numbers (PPNs) 010-113409 and 010-112267, as described in the O&M Plan. The activity and use restrictions are set forth in the proposed Environmental Covenant developed pursuant to ORC 5301.80 to 5301.92 and consist of a commercial/industrial land use restriction and a restriction against the use of groundwater for the entire Property and a restriction on the construction of buildings for limited portions of the two parcels that are also subject to pavement engineering controls. Following the issuance of a covenant not to sue

DRAFT

("Covenant") for the Property, the Environmental Covenant will be recorded pursuant to ORC 3746.14 with the Franklin County Recorder's Office as deed records for the respective parcels that comprise the Property.

5. **Implementation of O&M Plan.** Owner agrees to implement the engineering controls and other remedial activities for the Property in accordance with the O&M Plan, and perform all inspections, repairs, reporting, record keeping, and all other requirements in accordance with the O&M Plan.
6. **Property Access.** Owner certifies that it has access to the Property sufficient to fully implement the O&M Plan and this Agreement. Further, upon transfer of the Property or a portion thereof, the Owner shall require the transferee to maintain such access as a condition of the transfer.
7. **Recording of Agreement.** Owner shall cause this Agreement to be recorded as required by the Covenant and as required by ORC 3746.14.
8. **Effect of Violation of this Agreement.** Failure to comply with this Agreement or the O&M Plan, may constitute the failure to maintain an applicable standard in accordance with ORC 3746.12(B) and OAC Chapter 3745-300, and may be subject to the process outlined in the Compliance Schedule Section of this Agreement. As set forth in Section 13 of this Agreement, any revocation of the Covenant for one parcel of the Property shall not be based solely on a finding that any other subdivided parcel of the Property no longer complies with the applicable standards or the requirements of this Agreement. Noncompliance with an institutional control for the Property voids the Covenant, as provided in ORC 3746.05.
9. **Financial Assurance.** Owner agrees to ensure that reasonable and adequate funds in the amount of at least ___ thousand dollars (\$_,000) ("Minimum Amount") are available to comply with this Agreement and the O&M Plan by executing and funding acceptable financial assurance. Examples of acceptable financial assurance include a trust fund, a surety bond guaranteeing payment into a trust fund, a surety bond guaranteeing performance of this Agreement and the O&M Plan, a letter of credit, an insurance policy, a financial test and corporate guarantee, an escrow account or such other financial assurance as approved by Ohio EPA. For its financial assurance, the Owner has executed a corporate guarantee in the aggregate amount of ___ thousand dollars (\$_,000), attached hereto as Exhibit #3. Owner agrees to maintain the corporate guarantee or execute and fund other comparable, acceptable financial assurance and submit a copy of each financial assurance to Ohio EPA. In the event the amount or forms of financial assurance provided herein are inadequate to comply with the terms of this Agreement, the Director may propose a Modification of this paragraph pursuant to Section 15 of this Agreement.

DRAFT

10. **Notice to Prospective Property Transferees.** At least thirty (30) days prior to the execution of any sales contract or other document transferring Ownership of the Property or any portion of the Property, the Owner(s) or Transferee(s), as applicable, agree(s) to provide written notice to the prospective Property transferee that the Property, or such portion of the Property, is subject to the Covenant, this Agreement, and the O&M Plan.
11. **Notice to the Director of Transfer of Property.** Within thirty (30) days after a sale or other transfer of the Property, or any portion of the Property, the Owner(s) or Transferee(s), as applicable, shall provide written notice to the Director that the Property, or such portion of the Property, has been sold or otherwise transferred. This notice submitted to the Director shall include:
 - a. The name, address, and telephone number of the new Property owner and the name, address, and telephone number of the contact person for the new Property owner;
 - b. A legal description of the Property or such portion of the Property being transferred; and
 - c. The closing date of the transfer of Ownership of the Property or such portion of the Property.
12. **Option to Transfer this Agreement / Notice to Director.** Pursuant to ORC 3746.14(C), the Owner(s) of the Property or a portion of the Property ("Transferor") may transfer its obligations under this Agreement to any other person (the "Transferee") by assignment or in conjunction with the acquisition of title to the Property. Within thirty (30) days prior to such proposed transfer, the Transferor shall provide written notice to the Director of the terms and conditions of the proposed transfer of obligations of this Agreement and the O&M Plan ("Transfer Terms and Conditions"), by submitting:
 - a. The name, address, and telephone number of the Transferee and the name, address, and telephone number of the contact person for the Transferee;
 - b. A statement of the extent to which the Transferee has assumed the obligations of this Agreement and the O&M Plan;
 - c. A copy of the legal instrument(s) that provide the Transfer Terms and Conditions; and
 - d. A copy of the Transferee's fully executed and funded proposed financial assurance that complies with the Financial Assurance Section of this Agreement. The Transferor's financial assurance shall remain effective until the Transferee's financial assurance is fully executed and funded.

Upon the Director's receipt and written concurrence with such notice of the Transfer Terms and Conditions in accordance with this section of the Agreement and only upon the Transferee's execution of a Modification pursuant to Section 15 of this Agreement that adds the Transferee as a signatory to this Agreement, the Transferee shall be substituted for the Transferor as a party to this Agreement in accordance with the Transfer Terms and Conditions and upon compliance with the terms of Section 20 below, Transferor shall have no further obligation to comply with the obligations of this Agreement and the O&M Plan as they relate to the portion of the Property transferred to Transferee. If the Director does not concur with the notice of the Transfer Terms and Conditions and the transfer takes place, then the Transferor remains obligated to comply with the obligations of this Agreement and the O&M Plan.

13. **Subparceling.** Upon written notice submitted by the Owner(s) or Transferee(s), as applicable, to the Director, that one or more parcels of the Property have been divided or subparceled, this Agreement shall apply separately to each subdivided parcel upon the date of subdivision or the date of the submission of written notice, whichever occurs later. Owner(s) or Transferee(s), as applicable, shall provide such written notice by submitting:
- a. The legal description of the subdivided parcels;
 - b. A survey map or maps of the subdivided parcels;
 - c. The date of the subdivision;
 - d. A copy of the legal instrument(s) providing for the subdivision; and
 - e. The names of the new owner, if any, of the subdivided parcels.

Upon the written notice submitted pursuant to this Section, this Agreement shall be deemed to be amended, without modification of this Agreement, to identify the subdivided parcels of the Property. The Covenant shall remain in effect for any subdivided portion of the Property that continues to comply with the requirements of this Agreement and the applicable standards that form the basis of the Covenant. Any revocation of the Covenant for any parcel shall not be based solely on a finding that any other subdivided parcel of the Property no longer complies with the applicable standards or the requirements of this Agreement.

14. **Document Submittals / Notifications to Parties.** All documents, including but not limited to notices and reports, required to be submitted by Owner pursuant to this Agreement shall be identified by NFA Number _____ and addressed to:

Ohio Environmental Protection Agency
50 West Town Street

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P.O. Box 1049
Columbus, OH 43216-1049
Attn: Manager, Voluntary Action Program

and Ohio Environmental Protection Agency
Central District Office
Division of Emergency and Remedial Response
50 West Town Street
P.O. Box 1049
Columbus, OH 43216-1049
Attn: VAP Project Coordinator

All documents, including any notice required to be submitted by Ohio EPA pursuant to this Agreement, shall be delivered to Owner and addressed as follows:

TechSouth Development Co., LLC
152 West 57th Street, 60th Floor
New York, NY 10019
Attn: Jonathan Coven

Any party may designate an alternative contact name or mailing address upon written notification to the other parties.

15. **Modification of this Agreement or the O&M Plan.** Owner shall submit to the Director for review and approval each proposed modification of this Agreement or the O&M Plan, except for a minor modification, as defined below, or a modification proposed by the Director. This Agreement or the O&M Plan may be modified by agreement of the appropriate parties. Modifications shall be in writing, signed by the authorized representative of the Owner and by the Director, and shall be effective on the date signed by the Director. Ohio EPA reserves the right to require the submittal of a new NFA Letter for a proposed modification that will result in the application of an applicable standard, land use, or a remedy different than that contained in the NFA Letter approved by the Covenant.

For purposes of this Agreement, "Modification" means any substantive or material change to a term or condition of this Agreement or the O&M Plan, such as a proposal to revise, replace, or terminate an engineering control, or to revise the financial assurance as required by Section 9 of this Agreement.

For purposes of this Agreement, "Minor Modification" means a non-substantive or non-material, administrative change to a term or condition of this Agreement or the O&M Plan, such as the transfer of this Agreement and the O&M Plan in accordance with the Option to Transfer Section of this Agreement, or a change of a named contact person or an address contained in this Agreement or the O&M Plan. Within fourteen (14) days after implementation of a Minor Modification to

this Agreement or the O&M Plan, Owner agree to provide Ohio EPA written notice of the Minor Modification.

16. **Compliance Schedule Agreement.** Within thirty (30) days after the mailing of notice from the Director of the finding that the Property or a portion of the Property no longer complies with the applicable standards upon which the issuance of the Covenant was based, the Owner(s), or Transferee(s), as applicable, shall notify the Director of the Owner(s) or Transferee(s) intention to return the Property or such portion of the Property to compliance with the applicable standards upon which the Covenant was based ("cure") and enter into a compliance schedule agreement with the Director for such cure, in accordance with ORC 3746.12(B). The compliance schedule agreement shall establish a reasonable period of time for returning to compliance with those applicable standards.
17. **Compliance with Other Laws.** Owner shall conduct all activities pursuant to this Agreement and the O&M Plan in compliance with all local, state, and federal laws and regulations, including but not limited to requirements to obtain permits or authorizations. Owner acknowledge that Ohio EPA's review and approval of any health and safety measures or the risk mitigation plan contained in the O&M Plan is limited to ensuring compliance with the requirements of ORC Chapter 3746 and OAC Chapter 3745-300 and does not to extend to determining compliance with the Occupational Safety and Health Act, 29 U.S.C. 651 *et seq.*, the regulations adopted under that act, or any obligation imposed by the Occupational Safety and Health Administration.
18. **Inspections by Ohio EPA.** Owner shall allow the Director or his authorized representative to perform inspections to determine compliance with this Agreement. Such inspections shall be consistent with ORC Chapter 3746 and OAC Chapter 3745-300, including but not limited to the reasonableness of inspection timing and frequency in accordance with ORC 3746.21.
19. **Program Costs for Monitoring Compliance with this Agreement.**

Owner agree to reimburse Ohio EPA for the actual direct and indirect costs incurred by the Ohio EPA in monitoring compliance with this Agreement pursuant to ORC 3746.04(B)(8) and OAC 3745-300-03(F).

 - a. Ohio EPA will periodically submit to Owner an itemized statement of its monitoring costs for the previous year(s). Monitoring costs include, but are not limited to, costs for reviewing submissions or reports required by this Agreement, conducting Property inspections, corresponding with the Volunteer or its representative, costs incurred to evaluate any notice of Transfer Terms and Conditions, and any negotiations for a Modification of this Agreement.

