

PURCHASE AND SALE AGREEMENT

between

PRESHROCK CORPORATION, as "Seller",

and

CITY OF BEACON,

as "Purchaser"

Date: September __, 2007

Premises:
Hiddenbrooke Property
Beacon, New York

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the ____ day of September, 2007 between PRESHROCK CORPORATION, a New York corporation having an address at 2144 Albany Post Road, Montrose, NY 10548 ("Seller"), and CITY OF BEACON, a New York municipal corporation, having an address at One Municipal Plaza, Suite 1, Beacon, New York 12508-2530 ("Purchaser").

WITNESSETH:

WHEREAS Seller is the owner of certain premises located in the City of Beacon and more particularly defined below as the "Premises"; and

WHEREAS (i) Purchaser has conducted a public hearing upon proposed legislation which would re-zone the Premises and substantially decrease its permitted developmental density, and a proposed moratorium which would prohibit the Planning Board of the City of Beacon from considering Seller's pending application for the subdivision and development of the Premises pursuant to its existing zoning designation pending such re-zoning, and Seller and Purchaser have entered into a "Standstill Agreement" with respect to all such actions, conditioned on the Closing under this Agreement, and (ii) Seller has agreed to transfer the Premises to Purchaser and relinquish its development rights with respect thereto in accordance with the terms of this Agreement so as to avoid any such re-zoning and the necessity of litigation relating thereto and Purchaser has agreed to accept such transfer in order to preserve the Premises as open space.

NOW THEREFORE the Seller agrees to sell and transfer to Purchaser and Purchaser agrees to purchase the Premises in accordance with the following terms and conditions:

ARTICLE I

DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings indicated:

Section 1.1. "Archdiocese Agreement" has the meaning given in Article IXA.

Section 1.2. "Business Day" means any day other than a Saturday, Sunday or day on which the banks in New York, New York are authorized or obligated by law to be closed.

Section 1.3. "Cash Balance" has the meaning given in Section 3.1.

Section 1.4. "Chapel Parcel" has the meaning given in Section 10.1.

Section 1.5. "Closing" has the meaning given in Section 7.1.

Section 1.6. “Closing Date” has the meaning given in Section 7.1.

Section 1.7. “Deposit” has the meaning given in Section 3.1.

Section 1.8. “Depository Bank” means a branch of Citibank, N.A., located in Mount Kisco, New York or such other banking institution designated from time to time by Escrow Agent.

Section 1.10. “Encroachment” means any physical structure or improvement owned by an owner of an adjoining property that is not authorized under a duly-filed easement or similar agreement, and which encroaches on, in whole or in part, the Land.

Section 1.11. “Escrow Agent” means Shamberg Marwell Davis & Hollis, P.C.

Section 1.12. “Environmental Law” means any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereinafter enacted, promulgated or issued, with respect to the protection of human health, or the environment, or any Hazardous Substances, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes, and regulations promulgated thereunder, and amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C.; 33 U.S.C.; 42 U.S.C. and 42 U.S.C. §9601 et seq.); (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.); (iii) the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.); (iv) the Toxic Substances Control Act (15 U.S.C. §2061 et seq.); (v) the Clean Water Act (33 U.S.C. §1251 et seq.); (vi) the Clean Air Act (42 U.S.C. §7401 et seq.); (vii) the Safe Drinking Water Act (21 U.S.C. §349; 42 U.S.C. §201 and §300f et seq.); (viii) the National Environmental Policy Act of 1969 (42 U.S.C. §4321); (ix) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C.; 29 U.S.C.; 33 U.S.C. and 42 U.S.C.); and (x) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. §1101 et seq.).

Section 1.13. “Governmental Authority” means the United States, the State, county and city in which the Premises is located, and any political subdivision, agency, authority, department, court, commission, board, bureau or instrumentality of any of the foregoing asserting jurisdiction over any of the parties hereto or over the Premises.

Section 1.14. “Hazardous Substances” means (a) those substances included within the definitions of any one or more of the terms “hazardous substances,” “hazardous materials,” “toxic substances,” and “hazardous waste” in the Comprehensive Environmental, Response, Compensation and Liability Act, as amended, 42 U.S.C. §§ 9601 and 9657 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§ 6901 et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 1801 et seq., the Superfund Amendment and Reauthorization Act of 1986, or Title III of the Superfund Amendment and Reauthorization Act and in the regulations promulgated pursuant to such laws; (b) such other substances,

materials and wastes as are regulated under applicable local, state or federal environmental laws or regulations, or which are classified as hazardous or toxic under federal, state or local environmental laws or regulations; and/or (c) any materials, wastes or substances that are (i) petroleum; (ii) friable asbestos; (iii) polychlorinated biphenyls; (iv) designated as a "hazardous substance" pursuant to § 311 of the Clean Water Act, as amended, 13 U. S. C. §§ 1321 et seq. (33 U. S. C. § 1321) or designated as "toxic pollutants" pursuant to § 307 of the Clean Water Act (33 U.S.C. § 1317); (v) flammable explosives; or (vi) radioactive materials.

Section 1.15. "Improvements" has the meaning given in Section 1.21(a).

Section 1.15(a). "Indemnity Agreement" has the meaning given in Section 9.1(d).

Section 1.16. "Land" means the parcel or parcels of land described on Schedule A annexed hereto and made a part hereof.

Section 1.17. "License" has the meaning given in Section 10.2.

Section 1.18. "Miller Contract" has the meaning given in Section 10.1.

Section 1.19. "Permitted Exceptions" has the meaning given in Section 5.1.

Section 1.20. "Person" means an individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or subdivision thereof.

Section 1.21. "Premises" means all of Seller's interest in, to and under the following:

(a) the Land and any improvements located thereon (the "Improvements"), including all fixtures now attached to or appurtenant to the Premises, unless specifically excluded below, including, without limitation, any existing: plumbing, heating, lighting and cooking fixtures, appliances, cabinetry, hardware, flagpoles, pumps, shrubbery, stone walls, fencing, tool sheds, and other built-ins, all of the foregoing in their "as is" condition on the date of Closing;

(b) any strips and gores adjacent to the Land and any land lying in the bed of any street, road or avenue opened or proposed, in front of or adjoining the Land, to the center line thereof;

(c) any easements, rights, privileges and appurtenances belonging or in any way appertaining to the Land;

(d) any unpaid award for any taking by condemnation of the Land or any damage to the Land by reason of a change of grade of any street or highway; and

(e) an assignment of any insurance proceeds, if any, paid as a result of a casualty to the Premises or any of the structures on the Premises.

Section 1.22. Intentionally omitted.

Section 1.23. “Purchase Price” has the meaning given in Section 3.1.

Section 1.24. “Restrictive Covenant” has the meaning given in Section 8.1.(b).

Section 1.25. “Retained Parcel” means that certain parcel located in the Town of Fishkill, County of Dutchess and State of New York, containing approximately 20 acres more or less, owned by the Seller, as more particularly described in Schedule D annexed hereto.

