

CONTRACT FOR SALE OF REAL PROPERTY

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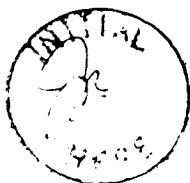
This Contract for Sale is made on **September 25**, 2001, by and between **SOUTH SALEM STREET ASSOCIATES**, a New Jersey Partnership, having an address at Delaware Hudson ~~Group~~, Inc., 239 New Road, Parsippany, New Jersey 07054-4294, (hereinafter referred to as "**Seller**") and the **TOWNSHIP OF MONTVILLE**, a Municipal Corporation of the State of New Jersey with offices at 195 Changebridge Road, Montville, New Jersey 07045-9498, (hereinafter referred to as "**Buyer**"). All provisions of this Contract extend to, inure to the benefit of, and bind the respective heirs, devisees, successors and assigns to the parties hereto.

1. Agreement to Sell and Purchase. The Seller agrees to sell to the Buyer and the Buyer agrees to purchase from Seller, subject to the terms and conditions of this Contract, the property located in the Township of Montville, County of Morris, State of New Jersey, which is more fully described herein.

2. The Property. The property to be sold consists of (a) a portion of that certain plot, piece and parcel of land located in the Township of Montville, County of Morris, and State of New Jersey, identified on the Municipal Tax Map as Lot 30, Block 156, 330 Changebridge Road, Montville, NJ, consisting of approximately 2.2 acres; (b) all the buildings, other improvements and fixtures on the land; (c) all personal property specifically included in this Contract; (d) all the right, title and interest, if any, of Seller in and to any land lying in the bed of any street, road, or alley, open or proposed, in front of or adjoining the property, and all right, title and interest of Seller in and to any condemnation proceeds or similar award made or to be made in connection with the taking thereof; (e) all strips, gores, easements, rights-of-way, privileges, appurtenances and other rights pertaining to the property; and (f) this Contract is further contingent upon Purchaser not re-zoning the property of the Seller so as to prevent development of a 48,000 sq. ft. commercial building. This Contract provision shall survive the expiration or termination of this Contract, but under no circumstances, more than one (1) year from the date of this Contract.

The foregoing lands and interests shall be referred to, collectively, as the "Property." The Property is more fully described in the attached addendum, to be supplied by Seller upon signing of this Contract.

3. Purchase Price. The purchase price for the Property shall be **FIVE HUNDRED TWENTY-FIVE THOUSAND and 00/100 (\$525,000.00) DOLLARS.**



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4. **Payment of Purchase Price.** The Buyer will pay the purchase price as follows:

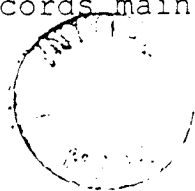
Upon execution of this Contract as a deposit	\$ 1,000.00
Balance to be paid at closing of Title, by certified or bank cashier's Check, attorney's trust account check or wire transfer (subject to adjustments at closing)	<u>\$524,000.00</u>
TOTAL	\$525,000.00

5. **Deposit Monies.** All deposit monies shall be held in escrow until closing of title by Seller's attorneys, Henshaw, Brady & Nichay.

6. **Time and Place of Closing.** The Buyer and Seller agree to make the estimated date for the closing January 15, 2002 at 11 A.M., **TIME BEING OF THE ESSENCE.** Both parties will fully cooperate so the closing can take place on or about the estimated date. The closing will be held at the offices of the Township of Montville at the Municipal Building, 195 Changebridge Road, Montville, New Jersey 07045.

7. **Transfer of Ownership.** Seller shall sell and convey to Buyer good, marketable and insurable (at ordinary rates) fee simple title to the Property subject only to the following permitted encumbrances (collectively, the "Permitted Encumbrances"); (a) the liens of real estate taxes, personal property taxes, water charges and sewer charges, provided the same are not then due and payable, subject to adjustment as herein provided; (b) to licenses, easements, and rights-of-way of record in favor of any utility to maintain lines, wires, cables and poles, or underground utility improvements, across the unimproved portions of the Property, provided the same do not interfere with the intended use of the Property; and (c) covenants, agreements, and restrictions of record, provided that the same do not render title unmarketable or restrict or interfere with the intended use of the Property, and are not violated by the existing structures, if any, and any future violation will not result in a reversion of title. In addition to the above, Buyer hereby acknowledges that the transfer of the Property is subject to such state of facts as would be disclosed by an accurate survey of the Property, provided that such facts do not render title to the property unmarketable, nor make the Property unfit for Buyer's intended use of the vacant land as open space.

8. **Type of Deed.** The Seller agrees to provide and the Buyer agrees to accept a Deed known as a "Bargain and Sale Deed with Covenants against Grantor's Acts" which shall be in a form suitable for recording in the records maintained by the Morris County Clerk. The



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description used in the Deed for the Property shall conform to the survey of the Property obtained by Buyer at its expense, or shall be that description prepared by Buyer's title insurance company at Buyer's expense, provided that the same has been furnished to Seller by Buyer prior to the date which is established for the closing of title.