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- b. Within thirty (30) days of receipt of such itemized statement, Owner shall remit payment for all of Ohio EPA's monitoring costs for the previous year(s). If Owner disputes the accuracy of items on the itemized statement, a request for review of the statement may be made within thirty (30) days of receipt of the statement. After review, Ohio EPA will resubmit to Owner an itemized statement with appropriate revisions. Owner shall remit payment within fourteen (14) days of receipt of the resubmitted statement.
 - c. Owner shall remit payments to Ohio EPA pursuant to this Section of the Agreement as follows:
 - i. Payment shall be made by an official (or certified) check made payable to "Treasurer, State of Ohio." The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, P.O. Box 1049, 50 West Town Street, P.O. Box 1049, Columbus, Ohio 43216-1049.
 - ii. A copy of the transmittal letter and check shall be sent to the Fiscal Officer, DERR, Ohio EPA, 50 West Town Street, P.O. Box 1049, Columbus, Ohio 43216-1049.
 - iii. A copy of the transmittal letter and check shall be sent to the Program Manager of the Voluntary Action Program, DERR, Ohio EPA, 50 West Town Street, P.O. Box 1049, Columbus, Ohio 43216-1049.
20. **Termination.** This Agreement shall terminate upon (a) revocation or voidance of the Covenant, (b) a demonstration, in accordance with OAC 3745-300-15(E) and Section 5 of the O&M Plan, that implementation of this Agreement and the O&M Plan is no longer necessary for the Property to comply with applicable standards, upon written acknowledgment by the Manager of the VAP of the demonstration, or (c) otherwise upon the written approval of the Director of the Ohio EPA.
- Upon the: 1) written concurrence by the Director with a notice of the Transfer Terms and Conditions as it relates to all or a portion of the Property; 2) the satisfaction of the other requirements of Section 12 above; and 3) the execution of a Modification to this Agreement by the Transferee(s), the obligations of the Transferor under this Agreement shall terminate as to all or such portion of the Property as is the subject of the notice of the Transfer Terms and Conditions. If the Director does not concur with the notice of the Transfer Terms and Conditions and the transfer takes place, then the Transferor remains obligated to comply with the obligations of this Agreement and the O&M Plan.
21. **Waiver.** Owner agrees that the terms and conditions of this Agreement are lawful and reasonable and agree to comply with this Agreement. Owner hereby

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waives its right to appeal the terms and conditions of this Agreement, and hereby waives any and all rights it might have to seek judicial or administrative review of this Agreement either in law or equity. Owner reserves its right to participate in any appeal by a third party to the Environmental Review Appeals Commission or to any court.

- 22. **Entire Agreement.** The terms and conditions of this Agreement, including the O&M Plan, constitute the entire agreement of the parties. No oral or written representation shall be binding unless approved as a modification pursuant to the Modification Section of this Agreement. The terms and conditions of this Agreement shall be interpreted consistent with ORC Chapter 3746 and OAC Chapter 3745-300.
- 23. **Authorized Signatories.** Each undersigned representative of a signatory to this Agreement represents that he or she is fully authorized to execute this Agreement and to legally bind such signatory to this Agreement.
- 24. **Effective Date.** Upon execution of this Agreement by all parties, this Agreement shall be a valid and binding obligation enforceable in accordance with its terms and conditions and effective upon the date of the Director's signature.

In witness whereof, the parties hereto have executed this Agreement.

TECHSOUTH DEVELOPMENT CO., LLC,
a Delaware limited liability company:

By: _____ Date: _____

OHIO ENVIRONMENTAL PROTECTION AGENCY:

By: _____ Date: _____
Chris Korleski
Director of Ohio EPA

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EXHIBIT 1

Property Legal Descriptions

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EXHIBIT 2

O&M Plan

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EXHIBIT 3

Financial Assurance Document(s)

ATTACHMENT 10
ELEVATION SURVEY MAP IN ACCORDANCE WITH OAC 3745-300-11(D)(1)(d)

EXHIBIT 3

Financial Assurance Document(s)

Greystone Select Holdings LLC and Subsidiaries

Consolidated Financial Report

December 31, 2008

McGladrey & Pullen
Certified Public Accountants

McGladrey & Pullen, LLP is an independent member firm of RSM International,
an affiliation of separate and independent legal entities.

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Management Committee
Greystone Select Holdings LLC and Subsidiaries
New York, New York

We have audited the accompanying consolidated balance sheet of Greystone Select Holdings LLC and Subsidiaries as of December 31, 2008, and the related consolidated statements of income, comprehensive income, member's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greystone Select Holdings LLC and Subsidiaries as of December 31, 2008, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Denver, Colorado
April 7, 2009

Greystone Select Holdings LLC and Subsidiaries

Consolidated Balance Sheet
December 31, 2008

ASSETS

Cash and cash equivalents	\$ 12,048,694
Restricted cash	39,568,614
Servicing advances	3,699,851
Accrued interest receivable	14,015,126
Mortgage loans held for sale	52,767,573
Mortgage loans held for investment, net of allowance of \$943,365	290,999,013
Investments in trading securities	30,577,111
Investments in available for sale securities	217,308,287
Investments in held to maturity securities	44,946,462
Accounts receivable	3,760,631
Property and equipment, net of accumulated depreciation of \$3,693,307	5,045,223
Mortgage servicing rights	73,746,842
Due from related parties	742,995
Notes receivable, net	58,899,902
Notes receivable, related parties	48,587,589
Derivative instruments	5,035,864
Real estate under development	22,414,867
Real estate held for sale	4,316,387
Other assets	3,407,737
	<u>931,888,768</u>
Total assets	\$ 931,888,768

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Accounts payable and accrued expenses	\$ 12,635,949
Accrued interest payable	1,538,269
Credit facility payable	8,970,000
Funding agreements	601,317,875
Trust liability	44,405,000
Allowance for losses on loans sold with recourse	9,869,624
Notes payable	120,483,402
Notes payable, related parties	2,050,000
Derivative instruments	798,587
Due to related parties	72,249
Deferred revenue	4,085,625
Other liabilities	6,416,255
	<u>812,642,835</u>
Total liabilities	812,642,835

COMMITMENTS AND CONTINGENCIES (Note 18)

MINORITY INTEREST

MEMBER'S EQUITY

Member's equity	3,906,855
Accumulated other comprehensive income	<u>108,549,622</u>
	<u>6,789,456</u>
Total member's equity	115,339,078
Total liabilities and member's equity	\$ 931,888,768

See Notes to Consolidated Financial Statements.

Greystone Select Holdings LLC and Subsidiaries

Consolidated Statement of Income
Year Ended December 31, 2008

Revenues:	
Interest income	\$ 73,972,376
Gain from sale of mortgage loans, net	42,841,442
Service fee income, net of fair value adjustment of \$7,428,568	10,350,368
Unrealized gain on derivatives, net	4,363,480
Fee and other income	<u>12,246,629</u>
Total revenues	<u>143,774,295</u>
Expenses:	
Interest expense	39,409,392
Salary and employee benefit expense	24,305,044
Operating expenses	14,158,891
Depreciation and amortization	852,105
Loss on sale of available for sale securities, net	4,708,827
Loss on trading securities, net	5,852,430
Loss on redemption of held to maturity securities, net	148,935
Other-than-temporary impairment on securities	665,474
Realized loss from settlement of derivatives, net	8,492,721
Provision for loan and note receivable losses	1,643,875
Provision for loan losses on loans sold with recourse	2,022,874
Charitable contributions	3,409,500
Other expense	<u>861,830</u>
Total expenses	<u>106,531,898</u>
Net income	<u>\$ 37,242,397</u>

See Notes to Consolidated Financial Statements.

Greystone Select Holdings LLC and Subsidiaries

Consolidated Statement of Member's Equity
Year Ended December 31, 2008

	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2007	\$ 201,808,505	\$ 11,789,577	\$ 213,598,082
Net income	37,242,397	-	37,242,397
Other comprehensive loss	-	(2,277,155)	(2,277,155)
Distributions, net	(130,501,280)	(2,722,966)	(133,224,246)
Balance, December 31, 2008	\$ 108,549,622	\$ 6,789,456	\$ 115,339,078

See Notes to Consolidated Financial Statements.

Greystone Select Holdings LLC and Subsidiaries

Consolidated Statement of Comprehensive Income
Year Ended December 31, 2008

Net income	<u>\$ 37,242,397</u>
Other comprehensive income (loss):	
Change in unrealized gains on available for sale securities	(6,985,982)
Reclassification of losses on securities sold	<u>4,708,827</u>
Other comprehensive loss	<u>(2,277,155)</u>
 Total comprehensive income	 <u><u>\$ 34,965,242</u></u>

See Notes to Consolidated Financial Statements.

Greystone Select Holdings LLC and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	\$ 37,242,397
Net income	
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization of premium and discount on available for sale securities	(308,165)
Depreciation and amortization	852,105
Provision for loan and note receivable losses	1,643,875
Provision for loan losses on loans sold with recourse	2,022,874
Change to reduce real estate held for sale to fair value	375,000
Loss on loans sold with recourse	(1,032,433)
Capitalized mortgage servicing rights, net	(23,214,930)
Loss on sale of securities, net	9,421,064
Other-than-temporary impairment on securities	665,474
Unrealized loss on trading securities, net	1,289,128
Purchase of trading securities	(60,978,834)
Proceeds from sale of trading securities	99,025,175
Unrealized gain on derivatives, net	(4,363,480)
Change in fair value of mortgage servicing rights	7,428,568
Charge to reduce loans held for sale to fair value	232,374
Gain on sale of fixed assets	6,875
Changes in assets and liabilities:	
Servicing advances	(663,689)
Due to related parties, net	(552,076)
Accounts receivable	(1,909,260)
Accrued interest receivable	5,520,629
Loans originated to be held for sale	(1,327,919,629)
Proceeds from sales of loans held for sale	1,407,074,556
Other assets	77,167
Accounts payable and accrued expenses	3,436,406
Accrued interest payable	(6,741,309)
Other liabilities	1,686,137
Net cash provided by operating activities	<u>150,315,999</u>
CASH FLOWS FROM INVESTING ACTIVITIES	(131,262,608)
Purchase of available for sale securities	(12,014,057)
Net increase in restricted cash	(2,783,462)
Payments for capitalized costs related to real estate	439,306,253
Proceeds from sale and maturity of available for sale securities	18,631,054
Proceeds from redemption of held to maturity securities	13,334,903
Proceeds from sale of mortgage servicing rights	(167,426)
Purchase of property and equipment	1,133
Proceeds from sale of property and equipment	52,009,668
Net decrease in mortgage loans held for investment	8,997,879
Payments received on related party notes receivable	(3,300,870)
Disbursements made for related party notes receivable	6,595,912
Payments received on notes receivable	(3,218,849)
Disbursements made for notes receivable	<u>386,129,530</u>
Net cash provided by investing activities	

(Continued)

Greystone Select Holdings LLC and Subsidiaries

Consolidated Statement of Cash Flows (Continued)
Year Ended December 31, 2008

CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from funding agreements	\$ 945,735,545
Repayments on funding agreements	(1,178,303,126)
Increase in credit facility payable	8,970,000
Payments on trust liability notes	(270,824,021)
Member distributions, net	(77,710,793)
Contributions from minority member of subsidiary	1,073,295
Proceeds from related party notes payable	2,050,000
Payments on related party notes payable	(750,000)
Proceeds from notes payable	20,337,482
Payments on notes payable	(5,224,210)
Net cash used in financing activities	<u>(554,645,828)</u>
Net decrease in cash and cash equivalents	(18,200,299)
CASH AND CASH EQUIVALENTS	
Beginning of year	30,248,993
End of year	<u>\$ 12,048,694</u>
SUPPLEMENTAL DISCLOSURE INFORMATION	
Cash paid during the year for interest	\$ 45,611,107
Cash paid during the year for taxes	217,407
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES	
Noncash transfer from mortgages receivable to foreclosed real estate	\$ 2,650,000
Noncash contribution of trading securities	684,012
Noncash distribution of related party note	(33,588,562)
Noncash assumption of net trust liability	(8,811,928)
Net assets of Greystone DCHFA Bonds, LLC subsidiary distributed from the Company to member on February 5, 2008:	
Restricted cash	\$ 18,885,050
Accounts receivable	324,022
Interest receivable	8,562,620
Investment in debt securities	319,210,150
Accounts payable	(280,557)
Interest payable	(5,864,170)
Trust liability	(317,660,000)
Derivative instruments	(8,923,734)
Due to related parties	(535,312)
Net assets transferred / member distribution	<u>\$ 13,718,069</u>