Section 1.26 “Scheduled Closing Date” has the meaning given in Section 7.1.

Section 1.27. “Title Exception(s)” means any lien, encumbrance, security interest, charge, reservation, lease, tenancy, easement, right-of-way, Encroachment, restrictive covenant, condition or limitation affecting the Premises.

Section 1.28. “Title Insurer” means any reputable title insurer licensed to do business in the State of New York.

Section 1.22. “Title Report” has the meaning given in Section 5.2.

Section 1.23. “To the actual knowledge of Seller” or words of similar import means that Seller has actual knowledge of the information or matter in question; it being understood that the use of such words is not intended, and shall not be construed, to (i) imply any covenant that Seller conduct, or have conducted, any inquiry or investigation of any kind or nature or (ii) impute to Seller the knowledge of any other Person, including any past owner of the Premises.

ARTICLE II

PREMISES

Section 2.1. Sale and Purchase of Premises. Seller agrees to sell and convey, and Purchaser agrees to purchase, the Premises, subject only to the terms, conditions and provisions of this Agreement.

ARTICLE III

PURCHASE PRICE

Section 3.1. Payment of Purchase Price.

(a) The purchase price (the “Purchase Price”) for the Premises is TWO MILLION FIFTY THOUSAND and 00/100 (\$2,050,000.00) DOLLARS, payable by Purchaser as follows:

(i) TWO HUNDRED FIVE THOUSAND and 00/100 (\$205,000.00)

Dollars (the "Deposit") on the signing of this Agreement, by check drawn on the New York office of a member bank of the New York Clearinghouse Association and payable to the unendorsed order of Escrow Agent, subject to collection. The Deposit shall be held in an interest bearing account, and disbursed in accordance with the provisions set forth in Section 3.2 below; and

(ii) ONE MILLION EIGHT HUNDRED FORTY-FIVE THOUSAND and 00/100 (\$1,845,000.00) Dollars (the "Cash Balance") at the Closing, to be paid by Purchaser to Seller pursuant to the provisions of Section 3.1 (b) below.

(b) The Cash Balance shall be paid at Closing by official bank check payable to the unendorsed order of Seller. If Seller elects to cause Purchaser to pay all or a portion of the Cash Balance by one or more separate check(s), then Seller's exercise notice shall be provided to Purchaser at least five (5) days prior to the Closing Date and set forth (i) the portion of the Cash Balance to be so paid, (ii) the number of official bank checks to be drawn and (iii) the payee(s) thereof. Notwithstanding the foregoing, Purchaser shall cooperate with Seller to provide separate checks to Seller's designees upon reasonable prior notice.

Section 3.2. Escrow of Deposit.

(a) The Deposit shall be delivered to Escrow Agent in accordance with the provisions of Section 3.1 hereof, and shall be held by Escrow Agent until the Closing or sooner termination of this Agreement. Escrow Agent shall pay over or apply the Deposit in accordance with the terms of this Section 3.2. Any interest earned on the Deposit shall be paid to the same party entitled to the Deposit hereunder (as and when such party is entitled to the Deposit), or if the Deposit is divided between the parties, the interest thereon shall be shared proportionately and the party receiving such interest shall pay any income taxes due thereon. For purposes thereof, the tax identification numbers of the parties hereto are as follows: Seller: 13-3443641 and Purchaser: 14-6002076.

(b) At the Closing, the Deposit and the interest thereon, if any, shall be paid by Escrow Agent to Seller. Interest earned on the Deposit shall not be credited against the Cash Balance.

(c) If for any reason the Closing does not occur, then Escrow Agent shall continue to hold the Deposit and the interest thereon, if any, until otherwise directed by joint written instructions from Seller and Purchaser or a final judgment of a court having jurisdiction. Escrow Agent, however, shall have the right at any time to deposit the Deposit and the interest thereon with the clerk of any federal or state court sitting in the State of New York. Escrow Agent shall give written notice of such deposit to Seller and Purchaser. Upon such deposit, Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder.

(d) The parties acknowledge that Escrow Agent (i) is acting solely as a stakeholder at their request and for their convenience, (ii) shall not be deemed to be the agent of either of the parties and (iii) shall not be liable to either of the parties for any act or omission on its part unless taken or suffered in bad faith, willful disregard of this Agreement or involving gross negligence.

Seller and Purchaser shall jointly and severally indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys' fees and disbursements, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, willful disregard of this Agreement or involving gross negligence on the part of Escrow Agent.

(e) Escrow Agent shall place the Deposit in an interest bearing account in the Depository Bank. Escrow Agent shall not be liable for any losses suffered in connection with any such deposit and shall have no obligation to obtain the best, or otherwise seek to maximize, the rate of interest earned on any such deposit. Any fees or charges in connection with such investment shall be paid out of the amounts held in escrow before any other payments shall be required to be made from such amounts.

(f) Upon any delivery of the amount remaining in escrow as provided in Section 3.2(b) or 3.2(c) above, Escrow Agent shall be relieved of all liability, responsibility or obligation with respect to or arising out of the escrow or under this Agreement. Escrow Agent shall not be bound by any modification to this Section 3.2 unless Escrow Agent shall have agreed to such modification in writing.

(g) Escrow Agent shall be entitled to rely or act upon any notice, instrument or document believed by Escrow Agent to be genuine and to be executed and delivered by the proper person, and shall have no obligation to verify any statements contained in any notice, instrument or document or the accuracy or due authorization of the execution of any notice, instrument or document. The terms of this subparagraph shall not be deemed to release Escrow Agent's liability for damages suffered by the Escrow Agent as a result of Escrow Agent's actions or omissions taken in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of the Escrow Agent.

(h) Escrow Agent shall be entitled to retain attorneys of its choice, including itself, in connection with this escrow, and Escrow Agent may continue to represent Seller in connection with this Agreement, or any dispute, which may arise hereunder or otherwise.

(i) Escrow Agent has acknowledged agreement to the foregoing provisions of this Section 3.2 by signing in the place indicated on the signature page of this Agreement.

