

CONTRACT OF SALE

**BOARD OF EDUCATION,
HAUPPAUGE UNION FREE SCHOOL DISTRICT**

to

BEECHWOOD HOFFMAN LLC

THIS CONTRACT OF SALE (this "Contract") is made as of the 13th day of April, 2021, by and between BOARD OF EDUCATION, HAUPPAUGE UNION FREE SCHOOL DISTRICT, having an address at 495 Hoffman Lane, Hauppauge, New York 11788, (the "Seller" or the "District"), and BEECHWOOD HOFFMAN LLC, having an address at 200 Robbins Lane, D1, Jericho, New York 11753 (the "Purchaser"),

WITNESSETH:

WHEREAS, Seller is the fee owner of a certain parcel of land comprising approximately 12.8 acres (the "Land"), together with all buildings and improvements thereon (collectively, the "Buildings") located at 495 Hoffman Lane, Hauppauge, New York 11788 (collectively, the Land and the Buildings are hereinafter sometimes referred to as the "Premises"), and having the following Suffolk County Tax Map designations: District: 0500; Section: 5; Block: 2; Lot: 10; and

WHEREAS, Seller desires to sell the Premises to Purchaser and Purchaser desires to purchase the Premises from Seller, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto incorporate the preceding paragraphs into the body of this Contract as if fully set forth therein and agree as follows:

ARTICLE I
AGREEMENT TO SELL AND PURCHASE

The Seller agrees to sell and convey, and the Purchaser agrees to purchase:

1. the Premises;
2. all right, title and interest of the Seller, if any, in and to any and all easements, rights of way or licenses benefiting the Premises;
3. any and all strips and gores appurtenant to the Premises;

4. all right, title and interest, if any, of the Seller in and to any land lying in the bed of any street, road or avenue opened, or proposed, in front of or adjoining the Premises, to the center line thereof;
5. all right, title and interest of the Seller in and to any unpaid award made or to be made by reason of any taking by condemnation and/or for any unpaid award for damage to the Premises by reason of change of grade of any street; and
6. any and all equipment, machinery, fixtures and articles of personal property, attached or appurtenant to the Buildings as of the date of Closing (defined in Article V.A.), in their “as is” and “where is” condition, as of the date of Closing (the “Personal Property”). Seller and Purchaser each acknowledge and agree that the value of the Personal Property is de minimis and that no part of the Purchase Price is allocable thereto.

ARTICLE II
“SUBJECT TO” PROVISIONS

The Premises are sold and are to be conveyed subject only to the following (the “Permitted Encumbrances”):

1. Except as otherwise expressly set forth herein, any and all laws, governmental regulations and resolutions, statutes, ordinances, codes and requirements that affect the use and maintenance of the Premises, including, but not limited to, zoning and subdivision laws, regulations and ordinances;
2. Easements, covenants, restrictions, reservations and agreements presently of record as of the Contract Effective Date;
3. Any state of facts existing as of the Contract Effective Date which an accurate survey or personal inspection would disclose;
4. Any minor variations between the record line with any fence, hedge or retaining wall of less than 1 foot, provided the Title Company (defined in Article IV.A.) does not raise an “out of possession” exception;
5. Rights, if any, by any utility company to maintain, operate and repair any utility distribution system over and upon the Premises existing as of the Contract Effective Date, provide the same do not prevent or impede Purchaser’s contemplated development of the Property; and
6. Minor encroachments of any kind, including, but not limited to, fences, stoops, cellar steps, trims, and cornices, if any upon any street or highway, provided the Title Company does not raise an “out of possession” exception.

ARTICLE III
PURCHASE PRICE

A. Subject to the apportionments provided in Section III.F. herein and Article X, the purchase price for the Premises to be paid to the Seller by the Purchaser at Closing (the "Purchase Price") is THIRTEEN MILLION DOLLARS (\$13,000,000.00), to be paid as follows:

1. THREE HUNDRED THOUSAND DOLLARS (\$300,000.00), on the signing and delivery of this Contract to Seller (the "Initial Downpayment"), by Purchaser's check in that amount, made payable to Lamb & Barnosky, LLP, as Escrow Agent, the proceeds of which shall be held in escrow, pursuant to paragraph B below;
2. TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) within two (2) business days after Voter Approval (defined in Article IX), by Purchaser's check, in that amount, made payable to Lamb & Barnosky, LLP, as Escrow Agent ("Second Downpayment", which together with the Initial Downpayment, collectively shall be referred to herein as the "Downpayment"), the proceeds of which shall be held in escrow, pursuant to Paragraph B below; and
3. WITH THE BALANCE of TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$12,500,000.00 at Closing, by official bank or cashier's check(s), payable to the order of Seller, or its designee, or, at Seller's election, by electronic wire fund transfer to an account designated by Seller at least one business day prior to closing.

B. The Downpayment shall be held in a segregated escrow bank account at Dime Community Bank, Bridgehampton, New York, until Closing or sooner termination of this Contract and the Escrow Agent shall pay over or apply the Downpayment in accordance with the terms of this paragraph. The Escrow Agent shall hold the Downpayment in a non-interest-bearing account for the benefit of the parties. The Federal Identification numbers of the parties shall be furnished to the Escrow Agent upon request. At Closing, the Downpayment shall be paid by the Escrow Agent to Seller in accordance with a settlement statement signed by Purchaser and Seller. If for any reason Closing does not occur and either party gives notice to the Escrow Agent demanding payment of the Downpayment, the Escrow Agent shall give prompt notice to the other party of such demand. If the Escrow Agent does not receive written notice of objection with a reasonably

specific description of such objection from such other party to the proposed payment within ten (10) business days after the giving of such notice, the Escrow Agent is hereby authorized and directed to make such payment to the party demanding it. If the Escrow Agent does receive such notice within such ten (10) day period or if for any other reason the Escrow Agent in good faith shall elect not to make such payment, the Escrow Agent shall continue to hold such amount and disburse it only as directed by written notice from both parties to this Contract or pursuant to a final, non-appealable judgment, order, or decree of a court. However, after receipt of notice of objection from a party, the Escrow Agent shall have the right at any time to deposit the Downpayment and the interest with the clerk of a court in the county in which the Premises are located and shall give notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, the Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder.