(Continued)

Greystone Select Holdings LLC and Subsidiaries

Consolidated Statement of Cash Flows (Continued)
Year Ended December 31, 2008

Net assets of East 93rd Street LLC subsidiary contributed from an affiliated company to the Company on June 30, 2008:	
Property and equipment, net of accumulated depreciation of \$944	\$ 11,519
Real estate	15,366,334
Other assets	408,100
Accounts payable	(6,882)
Note payable, related party	(10,293,750)
Due to related parties	(7,705)
Minority interest	(2,833,560)
Net assets transferred / member contribution	<u>\$ 2,644,056</u>

See Notes to Consolidated Financial Statements.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Description of the Business

Greystone Select Holdings LLC and Subsidiaries (the Company or the Companies) consist of corporations and limited liability companies which are owned by one stockholder/member with businesses extending throughout the United States. The corporations included in the consolidated financial statements at December 31, 2008, are as follows:

Greystone Select Holdings LLC: Greystone Select Holdings LLC (Select) is a holding company which is the 100% owner of Greystone Funding Corporation and Greystone Servicing Corporation, Inc.

Greystone Funding Corporation: Greystone Funding Corporation (Funding) was formed in 1993 to expand the Companies' financial resources by directly funding mortgage-backed participation certificates and securities. As such, Funding is an investor in Government National Mortgage Association (GNMA), Federal Housing Administration (FHA) securities and various other investments. Included in Funding are the following subsidiary entities: Greystone Financial Products, LLC, a 100%-owned subsidiary, was formed in 2000 to arrange letter of credit financing for certain bond transactions; Greystone Loan Funding LLC, a 100%-owned subsidiary, was formed in 2004 to fund mortgage-backed participation certificates and securities; Greystone Loan Funding II LLC, a 100%-owned subsidiary, was formed in 2006, to fund mortgage-backed participation certificates and securities; Greystone CDE, LLC (CDE), a 99%-owned subsidiary, was formed in 2005 to invest money in low-income designated areas and take advantage of related tax credits; NDP Properties, Inc., a 100% owned subsidiary, was formed in 2007 to own foreclosed properties; Greystone Affordable Housing Initiatives LLC, a 99%-owned subsidiary, was formed in 2008 as a transactional manager of tax exempt financing; Greystone Family of Funds, LLC, a 100%-owned subsidiary, was formed in 2007, to own hedge funds and hedge fund management companies; Greystone Housing Funding LLC, a 99%-owned subsidiary, was formed in 2007, to borrow a \$25 million revolving line of credit with Fannie Mae; Greystone Renewable Energy Ventures LLC, a 100%-owned subsidiary, was formed in 2008, to engage in tax credit financing in the energy sector; and East 93rd Street LLC, a 49%-owned subsidiary, to acquire and develop real estate in New York City on East 93rd Street.

On June 30, 2008, a 49% managing membership interest in East 93rd Street LLC was transferred to Funding through an equity contribution from the stockholder at the net book value of \$2,644,056 on the date of transfer. On February 5, 2008, a 100% interest in Greystone DCHFA Bonds, LLC (DCHFA) was transferred and assigned to the member through an equity distribution from Funding at the net book value of \$13,718,069 on the date of transfer. Greystone Multi-Family Program, LLC (Multi-family), a 100%-owned subsidiary, owned the 100% interest in DCHFA prior to the date of transfer and was dissolved on December 19, 2008.

Greystone Servicing Corporation, Inc.: Greystone Servicing Corporation, Inc. (Servicing) acts in the capacity of a mortgagee and services multifamily loans for the duration of the loan, or until such time, as the loan may be refinanced and/or prepaid in full. Servicing is an approved seller/servicer of GNMA, FHA, and Federal National Mortgage Association (FNMA) programs. The obligations of Servicing are to collect mortgage payments, remit principal and interest to investors/participants, pay real estate taxes, pay property insurance premiums, inspect the properties annually, and provide loan servicing assistance on issues which occur during the loan servicing term. Servicing is also an investor in mortgage loans and originates conventional, FHA and FNMA Delegated Underwriting and Servicing (DUS) loans. Included in Servicing are the following entities: Greystone Commercial Mortgage Loan Funding, LLC (CMLF) a 100%-owned subsidiary formed in January 2006 to originate bridge loans; Greystone Bridge, LLC (Bridge) a 100%-owned subsidiary formed in April 2005 to originate bridge loans; and GBA Realty, LLC (GBA), a 100%-owned subsidiary, formed to own and operate the Company's office building in Warrenton, Virginia.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies

Principles of consolidation: The accompanying consolidated financial statements include the accounts of the Companies described in Note 1. All significant intercompany accounts and transactions have been eliminated. The Companies have consolidated the financial statements of East 93rd Street LLC based upon the control the Companies exercise over the operations of East 93rd Street LLC. The remaining interest in East 93rd Street LLC is reflected as a minority interest in the accompanying consolidated financial statements. The Companies have also consolidated the trust referenced in Note 22 as a variable interest entity.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's knowledge and experience. Due to their prospective nature, actual results may differ materially from those estimates. Material estimates that are particularly susceptible to significant change in the near term include the determination of the fair value of mortgage servicing rights, the allowance for loan losses on loans held for investment, the allowance for losses on loans sold with recourse, the fair value of derivative instruments, and the fair value of securities.

Cash and cash equivalents: The Companies consider all highly liquid investments with original maturities of 90 days or less to be cash equivalents. The Companies maintain deposits with financial institutions in amounts that at times are in excess of federally insured limits; however, the Companies do not believe they are exposed to any significant credit risk from this concentration.

Restricted cash: Restricted cash is reserved for payments on credit facilities, or held at third-party financial institutions to satisfy margin or other requirements.

Mortgage loans held for sale: Mortgage loans held for sale are reported at the lower of cost or fair value as provided in Statement of Financial Accounting Standards (SFAS) Statement No. 65, *Accounting for Certain Mortgage Banking Activities*. Estimated fair value is determined using forward sale commitments to investors, or current market rates for loans of similar quality and type. Mortgage loans are recorded in accordance with SFAS Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets*, as sales when the title is transferred to the investor, the buyer has the right to pledge or exchange the asset, and the Companies no longer maintain effective control of the assets. In accordance with SFAS Statement No. 19, *Accounting for Non-refundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases*, net loan origination fees and certain direct loan origination costs are deferred as part of the basis in the loan and reflected in gain on sale upon the sale of the loan.

The Companies recognize gain on sale of loans when title transfers at the time of sale to investors. Gains are equal to the difference between the sale price and the adjusted book value of the loans and are adjusted to recognize the present value of future servicing fee income over the estimated lives of the related loans. The adjusted book value of the loans includes the original principal amount plus adjustments related to mortgage loan origination fees and certain direct loan origination costs.

Mortgage loans held for investment: Mortgage loans held for investment are reported at the principal amount outstanding, adjusted for net deferred origination fees and allowance for loan losses. Loan origination fees net of certain direct loan origination costs, are deferred as part of the basis in the loan and amortized as a yield adjustment over the life of the loan.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Allowance for loan losses on loans held for investment: The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses includes allowance allocations calculated in accordance with SFAS Statement No. 114, *Accounting by Creditors for Impairment of a Loan*, as amended by SFAS 118, and allowance allocations calculated in accordance with SFAS Statement 5, *Accounting for Contingencies* (SFAS No. 5). The level of the allowance reflects management's continuing evaluations of delinquencies, charge-offs and recoveries, loan volumes and terms, changes in underwriting procedures, depth of the Companies' lending management, national and local economy, industry conditions, credit concentration, and other external factors, including competition and legal and regulatory requirements, as well as trends in the foregoing.

A loan is considered impaired when, based on current information and events, it is probable that the Companies will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis based on the difference between the carrying value and fair value of the loan. The fair value of an impaired loan is determined by either the present value of expected future cash flows discounted as the loan's effective interest rate, the loan's determinable market price, or the fair value of the collateral if the loan is collateral dependent.

Investments: Investments include U.S. government and agency securities, GNMA and FHA (multifamily) securities, interest-only strips and municipal bonds purchased in the market. Some of the municipal bonds are subsequently transferred to a trust in exchange for cash. For the bonds that are transferred into a trust the transactions are accounted for as secured borrowings. Accordingly, following a sale, the municipal bonds remain on the books of the Companies. Certain debt securities that management has the positive intent and ability to hold to maturity are classified as "held to maturity" and recorded at amortized cost. Trading securities are recorded at fair value with changes in fair value included in earnings. Securities not classified as held to maturity or trading, are classified as "available for sale" and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive income.

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of held to maturity and available for sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In determining whether other-than-temporary impairment exists, management considers many factors, including (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Companies to retain their investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Property and equipment: Property and equipment are recorded at cost, net of accumulated depreciation. Major improvements are capitalized and repairs are expensed when incurred. Depreciation is calculated using the straight-line method over the assets' useful lives as follows: computers, software, office furniture and equipment, 3 to 7 years; building, 39 years; and leasehold improvements, the shorter of the useful life of the improvement or the lease term.

Mortgage Servicing Rights (MSRs): Servicing recognizes as a separate asset and liability, the MSRs which are retained through a securitization, a sale, or purchase of financial assets. As of January 1, 2007, the Company adopted SFAS No. 156, *Accounting for Servicing of Financial Assets*. Under SFAS No. 156, the Company has elected to subsequently measure servicing assets and liabilities at fair value and report changes in fair value in earnings in the period in which the changes occur. Changes in value are recognized in the fair value of the MSRs and are netted against servicing fees. Servicing fees are recognized on an accrual basis. Late fees and ancillary income are recorded as income when payments are received.

Derivative instruments: Derivative instruments are recognized on the consolidated balance sheet at fair value. For derivatives related to mortgage loans held for sale, fair value is the market value of the sales commitment. The fair value measurements consider observable data that may include loan type, spreads for other whole loans and mortgage-backed securities, prepayment speeds, servicing values and index values. For derivatives related to loans rated locked but not yet funded, the fair value is the value of the sales contract since the loans are pre-sold to third party investor. Fair values for all derivative instruments are based on third-party quotes and changes in fair value are reported in the consolidated statement of income.

Real estate: Real estate is classified as follows: (i) Real estate held for sale, which includes completed assets or land for sale in its present condition that meet all of the SFAS Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, "held for sale" criteria, and (ii) Real estate under development, which includes real estate that the Companies are in the process of developing that is expected to be completed and disposed of in the future.

Real estate held for sale is recorded at the lower of cost or fair value less cost to sell. If an asset's fair value less cost to sell, based on discounted future cash flows, management estimates or market comparisons, is less than its carrying amount, an allowance is recorded against the asset. Real estate under development is carried at cost.