ARTICLE IV

ADJUSTMENTS

The following are to be adjusted and prorated between Seller and Purchaser as of 11:59 p.m. on the day preceding the Closing Date, based upon a 365 day year, and the net amount thereof shall be added to (if such net amount is in Seller's favor) or deducted from (if such net amount is in Purchaser's favor) the Cash Balance, except that any school taxes for the Premises are to be adjusted and prorated between Seller and Purchaser as of July 1, 2007, and the net amount thereof added to the Cash Balance:

Section 4.1. Taxes and Assessments. Real estate taxes shall be adjusted and prorated on the basis of the fiscal year for which assessed. If the Closing shall occur before the tax rate or assessed valuation is fixed for the Premises, the apportionment of real estate taxes for the Premises shall be upon the basis of the tax rate for the preceding year applied to the most recently applicable assessed valuation of the Premises, subject to further and final adjustment when the tax rate and/or assessed valuation for the Premises is fixed for the year in which the Closing occurs. In the event that the Premises or any part thereof shall be or shall have been affected by an assessment or assessments, whether or not the same become payable in annual installments, Seller shall, at the Closing, be responsible for its proportionate share of any installments due prior to the Closing and Purchaser shall be responsible for any installments due on or after the Closing. In the event that after the Closing Date any refunds of or credits with respect to any real estate taxes shall be received by Seller or Purchaser with respect to any period prior to or after the Closing Date, then if (i) Purchaser receives said refunds, Seller's aforesaid share thereof shall be remitted by Purchaser to Seller, less costs and expenses of Purchaser in collecting same and (ii) Seller receives such refunds, Purchaser's aforesaid share thereof shall be promptly remitted by Seller to Purchaser, less costs and expenses of Seller in collecting same. Nothing herein shall be deemed to prevent Seller from contesting any real estate tax or assessed valuation for the Premises for any period prior to Closing. The provisions of this Section 4.1 shall survive the Closing.

Section 4.2. Other. Rents and any other item which under the terms of this Agreement is to be apportioned at Closing and any other item which would customarily be prorated in similar transactions in the State of New York.

ARTICLE V

TITLE AND PERMITTED EXCEPTIONS

Section 5.1. Permitted Exceptions. The Premises shall be sold and is to be conveyed, and Purchaser agrees to purchase the Premises, subject only to (a) those matters set forth on Schedule B annexed hereto and made a part hereof, (b) the Access Easement (as hereinafter defined), (c) the Restrictive Covenant (as hereinafter defined), and (d) any exceptions and matters that are approved, waived or deemed to have been approved or waived by Purchaser (the liens, claims, encumbrances, exceptions and matters set forth in subclauses (a) through (d) above with respect to the Premises being collectively referred to as the "Permitted Exceptions").

Section 5.2. Title Report. Purchaser shall within fifteen (15) days after the date hereof, order a title search of the Premises from the Title Insurer (the "Title Report"). Purchaser shall, within fifteen (15) Business Days after the receipt of the Title Report or with respect to any continuation or update thereof (including, but not limited to, any update based on receipt by the Title Insurer of a survey relating to the Land), give notice to Seller specifying all Title Exceptions set forth therein which Purchaser claims are not Permitted Exceptions, failing which same shall be deemed to be Permitted Exceptions for all purposes of this Agreement. Purchaser shall instruct the Title Insurer to furnish copies of the Title Report and any such continuations or updates to Seller's attorneys at the address set forth in Section 17 below.

Section 5.3. Use of Purchase Price to Discharge Title. If, at the Closing, there are any Title Exceptions which are not Permitted Exceptions and which Seller is obligated by this Agreement or elects to pay and discharge, Seller may use any portion of the Cash Balance to satisfy the same, provided that Seller shall have delivered to Purchaser at the Closing instruments in recordable form sufficient to satisfy such Title Exceptions of record, together with the cost of any applicable recording or filing fees. Any unpaid liens for taxes, water charges and assessments applicable to the period prior to the Closing Date shall not be objections to title, but the amount thereof plus any interest and penalties thereon shall be deducted from the Cash Balance, subject to the provisions for apportionment of taxes, water charges and assessments contained in Section 4.1 above.

Section 5.4. Inability to Convey. Except as expressly set forth herein, nothing contained in this Agreement shall be deemed to require Seller to take or bring any action or proceeding or any other steps to remove any Title Exception or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller, at law or in equity, for Seller's inability to convey title in accordance with the terms of this Agreement.

Notwithstanding anything to the contrary contained herein, Seller agrees to expend up to \$25,000 to remove any Title Exception not agreed to by Purchaser under the terms of this Agreement and existing on or before the Closing Date; provided such exception can be cured by payment of a liquidated sum. If there is any such Title Exceptions existing on or before the Closing Date, the aggregate cost of curing which exceeds \$25,000 and which Seller has elected not to cure, Purchaser may elect (a) to take title to the Premises and to receive a credit against the Purchase Price in the amount of \$25,000, or (b) to terminate this Agreement, in which event Purchaser shall receive the Deposit, and any interest earned thereon, and Purchaser's costs of title examination and survey, and upon such reimbursement, neither party shall have any further obligations hereunder except for those obligations which expressly survive the termination of this Agreement.

Section 5.5. Rights in Respect of Inability to Convey. In the event that Seller shall be unable to convey title to the Premises, subject to the Permitted Exceptions, Seller shall have the right, at Seller's sole election, to either (1) take such action as Seller shall deem advisable to discharge each such Title Exception which is not a Permitted Exception or (2) terminate this Agreement. In the event Seller shall elect to take action to discharge each such Title Exception which is not a Permitted Exception, Seller shall be entitled to one or more adjournments of the Scheduled Closing Date for a period not to exceed sixty (60) days in the aggregate, and the Closing shall be adjourned to a date specified by Seller not beyond such sixty (60) day period. If, for any reason whatsoever, Seller shall not have succeeded in discharging each such Title Exception at the expiration of such adjournment(s) and if Purchaser shall not, prior to the expiration of the last of such adjournments, give notice to Seller that Purchaser is willing to waive objection to each such Title Exception and to close this transaction without abatement of the Purchase Price, credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise, except as provided in Section 5.4 herein, this Agreement shall be deemed to be terminated as of the last date to which the Scheduled Closing Date was adjourned by Seller pursuant to this Article V. Upon any termination of this Agreement pursuant to this Section 5.5, (I) the Deposit (together with any interest earned thereon) shall be refunded to

Purchaser and (II) neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. No action taken by Seller to discharge, or attempt to discharge, any purported Title Exception shall be an admission that any such purported Title Exception is not a Permitted Exception. Notwithstanding the foregoing, Seller agrees that it will satisfy any and all mortgages or judgments affecting the Premises.

Section 5.6. Purchaser's Right to Accept Title. Notwithstanding the foregoing provisions of Section 5.5, Purchaser may, by notice given to Seller at any time prior to the Scheduled Closing Date (as it may have been adjourned by Seller pursuant to this Article V), elect to accept such title as Seller can convey, notwithstanding the existence of any Title Exceptions which are not Permitted Exceptions. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but, except as provided for under Section 5.4, Purchaser shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise by reason of the existence of any Title Exceptions which are not Permitted Exceptions.

Section 5.7. Purchaser's Cooperation. Purchaser shall cooperate with the Title Insurer and Seller in connection with obtaining title insurance insuring title to the Premises subject only to the Permitted Exceptions. In furtherance and not in limitation of the foregoing, at or prior to the Closing, Seller and Purchaser shall each deliver to the Title Insurer such affidavits, certificates and other instruments as are reasonably requested by the Title Insurer and customarily furnished by sellers or purchasers of property in connection with purchasers' efforts to obtain a policy of owner's title insurance.