C. The parties acknowledge that, although the Escrow Agent is holding the Downpayment for Seller's account, for all other purposes the Escrow Agent is acting solely as a stakeholder at their request and for their convenience and that the Escrow Agent shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this Contract or involving gross negligence on the part of the Escrow Agent. Seller and Purchaser jointly and severally agree to defend, indemnify and hold the Escrow Agent harmless from and against of all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by the Escrow Agent in bad faith or in willful disregard of this Contract or involving gross negligence on the part of the Escrow Agent. Risk of loss as to the principal of the Downpayment shall be with the Seller.

D. The Escrow Agent may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

E. The Escrow Agent or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not the Escrow Agent is in possession of the Downpayment and continues to act as the Escrow Agent.

F. Adjustments and Prorations.

1. To the extent applicable, real estate taxes, sewer rents and taxes, water rates and charges, vault charges and taxes, business improvement district taxes and assessments and any other governmental taxes, charges or assessments levied or assessed against the Premises (collectively, "Real Estate Taxes") shall be prorated based upon the lien year for which assessed. Seller shall be responsible for that portion of Real Estate Taxes allocated to any period to but not including the date of Closing, and Purchaser shall be responsible for that portion of Real Estate Taxes allocable to any period from and after the date of Closing. If any Real Estate Tax rate or assessed valuation has not been set for any portion of the fiscal year in which the Closing occurs, then the proration of such Real Estate Tax shall be based upon the rate and assessed valuation for the preceding lien year or period, and such proration shall be readjusted between Seller and Purchaser as soon as the rate or assessed valuation is fixed. Notwithstanding anything to the contrary, in the event the Seller receives a refund or return of taxes paid for any portion of Real Estate Taxes allocated to any period from and after the date of Closing, the period for which the

Purchaser shall have provided the Seller a credit at the Closing, the Seller shall immediately forward such funds to the Purchaser.

2. Accrued and pre-paid operating expenses of the Property and such other items as are customarily apportioned in real estate closings of commercial properties in the County of Suffolk, State of New York shall be prorated as of midnight of the day prior to the Closing Date. Seller shall be responsible for all operating expenses of the Property attributable to periods to, but not including, the date of Closing, and Purchaser shall be responsible for all customary operating expenses of the Property attributable to periods from and after the date of Closing. To the extent that the amount of actual consumption of any utility services for the Premises or of water, electricity and/or fuel for the Premises is not determined as of the date of Closing, a proration shall be made at Closing based on the last available meter or other available reading and post-closing adjustments between Purchasers and Seller shall be made within twenty (20) days of the date that actual consumption for the period including the date of Closing is determined, which obligation shall survive the Closing.

3. In the event the apportionments to be made at the Closing as evidenced by a jointly prepared closing statement result in a credit balance (i) to Purchaser, such sum may be paid (at Seller's option) at the Closing in good funds or by giving Purchaser a credit against the Purchase Price in the amount of such credit balance, or (ii) to Seller, Purchaser shall pay the amount thereof to Seller at the Closing.

4. If at any time following the Closing Date, the amount of any item apportioned pursuant to this Article III shall prove to be incorrect up to a period of six (6) months thereafter (whether as a result of an error in calculation or a lack of complete and accurate information as of the Closing) or, if based upon an estimate, shall be finalized,

then the party in whose favor the error was made or the party receiving an excess credit based upon the estimate shall promptly pay to the other party the sum necessary to correct such error or the amount of the excess credit, as the case may be, in either case after receipt of the relevant documentation.

G. Any reference in this Contract to a “day” or a number of “days” (other than references to a “business day” or “business days”) shall mean a calendar day or calendar days., provided that if the calendar day or last calendar day to perform any act or give any notice or approval shall fall on a calendar day that is not a business day, such act or notice may be timely performed or given on the next succeeding business day.

H. The provisions of this Article III shall survive the termination of this Contract.

ARTICLE IV **TITLE REPORT AND EXCEPTIONS**

A. Title Report. Purchaser shall promptly order a title examination and report from any title company that is a member of the New York Board of Title Underwriters (the “Title Company”), and upon receipt, Purchaser shall promptly forward a complete copy thereof to the Seller's attorney with all exceptions noted (the “Title Report”). Delivery of the Title Report shall be deemed notice of objections from Purchaser to Seller. All exceptions noted in the Title Report shall be deemed Purchaser’s title objections hereunder. Purchaser shall have the right to perform a survey of the Premises after the Contract Effective Date (the “Survey”) subject to the terms and provisions of Article VIII and provided the same does not interfere with Seller’s operations at the Premises.

B. Title Defects. Seller shall convey and Purchaser shall accept such title as any Title Company shall be willing to insure in accordance with its standard form of title policy approved by the New York State Department of Financial Services, free of all encumbrances, exceptions and liens, except as otherwise stated herein and subject to the standard, pre-printed exceptions

contained in the Title Company's report. Prior to Closing, Seller shall cause all historical designations set forth on the Town of Islip Department of Planning Development Building Division Certificate and any certificate of occupancy to be removed and shall obtain an updated Building Division Certificate without any such historical designation.

Seller shall have the option, at its sole discretion, to satisfy Purchaser's timely objections to title, other than the Permitted Encumbrances, prior to Closing. If Seller elects not to satisfy such objections, then Seller must deliver written notice of such election to Purchaser within ten (10) days of receiving the Title Report, and Purchaser must within thirty (30) days of receipt of Seller's notice to the objections either: (i) waive the objections and accept such title as Seller is able to convey (other than items arising after the date of the Title Report) without reduction in the Purchase Price, or (ii) terminate this Contract by giving written notice to Seller on or before the thirtieth (30th) day following receipt of Seller's notice that it will not satisfy the objections, in which event the Downpayment shall be returned to Purchaser and the parties hereto shall be released of any further liability hereunder.

If Seller elects to satisfy such objections, the Seller shall, at Seller's option, be entitled to an adjournment, if necessary, not to exceed 60 days in the aggregate from the date set for the Closing, for the purpose of removing such defect, lien or encumbrance. However, any action taken by the Seller to remove such defect, lien or encumbrance shall not, in and of itself, be deemed an admission on Seller's part that such defect, lien or encumbrance is one which would give the Purchaser the right to cancel this Contract, notwithstanding that the same may still be a valid title objection hereunder.

Notwithstanding the foregoing, Seller shall be obligated to: (i) remove any matters prior to Closing which it has agreed to remove, and shall satisfy: (a) all judgments against Seller and (b) all mortgages and other monetary liens or violations (other than those attributable to

Purchaser), and, (ii) with respect to any matters arising after the date of the Title Report: (x) to remove any voluntary liens or encumbrances ("voluntary" meaning an instrument executed by Seller), and (y) to remove any involuntary liens or encumbrances caused by Seller's acts or omissions up to a maximum amount of \$150,000.00, and Purchaser shall be entitled to a credit against the Purchase Price for any involuntary liens in excess of such \$150,000 amount which are not removed or cured by Seller.