9. Deliveries at Closing. At the closing of title to the Property, Seller shall, at its own cost and expense, deliver the following to Buyer:

(a) A fully executed and acknowledged Deed for the Property in proper form for recording, sufficient to convey good and marketable fee title to the Property to Buyer;

(b) A duly executed and acknowledged Affidavit of Title in form and content satisfactory to Buyer and to the title company insuring Buyer's title; and

(c) Any and all affidavits and other instruments and documents which Buyer or the title company insuring Buyer's title to the Property shall reasonably request in order to convey good and marketable title to the Property, subject to the Permitted Encumbrances provided for herein.

10. Requirements of Seller to Deliver to Buyer. Within ten (10) days of Seller and Buyer executing this Contract, Seller shall deliver to Buyer:

(a) Any title examination and/or title search together with any policy of fee owner title insurance which may be within the possession or control of Seller;

(b) The latest survey of the Property, if any, which may presently be in the custody or control of Seller;

(c) A copy of the Deed to the Property into Seller; and

11. Requirements of Buyer to Deliver to Seller. Upon the execution of this Contract, Buyer at its sole cost and expense, shall arrange for an examination of the title to the Property and Buyer shall furnish Seller with a copy thereof upon receipt.

12. Inspection of Property. Buyer acknowledges it has received a Phase I Preliminary Assessment Report that indicates that there are no significant environmental liabilities on the site. A copy of said report is attached hereto. Purchaser shall not undertake a Phase II Environmental report without Seller's prior written consent.



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13. **Survey.** Buyer shall obtain at its cost and expense a survey of the Property. Purchaser shall provide a copy of the survey to Seller upon its receipt of same.

14. **Seller's Representations.** Seller makes the following covenants, representations and warranties, which representations and warranties are true and correct as of the date hereof and will be true and correct as of the closing date, and will survive the closing of title to the Property:

(a) There are no leases or use or occupancy agreements affecting the Property, and no party has any claim or right to possess the property or any portion thereof with the exception of easements of record, and Seller will convey clear title to the entire Property to Buyer at the closing;

(b) There are no service contracts, labor or union contracts, employment agreements, management contracts or any other agreements affecting the Property or the operation thereof;

(c) There is no litigation or proceeding pending or threatened against Seller or against or related to all or any part of the property or the operation thereof, nor does Seller know of any basis for any such action;

(d) All bids and claims for labor heretofore performed and materials heretofore furnished to or for the benefit of the property have been or will be paid in full by Seller on the closing date;

(e) No person, firm, or entity has any rights in, or any rights to acquire all or any part of the Property including, without limitation, any rights of first refusal or options with respect to the same; and

(f) Seller represents and warrants to the best of Seller's knowledge that throughout the entire period of Seller's ownership of the Property:

1. No safety or environmental hazards have been identified on the Property.

2. Seller has not received notification from a federal, state or local government regarding any safety or environmental investigation or court order.

3. The property has never been used as a dump site or storage facility for hazardous substances.

4. There have been no oil or gasoline spills on the Property.



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5. There are no underground or above ground storage tanks on the Property or there are underground or aboveground storage tanks on the property but they have never leaked, the tanks do not have a capacity in excess of 2,000 gallons used to store heating oil and the tanks have not been used to store any substance to be used or sold commercially and they have been property registered with the Department of Environmental Protection.

15. Adjustments at Closing. Real estate taxes, rents, municipal water charges, sewer charges, and insurance premiums shall be adjusted as of the closing date. The Buyer or the Seller may require that any person with a claim or right affecting the Property be paid off from the proceeds of this sale.

16. Real Estate Brokerage Commission. Seller and Buyer mutually represent and warrant to each other that they have not dealt with any real estate broker or agent in bringing about this transaction. The parties hereto agree to save each other harmless and indemnify each other from any losses, damages, judgments and costs, including legal fees, which a party may suffer if the other party breaches its obligations hereunder or if the representation of the other party contained herein proves untrue. The obligations of this paragraph shall survive closing of title and delivery of the deed.

17. Risk of Loss. Risk of loss, by reason of fire or other casualty, shall remain with Seller until the time of closing.

18. Default. In the event that the closing of title to the Property in accordance with the terms of this Contract does not take place as a result of default by either of the parties, the respective parties are left to their remedies of law or equity for said breach.

19. Notices. All notices, demands or communications hereunder shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by nationally recognized overnight carrier to the following addresses:

If to Seller: At the address set forth on page 1.

With a copy to:
Henshaw, Brady & Nichay
50 South Street
Morristown, NJ 07960
Attention: Douglas R. Henshaw, Esq.

Warren Kahn, Esq.
150 River Road
Suite O-2B
Montville, NJ 07045



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If to Buyer: At the address set forth on page 1.

With a copy to: Johnson, Murphy, Hubner, McKeon,
Wubbenhorst & Appelt
51 Route 23 South
Riverdale, New Jersey 07457
Attention: Martin F. Murphy, Esq.