ARTICLE VI

CONDITION OF PREMISES

Section 6.1. Condition of Premises. Other than the representations and warranties of Seller which are specifically set forth in this Agreement, Purchaser has not relied in entering into this Agreement upon any oral or written information from Seller, in any capacity, or any of its employees, affiliates, agents, consultants, advisors or representatives. Without limiting the generality of the foregoing, Purchaser agrees upon Closing to accept the Premises, including the Premises, "as is" and "where is" and Seller is not making, and Purchaser is not relying upon, any representation, warranty or covenant, express or implied, with respect to, and except as otherwise expressly provided herein, Purchaser's covenants, agreements and obligations under this Agreement shall not be excused or affected by, (i) the compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority and any violations thereof, (ii) the environmental condition of the Premises or the Premises' compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority relating to the presence, use, storage, handling or removal of any Hazardous Substances, (iii) the current or future use of the Premises, (iv) the current or future real estate tax liability, assessment or valuation of the Premises, (v) the availability or non-availability of any benefits conferred by federal, state or municipal laws, whether for subsidies, special real estate tax treatment or other benefits of any kind, (vi) the availability or unavailability of any licenses,

permits, approvals or certificates which may be required in connection with the operation of the Premises, or (vii) the compliance or non-compliance of the Premises, in its current or any future state, with applicable zoning ordinances and the ability to obtain a change in the zoning or a variance with respect to the Premises' non-compliance, if any, with any zoning ordinances. Seller is not liable or bound in any manner by any verbal or written statements, representations, real estate brokers' "set-ups", offering memorandum or information pertaining to the Premises furnished by any real estate broker, advisor, consultant, agent, employee, representative or other Person.

Section 6.2. Violations. Seller will not be obligated to comply with any notes or notices of violations of law or municipal ordinances, orders or requirements noted in or issued by any governmental authority having jurisdiction over the Premises as of the date of Closing and Purchaser agrees to accept the Premises subject to such violations. Seller represents that Seller has received no written notice of any such violation affecting the Premises and Seller agrees promptly to deliver to Purchaser a copy of any such notice received after the date hereof.

ARTICLE VII

CLOSING

Section 7.1. Closing Date. The closing of the transactions contemplated by this Agreement (the "Closing") shall be held at the offices of Shamberg Marwell Davis & Hollis, P.C., 55 Smith Avenue, Mount Kisco, New York, or such other location as shall be agreeable to the parties, at 10:00 a.m., within forty-five (45) days from the execution of this Agreement (such date being herein called the "Closing Date").

ARTICLE VIII

CLOSING DELIVERIES

Section 8.1. Documents and Payments to be Delivered at the Closing. At the Closing:

- (a) Purchaser shall deliver to Seller the Cash Balance and any other amounts payable by Purchaser to Seller pursuant to this Agreement;
- (b) Seller shall prepare, execute, acknowledge and deliver to Purchaser the usual Bargain and Sale Deed with covenants against grantor's acts, in proper statutory form for recording, which deed shall contain the covenant required by subdivision 5 of Section 13 of the Lien Law and the restrictive covenant set forth in Schedule C annexed hereto (the "Restrictive Covenant");
- (c) Seller shall execute and deliver to Purchaser a certification of non-foreign status, in form required by the Internal Revenue Code Section 1445 and the regulations issued thereunder. Seller understands that such certification will be retained by Purchaser and will be

made available to the Internal Revenue Service on request;

(d) Seller shall deliver to Purchaser (i) a copy of the Certificate of Incorporation and bylaws of Seller, and (ii) a certified copy of such corporate documents of Seller as are reasonably required by the Title Company to demonstrate that the transactions contemplated hereby have been authorized by all necessary corporate action of Seller;

(e) Purchaser shall deliver to Seller a certified copy of such documents of Purchaser as are reasonably necessary to demonstrate that the transactions contemplated hereby have been authorized by all necessary corporate action of Purchaser;

(f) Seller and Purchaser shall each execute, acknowledge and deliver a New York State Real Estate Transfer Tax Return Credit Line Mortgage Certificate (TP-584), or any successor form(s) then required to be filed with respect to the payment of the New York State Real Estate Transfer Tax, or any other form reasonably necessary to provide for the recording of documents necessary for this transaction with the appropriate agencies;

(g) Seller and Purchaser shall execute and deliver the Indemnity Agreement; and

(h) Seller shall execute and/or deliver such other instruments or documents which by the terms of this Agreement are to be delivered by Seller at Closing, and Purchaser shall execute and/or deliver such other instruments or documents which by the terms of this Agreement are to be delivered by Purchaser at Closing.

ARTICLE IX

CONDITIONS TO CLOSING

Section 9.1. Conditions to Purchaser's Obligation to Close. Purchaser's obligation to purchase the Premises is subject to the satisfaction of the following conditions precedent, any or all of which may be waived by Purchaser:

(a) This Agreement shall be in full force and effect and there shall not then exist any event which would allow Purchaser to terminate this Agreement pursuant to the express terms hereof;

(b) Seller's representations and warranties made pursuant to Section 11.1 shall be true and correct in all material respects;

(c) Seller shall have complied in all material respects, with its obligations under Article VIII and X hereunder; and

(d) Seller and Purchaser shall have entered into an Indemnity Agreement in the form annexed hereto as Schedule E whereby Seller agrees to indemnify and hold harmless Purchaser (i) from any and all claims, demands, actions, awards, settlements, payments, judgments, or costs

related to or in connection with Jonathan Miller's alleged claims to the Chapel Parcel ("Miller Claims") and the "Miller Contract," as defined below in Section 10.1(a); (ii) from any and all claims, demands, actions, awards, settlements, payments, judgments, or costs related to or in connection with Gate House Realty's and/or Charlotte Guernsey's alleged claims to a commission in connection with the sale of the Premises and/or in connection with the "Miller Contract," as defined below in Section 10.1(a); (iii) for any and all costs incurred by Purchaser in connection with any proposed payments to Miller to terminate any alleged interest Miller might claim to the Chapel Parcel; and (iv) for any and all costs, claims, awards, settlements or judgments in connection with actions taken by Purchaser pursuant to the Eminent Domain Procedure Law, including, but not limited to, any condemnation award, pre- or post-condemnation settlement amounts, and costs including attorneys' and appraiser fees and any EDPL 701 costs. Purchaser agrees to consult with Seller throughout any condemnation proceeding or in connection with any settlement discussions with Miller, to take all commercially reasonable actions and steps to amicably resolve the Miller Contract and Miller Claims for the lowest amount and not to agree to any such settlement without Seller's consent, which consent shall not be unreasonably withheld or delayed. Nothing herein shall be deemed an acceptance or assumption by the Purchaser of any liability for the Miller Claims and/or Miller Contract and/or any claims by Gate House Realty and/or Charlotte Guernsey.