In the event that the Seller is unable to eliminate the title objections and convey the Premises despite the use of commercially reasonable efforts, subject to and in accordance with this Contract on the date set for the delivery of the Deed, or on any adjourned date permitted hereunder, and provided that Seller is not otherwise in default hereunder, Seller's sole obligation shall be to refund to the Purchaser the Downpayment with interest thereon, together with Purchaser's reasonable out-of-pocket expenses in connection with the Title Report; and upon the payment thereof or tender of said payment, this Contract shall terminate and come to an end, and neither party shall have any claim for damages against the other. However, Purchaser may, if Purchaser shall so elect in Purchaser's sole discretion, accept such title as Seller is able to convey and shall pay the full Purchase Price.

Notwithstanding anything to the contrary set forth herein, no lien or encumbrance against the Premises arising out of any action or inaction of Purchaser, or any of its agents, contractors, subcontractors, vendors, assignees, employees or invitees shall be deemed to be an objection to title or to render title uninsurable and Purchaser shall purchase the Premises subject to same without reduction in the Purchase Price.

Purchaser shall cause the Title Company to update the Title Report on or about the Approval Date, as same may be extended pursuant to this Contract, and from time to time prior to the date of Closing. In the event any title or survey defects, exceptions, encumbrances or liens

which are not Permitted Encumbrances arise from and after the date of the original Title Report, such title defects shall be deemed title defects as if such title defects were set forth in the original Title Report, and the parties shall have the same rights and obligations with respect to such new title defects as if such defects were set forth in the original Title Report.

C. Unpaid Charges and Liens. If, at the date of Closing, there are any liens or monetary encumbrances which Seller is obligated or has agreed to pay and discharge, Seller may use any portion of the Purchase Price to satisfy the same, provided Seller shall simultaneously either deliver to the Purchaser at the Closing title instruments in recordable form satisfactory to the Title Company and sufficient to satisfy such liens and encumbrances of record, together with the cost of recording or filing of said instruments; or, provided that Seller has made arrangements with the Title Company in advance of Closing, Seller will deposit with the Title Company sufficient monies, bonds or other agreements or documents acceptable to and required by it, to insure obtaining and the recording of such satisfactions and the issuance of title insurance to the Purchaser either free of any such liens and encumbrances, or the insurance against enforcement of same out of the insured Premises. If Seller's request is made within a reasonable time prior to the date of Closing of title, Purchaser agrees to provide at the Closing, separate official bank or cashier's checks as requested, aggregating the amount of the balance of the purchase price, to facilitate the satisfaction of any such liens or encumbrances. The existence of any such liens and encumbrances shall not be deemed objections to title if Seller shall comply with the foregoing requirements.

D. Seller shall cooperate in all reasonable respects with the Title Company in connection with obtaining the Title Policy (as defined herein). In furtherance and not in limitation of the foregoing, at or prior to the Closing, Seller shall deliver to the Title Company such affidavits, certificates, other instruments and documentary evidence as are reasonably requested by the Title

Company and customarily furnished in connection with a transaction of the nature contemplated by this Contract without cost to Seller.

ARTICLE V
TITLE CLOSING

A. Date of Title Closing. The closing of title hereunder (the “Closing”) shall take place on the date that is on or about sixty (60) days from the date the Approvals (defined in Article X) are received (and the expiration of all applicable Article 78 periods) and all conditions precedent to Closing set forth in Article XIV have been satisfied or waived in accordance herewith, at the office of Lamb & Barnosky, LLP, attorneys for Seller, 534 Broadhollow Road - CS 9034, Melville, New York, 11747-9034, or at the office of Purchaser’s lender or its counsel if required by Purchaser’s lender, if any, provided such office is in Nassau County or Suffolk County; provided, however, that (i) Purchaser shall have the right to adjourn the Closing date up to thirty (30) days in the aggregate from time to time upon delivery of written notice to Seller and (ii) Seller shall have the one-time right to adjourn the Closing date up to six (6) months in the aggregate upon delivery of written notice to Purchaser delivered at least thirty (30) days prior to the then scheduled closing date.

B. Deed. The Deed to be delivered at Closing shall be the customary Bargain and Sale Deed with Covenants against Grantor’s Acts, in proper statutory form for recording, and shall be duly executed and acknowledged so as to convey to Purchaser the fee simple, insurable title to the Premises, free of all encumbrances except as otherwise herein stated and shall contain the covenant required by subdivision 5 of Section 13 of the Lien Law.

C. Delivery of Deed. Unless otherwise stated herein, it is specifically understood and agreed by the parties hereto that the delivery and acceptance of a Deed at the time of the Closing hereto shall be full compliance with the terms of this Contract by the parties, and shall be deemed to be a full performance and discharge of every agreement and obligation of this Contract on the

part of the parties pursuant to the terms of this Contract, other than any agreement or obligation which by its express terms survives termination of this Contract, and none of the provisions or terms of this Contract, except as otherwise herein expressly provided as necessary to the fulfillment of the terms and intent thereof, shall survive the delivery and acceptance of a Deed by Purchaser.

D. Transfer and Recording Taxes and Expenses.

1. Purchaser shall pay or cause to be paid applicable New York State real property transfer taxes.

2. All state, city, county and municipal recording charges (except those necessitated by recordation of instruments for the purpose of clearing title defects for which Seller is responsible hereunder) shall be paid by Purchaser at the Closing. All premiums and fees for title examination and title insurance obtained by Purchaser, and all related charges and survey costs in connection therewith, shall be paid by Purchaser at the Closing.

3. The provisions of this Paragraph D shall survive the Closing.

E. Seller's Closing Deliveries. At Closing, in addition to the Deed as set forth above,

Seller shall deliver the following:

1. A certificate stating that Seller is not a foreign person in form required by FIRPTA;
2. An omnibus assignment agreement with respect to the Approvals for the Premises;
3. TP-584 form pertaining to the transfer of the Property signed by the Seller;
4. RP-5217 form signed by Seller;
5. Evidence of termination of all leases, licenses and occupancy agreements with respect to the Premises.
6. Such resolutions or consents evidencing the authority of Seller to enter into and close the transactions described herein and compliance with Education Law Sections 216 and 1709, as may be required by the Title Company; and such customary and reasonable affidavits as are normally provided in transactions of this sort, as may be required by the Title Company and such

other documents and instruments reasonably requested by Purchaser to consummate the transactions contemplated herein.

