

# PENNSYLVANIA PUBLIC UTILITY COMMISSION

## AMENDED Formal Complaint Form

Please print in ink or type.

### 1. CUSTOMER (COMPLAINANT) INFORMATION

Your name, mailing address, county, telephone number, utility account number and service address:

Name Joseph Lupowitz & Sons

Street/P.O. Box 715 Twining Road, Suite 120

City Dresher State PA Zip 19025

County Montgomery

Daytime Telephone Number Where We Can Contact You: (213 ) 887-9100

E-mail Address (optional): CommEqCorp@aol.com

Utility Account Number 63966/00901  
(from your bill)

**If your complaint involves utility service provided to a different address than your mailing address, please list this information below.**

Name \_\_\_\_\_

Street/P.O. Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### 2. FULL NAME OF UTILITY COMPANY (RESPONDENT):

Exelon

### 3. TYPE OF UTILITY (check one)

ELECTRIC

STEAM HEAT

GAS

WASTE WATER

WATER

MOTOR CARRIER

(e.g., taxi, moving company, limousine)

TELEPHONE

(local, long distance)

**4. COMPLAINT** (check one)

**A. In general, what is your complaint?**

- I want to oppose the company's proposed rate increase.
- There are incorrect charges on my bill.
- There is a reliability, safety or quality problem with my utility service.
- I received a notice that my utility service is being terminated.
- I would like a payment agreement.
- Other (explain). Enjoin threatened shutoff of electric service.

**B. State the facts of your complaint.**

Include any specific dates, times or places that may be important. If the complaint is about a bill, tell us about any charges that you believe are not correct. Use additional paper if you need more space. Provide copies of all relevant documents you believe will support your complaint.

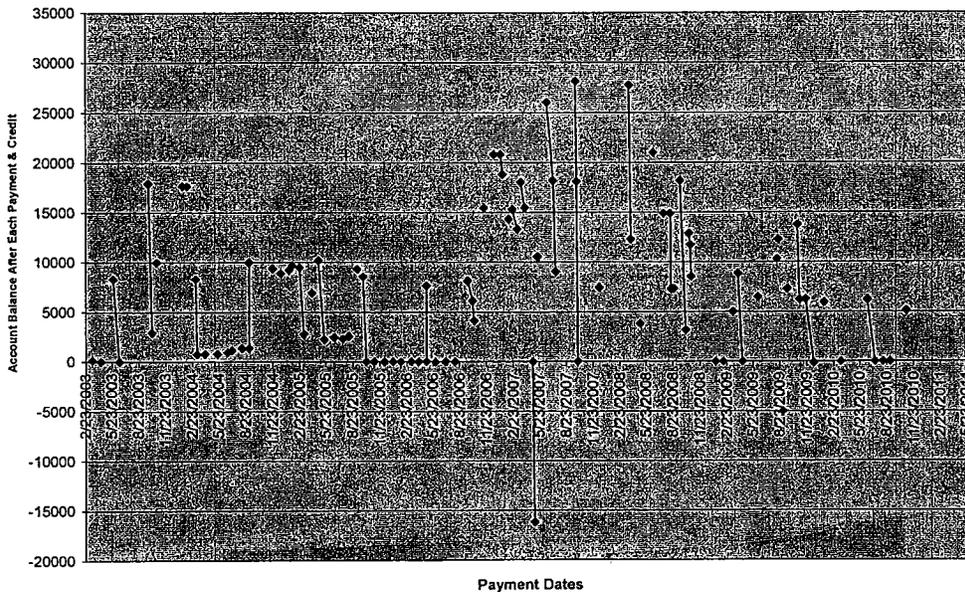
On June 17, 2011, I received a notice via Federal Express that service was being terminated on June 30, 2011. No prior notice was sent to me as the landlord nor to my tenants concerning the termination of service on June 30, 2011. The balance due asserted by Exelon is at variance with our company's records. Exelon is holding a security deposit of \$16,030.00 and we are entitled to a credit from another account. We have entered into an Agreement of Sale to sell the building within the next sixty (60) days which will result in Exelon being paid in full. In the interim, we are willing to pay the current bills when due. If the service is terminated, our tenants will vacate the property and will lose the opportunity and ability to sell the building. The proceeds of sale represent the only source of funds to pay Exelon in full within the next sixty (60) days. The termination of service would be a hardship and create irreparable harm to the tenants since businesses would be interrupted and would have to relocate.