(e) Prior to or simultaneously with the Closing for the Premises, Seller and the Archdiocese of New York shall hold the Closing of title for the Archdiocese Acquisition Parcel, pursuant to the Archdiocese Agreement, as defined in Article IXA below.

Section 9.2. Conditions to Seller's Obligation to Close. Seller's obligation to sell the Premises is subject to the satisfaction of the following conditions precedent, any or all of which may be waived by Seller:

(a) This Agreement shall be in full force and effect and there shall not then exist any event which would allow Seller to terminate this Agreement pursuant to the express terms hereof;

(b) Purchaser's representations and warranties made pursuant to Section 11.2 shall be true and correct in all material respects; and

(c) Purchaser shall have complied, in all material respects, with its obligations under Article VIII hereof.

(d) Prior to or simultaneously with the Closing for the Premises, Seller and the Archdiocese of New York shall hold the Closing of title for the Archdiocese Acquisition Parcel, pursuant to the Archdiocese Agreement, as defined in Article IXA below.

ARTICLE IXA

ARCHDIOCESE AGREEMENT

Seller and the Archdiocese of New York (“Archdiocese”) shall enter into a Contract of Sale whereby the Seller agrees to convey to the Archdiocese an approximately eight (8) acre portion of land as more fully shown on Schedule “F” (the “Archdiocese Acquisition Parcel”), for the sum of \$250,000.00 to be used as a passive buffer zone subject to a Conservation Easement benefiting the Purchaser (the “Archdiocese Agreement”). Said Conservation Easement shall be substantially in the form annexed hereto as Schedule “G.” The form and substance of such Archdiocese Agreement shall be subject to the approval of the Purchaser, which approval shall not be unreasonably withheld or delayed.

ARTICLE X

CHAPEL PARCEL

Section 10.1. Contract for Sale of Chapel Parcel.

(a) Seller is a party to that certain Property Transfer Agreement (the “Miller Contract”), dated as of January 25, 2005, for the purported sale by Seller to Jonathan Miller (“Miller”) of a portion of the Premises including the building known as the “Chapel” and approximately two acres surrounding the Chapel and certain outbuildings located near the Chapel (collectively, the “Chapel Parcel”), a copy of which Miller Contract is attached hereto as Schedule H. Seller has commenced negotiations with Miller to terminate the Miller Contract and shall use commercially reasonable efforts to terminate same. In the event that Seller shall not have terminated the Miller Contract prior to Closing, Purchaser shall take title to the Premises subject to the terms of the Miller Contract. Nothing herein shall be deemed an acceptance or assumption by the Purchaser of any liability for the Miller Claims and/or Miller Contract.

(b) In the event that Seller shall not have terminated the Miller Contract prior to Closing, Purchaser shall have the right in its sole discretion, but subject to Seller’s consent as set forth in Section 9.1(d) above, to exercise and use its rights and powers under the New York State Eminent Domain Procedure Law (“EDPL”) to condemn any interest Miller might have in the Chapel Parcel and/or the Miller Contract, negotiate with Miller to terminate the Miller Contract and/or take all reasonable steps to terminate any interest Miller might have in the Chapel Parcel, pursuant to the Indemnity Agreement, with all reasonable costs and sums to be paid by Seller. The provisions of this Section 10.1(b) shall survive the Closing or any termination of this Agreement.

Section 10.2. Actions with Respect to Chapel Parcel Prior to Closing. From and after the date hereof through the date of Closing, Seller shall not, without the prior written approval of Purchaser, (a) transfer or convey the Chapel Parcel to any third party, including Miller, (b) take any actions, directly or indirectly, seeking to subdivide the Chapel Parcel from the balance of the Premises, (c) physically alter the interior and/or exterior of the Chapel, (d) disturb or alter the Chapel Parcel, (e) build or construct an access road to the Chapel Parcel, and/or (f) dispose of any crucifix or religious statues or displays or pews in the Chapel or on the Chapel Parcel.

Section 10.3. Inspection. At reasonable times and upon reasonable prior notice, Purchaser shall have the right to enter upon the Premises, including without limitation, the Chapel Parcel and the Chapel for any purpose, including without limitation, inspection, taking inventory and/or photographing the Premises, structures or personal property therein, valuation purposes and showing to potential funding sources. Any entry into the Chapel shall be subject to Seller's prior approval. Purchaser shall give Seller not less than twenty four (24) hours' notice of such proposed entry, provided that if Seller fails to object to such access within such twenty four (24) hours, Seller shall be deemed to have approved same.

Section 10.4. Enforcement. Seller shall be solely responsible for ensuring Miller's strict compliance with the restrictions set forth in Section 10.2 above. Seller shall undertake all commercially reasonable efforts to amend the Miller Contract to eliminate any provisions that would conflict with or materially interfere with enforcement of the restrictions set forth in Section 10.2 above. If Purchaser notifies Seller of any violation of such restrictions, Seller shall promptly notify Miller thereof and demand compliance with such restrictions and shall notify Purchaser in writing of whether and how such violation shall have been cured.

Section 10.5. Indemnity. Purchaser shall indemnify and hold harmless Seller and Seller's members, employees, managers, shareholders, officers and directors from and against any and all damages, losses, costs, expenses, liabilities and claims, including reasonable attorneys' fees and expenses, arising due to the omission, negligence or other act or omission of Purchaser, its consultants or agents, employees, or contractors, in the conduct of any inspection or other entry on to the Premises under this Agreement. The provisions of this Section 10.5 shall survive the Closing or any termination of this Agreement. Notwithstanding any provision of this Agreement to the contrary, in addition to any rights and remedies of Seller under Section 16.1 hereof, Seller shall have the right to seek and collect damages for the breach of any of Purchaser's covenants, agreements and obligations under this Section 10.5.

ARTICLE XI

REPRESENTATIONS AND WARRANTIES

Section 11.1. Representations and Warranties by Seller. Seller represents and warrants to Purchaser that, as of the date hereof:

(a) Authority. Seller has full power and authority to enter into and execute this Agreement and to perform the transactions contemplated hereby.

(b) Proceedings. This Agreement is valid and enforceable against Seller in accordance with its terms and each instrument to be executed by Seller pursuant to this Agreement will, when executed and delivered, be enforceable in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting creditors' rights generally.

(c) Litigation. To the actual knowledge of Seller, there are no actions, suits or proceedings pending, or any order, injunction or decree outstanding, existing or relating to the

Premises which would have a material adverse effect upon the Premises or title thereto.

(d) No Consent. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority and no consent of any other Person (including, without limitation, any creditor of Seller) is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

(e) Condemnation. There are no pending or, to Seller's actual knowledge, threatened condemnation or eminent domain proceedings that would affect any part of the Premises which could have a material adverse effect upon the current use of the Premises for its intended purposes.