F. Purchaser's Closing Deliveries. At Closing, Purchaser shall deliver the following:

1. TP-584 form pertaining to the transfer of the Property signed by the Purchaser;
2. RP-5217 form signed by Purchaser; and
3. The balance of the Purchase Price as set forth in Article II.

G. At Closing, the parties shall jointly prepare and execute a settlement statement showing all payments, adjustments and prorations provided for in this Contract; provided, however, that the same shall not be a condition to Closing.

ARTICLE VI **CONDITION OF PREMISES**

Purchaser acknowledges and represents that, except as otherwise expressly provided herein, Purchaser is or shall be after completion of investigations as set forth in Article VIII below, and shall be fully aware of the physical conditions and state of repair of the Premises, based on Purchaser's own inspection and investigation thereof, and except as otherwise set forth in this Contract (including, without limitation, Article X), Purchaser is entering into this Contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, zoning, cost of operations or any other matter related to the Premises, given or made by Seller or its representatives, and shall accept the same "as is" and "where is" and Purchaser shall accept the same in the condition and state of repair as exists on the date of Closing. Purchaser acknowledges that, except as otherwise set forth herein, Seller has not and will not make any warranties or representations, express or implied, or arising by operation of law, including but not limited to, any warranty of condition, merchantability, habitability or fitness or a particular use, or with respect to the value, profitability or marketability of the Premises.

During the period from the Contract Effective Date until the date of Closing, Seller shall:

- (i) Maintain the Premises consistent in all respects with past practices;
- (ii) maintain in full force and effect the insurance policies currently in effect with respect to the Premises (or replacements continuing similar coverage);
- (iii) immediately notify Purchaser of and shall promptly deliver to Purchaser a copy of any notice from any governmental authority relating to the violation of any law or ordinance regulating the condition or use of the Premises or any Environmental Condition; and
- (iv) terminate all negotiations with any other parties concerning a sale of the Premises.

During the period from the Contract Effective Date until the date of Closing, Seller shall not:

- (i) enter into any new leases, licenses, services contracts or other agreements whatsoever affecting the Premises (or enter into any amendments or modifications of any of the foregoing) without Purchaser's prior written consent, which consent will not be unreasonably withheld for agreements expiring prior to the contemplated closing date;
- (ii) subject the Premises to any liens, encumbrances, covenants, restrictions or easements; or
- (iii) except as provided in Article X, apply for or consent to any zoning change, variance, subdivision, lot line adjustment or similar change with respect to the Premises.

ARTICLE VII
BROKER

Seller and Purchaser each represents and warrants to the other that it has not dealt with any broker in connection with this sale other than RIPCO Real Estate, LLC (“Broker”). Seller shall pay Broker its commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser indemnify and shall defend each other against any damages, costs, claims and expenses, including reasonable attorneys’ fees, arising out of the breach on their respective parts of any representation or warranty contained in this paragraph.

ARTICLE VIII
DUE DILIGENCE PERIOD

A. Purchaser shall have a period of seventy-five (75) days from the Contract Effective Date (defined in Article XII.L), TIME BEING OF THE ESSENCE, to conduct its due diligence review of the Premises, inspect the Premises and perform various studies and certain tests at the Premises (“Tests”) (including, for the avoidance of doubt, the Building and the fuel pumps located on the Land (the “Fuel Station”)), at its sole cost and expense (the "Due Diligence Period"). Promptly following the Contract Effective Date, Seller shall provide Purchaser with copies of all leases, licenses, occupancy agreements, services contracts, insurance policies, surveys, title policies, plans, specifications, bills and material records, agreements with governmental authorities and any other documents related to Seller’s use, occupancy and ownership of the Premises, including, without limitation, all information and documents in Seller’s possession with respect to the Fuel Station. Purchaser shall have the right to engage an environmental consultant to conduct an asbestos report and Phase I Environmental Assessment of the Premises (a “Phase I”); provided that such reports shall be issued to and in the name of Purchaser’s counsel and that Purchaser shall not disclose any Environmental Condition to any Governmental Authority without Seller’s consent unless required in connection with obtaining the Approvals or any submission in

furtherance thereof. Purchaser shall deliver a copy of such Phase I to Seller immediately upon Purchaser's receipt thereof. In the event that the Phase I recommends a Phase II Environmental Assessment (a "Phase II"), then, subject to the provisions of this Article VIII, Purchaser shall have the right to engage an environmental consultant satisfactory to both Seller and Purchaser, in their reasonable discretion, to perform the Phase II, at Purchaser's sole cost and expense. Seller and Purchaser hereby acknowledge and agree that N&P Engineering, Architecture and Land Surveying, PLLC is an approved environmental consultant hereunder to perform such Phase II. In addition, Purchaser shall be entitled to conduct groundwater sampling and soil borings for geotechnical and environmental review purposes in connection with the improvements Purchaser intends to construct (the "Soil Borings"), subject to the further provisions of this Article VIII and subject additionally to Seller's reasonable approval of the location of the Soil Borings, which shall include locations near the Fuel Station.

B. At any time during the Due Diligence Period, Purchaser may, by written notification sent to Seller's attorney, cancel this Contract for any reason or no reason. In the event Purchaser cancels this Contract pursuant to this Article VIII, this Contract shall become null and void, without any further liability or obligation on the part of either party to the other, except as may be expressly stated otherwise, and Escrow Agent shall promptly refund the Initial Downpayment to Purchaser. In the event Seller's attorney does not actually receive a written cancellation notice prior to the expiration of the Due Diligence Period, TIME BEING OF THE ESSENCE, Purchaser shall be deemed to have waived its right to cancel this Contract and except as otherwise expressly set forth herein, Purchaser shall have no further right to cancel this Contract.

C. Subject to the terms below, Seller hereby grants to Purchaser, its agents, employees, consultants, inspectors, appraisers, engineers and contractors a non-exclusive license

and right to enter upon the Premises and access the Building and to conduct the Tests during the Due Diligence Period.