When acquiring, developing and constructing real estate assets, the Companies capitalize costs in accordance with SFAS Statement No. 34, *Capitalization of Interest Costs* and SFAS Statement No. 67, *Accounting for Costs and the Initial Rental Operations of Real Estate Properties*. Capitalization begins when the activities related to development have begun and ceases when activities are complete. Costs capitalized under SFAS No. 67 include pursuit costs, or pre-acquisition/pre-construction costs, taxes and insurance, and development and construction costs.

Trust liability: Funding purchases municipal bonds in the market and may subsequently transfer the bonds to trusts in exchange for cash. Each trust then issued long-term certificates to third-party investors for cash. These transactions are accounted for as secured borrowings. Accordingly, following the transfer to a trust, the municipal bonds remain on the books of Funding.

Funding may purchase the residual interest (residual interest tax-exempt securities or RITES) related to the trust. This residual interest is a variable interest in the related trust, and Funding is the primary beneficiary of the trust. Accordingly, Funding has consolidated the trust. The liability of the trust is represented as trust liability.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Allowance for losses on loans sold with recourse: In connection with the underwriting and sale of certain mortgage loans in accordance with the FNMA DUS program, the Companies estimate a liability for its potential exposure under the loss agreement with FNMA. The Companies provide for such exposures at the time the loans are sold based upon management's estimate of losses incurred. Actual losses on loans sold with recourse are charged against the allowance and the allowance is adjusted through a provision for loans sold with recourse to earnings. Management believes that the liability for loans sold with recourse is adequate to provide for probable losses related to loans sold with recourse obligations.

Revenue recognition: Interest income is recognized when contractually earned on the unpaid principal balance of loans. Servicing revenue is recognized as payments are due, on an accrual basis, and is based on a percentage of the principal balance of the respective loans. Loan servicing expenses are charged to operations when incurred. Realized trading gains and losses are recorded at the trade date of the security as the difference between the trading price of the specific security and the current carrying amount. Unrealized trading gains and losses are recorded at the balance sheet date as the difference between the fair value of the specific security and the current carrying amount.

Income taxes: The Companies have elected to be taxed as subchapter S corporations or limited liability companies for income tax purposes. Accordingly, the stockholder/member of the Companies will be responsible for income taxes. The Companies are subject to some state and local income and franchise taxes in certain jurisdictions in which they operate and have expensed these amounts in accordance with the provisions of SFAS Statement No. 109, *Accounting for Income Taxes*.

Deferred revenue: Management fee income represents up-front fees received for managing the affairs of certain equity method investments. This management fee income is recognized over the seven-year tax credit period of the related loan receivable which represents the asset under management.

Reclassifications: Certain accounts in the individual companies' financial statements have been reclassified to conform to the consolidated presentation. The reclassifications made to these financial statements had no impact on member's equity or net income.

Transfer of financial assets: Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Companies, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Companies do not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recently issued accounting standards: In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS Statement No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. SFAS No. 157 also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under SFAS No. 157, fair value measurements are disclosed by level within that hierarchy. The Companies adopted SFAS No. 157 for the fiscal year beginning January 1, 2008, except for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis for which delayed application is permitted until fiscal year beginning January 1, 2009. The Companies are currently assessing the potential effect of the adoption of the remaining provisions of SFAS No. 157 on their consolidated financial position, results of operations and cash flows.

In December 2007, FASB issued SFAS Statement No. 141(revised), *Business Combinations*. The Statement establishes principles and requirements for how an acquirer recognizes and measures tangible assets acquired, liabilities assumed, goodwill and any noncontrolling interests and identifies related disclosure requirements for business combinations. Measurement requirements will result in all assets, liabilities, contingencies and contingent consideration being recorded at fair value on the acquisition date, with limited exceptions. Acquisition costs and restructuring costs will generally be expensed as incurred. This Statement is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Accordingly, this Statement is effective for the Companies for business combinations in which the acquisition date is on or after January 1, 2009.

In December 2007, FASB issued SFAS Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51*. The Statement establishes accounting and reporting standards for noncontrolling interests in a subsidiary and for the deconsolidation of a subsidiary. Minority interests will be recharacterized as noncontrolling interests and classified as a component of equity. It also establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary and requires expanded disclosures. This Statement is effective for fiscal years beginning on or after December 15, 2008. Accordingly, this Statement is effective for the Companies beginning on January 1, 2009. The Companies are currently evaluating the impact that the adoption of this Statement will have on their consolidated financial position and results of operations.

In March 2008, the FASB issued SFAS Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133* (SFAS No. 161). SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities. This Statement is effective for financial statements issued for periods beginning after November 15, 2008, with early application encouraged. The Companies will adopt the Standard as of January 1, 2009. SFAS No. 161 requires only additional disclosures concerning derivatives and hedging activities, and therefore the adoption of SFAS No. 161 will not have an impact on the Companies' consolidated financial position and results of operations.

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

On February 20, 2008, the FASB issued FSP No. FAS 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions* (FSP 140-3). FSP 140-3 requires that an initial transfer of a financial asset and a repurchase financing that was entered into contemporaneously with, or in contemplation of, the initial transfer be evaluated together as a linked transaction under SFAS No. 140, unless certain criteria are met. This Statement is effective for fiscal years beginning after November 15, 2008. Accordingly, this Statement is effective for the Companies beginning on January 1, 2009. The Companies are currently evaluating the impact that the adoption of this Statement will have on their consolidated financial position and results of operations.

In July 2006, the FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition. In December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The Companies have elected this deferral and accordingly will be required to adopt FIN 48 in its 2009 annual financial statements. Prior to adoption of FIN 48, the Companies will continue to evaluate their uncertain tax positions and related income tax contingencies under SFAS No. 5. SFAS No. 5 requires the Companies to accrue for losses they believe are probable and can be reasonably estimated. Management is currently assessing the impact of FIN 48 on its consolidated financial position and results of operations.

Note 3. Concentrations of Risk

Availability of funding source: The Companies fund substantially all of their debt securities and mortgage loans through funding agreements (Note 13). Any failure to renew or obtain adequate funding agreements could have a materially adverse effect on the Companies' operations. Some of the Companies funding agreements contain daily mark to market provisions. If the market value of the underlying mortgage loans drops below a predetermined threshold then the Companies have 24 hours to meet the required payment to bring the collateral balance back above the threshold. In the event the Companies fail to make the margin call, the funding agreement would be in default. As of December 31, 2008, there were no defaults related to these agreements and the market values of the loans were above the predetermined thresholds. To the extent that the Companies are not successful in maintaining or replacing funding, there may be a negative impact on the Companies' operations.

Geographic concentration: The Companies service mortgage loans in 50 states and the District of Columbia. At December 31, 2008, 22% of the dollar value of the loans serviced were collateralized by properties located in New York. No other state, except California and Texas, accounted for more than 10% of the servicing portfolio at December 31, 2008.

Credit risk: The Companies are exposed to credit risk related to uninsured mortgage loans. Also, the Companies maintain cash in bank deposit accounts, which at times exceed federally insured limits. The Companies do not believe they are exposed to any significant credit risk in such accounts.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 3. Concentrations of Risk (Continued)

Interest rate risk: The Companies profitability is in part determined by the difference, or "spread," between the effective rate of interest received on mortgage related securities and receivables and the interest payable under funding agreements. Additionally, the fair value of mortgage loans, mortgage-backed securities, and mortgage servicing rights owned by the Companies may be adversely affected by certain changes in the interest rate environment which could affect the discount rate and prepayment assumptions used to value the assets. Any such adverse change in rates combined with the impact on such assumptions could have a materially adverse effect on the Companies' consolidated results from operations and financial condition.

Forward contract risk: The Companies enter into forward delivery sales contracts when they lock interest rates on their mortgage loan originations. The Companies do not believe they are exposed to any significant risk for non-performance as their counter-parties are investment banks and large regional broker dealers.

Early Rate Lock Risk: Under the FNMA and FHA programs, Servicing from time to time may enter into an early rate lock commitment at a specified interest rate with a prospective borrower and certain future contracts may be entered into to minimize interest rate exposure. The fair values of the resulting derivatives are recorded in the accompanying balance sheet and the derivatives are further discussed in Note 20.

Guarantees: The Companies are approved to sell and service DUS loans under a contract with FNMA. Under this loss sharing agreement with FNMA, the Companies are responsible for the first loss on defaulted loans up to 5% of the unpaid principal balance of any such loan. Losses after the first 5% are shared by the Companies and FNMA based upon a formula. The maximum loss risk to the Companies is 20% of the original principal balance for loans originated under this program. The outstanding principal balance of loans serviced under this program totaled \$5,292,727,872 at December 31, 2008. A reserve of \$9,869,624 for the loss exposure on the FNMA portfolio was recorded as of December 31, 2008. See additional disclosure in Note 23.

There were no loans originated under this program that as of December 31, 2008 were on non-accrual status. As of December 31, 2008, there were six loans that were delinquent greater than 30 days, secured by real estate, but not in foreclosure. The unpaid principal balances of these loans were \$6,365,318 as of December 31, 2008.

Off-balance sheet activities: The Companies also manage various escrow cash accounts on behalf of borrowers. The approximate balances of these escrow accounts were \$191,000,000 as of December 31, 2008.

Note 4. Fair Value Measurements

Effective January 1, 2008, the Companies determine the fair market values of their financial instruments in accordance with GAAP based on the fair value hierarchy established in SFAS No. 157. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- Level 1 – Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the Companies' financial assets carried at fair value or the lower of cost or fair value effective January 1, 2008.

Trading Securities. Fair value measurement is obtained from independent pricing services which utilize observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the bonds' terms and conditions, among other things. As of December 31, 2008, all of the Companies' trading securities were valued using Level 2 inputs.

Available for Sale Securities. Fair value measurement is obtained from independent pricing services which utilize observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the bonds' terms and conditions, among other things. As of December 31, 2008, all of the Companies' available for sale securities were valued using Level 2 inputs with the exception of three subordinate bonds related to a multifamily housing project that were valued using Level 3 inputs.

Derivatives. Derivatives are reported at fair value using Level 2 inputs. For derivatives related to mortgage loans held for sale, fair value is the market value of the sales commitment. The fair value measurements consider observable data that may include loan type, spreads for other whole loans and mortgage-backed securities, prepayment speeds, servicing value and index values. For derivatives related to loans rate locked but not funded, the fair value is the value of the sales contract since the loans are pre-sold to third party investors.

Mortgage Servicing Rights. Mortgage servicing rights are reported at fair value using Level 3 inputs. Management engages an independent third party to perform a valuation of its mortgage servicing rights periodically and at year end. Mortgage servicing rights are valued in accordance with SFAS No. 156 and SFAS No. 140 using discounted cash flow modeling techniques that require management to make estimates regarding future net servicing cash flows, taking into consideration actual and expected mortgage loan prepayment rates, discount rates, servicing costs, and other economic factors. Certain adjustments to inputs are made to reflect the specific characteristics of the Companies' portfolio.