(f) Leases and Contracts. Except as provided herein, to Seller's knowledge (i) there are no existing leases or occupancy agreements affecting the Premises, except the Miller Contract, (ii) there are no service or other contracts affecting the Premises which would be binding upon Purchaser, and (iii) Seller is not in possession of any plans, specifications, permits, warranties, guaranties, licenses or approvals with respect to the Improvements.

(g) Contamination. Seller has not performed any dumping or burial of any refuse, materials, tanks or debris or Hazardous Substances on the Premises. Seller has not received any written notice or written advice from any governmental agency or any occupant with regard to Hazardous Substances on, from or affecting the Premises.

Section 11.2. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller that, as of the date hereof:

(a) Authority. Purchaser has full power and authority to enter into and execute this Agreement and to perform the transactions contemplated hereby.

(b) No Consent. No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority and no consent of any other Person (including, without limitation, any creditor of Purchaser) is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement.

ARTICLE XII

COVENANTS WITH RESPECT TO ZONING AND DEVELOPMENT

Section 12.1. Seller's Agreement to Adjourn Application. From and after the date of this Agreement through the date of Closing or sooner termination of this Agreement, Seller agrees that it shall not prosecute any application(s) currently pending before, and shall not submit any additional applications to, the Planning Board of the City of Beacon or any other administrative or governmental entity nor to take any further action with respect to the development of the Premises. Within ten business days after the execution and delivery of this Agreement, Purchaser shall refund to Seller the amount of \$ 8,760.60, representing the balance of the fees paid by Seller with respect to Seller's application for subdivision approval with

respect to the Premises.

Section 12.2. Purchaser's Agreement to Adjourn Action to Rezone the Premises.

From and after the date hereof through the date of Closing or sooner termination of this Agreement, Purchaser agrees to adjourn its vote on the proposed zoning amendments affecting the Premises and shall take no other action with respect to any rezoning of the Premises.

Section 12.3. Development of Retained Parcel.

Purchaser acknowledges that the Retained Parcel is located entirely within the Town of Fishkill and, therefore, is not subject to the development, subdivision and/or zoning laws and regulations of the City of Beacon. Purchaser further agrees that it will not take any affirmative action to oppose any application made by Seller or its successors or assigns in connection with the subdivision or development of the Retained Parcel or Seller's use of Mountain Avenue for access thereto; provided, that any subdivision application in connection with any new building lots proposes not more than two (2) single family dwellings, as well as commits to filing a restrictive covenant against any further future subdivision or development on the Retained Parcel for more than an aggregate of two (2) single family dwellings, and further provided, that such application includes an agreement by Seller to provide and/or maintain a vegetative buffer area of approximately twenty (20) feet adjacent to the boundary line between the Premises and the Retained Parcel in which area no structures can be constructed and which will provide screening of the two dwellings (the "Fishkill Development"). Purchaser may submit comments to the Town of Fishkill or any other agency reviewing the Fishkill Development concerning only the potential impact on drainage and viewsheds from the Fishkill Development. Seller agrees to be reasonably responsive to these comments from the Purchaser, and share with Purchaser any information Seller submits on drainage and viewsheds to any reviewing agency, as well as any public comments Seller receives on drainage and viewsheds for the Fishkill Development.

If Seller obtains final approval for the Fishkill Development or any portion thereof from the Town of Fishkill and all other local and County agencies with approval authority over the Fishkill Development, and Seller obtains a building permit(s) for not more than two residential dwellings on the Retained Parcel, and complies with all the other conditions set forth above, including, but not limited to, the filing of a restrictive covenant in perpetuity against any future additional development of the Retained Parcel for more than two (2) dwellings, then the City of Beacon shall determine, in its reasonable and sole discretion, whether the unpaved portion of Mountain Avenue is unsafe or unsuitable to provide access to the proposed residence(s) over Mountain Avenue. In the event that the City of Beacon or designated agency of the City of Beacon determines, in its reasonable and sole discretion, that the aforementioned unpaved portion of Mountain Avenue is unsafe or unsuitable to provide such access, then the Purchaser agrees to improve such unpaved portion of Mountain Avenue to the minimum specifications necessary, in the City's reasonable and sole discretion, so as to provide proper and suitable access in accordance with the City's requirements. In the event that Seller is required specifically by the Town of Fishkill to make additional improvements, beyond those determined by the City to be necessary, to Mountain Avenue as a condition to the issuance of one or more building permits for the construction of not more than two residential units on the Retained Parcel, Purchaser agrees to allow Seller to make additional improvements to Mountain Avenue,

provided, that any and all additional improvements are at Seller's sole cost and expense, the unpaved portion of Mountain Avenue remains unpaved, and any widening of Mountain Avenue is at the sole discretion of the City of Beacon. Purchaser further agrees to take title to the Premises subject to an easement in the form annexed hereto as Schedule I (the "Access Easement") for construction of an unpaved private road over a portion of the Premises running from at or about the end of Mountain Avenue to access the Retained Parcel up to the City of Beacon's boundary line with the Town of Fishkill (the "Easement Area"), to the minimum specifications necessary to provide safe and suitable access to the Retained Parcel from said private road as determined in the reasonable and sole discretion of the City of Beacon, said construction to occur only if Seller obtains a building permit(s) for not more than two residential dwellings on the Retained Parcel, or if construction of said private road is a written pre-condition by the Town of Fishkill for issuance of said building permit(s), and complies with all the other conditions set forth above, including, but not limited to, the filing of a restrictive covenant in perpetuity against any future additional development of the Retained Parcel for more than two (2) dwellings. In addition, Purchaser agrees to grant to Seller an easement over the Easement Area prior to the issuance of building permit(s) for access to the Retained Parcel for Seller to perform inspections, testing or other activities on the Retained Parcel necessary or desirable to support its application for subdivision or other development approval.

Seller agrees that it has or shall make a good faith effort to contact the Town of Fishkill to discuss the possible purchase of the Retained Parcel by the Town of Fishkill for passive recreational use. Purchaser agrees that it shall make a good faith effort if requested by Seller to discuss with the Town Supervisor of the Town of Fishkill the possible purchase of the Retained Parcel by the Town of Fishkill for passive recreational use. In the event that the Town of Fishkill does acquire the Retained Parcel for passive recreational use, the Purchaser shall permit permanent access to the Town of Fishkill or any other non-profit organization established to own or manage the Retained Parcel, over the Premises. This Section 12.3 shall survive Closing.

ARTICLE XIII

TRANSACTION COSTS

Section 13.1. Seller's Transaction Costs. At the Closing, Seller shall pay all transfer taxes and/or deed stamps payable as a result of the conveyance of title to the Premises to Purchaser pursuant to this Agreement. Seller, in addition to its apportionments and obligations hereunder, if any, also shall be responsible for any applicable income or gains tax and the cost of its legal counsel, advisors and the other professionals employed by it in connection with the sale of the Premises.