D. The Tests shall be conducted during business hours, WITH A DISTRICT REPRESENTATIVE PRESENT AT ALL TIMES, unless such right is waived by Seller, and shall be conducted pursuant to and in strict compliance with the applicable codes, rules, regulations, or laws of the Town of Islip, County of Suffolk and State of New York and of the State Education Department. Except for the Phase II and the Soil Borings described above, no boring, drilling or other invasive tests or other physical intrusion into the Buildings or Land comprising the Premises will be made without the prior written consent of Seller in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. No test or activity that shall cause pollution or contamination of the Premises, including but not limited to, soil and ground water, may be conducted (excluding the mere discovery of pre-existing conditions). No test or activity that uses any hazardous or toxic substances of any kind in violation of applicable laws may be conducted on the Premises. All Tests conducted at or on the Premises shall be in conducted in such a commercially reasonable manner as to minimize any interruption to Seller and to the use and occupancy of the Building and the Land.

E. Purchaser shall provide Seller with a copy of each of the Test results within three (3) business days of the receipt of such reports from any engineers, contractors, subcontractors, consultants or other such vendors (referred to collectively as “engineers” or “Purchaser’s Agents”), without representation or warranty.

F. Upon the conclusion of the Tests, Purchaser shall immediately restore the Premises to the same condition in which the Premises was found prior to Purchaser’s entry thereon and conduct of the Tests, including, but not limited to, filling test holes and wells, repairing and returning earth to its original locations and removal of debris from the Premises, caused or left by

Purchaser or Purchaser's Agents (in each case, excluding the remediation of previously existing conditions). Purchaser's obligation to restore hereunder shall survive termination of this Contract.

G. Purchaser shall provide Seller with at least three (3) business days prior written notice of its intent to enter (the "Notice to Enter") upon the Premises.

H. As a condition to granting the access herein described, and prior to entering the Premises, Purchaser shall, at their own cost and expense, maintain in full force and effect Property Damage and Commercial General Liability insurance with companies authorized to do business in the State of New York naming the Seller and Purchaser as insured parties thereunder. The Commercial General Liability insurance shall be in the limits of at least Two Million (\$2,000,000) Dollars aggregate for bodily injury, personal injury, death or property damage, employee exclusion excepted, and contractor's protective liability arising out of any one occurrence. Prior to entering the Premises, Purchaser shall deliver to Seller an ACORD Form 25 (certificate of liability insurance), including as exhibits thereto a listing of all endorsements with respect to the policy so issued, evidencing that the insurance (Workers' Compensation and Commercial General Liability) carried by Purchaser is, in each case, valid and subsisting and that it names Seller and Purchaser as insureds thereunder; and (ii) evidence that the premium(s) has been paid in full.

I. Purchaser hereby releases and indemnifies and holds Seller harmless from and against any and all costs, liabilities, claims, liens, encumbrances, losses, damages or causes of action (including all reasonable legal fees, costs, expenses and disbursements incurred, whether or not an action was commenced or defended, including fees and costs for counseling, general representation and litigation, including legal fees incurred due to court delay or rescheduling or otherwise) arising out of actions taken on the Premises by Purchaser or Purchaser's Agents (other than the discovery of any existing condition) in conjunction with Purchaser's exercise of its inspection rights under this Contract, except to the extent such costs, liabilities, claims, liens,

encumbrances, losses, damages or causes of action are caused by any existing conditions at the Premises or are caused by the negligence or willful misconduct of Seller. Purchaser's indemnification obligation hereunder shall survive termination of this Contract.

J. Seller shall not be liable for any losses, costs, damages or causes of action which Purchaser or Purchaser's Agents may incur, whether on or off the Premises, by virtue of or in conjunction with or which arise out of Purchaser's exercise of its rights under this paragraph, except to the extent of Seller's gross negligence or willful misconduct.

K. Purchaser's material failure to comply with the terms and conditions of this Article VIII after being provided with written notice from Seller and a thirty (30) day cure period to correct such failure, shall be a default under this Contract allowing Seller to cancel this Contract upon written notice to Purchaser. In the event Seller cancels this Contract pursuant to this Article VIII, this Contract shall become null and void, without any further liability or obligation on the part of either party to the other, except as may be expressly stated otherwise, and Seller's sole obligation shall be to promptly refund the Initial Downpayment to Purchaser.

ARTICLE IX **VOTER APPROVAL**

The obligations of the Seller and the Purchaser to consummate the Closing hereunder are contingent upon obtaining the minimum approval required by the qualified voters of the District of a proposition to authorize the conveyance to the Purchaser of the Premises on the terms specified herein ("Voter Approval"). The District agrees, in consultation and cooperation with Purchaser, to submit such proposition to the qualified voters of the District, on or about the date that is seven (7) months from the Contract Effective Date on a date mutually agreed upon by Purchaser and Seller in good faith, at a special meeting pursuant to the applicable statutes and publication requirements; provided, however, that Purchaser shall have the right, in its good faith discretion, to adjourn such public vote to a date no later than nine (9) months after the Contract Effective Date. The cost

associated with this submission shall be borne by the Purchaser. The estimated cost of the special meeting is \$15,000.00. However, pursuant to Executive Orders issued during the pandemic with respect to absentee ballots, Purchaser acknowledges that the costs could be greater. Purchaser covenants and agrees to spend and/or cause its affiliates to spend at least \$50,000.00 in seeking Voter Approval, including but not limited to expenditures or community outreach, public relations, printing, advertising, *etc.* Prior to the referendum, the parties will cooperate in good faith to present the transaction to the voters at three public hearings. The Purchaser's principals and experts will appear at those hearings at no charge to the District to present details of the proposed Site Plan and to answer questions from the public. Should Voter Approval be denied, this Contract shall be deemed terminated and all obligations hereunder shall be null and void and the Initial Downpayment will be promptly refunded to the Purchaser. Notwithstanding the foregoing or anything to the contrary contained herein, Purchaser shall have the right to submit its change of zone application for the Premises prior to the occurrence of the special meeting contemplated in this Article IX, provided that no public hearings will be scheduled by the Purchaser until the Voter Approval is obtained.