Mortgage Loans Held for Sale. Multifamily loans held for sale are reported on an individual loan basis at the lower of cost or fair value using Level 3 inputs. For these loans, the Companies have already sold the security backed by the multifamily loan to an investor. The fair value measurements consider observable data that may include loan type, spreads for other whole loans and mortgage-backed securities, prepayment speeds, servicing values, and index values.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets measured at fair value on a recurring basis:				
Derivatives	\$ -	\$ 5,035,864	\$ -	\$ 5,035,864
Trading securities	-	30,577,111	-	30,577,111
Available for sale securities	-	207,371,466	9,936,821	217,308,287
Mortgage servicing rights	-	-	73,746,842	73,746,842
Liabilities measured at fair value on a recurring basis:				
Derivatives	-	798,587	-	798,587
Mortgage servicing liabilities	-	-	345,985	345,985
Assets measured at fair value on a nonrecurring basis:				
Mortgage loans held for sale	-	-	2,513,074	2,513,074

A reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period is presented below:

	Fair Value Measurements Using Significant Unobservable Inputs Level 3		
	Available For Sale Securities	Mortgage Servicing Rights	Total
Balance January 1, 2008, net	\$ 10,015,000	\$ 70,949,398	\$ 80,964,398
Total net gains or (losses) (realized/unrealized) Included in net income	-	(7,428,568)	(7,428,568)
Originations, sales, and settlements, net	(78,179)	9,880,027	9,801,848
Balance December 31, 2008, net	\$ 9,936,821	\$ 73,400,857	\$ 83,337,678

No transfers in or out of the Level 3 classification occurred during 2008.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

The Companies have no nonfinancial assets or nonfinancial liabilities measured at fair value on a recurring basis. In accordance with Financial Accounting Standards Board (FASB) Staff Position No. 157-2, *Effective Date of FASB Statement No. 157*, the Companies will delay application of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities measured on a nonrecurring basis, until January 1, 2009.

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments* (SFAS No. 107), requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet. Fair value is determined under the framework established by SFAS No. 157. SFAS No. 107 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Companies. The following information presents estimated fair values of the Companies' financial instruments as of December 31, 2008 and the methods and assumptions used to estimate those fair values.

		Carrying Amounts	Estimated Fair Value
Financial assets:			
Cash and cash equivalents	(a)	\$ 12,048,694	\$ 12,048,694
Restricted cash	(a)	39,568,614	39,568,614
Accrued interest receivable	(a)	14,015,126	14,015,126
Accounts receivable	(a)	3,760,631	3,760,631
Mortgage loans held for sale	(b)	52,767,573	53,909,142
Mortgage loans held for investment	(c)	290,999,013	290,999,013
Investments in trading securities	(b)	30,577,111	30,577,111
Investments in available for sale securities	(b)	217,308,287	217,308,287
Investments in held to maturity securities	(f)	44,946,462	42,098,992
Mortgage servicing rights	(b)	73,746,842	73,746,842
Notes receivable	(a)	58,899,902	58,899,902
Notes receivable, related parties	(e)	48,587,589	48,966,092
Due from related parties	(a)	742,995	742,995
Servicing advances	(a)	3,699,851	3,699,851
Derivatives	(b)	5,035,864	5,035,864
Financial liabilities:			
Funding agreements	(d)	601,317,875	601,317,875
Credit facility fee payable	(a)	8,970,000	8,970,000
Notes payable, related parties	(e)	2,050,000	2,064,676
Accounts payable	(a)	2,520,099	2,520,099
Note payable	(e)	120,483,402	120,592,579
Trust liability	(d)	44,405,000	44,405,000
Due to related parties	(a)	72,249	72,249
Accrued interest payable	(a)	1,538,269	1,538,269
Derivatives	(b)	798,587	798,587
Mortgage servicing liabilities	(b)	345,985	345,985

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Fair Value Measurements (Continued)

- (a) Carrying values were used as the estimate of fair value. Applicable financial instruments are short term in nature, earn a variable rate of interest, or were settled subsequent to year end.
- (b) Refer to discussion of fair value determination discussed above.
- (c) Mortgage loans held for investment consist of multi-family bridge loans intended to be held until maturity. These are variable rate loans. Carrying amounts of the bridge loans are reasonable estimates of their fair value due to their adjustable rate and frequent repricing.
- (d) Carrying amounts of the funding agreements and trust liability are reasonable estimates of their fair value due to their adjustable rates.
- (e) The fair value for notes payable and related party notes receivable with fixed interest rates is estimated using a discounted cash flow calculation that applies current market interest rates. The outstanding balance of the related party revolving credit agreement represents its fair value.
- (f) The fair value for held to maturity securities is obtained from independent pricing services which utilize observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the bonds' terms and conditions, among other things.

The fair value estimates as of December 31, 2008, were based on market data and other relevant information available at the time of valuation. Some fair values, because of little or no market for the related instruments, may be based on expected future loss experience, current economic conditions and other characteristics. These estimates are subjective in nature and involve uncertainties and matters of judgment, and therefore do not represent exact information. Changes in market conditions and assumptions could significantly affect these estimates.

Note 5. Restricted Cash

Restricted cash as of December 31, 2008, consists of the following:

Amounts pledged under terms of repurchase agreements	\$ 30,315,848
Amounts held as collateral for futures transactions	75,600
Amounts held for payment on a credit facility	8,970,000
Amounts pledged under terms of a letter of credit	189,464
Other	17,702
	<u>\$ 39,568,614</u>

Note 6. Servicing Advances

Servicing advances consist of amounts disbursed to cover mortgagor principal and interest shortfalls, taxes and insurance on mortgages serviced by the Companies. Repayment is guaranteed for servicing advances made on FHA mortgages by the respective government agency. The amount of servicing advances as of December 31, 2008 was \$3,699,851.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Notes Receivable

Notes receivable as of December 31, 2008, consist of the following:

Promissory note with an interest rate of 8% per annum. A monthly installment of principal and interest in the amount of \$89,990 is due commencing January 1, 2009. All outstanding principal and interest is due in full on December 1, 2013.	\$ 5,157,806
Promissory note with maximum principal amounts of \$9,000,000. The note bears interest at 6% per annum. All outstanding interest and principal is due in full on April 1, 2009.	7,844,970
Various notes receivable, all under \$350,000, with fixed interest rates ranging from 1% to 10% and various maturities ranging from February 19, 2009 to November 1, 2034.	1,744,955
Various lines of credits with Not-for-Profit Organizations to a maximum of \$13,700,000, with an interest rate equal to the Applicable Federal Rate, adjusted monthly. All outstanding interest and principal is due in full on September 30, 2017.	5,747,282
Revolving line of credit with a Not-for-Profit Organization to a maximum of \$3,750,000, with an interest rate of 6% per annum. All outstanding interest and principal is due in full at the earlier of the date that the mortgage loan on the multi-family housing project is paid in full or refinanced or the date that the HUD insurance on the multifamily housing project mortgage loan is terminated.	2,883,824
Revolving credit agreement not to exceed \$750,000 bearing interest at a rate of 8% per annum, for a one-year term with automatic renewal.	619,779
Promissory note with an interest rate of Prime plus 3.25% per annum. All outstanding interest and principal is due in full on October 12, 2009. The promissory note was paid off in March 2009.	<u>35,752,644</u>
Gross	59,751,260
Less allowance for uncollectable receivables	<u>(851,358)</u>
Net	<u>\$ 58,899,902</u>

A provision for losses for uncollectable notes receivable and interest of \$851,358 and \$136,843, respectively, was recognized for the year ended December 31, 2008.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 8. Notes Receivable - Related Parties

Notes receivable - related parties as of December 31, 2008, consist of the following:

Promissory note with maximum principal amount of \$9,000,000 bearing interest at a rate of 6% per annum. All outstanding interest and principal is due the earlier of February 28, 2013 or the date the affiliate transfers the property.	\$ 1,441,554
Promissory note not to exceed \$75,000,000 bearing interest at a rate of 7% per annum. Interest is payable quarterly in arrears and all outstanding interest and principal is due on May 31, 2017.	46,370,318
Promissory note with variable interest rate based on one-month LIBOR plus 2%. Interest is payable monthly and all outstanding interest and principal is due in full on October 15, 2012.	492,159
Revolving line of credit to a maximum of \$300,000 with an interest rate of 6% per annum. All outstanding interest and principal is due in full at the earlier of the date that the mortgage loan on the housing project is paid in full or refinanced or the date that the HUD insurance on the housing project mortgage loan is terminated.	273,503
Promissory note with an interest rate of 6% per annum. All outstanding interest and principal is due on January 31, 2010.	10,055
	<u>\$ 48,587,589</u>

Note 9. Investments

Trading securities, at fair value, consist of the following:

Trading securities:	
U.S. government and agency securities	<u>\$ 30,577,111</u>

As of December 31, 2008, total unrealized losses on trading securities were \$1,289,128.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Investments (Continued)

The amortized costs and fair values of available for sale and held to maturity securities as of December 31, 2008, are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale securities:				
GNMA and FHA securities	\$ 203,741,683	\$ 1,947,920	\$ (1,273,273)	\$ 204,416,330
Interest-only strips	1,069,286	1,188,437	(232,454)	2,025,269
Municipal bonds	5,422,460	5,585,228	(141,000)	10,866,688
Total available for sale securities	<u>\$ 210,233,429</u>	<u>\$ 8,721,585</u>	<u>\$ (1,646,727)</u>	<u>\$ 217,308,287</u>
Held to maturity securities, Municipal bonds transferred to trusts	<u>\$ 44,946,462</u>	<u>\$ 258</u>	<u>\$ (2,847,728)</u>	<u>\$ 42,098,992</u>

Available for sale and held to maturity securities include U.S. government and agency securities, GNMA and FHA (multifamily) securities, interest-only strips and municipal bonds purchased in the market. Some of these municipal bonds are subsequently transferred to a trust in exchange for cash. For the bonds that were transferred into a trust the transactions were accounted for as secured borrowings. Accordingly, following a sale, the municipal bonds remain on the books of the Companies. Substantially all of the securities, not including the municipal bonds transferred to trusts, are pledged as collateral under certain funding agreements (Note 13). The municipal bonds transferred to the trust are collateral for the trust liability. During 2008, the Companies liquidated certain of these trusts to limit its exposure to the declining tax-exempt bond markets. The remaining trust is held to maturity and there are no mark to market requirements inside the trust. Proceeds of \$6,891,296 from bond maturities and \$252,097,800 from bonds sold were used to repay variable rate certificates with a par value of \$270,824,021. At December 31, 2008, the Companies owned one residual interest certificate.

On January 1, 2008, municipal bonds transferred to a certain trust in 2007 were transferred into the held to maturity category from the available for sale category as a result of the Companies' intent and ability to hold to maturity the residual interest certificate issued by the trust and the trust agreement expressly prohibiting the residual interest certificate holder from liquidating the trust. The fair value on the date of transfer was \$64,079,419. At December 31, 2008, net unrealized holding losses of \$285,403 from the date of transfer is included in accumulated other comprehensive income.

For the year ended December 31, 2008, gross realized gains on the redemption of held to maturity securities were \$9,393 and gross realized losses on the redemption of held to maturity securities were \$158,328. The held to maturity securities were redeemed as a result of the prepayment of the underlying mortgage loans that backed these securities.