Complainant is Joseph Lupowitz Sons, Inc. a Pennsylvania business corporation that has been in business since the early 1950's and since its inception, has been a loyal and "good customer" of PECO and its predecessor, Philadelphia Electric Company.

Complainant is the owner of the Twining Office Center (the "Office Building", sometimes hereinafter) a mid-rise office building located at 715 Twining Road, Upper Dublin Township, Pennsylvania 19025. The property is presently occupied by a number tenants consisting of small businesses, accountants, attorneys, and a Workman's Compensation hearing/courtroom operated by the Commonwealth of Pennsylvania, Department of Labor & Industry.

Complainant has been in the midst of a temporary cash flow "crunch" over the past few years which has temporarily rendered it unable to stay fully current with its PECO billings on a regular basis. The situation is temporary. The following chart gives an indication of Complainant's PECO account balance history since 2003:

PECO-TWN Balance Over Time



As the foregoing chart makes clear, Complainant pays its bills and always clears up any account balances that accrue over time. As more clearly indicated hereinbelow, Complainant and its affiliated entity have sufficient equity to work its way out of the current cash flow problem. Complainant also believes that PECO's intent to terminate service at the Office Building is not the product of objective or rationale decision making as required by applicable law.

**THE TERMINATION OF ELECTRIC SERVICE TO THE OFFICE BUILDING WILL PRODUCE THE EXACT OPPOSITE EFFECT DESIRED BY PECO.**

PECO wants to get paid and Complainant wants to pay PECO all sums that are properly due and owing. The termination of electric service will empty out the Office Building of all tenants in a matter of a few hours, and immediately force the property to shut down and liquidate with a forced sale of the property. The only creditor that will collect anything remaining of the property's forced sale value will be the Complainant's mortgagee which has first mortgage lien on the Office Building of approximately \$5.0 million. **If one considers the fact that Claimant has been having problems selling the Office Building at a \$2.0 "asking price", it is hard to fathom how a forced sale of the property will benefit PECO.** In other words, a termination of electric service will render PECO's claim totally worthless, and uncollectible, a result that cannot be considered in PECO'S best interest.

**CONVERSELY, A BIT OF PATIENCE, GOOD FAITH AND REASONABLE THINKING WILL ALLOW PECO, IN ALL EVENTS, TO GET PAID IN FULL ON ALL OF ITS PROPER CLAIMS AGAINST CLAIMANT.**

In addition to, and not in limitation of the foregoing, PECO's intent to shut-off electric service at the Office Building is violative of the letter and spirit of the Public Utilities Code and, if effected, would be unreasonable and unlawful.

Complainant has analyzed PECO's electric service billings during the entirety of the period beginning January 1, 2003 through October 17, 2011, the latter being the latest bill received by Complainant. Based on Complainant's billing analysis, the Complainant's account balance as of October 17, 2011 should be no more than \$42,873.54, said balance amount determined and stated by Complainant before the grant of any credits or other relief requested herein or to which Complainant is otherwise entitled. The amount stated by PECO as unpaid and payable as of October 17, 2011 is 58,802.44 as evidenced by PECO's 10-17-2011 billing, said stated balance not taking into account Complainant's October 17, 2011 payment of \$5,988.63, which would bring PECO'S reconciled stated balance down to \$52,813.81.

The aforesaid October 17, 2011 \$42,873.54 account balance was computed by Complainant using the interest accrual method employed by PECO, to wit, at the rate of 1.5% per month on account balance amounts not paid by the due date requested by PECO. PECO sets a "due date" for its payments typically at 15 days after the invoice date, but on occasion, the aforesaid 15 day payment period is widened to 16 days or more, probably to take into account the interposition of weekend days and certain holidays. The payment period permitted by PECO is unreasonably brief, particularly when considered in the context of an 18% per annum interest rate stated to be applicable by PECO. Complainant believes that the combination of an approximate two week payment "window" coupled with a confiscatory 18% per annum finance or interest charge renders PECO's interest accrual policy and practices unlawful and unreasonable.