ARTICLE X
APPROVALS

A. Seller's obligation to sell and Purchaser's obligation to purchase the Premises is subject to and conditioned upon Purchaser obtaining from the Town of Islip and all applicable governmental agencies, boards and municipal authorities and agencies, including, without limitation, the Town Board of the Town of Islip, the Town of Islip Planning Board and Board of Appeals, Suffolk County, Suffolk County Department of Health Services, Suffolk County Department of Public Works, New York State and New York State Department of Environmental Conservation (collectively, the "Town"), a change of zone for the Premises to the Residence C District, Site Plan Approval (a filed map) and all final non-appealable approvals, variances,

subdivision approvals and any other entitlements, benefits, permits (not including building permits from the Town of Islip) or approvals from all applicable governmental for the purpose of constructing no less than one hundred twenty-eight (128) for sale (not rental) residential units, with no more than 10% required to be “Affordable Housing, Sale Units” (as defined in the Islip Town Code or otherwise required to be affordable housing and as opposed to market rate units) and the expiration of all applicable Article 78 periods for commencement of a proceeding in connection with the foregoing (collectively, the “Approvals”) (each unit approved an “Approved Unit”). Purchaser shall, to the extent possible and expedient, pursue such Approvals simultaneously (as opposed to sequentially). The Site Plan to be initially submitted to the Town shall be in a form substantially similar to the plans attached hereto as EXHIBIT A but shall be subject to revision by Purchaser in its good faith discretion. Purchaser shall keep Seller apprised of material changes to the Site Plan and shall consult in good faith with Seller on any such material revisions to the Site Plan. As part of Purchaser’s pursuit of the Approvals, Purchaser shall have the right to seek a mitigation fee from the Town Board of the Town of Islip in lieu of construction of such Affordable Housing Sale Units in accordance with the Town of Islip Zoning Code.

B. Notwithstanding anything to the contrary contained herein, in the event the Approvals are not received within eighteen (18) months after the Voter Approval (the “Approval Date”), then, provided Purchaser has acted with due diligence and good faith in attempting to obtain the Approvals, Purchaser shall have the right to extend the Approval Date by three (3) extension periods of ninety (90) days each, exercisable by giving notice to Seller’s attorney on or before the expiration of the then current Approval Date, or the Approval Date as extended, as the case may be, each of which notice must include a check of Purchaser made payable to Seller in the amount of One Hundred Thousand Dollars (\$100,000.00) (the “Extension Fee(s)”). The

Extension Fee(s) is (are) non-refundable but shall be applied as a credit to the Purchase Price at Closing.

C. Subject to Section X.E., either party, in its sole and absolute discretion, may cancel this contract upon notice to the other, if: (i) the Approvals obtained are for less than 128 residential units, more than 10% of the Approved Units are required to be Affordable Housing Sale Units, or the Approvals are otherwise denied; (ii) the Approvals are not timely received by the initial Approval Date and Purchaser has not timely extended the Approval Date; or (iii) Purchaser has extended the Approval Date three times but the Approval is not received within twenty-seven (27) months after the Voter Approval. Purchaser, in its sole discretion, may cancel this Contract upon notice to Seller, if Purchaser receives a correspondence from governmental authorities that the Approvals will not be obtained by the Approval Date (as the same may be extended) and Purchaser, in its good faith business judgment, does not believe the use of commercially reasonable efforts (including the expenditure of additional sums) will be effective in obtaining the Approvals by the Approval Date. Upon any such cancellation pursuant to this clause C., the Downpayment shall be returned to Purchaser, Seller will retain all Extension Fees, and neither party shall have any further liability hereunder except those which expressly survive termination of the Contract.

D. Following Voter Approval, Purchaser agrees to properly and diligently make any and all applications to the Town and any other municipality which Purchaser determines in good faith to be necessary in order to timely obtain the Approvals (“Applications”). Purchaser represents and covenants that it will timely petition the Town for a zone change for the Premises to the Residence C District following Voter Approval. Purchaser further represents and covenants that it will seek Site Plan Approval for no less than 128 residential units. Seller agrees to cooperate with Purchaser’s Applications, at no expense to Seller. Purchaser shall promptly provide to Seller a copy of: (i) all Applications and (ii) any other formal written submissions to the Town or any

municipality regarding the Approvals. Seller shall consent to all filings necessary and cooperate in good faith with Purchaser to obtain (and shall assign to Purchaser at Closing, as applicable) all Approvals and the change of zone, including, without limitation, in the execution, prosecution and submission of any filings, plans, applications, restrictive declarations or covenants or easements requested by Purchaser and the submission of necessary materials, documents, affidavits or applications to applicable governmental agencies and public authorities in connection therewith. From and after the date hereof, Purchaser shall have the right to meet and engage with any governmental authorities, civic associations and/or industrial development agencies in connection with and in furtherance of obtaining the Approvals and the change of zone. In connection with Purchaser procuring the Approvals, Seller shall, at Purchaser's request but at no cost to Seller, attend public hearings and/or meetings with governmental agencies and utilities having jurisdiction over the Premises.

E. Notwithstanding anything to the contrary contained herein, in the event Approvals are obtained for less than 128 residential units, Purchaser shall have the right, in its sole discretion, to proceed to Closing at a Purchase Price of \$101,562.50 per Approved Unit for which Approvals are obtained with a minimum purchase price of \$12,187,500.

ARTICLE XI
OMITTED

ARTICLE XII
MISCELLANEOUS PROVISIONS

A. Recycling of Materials. After Closing and delivery of possession, Purchaser intends to demolish the existing structures on the Premises. Purchaser agrees that if there are materials (e.g., windows) which are in usable condition, Purchaser will use commercially reasonable efforts to donate same to a charity to be mutually selected by the parties.

B. Amendments. This Contract may not be orally canceled, changed or amended. No cancellation, modification, change or amendments shall be effective or binding unless in writing and signed on behalf of all parties.

C. Additional Documents. Each party hereto agrees to execute such further documents or instruments, requested by the other party, as may be reasonable, necessary or appropriate to effectuate the purposes of this Contract and to carry out its provisions. This provision shall survive the Closing.

D. Counterparts. This Contract may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original, and all of such counterparts shall constitute one and the same instrument. Facsimile or e-mail copies of signatures shall be binding as if they were originals.

E. Merger. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Contract, which alone fully and completely expresses their agreement, and that the same is entered into after full investigation, neither party relying upon any statement or representation not embodied in this Contract, made by the other.

F. Interpretation/Venue. The laws of the State of New York shall govern the interpretation and enforcement of this Contract without regard to the conflict of laws provisions thereof. Furthermore, the parties hereby agree that any proceeding to enforce the provisions of this Contract will be commenced in the Supreme Court of the State of New York, County of Suffolk.