For the year ended December 31, 2008, gross realized gains on the sales of available for sale securities were \$2,573,875, and gross realized losses on the sale of available for sale securities were \$7,282,702.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Investments (Continued)

The amortized cost and fair value of securities at December 31, 2008, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
Debt securities available-for-sale:		
Due in less than 1 year	\$ -	\$ -
Due in 1 - 5 years	-	-
Due in 6 - 10 years	6,255,860	11,832,963
Due after 10 years	203,977,569	205,475,324
	<u>\$ 210,233,429</u>	<u>\$ 217,308,287</u>
Debt securities held-to-maturity:		
Due in less than 1 year	\$ -	\$ -
Due in 1 - 5 years	-	-
Due in 6 - 10 years	-	-
Due after 10 years	44,946,462	42,098,992
	<u>\$ 44,946,462</u>	<u>\$ 42,098,992</u>

Information pertaining to securities with gross unrealized losses at December 31, 2008, aggregated by investment category and length of time that individual securities have been in a continuous loss position, is summarized as follows:

	Less than 12 Months		Over 12 Months		Total	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Total Unrealized Losses	Fair Value
Available-for-sale securities:						
GNMA and FHA securities	\$ (97,687)	\$ 21,840,318	\$ (1,175,586)	\$ 36,508,770	\$ (1,273,273)	\$ 58,349,088
Interest-only strips	(232,454)	836,833	-	-	(232,454)	836,833
Municipal bonds	-	-	(141,000)	997,325	(141,000)	997,325
Total temporarily impaired available-for-sale securities	<u>\$ (330,141)</u>	<u>\$ 22,677,151</u>	<u>\$ (1,316,586)</u>	<u>\$ 37,506,095</u>	<u>\$ (1,646,727)</u>	<u>\$ 60,183,246</u>
Held-to-maturity securities, municipal bonds transferred to trusts, temporarily impaired	<u>\$ (419,394)</u>	<u>\$ 14,254,256</u>	<u>\$ (2,428,334)</u>	<u>\$ 25,802,084</u>	<u>\$ (2,847,728)</u>	<u>\$ 40,056,340</u>

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Investments (Continued)

The Companies periodically review their available for sale and held to maturity securities for other than temporary impairment. The Companies recognized an other-than-temporary impairment of \$282,804 on one available for sale security and \$382,670 on one held to maturity security at December 31, 2008. As a result of the impairment, the cost basis of the available for sale security and held to maturity security was adjusted to \$31,750 and \$6,090,189, respectively. The remaining unrealized losses are attributable to changes in interest rates. Management has both the intent and ability to hold these securities for the time necessary to recover the amortized cost.

Note 10. Property and Equipment

Property and equipment as of December 31, 2008, consist of the following:

Cost:	
Land	\$ 137,900
Buildings, office space	3,252,560
Building improvements	643,848
Office equipment and furniture	4,332,968
Leasehold improvements	371,254
Total	<u>8,738,530</u>
Accumulated depreciation	<u>(3,693,307)</u>
Net property and equipment	<u><u>\$ 5,045,223</u></u>

Depreciation expense charged to operations was \$694,036 for the year ended December 31, 2008.

Note 11. Real Estate

Real estate under development and real estate held for sale as of December 31, 2008 consist of the following:

Real estate under development:	
Land	\$ 13,929,600
Apartment and condominium complexes	8,485,267
Total real estate under development	<u><u>\$ 22,414,867</u></u>
Real estate held for sale:	
Homes and condominiums for sale	\$ 4,691,387
Lower of cost or fair value adjustment	(375,000)
Net real estate held for sale	<u><u>\$ 4,316,387</u></u>

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Mortgage Servicing Rights (MSR's)

The following table presents the activity of the Companies' mortgage servicing rights (MSRs), net, for the year ended December 31, 2008.

Mortgage servicing rights:	
Balance, beginning of period, net	\$ 70,949,398
Additions, capitalized upon loan sales	23,214,930
Disposals due to sale	(13,334,903)
Change in fair value	(7,428,568)
Mortgage servicing rights, end of period, net	<u>\$ 73,400,857</u>
Mortgage servicing rights, end of period	\$ 73,746,842
Mortgage servicing liability, end of period	(345,985)
Total	<u>\$ 73,400,857</u>

The fair value of MSRs is determined by obtaining a market valuation from an independent MSR broker. The estimated fair value of MSRs is determined by reference to the discounted future net servicing income, as stratified in accordance with one or more predominant risk characteristics of the underlying loans. The Companies stratify their MSRs by product type, program type, interest rate and investor to reflect the predominant risk characteristics. The valuation is stratified further by whether the underlying loan is a supplemental or first loan and based on debt service coverage. The Companies incorporate assumptions that other mortgage servicers use in estimating future net servicing income, which includes, among other assumptions, estimates of the cost of servicing per loan, including incremental interest cost of servicer advances, foreclosure and delinquency expenses and losses, the discount rates, float value, inflation rate, ancillary income per loan, prepayment speeds and default rates (see chart below).

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Mortgage Servicing Rights (MSR's) (Continued)

Estimate of the cost of servicing the loan:	
FHA insured loans	\$600 to \$1,200
FNMA DUS loans and FNMA Other	\$1,300 to \$2,500
FNMA 3MAX loans	\$2,000
Mortgage Loan Enforcement & Administration:	
Corporation/NY Job Development Authority	
Loans	\$1,500
Master servicing	\$600
Discount rate:	
FHA loans	8.00%
All other non FHA loans	11.00% to 25.00%
Inflation rate	2% to 4%
Ancillary income per loan	\$350
Prepayment speeds:	
FHA loans	0% during lockout period, 2% to 25% depending on note rate
Agency and conventional loans	0% during lockout period, 2% to 25% depending on note rate
All other	0% during lockout period, 2% to 25% depending on note rate

The FHA mortgage servicing rights secure certain funding agreements (Note 13).

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Funding Agreements

Revolving credit facilities and repurchase agreements with interest rates ranging from the one-month LIBOR plus 0.45% to the Federal Funds Rate plus 1.40%. Most agreements terminate upon demand and are secured by certain securities and mortgages. Interest is paid monthly.	\$ 227,358,415
Repurchase agreement with a variable interest rate. The agreement is secured by nonconforming and delinquent, government insured, one-to-four unit residential mortgages. Principal is payable as collections are received and from insurance assignments of the defaulted mortgages. Interest accrues at 1.4% over the daily Federal Funds Rate.	585,954
A credit facility with a maximum amount available of \$25,000,000 expires March 31, 2009. The credit facility is secured by advances made under this facility and all principal, interest, tax and insurance advances as well as certain mortgaging servicing rights. The interest rate on the notes are 2.00% over one-month LIBOR and are payable monthly. This facility was replaced with a \$12,000,000 sublimit on a new \$30,000,000 agency warehouse credit line as of December 31, 2008. The new facility was not utilized until March 2009.	7,261,000
A warehousing credit line with a maximum amount available of \$75,000,000 expiring December 14, 2009. The line of credit is secured by an interest in the underlying properties for which an advance is made under the agreement. The interest rate is 2.0% over one-month LIBOR.	46,776,848
A warehouse credit line with a maximum amount available of \$85,000,000 expiring on February 1, 2010. The line of credit is secured by an interest in the underlying properties for which an advance is made under the agreement. No new investments were permitted after February 1, 2008. The credit facility is permitted to paydown from the cash flow as the mortgages held for investment pay off pursuant to the terms of the mortgage note or when the mortgage is refinanced. The interest rate is 1.45% to 1.65% over one-month LIBOR. Guaranteed by a related party.	67,432,798
A warehouse credit line with a maximum amount available of \$250,000,000 expiring on March 31, 2009. The line of credit is secured by an interest in the underlying properties for which an advance is made under the agreement. No new investments were permitted after the March 31, 2008. The credit facility is permitted to paydown from the cash flow as the mortgages held for investment pay off pursuant to the terms of the mortgage note or when the mortgage is refinanced. The interest rate is 1.10% over commercial paper rate.	160,891,240
A revolving credit facility and security agreement with a maximum amount available of \$25,000,000. Interest is payable in arrears on a quarterly basis. The interest rate is 1.50% or 2.0% over the three month LIBOR, adjusted quarterly. The facility matures on July 31, 2012. The outstanding principal and interest is secured by the underlying loans made from the advances received from this revolving credit agreement.	7,896,355

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Funding Agreements (Continued)

Participation certificate repurchase agreement with principal and interest paid monthly at a variable rate equal to the monthly average BMA rate plus 1.7% plus \$17,750. The agreement is collateralized by the net future cash streams of restricted cash transferred to trusts. The maturity of the investment under the agreement is December 1, 2025.	27,926,023
Three participation certificate repurchase agreements with interest paid semi-annually for a two-year period with an interest rate of 10% per annum. Collateralized by certain FHA mortgage loans included in investments in debt securities or notes receivables. The investments under these agreements mature between April 4, 2009 and December 1, 2010.	3,640,000
A revolving credit facility agreement with a maximum amount available of \$40,000,000. The interest rate per annum is equal to the Eurodollar rate. The facility matures on February 28, 2010. The outstanding principal and interest is secured by the underlying loans made from the advances funded by this agreement.	29,184,242
A credit facility with a maximum amount available of \$100,000,000 expired January 12, 2008. The credit facility is secured by all mortgage loans held for investment for which an advance is made under this facility. No new investments were permitted after the expiration date. The credit facility is permitted to paydown from the cash flow as the mortgages held for investment pay off pursuant to the terms of the mortgage note or when the mortgage is refinanced. The interest rate on the notes is 1.65% over one-month LIBOR and is payable monthly. This facility was not replaced. Guaranteed by a related party.	18,315,000
A warehouse credit line with a maximum amount available of \$6,500,000 expired on February 1, 2008 and was not renewed. The line of credit was secured by an interest in the underlying properties for which an advance was made under the agreement. No new investments were permitted after the expiration date. The credit facility is permitted to paydown from the cash flow as the mortgages held for investment pay off pursuant to the terms of the mortgage note or when the mortgage is refinanced. The interest rate is 13% to 15% per annum and is payable monthly. This facility was not replaced. Guaranteed by a related party.	<u>4,050,000</u> <u>\$ 601,317,875</u>
In December 2008, the Companies closed on two new facilities with one bank. One facility is a \$30,000,000 agency warehouse line; with \$12,000,000 sublimit for a working capital line. The second facility of \$30,000,000 is a repurchase line for agency securities. No advances were made on these new facilities as of December 31, 2008. These facilities expire on December 30, 2009.	
At December 31, 2008, the one-month LIBOR was approximately 0.44%, the Federal Funds Rate was 0.25%, and the one month Eurodollar was 0.80%. Interest expense charged to operations from funding agreements was \$29,815,172 for 2008. Some of these funding agreements, and the related derivative instruments, are subject to margin calls where the Companies may have to put in additional collateral. With respect to the above funding agreements, the Companies must comply with certain loan covenants on a monthly and quarterly basis. The maximum net worth required under any of the funding agreements is \$85,000,000.	

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Notes Payable - Related Parties

The Companies have entered into funding agreements with various related parties to finance operations:

Four separate unsecured funding agreements with interest rates of 8% each per annum paid monthly. Two principal amounts of \$525,000 each mature on December 31, 2009 and two principal amounts of \$500,000 each mature on July 26, 2009. \$ 2,050,000

Interest expense charged to operations from notes payable, related parties was \$28,969 in 2008.