Complainant believes that PECO's calculation of interest on past due balances is not correct or lawful in that interest is, in effect, compounded by PECO's computing and billing for interest on accrued and unpaid interest amounts, which, in practice and effect raises the interest rate charged by PECO to a rate higher than that permitted by applicable law, including, without limitation, the Public Utilities Code.

In addition to, and not in limitation of the foregoing, at the time of its shut-off notice, PECO was holding as security the sum of \$16,030.00, the effect of which is to reduce the PECO's view of Complainant's aggregate obligation (at that time) to only \$26,843.54, an amount that Complainant will be able to pay in the manner set forth elsewhere herein, and certain an amount small enough to not justify the termination of electric service.

A shut-off notice was delivered to Complainant via "fedex" on June 17, 2011, same threatening a shutoff of electricity effective June 30, 2011. No prior notice of a shutoff had been given to Complainant, nor had there been any indication that same was contemplated by PECO. The amount due and payable to PECO at the time was a \$42,665.64, which, after factoring in the aforesaid security deposit being held by PECO, rendered the balancer as of said notice date at \$26,635.64. Again, it is averred that all things considered, it would be patently unreasonable to shut-off electric power to the Office Building given (i) the relatively small amount due, and (ii) the irreparable harm and injury that would be occasioned to Complainant and to the tenants and occupants of the Office Building. While Complainant does acknowledge its obligation to pay all sums properly due and owing to PECO, the amounts claimed by PECO as due and payable are excessive and not correct.

As part of a multi-pronged effort to correct its cash flow deficit problems, Complainant entered into an agreement of sale the Office Building for a sale price of \$2.0 million, same calling for a September 29, 2011 closing date. Unfortunately the aforesaid purchaser had the option to withdraw from the transaction, which option was exercised in late September 2011.

Complainant has informed PECO of the situation and has requested a reasonable amount of time for the payment of the account balance, indicating as part of said requests that a sale of the Office Building will yield Complainant with more than enough net sale proceeds to pay, in full, all sums property due and owing to PECO. A future sale of said property will produce the same result.

In addition to re-listing the Office Building for sale, Complainant and its affiliates are doing the following:

(i) Complainant has requested its mortgage brokers to secure commitments for new mortgage financing for the office building and another property owned by one of Complainant's affiliates. A refinanced mortgage loan will yield funds in an amount more than adequate to pay all sums properly due and owing to PECO at the time the loan is closed.

(ii) Some of the Complainant's shareholders have commenced the process of attempting to liquidate some of their individual investments, the proceeds of which would be sufficient to pay all sums properly due and owing to PECO.

In the interim, Complainant has offered to keep "current" with PECO on continuing service billings and to make every effort to reduce the properly due balance down to zero (\$0.00).

Termination of electric service by PECO at Complainant's Twining Office Center is not necessary or reasonable under the facts and circumstances presented. The Office Building has been appraised at a current value in excess of \$3.0 million, a figure more than adequate to permit Complainant to refinance its debt in an amount more than adequate to pay all sums properly due and owing to PECO. The affiliated and shareholder properties and investments discussed above can produce sale or liquidation proceeds substantially in excess of \$16.0 million. The continuing problem has been Complainant's "cash flow", which has resulted in Complainant's temporary inability to meet all properly due obligations payable to PECO. Complainant has been a good and loyal customer of PECO since the 1950's and the current cash flow problems are strictly temporary.

Complainant believes that PECO, in violation of applicable law, has not been acting reasonably and in good faith and should not be permitted to execute its threatened "shut-off" notice. In addition, PECO has failed to comply with the Public Utilities Code nor to notify or protect the interests of the tenants and occupants of the Office Building, not the least of which is the Commonwealth of Pennsylvania, Department of Labor and Industry which would not be able to continue to conduct hearings at its regional Workman's Compensation courtroom located in the Office Building.

## 5. RELIEF

How do you want your complaint to be resolved? Use additional paper if you need more space.