G. Recordation. Neither party may record a memorandum of this Contract.

H. Notices or Demands. All notices or demands given, required or permitted under this Contract shall be in writing and shall be sufficient if delivered: (i) personally; or (ii) by recognized overnight courier service, as follows:

If to Seller: Jacqueline Pirro, Assistant Superintendent
for Business and Operations
485 Hoffman Lane
Hauppauge, New York 11788

With a copy to: Lamb & Barnosky, LLP
534 Broadhollow Road, Suite 210
Melville, New York 11747-9034
Attn: Eugene R. Barnosky, Esq.

If to Purchaser: Beechwood Hoffman LLC
300 Robbins Lane, Suite D1
Jericho, New York 11755
Attn: Steven Dubb, Vice President

With a copy to: Chad Sandler, Esq.
200 Robbins Lane, Suite D1
Jericho, NY 11753

Notices shall be deemed delivered: (i) on the date received or rejected if sent by personal delivery; or (ii) on the following business day if sent by overnight mail. The attorney for a party may give or acknowledge receipt of notices on such party's behalf and may adjust any dates set forth in this Contract by written agreement.

H. Benefit. This Contract shall inure to the benefit of and be binding upon the parties hereto, their heirs, legal representatives, successors and assigns.

I. Vendee's Lien. The Downpayment and the reasonable expenses of examination of title to the Premises and of any survey are hereby made liens on the Premises, but such liens shall not continue after default by the Purchaser under this Contract.

J. Cancellation of Contract. It is agreed and understood that in the event of cancellation of this Contract pursuant to its terms, this Contract shall become null and void except for those provisions which expressly survive termination hereof, and the lien created relating to monies paid on account of this Contract shall also be null and void and Purchaser will then no longer have any lien whatsoever on the property which is the subject of this Contract.

K. Assignment. This Contract may not be assigned by Purchaser without the prior written consent of Seller in each instance, and any purported assignment(s) made without such consent shall be void; provided, however, that Purchaser may assign this Contract to an affiliate of Purchaser that is either beneficially owned or controlled by the beneficial owners of 51% or more of the equity interests in Purchaser as of the Contract Effective Date.

L. Execution and Delivery/Effective Date. This Contract shall not be binding or effective unless and until duly executed and delivered by Seller and Purchaser, and the Initial Downpayment is delivered to the Escrow Agent (the "Contract Effective Date").

M. Fire or Other Casualty. Should all or any portion of the Premises be damaged or destroyed by fire or other casualty, no matter how material, this Contract shall remain in full force and effect. Seller shall have no obligation to demolish, restore or rebuild the Building or any of the improvements on the Land; provided, however, that in the event of any casualty or damage to the Fuel Station prior to Closing, Seller shall repair or remediate the Fuel Station in a safe and secure manner in compliance with applicable laws. However, if after such fire or other casualty, Seller is required by any governmental authority to demolish the damaged building or other improvement, then Seller at its expense shall perform such demolition and removal from the Premises in accordance with all applicable laws, but such obligation shall be limited to the extent of available insurance proceeds. There shall be no abatement of the Purchase Price and Purchaser shall have no entitlement to any insurance proceeds to which Seller may be entitled under its insurance policy(ies). If, prior to Closing, any part of the Premises is taken, or the Premises are deprived of direct access to any of the streets surrounding the Premises as of the date hereof due to a taking, or if Seller shall receive an official notice from any governmental authority having eminent domain power over the Premises of its intention to take, by eminent domain proceeding, any part of the Premises or other property that would affect such access as described above (a

“Taking”), then Seller shall immediately notify Purchaser in writing of such Taking in reasonable detail and Purchaser shall then have the option, exercisable on or prior to the condemnation election date to either (i) terminate this Agreement by delivering written notice of such termination to Seller, whereupon the Downpayment shall be returned to Purchaser and this Contract shall be deemed cancelled and of no further force or effect, and neither party shall have any further rights or liabilities against or to the other except for such provisions which are expressly provided in this Contract to survive the termination of this Agreement, or (ii) proceed to the Closing, in which event the parties shall consummate this transaction in accordance with this Contract, without any abatement of the Purchase Price or any liability or obligation on the part of Seller by reason of such Taking; provided, however, that Seller shall, on the Closing date, (i) assign and remit to Purchaser the net proceeds of any award or other proceeds of such Taking which may have been collected by Seller as a result of such Taking, or (ii) if no award or other proceeds shall have been collected, deliver to Purchaser an assignment of Seller’s right to any such award or other proceeds which may be payable to Seller as a result of such Taking.

N. Seller’s Default. If Seller defaults in its obligations to close hereunder, Purchaser shall have all remedies available to it at law and in equity, including specific performance or the right to terminate this Contract and receive a full return of the Downpayment. This Section N shall survive the termination of this Contract.

O. Purchaser’s Defaults. If Purchaser defaults in its obligations to close hereunder, Seller’s sole and exclusive remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller’s damages in case of Purchaser’s default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.

P. Closing Costs. Seller and Purchaser shall each pay for the costs of their respective legal counsel, advisors and other professionals employed by it in connection with the transactions contemplated hereby and such other costs customarily paid by seller or purchaser, as applicable, pursuant to local practice.

Q. Exclusivity. Neither Seller nor any member of the Board comprising Seller shall solicit any acquisition or lease proposal or enter into any agreements with third parties regarding the sale or lease of the Premises nor shall they participate in any discussions or negotiations with third parties regarding the sale or lease of the Premises.

ARTICLE XIII
REPRESENTATIONS

A. Seller represents that it has full power and authority to make, execute, deliver and perform its obligations under this Contract and the documents to be delivered by Seller at Closing and neither the execution and delivery of this Contract, the documents to be delivered by Seller at Closing nor the consummation of any of the transactions contemplated herein will violate or contravene the provisions of any agreement, order, judgment or directive to which it may be a party or by which it may be bound.

B. Seller represents that the person executing this Contract on behalf of Seller has been duly authorized to do so.

C. Seller represents that this Contract and all documents to be executed by Seller at Closing are and shall be legal and valid binding obligations of Seller.

D. Omitted.

E. Seller represents that other than (1) AAB Early Start Center Inc. d/b/a New Beginnings of Hauppauge, (2) Living World Church of God of Smithtown, Inc. and (3) The Opportunity Pre-School, Inc., there are no tenants, licensees, occupants or parties in possession of the Premises. Seller has delivered to Purchaser true, correct and complete copies of all lease

agreements for the above-mentioned tenants and there are no existing defaults by Seller or the tenants thereunder.