Note 15. Notes Payable

Notes payable as of December 31, 2008 are as follows:

On April 16, 2008, the Companies refinanced the initial mortgage on their Warrenton, Virginia facility with a \$6,000,000 mortgage, maturing on April 15, 2018. Monthly principal and interest payments of \$38,980 commenced on May 15, 2008. The mortgage is a fixed rate note at 6.00%. The mortgage is secured by the office facilities. \$ 5,929,911

An unsecured term loan assumed from a related party expiring on June 1, 2015. Principal and interest in the amount of \$4,000 is payable monthly. The loan bears interest at a rate of 7.00% per annum. 278,491

An unsecured term loan in the aggregate amount of \$30,000,000 expiring on May 18, 2010. Principal payments of \$1,250,000 are due quarterly through March 31, 2009; interest only thereafter. Interest on the loan is payable monthly and the loan bears interest at a rate equal to the Eurodollar rate plus 3.00%. 21,250,000

A term loan in the aggregate amount of \$1,200,000 expiring on December 18, 2010. The loan is secured by real estate. Interest on the loan is payable monthly and bears interest at a rate equal to LIBOR plus 3.25%. 1,200,000

A term loan in the aggregate amount of \$15,000,000 expiring on March 27, 2013. The loan is collateralized by common stock in a related party. Interest on the loan is payable monthly and bears interest at a rate equal to Prime Rate minus 1.00%. 15,000,000

Two unsecured notes for \$28,000,000 expiring on April 30, 2037 and for \$13,125,000 expiring on July 30, 2037. The notes bear interest at a rate equal to three-month LIBOR plus 3.70% per annum. Interest payments are made quarterly. 41,125,000

A term loan in the aggregate amount of \$35,700,000 that was repaid on March 18, 2009. The loan is collateralized by a note receivable from a third party. Interest on the loan is payable monthly and the loan bears interest at a rate equal to the Eurodollar rate plus 2.00%. 35,700,000
\$ 120,483,402

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 15. Notes Payable (Continued)

Maturities of notes payable at December 31, 2008, are as follows:

Year ending December 31:	
2009	\$ 40,839,510
2010	17,598,524
2011	158,122
2012	167,374
2013	15,179,168
Thereafter	46,540,704
	<u>\$ 120,483,402</u>

Interest expense charged to operations was \$4,701,430 in 2008.

Note 16. Operating Leases

The Companies lease certain offices, storage facilities and equipment under operating leases. The future minimum lease payments are as follows:

Year ending December 31:	
2009	\$ 1,332,760
2010	1,179,381
2011	1,048,166
2012	309,815
2013	777
	<u>\$ 3,870,899</u>

Rent expense for the year ended December 31, 2008 was \$1,205,616.

Note 17. Retirement Plan

The Companies have adopted a 401(k) retirement plan. All eligible employees of the affiliated companies are allowed to participate in the plan. The plan allows for employer contributions; however, the Companies do not match the employee contributions. No employer contributions are made to the plan.

Note 18. Commitments and Contingencies

The Companies are involved in legal proceedings arising in the normal course of business. Management believes these suits are without merit and the Companies intend to defend or arbitrate against the plaintiffs' allegations. It is too early in the litigation process to assess the likelihood of unfavorable outcomes; however, in the opinion of management, the outcome of such proceedings currently pending will not materially affect the Companies' consolidated financial statements.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 18. Commitments and Contingencies (Continued)

In the normal course of business, the Companies are typically required to put forth certain guarantees. These guarantees include:

- A letter of credit for \$9,500,000 in favor of FNMA for certain loans originated by the Companies.
- Limited guarantee of a premium on a GNMA security of \$350,000 which amortizes over 10 years.
- Limited guarantee for approximately \$2,000,000 on a group of loans valued at \$8,000,000 which were sold to a third party.

The Companies also guarantee certain obligations for other entities under common control of the sole shareholder/member. These guarantees include:

- Guarantee of two loans totaling \$14,000,000 secured by a construction project in Pennsylvania.
- Guarantee of an ISDA Master Agreement for swaps with a maximum notional amount of \$10,000,000.
- Limited guarantee of a \$47,500,000 loan secured by a construction project in North Carolina.
- Guarantees of approximately \$64,000,000 of total lines of credit secured by equipment finance leases.
- Guarantee of a \$10,000,000 loan in connection with equipment purchased for resale in liquidations, private sales and auctions.
- Guarantee of a \$10,000,000 loan in connection with property acquired to construct condominiums.
- Guarantees of two loans totaling \$7,000,000 related to an investment company.
- Guarantees of two lines of credit totaling \$500,000 related to a private postal company.
- A limited guarantee of a loan not to exceed \$16,104,224 with a principal balance of \$1,036,094 at December 31, 2008 only applicable in the event of fraud by the Borrower or a breach by the Borrower's Managing Member of the obligations under the Borrower Operating Agreement that has a material adverse effect on the Lender.

Management has determined that none of the related parties are in default and they all have sufficient capital to support their own liabilities. The Companies have determined there are no material exposures and have not recorded a liability for any of their guarantees.

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 19. Related Party Transactions

The Companies hold notes receivable and payable with related parties (Notes 8 and 14) and provide guarantees for related parties (Note 18).

As of December 31, 2008, Servicing serviced 5 loans for affiliated companies with combined unpaid principal balances of \$38,077,146. The servicing fees on these loans earned by Servicing are calculated by percentages, ranging from .15% to .44% of the unpaid principal balances. Servicing fee income recognized on these loans was \$71,416 for the year ended December 31, 2008.

Note 20. Derivative Instruments

The Companies are exposed to market risks related to fluctuations in interest rates on its interest rate lock commitments on loans held for sale and commitments to sell its mortgage loans. The Companies manage the interest rate risk associated with making loan commitments and holding mortgage loans for sale by pre-selling loans and entering into sale commitments with various third parties. These lending and sale commitments create derivative instruments under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*. As of December 31, 2008, derivative instruments were comprised of the following:

	Asset	Liability
Forward sale commitments	\$ 3,618,309	\$ (208,594)
Forward lending commitments	1,417,555	(510,680)
Futures contracts	-	(79,313)
	<u>\$ 5,035,864</u>	<u>\$ (798,587)</u>

Note 21. Mortgage Loans Held for Sale and Mortgage Loans Held for Investment

Mortgage loans held for sale consist of conventional, FHA, and FNMA DUS loans. Mortgage loans held for investment consist of bridge and other loans. The mortgage loans held for sale and held for investment as of December 31, 2008, consist of the following:

Loans held for sale:	
FNMA/GNMA loans	\$ 46,776,848
Lower of cost or fair value adjustment	(232,374)
Deferred loan origination costs, net	6,223,099
	<u>\$ 52,767,573</u>
Loans held for investment:	
Bridge loans	\$ 264,231,999
Other	27,898,765
	<u>292,130,764</u>
Allowance for loan losses	(943,365)
Deferred loan origination fees, net	(188,386)
	<u>\$ 290,999,013</u>

Greystone Select Holdings LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 21. Mortgage Loans Held for Sale and Mortgage Loans Held for Investment (Continued)

An analysis of the allowance loan losses for the year ended December 31, 2008 consists of the following:

Balance at beginning of year	\$ 477,141
Provision for loan losses	655,674
Loans charged-off	(189,450)
Recoveries of loans previously charged-off	-
Balance at end of year	<u>\$ 943,365</u>

Note 22. Consolidation of Variable Interest Entities

The Companies own a residual interest in a certain asset securitization issued by a trust. The purpose of the trust is (a) to acquire highly rated tax-exempt municipal bonds and (b) to provide for the creation and ownership certificates in the form of (i) variable rate certificates (sold to other investors) and (ii) residual interest certificates (residual interests acquired by the Companies). As the owner of the residual interest, the Companies receive the interest paid on the bonds after the payment of interest on the variable rate certificates and the payment of fees to the trustee.

This trust is a variable interest entity (VIE) and the Companies are the primary beneficiary in this VIE as it absorbs the majority of expected residual returns through their ownership of the residual interests in the trust. Accordingly, this trust is consolidated by the Companies under Financial Accounting Standards Board Interpretation No. 46(R), *Consolidation of Variable Interest Entities*.

As of December 31, 2008, the liability of the trust was \$44,405,000. The trust liability is collateralized by some of the assets discussed in Note 9. The rates reset on a weekly basis based on the BMA rate until liquidation of the trust. Maturities of the trust liability at December 31, 2008, are as follows:

Year ending December 31:	
2009	\$ -
2010	-
2011	-
2012	-
2013	-
Thereafter	<u>44,405,000</u>
	<u>\$ 44,405,000</u>

Notes to Consolidated Financial Statements

Note 23. Allowance for Losses on Loans Sold with Recourse

The Companies' allowance for losses on loans sold with recourse is that amount considered adequate to absorb probable losses in the portfolio based on management's evaluations of the size and current risk characteristics of the sold loan portfolio. Such evaluations consider prior loss experience, the risk rating distribution of the portfolios, the impact of current internal and external influences on credit loss and the levels of nonperforming loans. Specific allowances for losses are established for individual sold loans. The specific allowances established for these loans is based on a thorough analysis of the most probable source of repayment, including the present value of the loan's expected future cash flow, the loan's estimated market value, or the estimated fair value of the underlying collateral. As of December 31, 2008, specific allowances totaled \$1,470,155. General allowances are established for the FNMA portfolio. The general loss is based on the loss sharing agreement with FNMA where the Companies are responsible for the first loss on defaulted loans up to 5% of the principal balance of any such loan. The maximum loss risk to the Companies is 20% of the original principal balance for loans originated where loss sharing is applicable. A general reserve of \$8,399,469 for the loss exposure on the FNMA portfolio loans sold was recorded as of December 31, 2008. The FNMA portfolio with recourse totaled \$5,292,727,872 as of December 31, 2008.

Note 24. Subsequent Events

On February 1, 2009, a related party transferred and assigned its 99% membership interest in Greystone Commercial Services LP to Funding as a partial repayment of principal on a related party note at a net book value of \$9,619,788 on the date of transfer. Greystone Commercial Services LP is a national factoring and asset-based lending company.

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Supplementary Information

To the Management Committee
Greystone Select Holdings LLC and Subsidiaries
New York, New York

Our audit was made for the purpose of forming an opinion on the basic consolidating financial statements as of and for the year ended December 31, 2008 taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidating financial statements. The supplementary information as of and for the year ended December 31, 2008, has been subjected to the auditing procedures applied in the audit of the basic consolidating financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidating financial statements taken as a whole.