Section 13.2. Purchaser's Transaction Costs. Purchaser, in addition to its apportionments (if any) and its other payment obligations hereunder, shall be responsible for all costs and expenses associated with (a) Purchaser's legal counsel, advisors, engineers, consultants and the other professionals employed by it in connection with Purchaser's due diligence and the purchase of the Premises, (b) title reports or abstracts issued by the Title Insurer, as well as all survey and search costs and updates related thereto, (c) the policy premiums in respect of any fee

title insurance obtained by Purchaser and any mortgage title insurance required by Purchaser's lender (if any), (d) the recording fees for the deed and (e) all costs and expenses of obtaining any Public Financing or other financing Purchaser may elect to obtain (including any fees, financing costs, mortgage taxes and intangible taxes in connection therewith).

ARTICLE XIV

BROKERAGE

Section 14.1. Representations. Purchaser and Seller each represents and warrants to the other that such party has not had any conversations or dealings with any broker, finder or other similar party in connection with the transactions contemplated hereby, except for Seller's dealings with Miller and Gatehouse Realty, as referenced in the Miller Contract. Purchaser and Seller shall indemnify, defend and hold the other harmless from and against any and all claims, liabilities, losses, damages, costs or expenses (including reasonable attorneys' fees and expenses) arising out of a claim of a breach of the representation made by such indemnifying party pursuant to the immediately preceding sentence. Nothing herein shall be deemed to be an acknowledgement by Seller or Purchaser of any liability pursuant to the Miller Contract. The provisions of this Article XIV shall survive the Closing or termination of this Agreement.

ARTICLE XV

ASSIGNMENT

Section 15.1. No Assignment by Purchaser. Neither this Agreement nor any of the rights of Purchaser hereunder (nor the benefits of such rights) may be assigned, transferred or encumbered without the written consent by both parties to this Agreement. Absent the written consent by Seller, any purported assignment, transfer or encumbrance shall be void. Unless, in each instance, the prior written consent of Seller, any such assignment shall constitute a material default under this Agreement and shall entitle the parties to exercise all rights and remedies under this Agreement, at law or in equity, in the case of such a default.

(b) Purchaser shall remain fully liable for all of Purchaser's covenants, agreements and obligations under this Agreement.

ARTICLE XVI

DEFAULT; REMEDIES; SURVIVAL

Section 16.1. Purchaser's Default On or Before Closing.

(a) If, on or prior to the Closing Date, Purchaser defaults in any of the covenants, agreements or obligations to be performed by Purchaser under this Agreement on or as of the Closing Date, Seller, as its sole remedy therefor, may terminate this Agreement by written notice to Purchaser, whereupon the Deposit (together with any interest earned thereon) shall be paid to Seller by Escrow Agent. Upon any such termination of this Agreement, neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. Seller and Purchaser agree that the damages that Seller will sustain as a result of such termination will be substantial but will be difficult to ascertain, and the aforesaid liquidated damages, in the amount of the Deposit plus accrued interest, are a fair and reasonable amount to be retained by Seller as agreed and liquidated damages in light of Seller's removal of the Premises from the market and the damages incurred by Seller and shall not constitute a penalty or a forfeiture.

(b) If Seller, with knowledge of (i) a default in any of the covenants, agreements or obligations to be performed by Purchaser under this Agreement beyond all applicable grace and cure periods or (ii) a material inaccuracy in any representation or warranty of Purchaser made in this Agreement, elects to proceed to Closing, then, upon the consummation of the Closing, Seller shall be deemed to have waived any such default and/or material inaccuracy and shall have no claim against Purchaser or any assignee on account thereof.

Section 16.2. Seller's Default On or Before Closing.

(a) If, on or prior to the Closing Date, Seller defaults in any of the covenants, agreements or obligations to be performed by Seller under this Agreement on or as of the Closing Date the Purchaser, as its sole remedy therefor, may either (1) seek specific performance of Seller's obligations hereunder, without abatement, credit against or reduction of the Purchase Price or (2) terminate this Agreement by written notice to Seller, whereupon the Deposit (together with any interest earned thereon) shall be refunded to Purchaser; it being understood and agreed that in no event shall Purchaser be entitled to monetary damages. If Purchaser shall elect to so terminate this Agreement, then, upon such election, neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. Except as expressly provided in this Section 16.2, Purchaser waives any other right or remedy, at law or in equity, which Purchaser may have or be entitled to as a result of any default by Seller. The term "default", as used herein, shall mean the failure to perform an obligation or covenant, and shall not be deemed to include an inaccuracy in any representation or warranty. Without limiting the generality of the foregoing, it is understood and agreed that Section 16.2(b) hereof sets forth the exclusive remedies of Purchaser for any claim which might arise out of any of the provisions of Article XI hereof (and, accordingly, the provisions of this Section 16.2(a) shall not apply to any such claims).

(b) If, on or prior to the Closing Date, Purchaser shall become aware of an inaccuracy in any representation or warranty made by Seller pursuant to Section 11.1 hereof which has a material adverse effect on Purchaser, then, Purchaser, as its sole remedy therefor, may either (1) proceed to the Closing, without abatement, credit against or reduction of the Purchase Price or (2) terminate this Agreement by written notice to Seller, whereupon the Deposit (together with any interest earned thereon) shall be refunded to Purchaser; it being understood and agreed that in no event shall Purchaser be entitled to monetary damages. If Purchaser shall elect to so terminate this Agreement, then neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement.

(c) If Purchaser, with knowledge of (i) a default in any of the covenants, agreements or obligations to be performed by Seller under this Agreement beyond all applicable grace and cure periods or (ii) a material inaccuracy in any representation or warranty of Seller made in this Agreement, elects to proceed to Closing, then, upon the consummation of the Closing, Purchaser shall be deemed to have waived any such default and/or material inaccuracy and shall have no claim against Seller on account thereof.

Section 16.3. Survival. Except as otherwise expressly provided in this Agreement, no provision of this Agreement (i.e., no representation, warranty, covenant, agreement or other obligation set forth in any provision of this Agreement) shall survive the Closing (and, accordingly, no claim arising out of the same may be commenced after the Closing), and the delivery and acceptance of the deed shall be deemed to be full performance and discharge of each such representation, warranty, covenant, agreement or other obligation.

ARTICLE XVII

NOTICES

All notices, demands, requests and other communications required hereunder shall be in writing and shall be deemed to have been given: (a) upon delivery, if personally delivered; (b) three (3) days after deposit in the United States Mail when delivered, postage prepaid, by certified or registered mail; (c) on the date of confirmed transmission, if delivered by fax, or (d) one (1) Business Day after deposit with a nationally recognized overnight delivery service marked for delivery on the next Business Day, addressed to the party for whom it is intended at its address hereinabove set forth, with a copy to be sent by like manner to:

If to Seller, to:

Preshrock Corporation
2144 Albany Post Road
Montrose, New York 10548-1022
Fax: (914) 737-6747
Attn: Pamela Kalkstein, President

With a copy to:

Shamberg Marwell Davis & Hollis, P.C.
55 Smith Avenue
Mount Kisco, New York 10549
Fax: (914) 666-6267
Attn: Robert F. Davis, Esq.