F. Seller represents that Seller has delivered to Purchaser true, correct and complete copies of all documents, information and service contracts related to the Fuel Station located on the Premises. The Fuel Station is in good working order and there have been no underground leaks or any other contamination. There are no underground storage tanks at the Premises other than the tanks known as Tanks 4 and 5 (SCHDS Registration # 05-0793).

G. Seller represents that Seller has delivered to Purchaser true, correct and complete copies of all service contracts requested by Purchaser, permits, licenses and other agreements related to the ordinary operation and maintenance of the Property (excluding any agreements in connection with the district, school or administrative operations) and there are no defaults by Seller thereunder.

H. Seller represents that Seller has not received any written notice from any governmental authority of any violation of any zoning, building, fire or health code, statute, ordinance, rule or regulation applicable to the Premises.

I. Omitted.

J. Seller represents to the best of its knowledge, without having made independent inquiry, that there are no condemnation or eminent domain proceedings, involuntary rezoning proceeding or similar proceeding pending against or relating to the Premises or threatened against or relating to the Premises. Seller has not commenced any proceedings for rezoning, variance or other similar matters.

K. Seller represents to the best of its knowledge, without having made independent inquiry, that no fire or other casualty has occurred with respect to any Building or improvements on the Premises which has not been restored.

L. Seller represents to the best of its knowledge, without having made independent inquiry, that Seller has not granted to any person or entity any option or other right to purchase the Premises and no person or entity has any option or other right to purchase the Premises or any portion thereof or interest therein.

M. Seller represents to the best of its knowledge, without having made independent inquiry, that the Premises and the present use and condition of the Premises do not violate in any material respect any applicable deed restrictions or other covenants, restrictions or agreements, site plan approvals, zoning or subdivision regulations, urban redevelopment plans, laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions or requirements of any Governmental Authority governing or regulating the use and operation, or otherwise applicable to, the Premises, as modified by any duly issued variances disclosed to Purchaser in writing before the execution of this Agreement (collectively, the "Legal Requirements"). Seller has not entered into any agreements with any Governmental Authority in connection with compliance with Legal Requirements. The term "Governmental Authority" shall mean any government or any agency, court, tribunal, commission, board, bureau, department, political subdivision or other instrumentality of any government (including any regulatory, administrative or rating agency), whether federal, state, multinational, provincial, municipal, domestic or foreign having jurisdiction over Seller and/or the Premises.

N. Omitted.

O. Seller represents that no commitment has been made or will be made by Seller to any governmental authority, school board, municipality, church or other religious or civic body or any other organization relating to the Premises which would impose an obligation on Purchaser to make any contributions or dedication of money or land, payment of any special fees, or to

construct, install or maintain any improvements of a public or private nature on or off the Premises at or after Closing.

P. Purchaser represents that it has full power and authority to make, execute, deliver and perform this Contract and neither the execution and delivery of this Contract nor the consummation of any of the transactions contemplated herein will violate or contravene the provisions of any agreement, order, judgment or directive to which it may be a party or by which it may be bound.

Q. Purchaser represents that the person executing this Contract on behalf of Purchaser has been duly authorized to do so.

ARTICLE XIV **CONDITIONS TO CLOSING**

A. Purchaser's Conditions to Closing. The obligations of Purchaser to effect the Closing shall be subject to the fulfillment (or written waiver by Purchaser) at or prior to the Closing Date of the following conditions:

- (i) Representations and Warranties. The representations and warranties of Seller contained in Article XIII this Agreement shall be true and correct in all material respects as of the Closing Date, as though made at and as of the Closing Date.
- (ii) Performance of Obligations. Seller shall have executed, acknowledged (if applicable) and/or delivered all documents required to be executed, acknowledged (if applicable) and/or delivered by Seller hereunder on the Closing Date and Seller shall in all material respects have performed all other obligations required to be performed by Seller under this Agreement on or prior to the Closing Date.
- (iii) Title Conditions Satisfied. At the time of the Closing, the Title Company shall be prepared and irrevocably committed to issue to Purchaser an owner's title insurance policy in the amount of the Purchase Price, insuring that title to the Premises is vested in Purchaser subject only to the Permitted Exceptions (the "Title Policy").
- (iv) Approvals. Purchaser shall have obtained the Approvals as more particularly set forth in Article X hereof.

- (v) No Moratorium. There shall be no ban, bar or moratorium on the construction of improvements on or the furnishing of utilities to the Premises or on the issuance of any approvals or permits required to develop the Premises from applicable government agencies or authorities in effect on the date of Closing.
- (vi) Environmental Condition. The Premises shall be free of any Environmental Condition as evidenced by a clean Phase I and/or Phase II environmental report obtained by Purchaser at its sole cost and expense.
- (vii) Exclusive Possession/Leases and Contracts Terminated. All leases, licenses, occupancy agreements and possessory rights of any party shall have been terminated by Seller at Seller's sole cost and expense and the Premises shall be delivered vacant and free of all tenants or other occupants. Seller, at Seller's sole cost and expense, shall have terminated all Contracts as of the Closing Date.

B. Seller's Conditions to Closing. The obligations of Seller to effect the Closing shall be subject to the fulfillment (or written waiver by Seller) at or prior to the Closing Date of the following conditions:

- (i) Representations and Warranties. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date, as though made at and as of the Closing Date.
- (ii) Performance of Obligations. Purchaser shall have paid the full balance of the Purchase Price as set forth in Article III (less the Downpayment), executed, acknowledged (if applicable) and/or delivered all documents required to be executed, acknowledged (if applicable) and/or delivered by Purchaser hereunder on the Closing Date; and in all material respects performed all other obligations required to be performed by it under this Agreement on or prior to the Closing Date.

IN WITNESS WHEREOF, the parties hereto have duly executed this Contract as of the date first above written.

**BOARD OF EDUCATION, HAUPPAUGE
UNION FREE SCHOOL DISTRICT, SELLER**

By: _____
David M. Barshay, President

**BEECHWOOD HOFFMAN LLC,
PURCHASER**

By: _____
Steven Dubb, Vice President

**RECEIPT OF THE INITIAL DOWNPAYMENT
IS ACKNOWLEDGED AND THE UNDERSIGNED
AGREES TO ACT IN ACCORDANCE WITH THE
PROVISIONS OF ARTICLE III ABOVE:**

LAMB & BARNOSKY, LLP, ESCROW AGENT

By: _____
Eugene R. Barnosky, Partner

#2505481

EXHIBIT A

**SITE PLANS
(ATTACHED)**

[**TO BE UPDATED PRIOR TO
EXECUTION*****]**