- (a) A reasonable period of time not to exceed three months in which to pay off all proper due and owing charges and account balance during which time we will remain current; (b) obtain a detailed accounting of all charges and credits affecting the billing account; and (c) a more cooperative and less confrontational approach to be exhibited by Exelon in its collection and account management activity.

**6. PROTECTION FROM ABUSE**

Answer the following question if your complaint is against a natural gas distribution utility, an electric distribution utility or a water distribution utility **AND** your complaint is about a billing problem, a request to receive service, a security deposit request, termination of service or a request for a payment agreement.

Has a court granted a "Protection from Abuse" order for your personal safety or welfare?

YES   
NO

**7. PRIOR UTILITY CONTACT**

Answer the following question only if you are a residential customer and your complaint is against an electric distribution utility, natural gas distribution utility or a water distribution utility.

Have you spoken to a utility company representative about this complaint?

YES (includes appeals of BCS determinations)   
NO

If you tried to, but could not speak to a utility company representative about your complaint, please explain why.

**8. LEGAL REPRESENTATION (IF ANY)**

If you are represented by a lawyer **in this matter** you must provide your lawyer's name, address, telephone number, and e-mail address, if known.

Lawyer's Name Meyer Simon, Esquire / Lamm Rubenstone LLC

Street 3600 Horizon Boulevard, Suite 150

City Trevoze State PA Zip 19053-4900

Area Code/Phone Number 215-638-9330

E-mail Address (If Known) msimon@lammrubenstone.com

**9. VERIFICATION AND SIGNATURE**

You must print or type your name below on the line provided for the verification paragraph, and you must sign and date (in ink) this form on the lines provided.

**Verification:**  
I ROBERT S. DUBLIN, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

(Signature) Treasurer 11/10/2011  
(Date)  
Title of authorized employee or officer

**10. FILING**

Please return the completed form to one of the addresses listed below:

If using U.S. Postal Service:

If using overnight delivery service:

Secretary Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3265	Secretary Pennsylvania Public Utility Commission 400 North Street Commonwealth Keystone Building, 2 <sup>nd</sup> Floor Harrisburg, Pennsylvania 17120
---	--

Facsimiles and/or electronic filings of the complaint will not be accepted.

If you have any questions about filling out this form, please contact the Secretary's Bureau at 717-772-7777.

**Keep a copy of your complaint for your records.**

# **EXHIBIT A**



An Exelon Company

PECO

2301 Market Street  
Philadelphia, PA 19103

www.exeloncorp.com

**FEDERAL EXPRESS TRACKING NUMBER 8333 8397 1360**  
**CERTIFIED MAIL RECEIPT NUMBER 7009 2250 0004 0501 1813**

June 17, 2011

**Mr. Joseph Lupowitz**  
**Joseph Lupowitz Sons**  
**715 Twining Road**  
**Suite 120**  
**Dresher, Pa. 19025**

**RE: Electric Service**  
**Account Number – 63966/00901**

**RE: TERMINATION NOTICE!**

**Dear Mr. Lupowitz:**

**Under the rules established by the Pennsylvania Public Utility Commission (PUC), you have been previously notified of our intent to disconnect service to the premise at 715 Twining Road, Dresher, Pennsylvania, THE ELECTRIC SERVICE WILL BE DISCONNECTED ON OR AFTER June 30, 2011, WITHOUT FURTHER NOTICE. THIS ACTION IS BEING TAKEN BECAUSE YOUR ACCOUNT IS CURRENTLY OVERDUE IN THE AMOUNT OF \$43,460.98.**

**If you feel you have been improperly billed or need further information to avoid disconnection, please contact me or visit our office at 2301 Market Street to make payment arrangements. My telephone number is (215) 841-6073.**

**After discussing your billing or payment problem with us, you have the right to call the PUC at their toll free number (1-800-782-1110) for further information and assistance. The PUC will have staff available to attempt to mediate your billing or payment problem in order to avoid termination of your service. We hope you will not find it necessary to contact the PUC, but will contact me immediately.**

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Johnson".