If to Purchaser, to:

City of Beacon
One Municipal Plaza, Suite 1
Beacon, New York 12508-2530
Attn: Joseph Braun, City Administrator
Fax: (845) 471-3907

With a copy to:

Zarin & Steinmetz
81 Main Street, Suite 415
White Plains, New York 10601
Attn: Michael D. Zarin, Esq.
Fax: (914) 683-5490

or at such other address in the United States of America as may be designated by either of the parties in a written notice given in accordance with the provisions of this Section. The attorney for any party may send notices on that party's behalf. Any notice which is rejected, the acceptance of which is refused or which is incapable or being delivered for any reason, shall be deemed received as of the date of attempted delivery.

ARTICLE XVIII

MISCELLANEOUS

Section 18.1. Governing Law; Jurisdiction and Venue.

(a) This Agreement shall be governed by, and construed in accordance with, the substantive laws of the State of New York, without regard to conflict of law principles.

(b) For the purposes of any suit, action or proceeding involving this Agreement, Purchaser and Seller hereby expressly submit to the jurisdiction of all federal and state courts sitting in the State of New York and consent that any order, process, notice of motion or other application to or by any such court or a judge thereof may be served within or without such court's jurisdiction by registered mail or by personal service, provided that a reasonable time for appearance is allowed, and Purchaser agrees that such courts shall have the exclusive jurisdiction over any such suit, action or proceeding commenced by either or both of said parties.

Section 18.2. Risk of Loss.

(a) If, prior to Closing, any of the Improvements are destroyed or materially damaged by fire or other casualty, the transaction contemplated by this Agreement shall be consummated as otherwise provided herein, with no abatement, reduction or set-off against the Purchase Price.

(b) If, prior to Closing, all or a material part of the Premises is taken by condemnation, then either Purchaser or Seller may elect to terminate this Agreement by giving written notice of its election to the other parties hereto within ten (10) Business Days after receiving written notice of the condemnation. In such event, the Deposit shall be returned to Purchaser (together with any interest earned thereon), and neither party shall have any further obligations under this Agreement to the other except pursuant to any provision hereof which expressly survives the termination of this Agreement. If neither Purchaser nor Seller give such written notice within such ten (10) Business Day period, the transaction contemplated by this Agreement shall be consummated as otherwise provided herein, with no abatement, reduction or set-off against the Purchase Price. In such event, Seller will assign to Purchaser at Closing the Seller's condemnation award. The foregoing shall not be applicable to any condemnation or other taking by Purchaser or any public authority of, or on behalf of, the City of Beacon and Purchaser agrees that it will not commence or, to the extent that it has jurisdiction, cooperate or permit any such condemnation or taking.

Section 18.3. Further Assurances. In addition to the obligations required to be performed hereunder by Seller and Purchaser at or prior to the Closing, each party, from and after the Closing, shall execute, acknowledge and/or deliver such other instruments, as may reasonably be requested in order to effectuate the purposes of this Agreement; provided, however, that the foregoing provisions of this Section 18.3 shall not obligate either party to execute, acknowledge or deliver any instrument which would or might impose upon such party any additional liability or obligation (beyond that imposed upon it under the documents delivered by such party at the Closing and the other provisions of this Agreement which survive the Closing).

Section 18.4. Successors. All of the provisions of this Agreement and of any of the documents and instruments executed in connection herewith shall apply to and be binding upon, and inure to the benefit of Seller and Purchaser, their successors and permitted assigns.

Section 18.5. No Third Party Beneficiary. This Agreement and each of the provisions hereof are solely for the benefit of Purchaser and Seller and their permitted assigns. No provisions of this Agreement, or of any of the documents and instruments executed in connection herewith, shall be construed as creating in any person or entity other than Purchaser and Seller and their permitted assigns any rights of any nature whatsoever.

Section 18.6. Entire Agreement. This Agreement, together with the documents and instruments executed and delivered in connection herewith, sets forth the entire agreement between Purchaser and Seller relating to the transactions contemplated hereby and all other prior or contemporaneous agreements, understandings, representations or statements, oral or written, relating directly to the Premises are superseded hereby.

Section 18.7. Severability. If any provision in this Agreement is found by a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision of this Agreement to be unlawful, void, illegal or unenforceable in any respect, the remainder of this Agreement shall be construed as if such unlawful, void, illegal or unenforceable provision were not contained herein, and the rights, obligations and interests of the parties hereto under the remainder of this Agreement shall continue in full force and effect undisturbed and unmodified in any way.

Section 18.8. Modification. This Agreement and the terms hereof may not be changed, waived, modified, supplemented, canceled, discharged or terminated orally, but only by an instrument or instruments in writing executed and delivered by Purchaser and Seller.

Section 18.9. Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES, IRREVOCABLY AND UNCONDITIONALLY, TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS EXECUTED IN CONNECTION HEREWITH, THE PREMISES, OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR TO ANY OF THE FOREGOING.

Section 18.10. No Recording. Neither this Agreement nor any memorandum hereof shall be recorded. Each party hereby agrees to indemnify and hold harmless the other for all liabilities, losses, damages, liens, suits, claims, costs and expenses (including reasonable attorneys' fees) incurred by the other by reason of a breach of the foregoing covenant.

Section 18.11. Captions; Interpretation.

(a) The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof. All references to "Articles" and "Sections" without reference to a document other than this Agreement, are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article or Section, unless specifically designated otherwise.

(b) As used in this Agreement, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

(c) The use of the term "including" shall mean in all cases "including but not limited to" unless specifically designated otherwise.

(d) No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

Section 18.12. Counterparts. This Agreement may be executed in any number of

counterparts, all of which taken together shall constitute one and the same original, and the execution of separate counterparts by Purchaser and Seller shall bind Purchaser and Seller as if they had each executed the same counterpart.

Section 18.13. Waiver of Notice of Pendency. Purchaser hereby waives its right to file a notice of pendency against the Premises. Any attempt by Purchaser to file a notice of pendency in violation of this provision shall be null and void.

Section 18.14. No Waiver. Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

Section 18.15. Attorney's Fees. In the event that either party hereto shall commence litigation against the other in connection herewith, the losing party in such action shall reimburse the prevailing party for all expenses, attorneys' fees, costs and disbursements incurred by the prevailing party in such action.

Section 18.16 Cooperation of the Parties. The parties agree to cooperate with each other in providing additional documentation or in taking whatever steps reasonably necessary to fulfill the objectives of this Agreement.

Section 18.17. Survival. Except as expressly set forth herein, none of the representations or warranties of Seller or Purchaser hereunder shall survive the Closing or termination of this Agreement.

IN WITNESS WHEREOF, this Agreement has been entered into as of the day and year first above written.

PRESHROCK CORPORATION

By: 

CITY OF BEACON

By: 