20. Additional Conditions.

(a) Seller agrees to reduce the size of a proposed office building on the balance of the property from 48,000.00 square feet to approximately 27,000 square feet which will all be contained on one floor. The Buyer acknowledges that the existing size of the entirety of Block 156, Lot 30 is 6.56 acres, and that that size will be utilized for the calculation of and compliance with the zoning requirements for the Seller's revised site plan. In the event that site plan approval for this project has not been granted by December 31, 2001, Seller may terminate this Contract. Seller agrees to submit revised plans no later than thirty (30) days following full execution and delivery of this Contract.

(b) The purchase price to be paid by the Buyer may be reduced by the amount of water and sewer connection fees which would be the obligation of Seller for the connection to the balance of the property.

(c) In addition to the purchase price set forth hereinabove, Buyer will provide for and/or undertake the following:

1. Installation of the sewer line to serve the subject premises from its existing location in Changebridge Road to serve the subject building and the adjoining residential structures in accordance with the plans prepared by GC Stewart Associates, Inc. entitled "Montville Office Plaza Lot 30, Block 156, Township of Montville," to be initialed and incorporated in this agreement by reference. Sewer line must be installed, completed, tested and accepted by the Township of Montville or the Montville Township MUA by June 1, 2002. The installation of the sewer lines includes the obtaining of any and all required permits or approvals. The sewer line is to be stubbed behind the curb of Changebridge Road and in conformity with the plans prepared by GC Stewart Associates, Inc.

The Buyer agrees to install a water line at the same time as the installation of the sewer line if requested by the Seller. Seller shall reimburse Buyer for the installation of the water line at Buyer's cost.

Buyer agrees to provide sewer treatment and transmission capacity for Seller's development including an express

reservation of sewer allocation in the amount of 3,000 gallons per day, for a period of three years from the date the sewer line has been installed, completed, tested and accepted by the Township of Montville.

2. Buyer will install sidewalks in conformity with the plans prepared by GC Stewart Associates, Inc., or waive its requirements of the same.

3. The Township of Montville-Planning Board of the Township of Montville will waive escrow fees, site work inspection fees, application fees, soil removal fees and performance bonds. Any unused escrow fees from Buyer's earlier application shall be refunded.

(d) Either or both parties may consummate the purchase/sale of the property as party of a so-called like exchange (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code") provided that:

1. The Closing shall not be delayed or affected by reason of the Exchange, nor shall the consummation or accomplishment of the exchange be a condition precedent or condition subsequent to the exchange party's obligations under this Agreement;

2. The exchanging party shall effect the rights under this Agreement to a qualified intermediary and assignment of the purchase agreement for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; and

3. The exchanging party shall pay any additional costs that would not otherwise have been incurred by the exchanging party or the non-exchanging party had the exchanging party not consummated its purchase through the Exchange. The non-exchanging party shall not be this agreement or acquiescence to the Exchange (a) have its rights under this Agreement affected or diminished in any manner; or (b) be responsible for compliance with or be deemed to have warranted to the exchanging party that the Exchange in fact complies with Section 1031 of the Code.

(e) Buyer will approve, or authorize the Planning Board of the Township of Montville to approve, the soil removal application which is required under the applicable Montville Township Ordinances for the development of this site in conformity with this agreement.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto. No amendment or modification hereof shall have any force or effect unless in writing and executed by all parties.

22. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective legal

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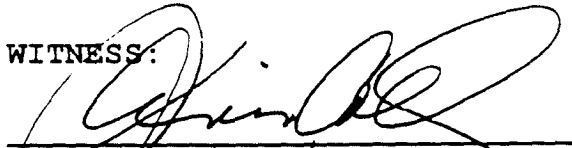
representatives, their heirs, executors, administrators, successors and assigns.

23. Governing Law. This Agreement shall be construed in accordance with the laws of the State of New Jersey. This Contract may not be changed or modified without the written consent of all parties hereto. The parties acknowledge that should any provision contained herein be later found to be unenforceable, void or illegal by a court of competent jurisdiction, such provisions shall be considered omitted from this Contract, it being the parties' intent to enter into this Contract notwithstanding the omission of such unenforceable, void or illegal provision.

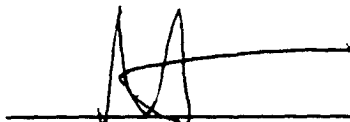
24. Headings. The article headings contained in this Agreement are for reference only for the convenience of the parties. They shall not be deemed to constitute a part of this Agreement nor shall they alter or supersede the contents of the paragraphs themselves.

IN WITNESS WHEREOF, the undersigned have set their hands and seals the day and year first above written.

WITNESS:

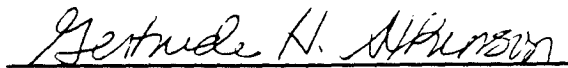


Dated: 9/25/01



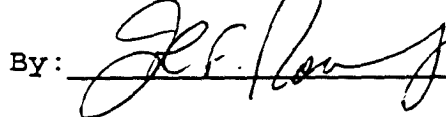
, Seller

ATTEST:



Dated: 9/25/01

TOWNSHIP OF MONTVILLE

By: 

, Buyer