**R. Johnson**  
**Credit Specialist**

Enclosures:  
Return Envelope

# **EXHIBIT B**

**AGREEMENT OF SALE**

**BETWEEN**

**JOSEPH LUPOWITZ SONS, INC.,**  
A Pennsylvania corporation

**AND**

**DAVID FERLEGER, or his Assignee**

**For the Sale and Purchase of 715 Twining Road  
Upper Dublin Township, Montgomery County, Pennsylvania**

## AGREEMENT OF SALE

THIS AGREEMENT OF SALE is made this Twenty-Ninth (29<sup>th</sup>) day of June, 2011 ("Agreement Date"), between JOSEPH LUPOWITZ SONS, INC., a Pennsylvania corporation, having its principal office at 715 Twining Road, Suite #120, Dresher, PA 19025 ("Seller") and DAVID FERLEGER, or his assignee or nominee, whose principal address is Archways Professional Building, 413 Johnson Street, Suite 203, Jenkintown, Pennsylvania 19046 ("Buyer").

### BACKGROUND

A. Seller is the owner of a certain tract of land being comprised of one parcel of property of approximately 2.281 acres, together with an office building containing approximately fifty-five thousand (55,000) square feet (the "Office Building") and related improvements, commonly known as The Twining Office Center, 715 Twining Road, Upper Dublin Township, Montgomery County, Pennsylvania as more fully described on Exhibit "A" attached hereto.

B. The Seller desires to sell to Buyer and Buyer desires to purchase the Land and building referred to in paragraph A, above, together with all other "Included Property" (hereinafter defined) under and pursuant to the terms, conditions and provisions conditions contained and set forth in this agreement.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and with the preceding Background paragraphs incorporated by reference, the Seller and Buyer (sometimes, collectively the "Parties"), intending to be legally bound hereby, covenant and agrees as follows:

**0. AGREEMENT TO PURCHASE AND SELL.** Subject only to the remaining terms, provisions, conditions and limitations set forth elsewhere in this agreement, Seller hereby agrees to sell and convey to Buyer, and Buyer agrees to purchase and receive from Seller all of the real, personal, intangible and mixed property which are defined and included as "Included Property" in the remaining provisions of this agreement.

**1. INCLUDED AND EXCLUDED PROPERTY:**

**1.1 INCLUDED PROPERTY.** Except as specifically set forth to the contrary elsewhere in this agreement, the "Included Property" that is the subject matter of the purchase and sale set forth in this agreement is and shall include all of Seller's right, title and interest in and to the following:

**1.1.1 Real Property.** The land and Office Building referred to and described in "Background" paragraph A, above, together with any and all easements, licenses, rights of way,

privileges, hereditaments, appurtenances, and rights to any land lying in the beds of any street, road or avenue, open or proposed, adjoining thereto, and inuring to the benefit of the land and Office Building (all of which are hereinafter referred to collectively as the "Real Property"); and

**1.1.2 Personal and Intangible Property.** All equipment, fixtures, machinery and personalty of every description attached to the Real Property or otherwise specifically used in connection with the Real Property, including, without limitation:

**1.1.2.1** All contract rights, guaranties and warranties of any nature, all architects', engineers', surveyors' and other real estate professionals' plans, specifications, certifications, contracts, reports regarding HVAC, electric and other systems, roofing reports, data or other technical descriptions, reports or audits all without warranty as to completeness or accuracy ("Contract Documents"); and

**1.1.2.2** All governmental permits, licenses, certificates, and approvals in connection with the ownership of the Real Property ("Licenses"); and

**1.1.2.3** Subject only to any contrary provision of this agreement (including, without limitation §1.2.2.2, below), all security deposits of tenants occupying the Real Property at the time of consummation of Closing hereunder; and

**1.1.2.4** All documents of title pertaining to any property to be purchased and sold pursuant to this agreement; and

**1.1.2.5** All of Seller's rights, claims, and causes of action if any, to the extent they are assignable, under: (i) any warranties and/or guarantees of manufacturers, contractors or installers, and (ii) all rights against current tenants occupying the Real Property at the time of Closing hereunder and others relating to the Real Property or the operation or maintenance thereof, including to the extent applicable; and

**1.1.2.6** Supplies and equipment used in connection with the Real Property (such as, for example, paper towels, vacuum cleaners, cleaning supplies, brooms, soap, shovels, grounds equipment, paint, rugs, and the like, shall be left by Seller with the Property.