McGladrey & Pullen, LLP

Denver, Colorado
April 7, 2009

Greystone Select Holdings LLC and Subsidiaries

Consolidating Balance Sheet

December 31, 2008

	Funding	Servicing	Select	Elimination	Total
ASSETS					
Cash and cash equivalents	\$ 3,626,498	\$ 8,294,954	\$ 127,242	\$ -	\$ 12,048,694
Restricted cash	30,598,614	8,970,000	-	-	39,568,614
Servicing advances	-	3,699,851	-	-	3,699,851
Accrued interest receivable	12,031,923	1,983,203	-	-	14,015,126
Mortgage loans held for sale	-	52,767,573	-	-	52,767,573
Mortgage loans held for investment, net	26,438,681	264,560,332	-	-	290,999,013
Investments in trading securities	30,135,346	441,765	-	-	30,577,111
Investments in available for sale securities	217,308,287	-	-	-	217,308,287
Investments in held to maturity securities	44,946,462	-	-	-	44,946,462
Accounts receivable	2,271,623	1,489,008	-	-	3,760,631
Property and equipment, net	10,386	5,034,837	-	-	5,045,223
Mortgage servicing rights	-	73,746,842	-	-	73,746,842
Due from related parties	875,976	-	156,904	(289,885)	742,995
Notes receivable, net	58,145,194	754,708	-	-	58,899,902
Notes receivable, related parties	48,587,589	-	-	-	48,587,589
Derivative instruments	1,151,918	3,883,946	-	-	5,035,864
Real estate under development	22,414,867	-	-	-	22,414,867
Real estate held for sale	4,316,387	-	-	-	4,316,387
Investment in subsidiaries	-	-	170,373,963	(170,373,963)	-
Other assets	1,527,384	512,432	1,367,921	-	3,407,737
Total assets	\$ 504,387,135	\$ 426,139,451	\$ 172,026,030	\$ (170,663,848)	\$ 931,888,768
LIABILITIES AND MEMBER'S EQUITY					
LIABILITIES					
Accounts payable and accrued expenses	\$ 758,743	\$ 11,822,726	\$ 54,480	\$ -	\$ 12,635,949
Accrued interest payable	423,523	607,274	507,472	-	1,538,269
Credit facility payable	-	8,970,000	-	-	8,970,000
Funding agreements	296,005,035	305,312,840	-	-	601,317,875
Trust liability	44,405,000	-	-	-	44,405,000
Notes payable	58,428,491	5,929,911	56,125,000	-	120,483,402
Notes payable, related parties	1,050,000	1,000,000	-	-	2,050,000
Derivative instruments	79,313	719,274	-	-	798,587
Due to related parties	-	362,134	-	(289,885)	72,249
Allowance for losses on loans sold with recourse	-	9,869,624	-	-	9,869,624
Deferred revenue	4,085,625	-	-	-	4,085,625
Other liabilities	209,951	6,206,304	-	-	6,416,255
Total liabilities	405,445,681	350,800,087	56,686,952	(289,885)	812,642,835
MINORITY INTEREST	3,906,855	-	-	-	3,906,855
STOCKHOLDER AND MEMBER'S EQUITY					
Common stock	500	500	-	(1,000)	-
Additional paid-in capital	-	28,499,667	-	(28,499,667)	-
Retained earnings	88,199,338	46,884,502	-	(135,083,840)	-
Accumulated other comprehensive income (loss)	6,834,761	(45,305)	6,789,456	(6,789,456)	6,789,456
Member's equity	-	-	108,549,622	-	108,549,622
Total stockholder and member's equity	95,034,599	75,339,364	115,339,078	(170,373,963)	115,339,078
Total liabilities, stockholder and member's equity	\$ 504,387,135	\$ 426,139,451	\$ 172,026,030	\$ (170,663,848)	\$ 931,888,768

Greystone Select Holdings LLC and Subsidiaries

Consolidating Statement of Income
Year Ended December 31, 2008

	Funding	Servicing	Select	Elimination	Total
Revenues:					
Interest income	\$ 39,359,812	\$ 34,612,564	\$ -	\$ -	\$ 73,972,376
Gain from sale of mortgage loans, net	-	42,841,442	-	-	42,841,442
Service fee income, net	38,836	10,311,532	-	-	10,350,368
Unrealized gain on derivatives, net	2,539,486	1,823,994	-	-	4,363,480
Fee and other income	18,663,417	921,829	645,966	(7,984,583)	12,246,629
Total revenues	60,601,551	90,511,361	645,966	(7,984,583)	143,774,295
Expenses:					
Interest expense	17,987,253	18,039,761	3,382,378	-	39,409,392
Salary and employee benefit expense	1,247,942	23,057,102	-	-	24,305,044
Operating expense	2,885,731	12,740,718	101,517	(1,569,075)	14,158,891
Depreciation and amortization	638	851,467	-	-	852,105
Management fees	-	6,415,508	-	(6,415,508)	-
Loss on sale of available for sale securities, net	4,708,827	-	-	-	4,708,827
Loss on trading securities, net	5,852,430	-	-	-	5,852,430
Loss on redemption of held to maturity securities, net	148,935	-	-	-	148,935
Other-than-temporary impairment on securities	382,670	282,804	-	-	665,474
Realized loss from settlement of derivatives, net	7,389,569	1,103,152	-	-	8,492,721
Provision for loan and note receivable losses	1,473,106	170,769	-	-	1,643,875
Provision for loan losses on loans sold with recourse	-	2,022,874	-	-	2,022,874
Charitable contributions	3,409,000	500	-	-	3,409,500
Other expense	572,303	289,527	-	-	861,830
Total expenses	46,058,404	64,974,182	3,483,895	(7,984,583)	106,531,898
Income before equity in net income of subsidiaries	14,543,147	25,537,179	(2,837,929)	-	37,242,397
Equity in net income of subsidiaries	-	-	40,080,326	(40,080,326)	-
Net income	\$ 14,543,147	\$ 25,537,179	\$ 37,242,397	\$ (40,080,326)	\$ 37,242,397

Greystone Select Holdings LLC and Subsidiaries

Consolidating Statement of Member's Equity
Year Ended December 31, 2008

	Funding	Servicing	Select	Elimination	Total
Balance, December 31, 2007	\$ 164,538,546	\$ 89,492,296	\$ 213,598,082	\$ (254,030,842)	\$ 213,598,082
Net income	14,543,147	25,537,179	37,242,397	(40,080,326)	37,242,397
Distributions, net	(81,627,628)	(39,832,422)	(133,224,246)	121,460,050	(133,224,246)
Other comprehensive income (loss)	(2,419,466)	142,311	(2,277,155)	2,277,155	(2,277,155)
Balance, December 31, 2008	\$ 95,034,599	\$ 75,339,364	\$ 115,339,078	\$ (170,373,963)	\$ 115,339,078



Evans, Mechwart, Hambleton & Tilton, Inc.
Engineers, Surveyors, Planners, Scientists

September 2, 2009

Mr. Joseph M. Reidy
Attorney at Law
Schottenstein Zox & Dunn Co., LPA
250 West Street
Columbus, Ohio 43215

Subject: Tech South Pavement Engineering Control Maintenance

Dear Mr. Reidy,

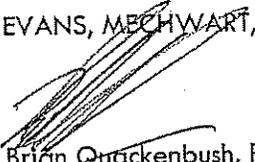
As requested, I have prepared a letter for the purpose of identifying an estimated probable cost for the inspection and maintenance of the pavement engineering controls of the Tech South project. The costs are estimated as follows:

<u>Item</u>	<u>Yearly Cost</u>
Semi-Annual Pavement Visual Inspection and Letter Report (Prepared by EMH&T)	\$1,500
<u>Crack Sealing, Hot Applied (Per City of Columbus Item 413)</u>	<u>\$3,000</u>
Engineer's Estimate of Probable Yearly Cost	\$4,500

This inspection and maintenance program will apply through the design life of the pavement, but additional maintenance may be required beyond this time period. If you have any further questions or concerns, please feel free to reach me at (614) 775-4390.

Sincerely,

EVANS, MECHWART, HAMBLETON & TILTON, INC.


Brian Quackenbush, PE, LEED AP
Associate & Project Manager

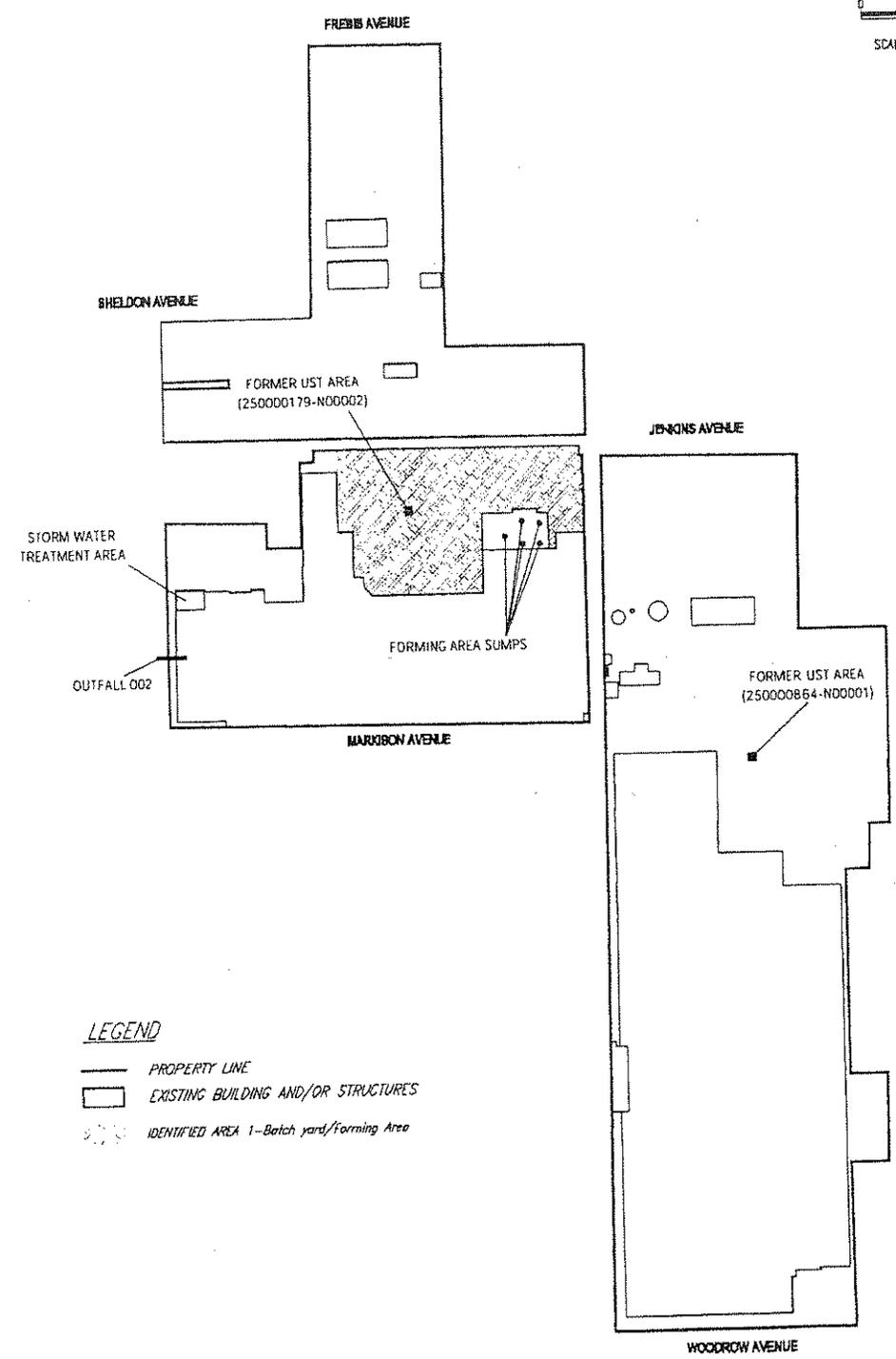
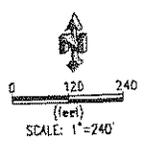
Copies:
Louis Gibb, Tech South Development, LLC

A legacy of experience. A reputation for excellence.

5500 New Albany Road, Columbus, OH 43054 • Phone 614.775.4500 • Fax 614.775.4800

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11/27/2008 11:20 AM Administration for the State of Tennessee, Department of Environment and Conservation, Division of Environmental Health, 11/27/2008



LEGEND

- PROPERTY LINE
- EXISTING BUILDING AND/OR STRUCTURES
- IDENTIFIED AREA 1—Batch yard/Forming Area



HZW ENVIRONMENTAL CONSULTANTS
8100 Heasley Rd. • Memphis, TN 38115
440-567-1280 • Fax 440-567-1630

FORMER USTs AND OUTFALL 002

Cost Of Operating the Storm Water Treatment Plant

	Monthly	Yearly
Supplies/Testing/Disposal		
Aqua Science	\$1,414	\$16,963
EQ Box Rental	\$252	\$3,021
EQ Disposal	\$557	\$6,683
EA Group Testing	\$115	\$1,380
Labor		
Operator #1	\$662	\$7,950
Operator #2	<u>\$468</u>	<u>\$5,612</u>
Totals	\$3,467	\$41,609