All of the foregoing being hereinafter collectively referred to as "Personal Property".

**1.1.3 Leases.** All tenant leases, licenses and other occupancy agreements for any part of the Real Property, and all prepaid rent and unapplied security deposits (the "Leases").

**1.2 EXCLUDED PROPERTY.** Notwithstanding any contrary provision of this agreement, neither this agreement nor the purchase and sale set forth herein shall include (or be deemed to include) any of the following property and interests in property (all of which are collectively referred to in this agreement as the "Excluded Property"):

**1.2.1** Any and all personal property owned by any and all tenants and other occupants of the Real Property; and

**1.2.2** Any and all sums of money which as of the date and time of consummation of Closing hereunder shall be due and payable to Seller by any and all existing or prior tenants, of the Real Property if and to the extent that said sums represent:

- (a) Any form of base rent, additional rent, utility related reimbursements and other charges in the nature of rent which shall have arisen, been earned or which shall have accrued at any time prior to the date on which Closing hereunder shall have been consummated, and/or
- (b) Any other sums of money due and payable to Seller by any person (including, without limitation, existing and former tenants and occupants of the Real Property) to the extent that the claim, event or cause of action giving rise to same shall have occurred prior to the date on which Closing hereunder shall have been consummated;

it being agreed by the parties that Seller shall have the right to deduct such sums from the obligee-tenant's particular security deposit held by Seller.

**1.3 "AS IS" PURCHASE.** It is understood and agreed by the parties hereto, and Buyer specifically covenants and agrees that, except as specifically set forth to the contrary in this agreement, the Included Property shall have been fully and completely inspected by Buyer prior to the time of consummation of Closing hereunder, and will have been, and is hereby, purchased solely as a result of said inspection, and under no circumstances in reliance upon any representations of any kind made by Seller or any agent or representative of Seller, and that the Included Property are being purchased in an "AS IS" condition.

**2. PURCHASE PRICE AND MANNER OF PAYMENT.**

**2.1 Purchase Price.** Buyer shall pay the total sum of Two Million Six Hundred Thousand Dollars (\$2,600,000.00) for the Included Property (the "Purchase Price").

**2.2 Manner of Payment.** The Purchase Price shall be paid in the following manner:

**2.2.1 Deposit.** To the extent not done so prior to the execution of this agreement, Buyer shall deposit with Remax Services, Commercial Division ("Escrowee") Buyer's good funds in the amount of Twenty Thousand Dollars (\$20,000.00). This sum and all other sums paid by Buyer to the Escrowee under this Agreement (the "Deposit") shall be deposited and held by Escrowee in a federally-insured, segregated money market account at an institution to be jointly approved by Seller and Buyer, said Deposit to be held by Escrowee until termination or consummation of this Agreement. Interest on the Deposit shall be credited to Buyer at Closing, or paid to the party otherwise entitled to the Deposit in the event of the termination of this Agreement prior to Closing.

**2.2.2 Cash Balance.** The balance of the Purchase Price and all other sums of money to be paid by Buyer to Seller under and pursuant to the terms and provisions of this agreement shall be paid by delivery to the Seller at the time of consummation of Closing hereunder by bank, cashiers, title company or certified check, or by wire transfer, subject to adjustment as set forth elsewhere in this agreement.

A large, stylized handwritten signature is written over the 'INITIAL' labels. The signature appears to be 'S. H.' or similar, with a large, sweeping flourish at the end.

**3. TITLE AND CLOSING**

**3.1 Condition of Title.** At Closing, the Seller shall convey good, marketable and insurable fee simple title to the Real Estate to Buyer, free and clear of all liens and encumbrances, subject only to (i) the Qualified Exceptions (hereinafter defined), (ii) any other matters or things as specifically set forth in the agreement, and (iv) and any other matters of title which to which Buyer shall expressly consent in writing pursuant hereto. For the purposes of this §3.1, the title shall be deemed "insurable" if said same can be insured at regular rates by any reputable title insurance company of generally recognized sound financial standing with offices in Philadelphia County or Montgomery County, Pennsylvania.

**3.2 Title Commitment and Certain Buyer Objections**

**3.2.1** If not done so prior to the execution of this agreement, then promptly thereafter, Buyer (at its sole cost and expense) shall order/request a written commitment for title insurance from a reputable title insurance company of generally recognized sound financial standing with offices in Philadelphia County or Montgomery County, Pennsylvania, and as part of said request, Buyer shall request that a duplicate copy of said title insurance commitment be sent by said title insurance company directly to Seller simultaneously with its being sent to Buyer.

**3.2.2** On or before the expiration of the Inspection Period (or if earlier, not later than the fifth (5<sup>th</sup>) days after receipt of the Title Insurance Commitment), Buyer shall have the right to notify Seller by written notice ("Disapproval Notice", hereinafter) of those matters that are disclosed on the aforesaid written title insurance commitment [other than (i) liens and encumbrances and (ii) the "Qualified Exceptions" referred to in §3.3, below] to which Buyer objects, said objection to be limited solely to those of said matters ("Title Defects", sometimes hereinafter) that would have a material adverse effect on the quality of the title to the Real Property to be conveyed at Closing to Buyer if and to the extent not removed or otherwise cured prior to the consummation of Closing.

**3.2.3** The failure of Buyer to deliver such written Disapproval Notice on or before the expiration of the period stated above in §3.2.2 shall be deemed and considered Buyer's agreement to take title to the Real Property subject to all matters disclosed on the aforesaid title commitment other than "Removable Liens" referred to in §3.5, below. Similarly, Buyer shall be deemed to have agreed to take title to the Real Property under and subject to those matters disclosed on the aforesaid title commitment (other than the "Removable Liens" referred to in §3.5, below) that are not the subject matter of Buyer's timely delivered Disapproval Notice.

**3.2.4** If Buyer shall have timely delivered to Seller a Disapproval Notice as described hereinabove, then and in that event Seller shall, by written notice ("Seller's Response Notice", hereinafter) sent to Buyer not later than the tenth (10<sup>th</sup>) day after Seller's receipt of the Buyer's Disapproval Notice, whether or not (and to what extent) Seller will cure each of the Title Defects which are the subject matter of said Disapproval Notice. Seller shall have the right and option (exercisable by written "Extension Notice" to Buyer sent not later than the aforesaid tenth (10<sup>th</sup>) day) to extend said ten (10) day response period for a additional period of time not to exceed ten (10) additional days, in which event the original ten (10) day response period set forth above shall be deemed extended to the extension date set forth in Seller's Extension Notice.

3.2.5 Seller's failure to timely send a Response Notice as aforesaid shall be deemed to constitute Seller's election to cure all of the Title Defects set forth in Buyer's Disapproval Notice. Those separate Title Defects to which Seller shall fail to respond in its otherwise timely sent Response Notice shall, likewise, be deemed to constitute Seller's election to cure said separate Title Defects.

3.2.6 With respect to those separate Title Defects set forth in Buyer's Disapproval Notice to which Seller in its timely sent Seller Response shall elect not to cure prior to the consummation of Closing hereunder, Buyer shall have the right and option, exercisable by written notice delivered to Seller not later than the tenth (10<sup>th</sup>) day after Buyer's receipt of Seller's Response to either:

3.2.6.1 Waive the aforesaid separate Title Defects and to accept title to the Real Property subject to same;; or

3.2.6.2 Terminate this Agreement, in which event the Deposit shall be returned to Buyer and the parties shall have no further rights or obligations hereunder.

Buyer's failure to timely exercise the right and option set forth in this §3.2.6 shall be deemed to be Buyer's election to waive aforesaid separate Title Defects under §3.2.6.1, above.

3.3 **Qualified Exceptions:** Attached hereto, made part hereof and marked Exhibit "3.3" is a list of those Easements, Covenants, Restrictions, Deeds and Other Similar Matters (all of which are referred to sometimes in this agreement as the "Qualified Exceptions") which to the best of Seller's information and knowledge burden and/or bind the Real Property (or portions thereof and/or certain rights therein and thereto) on the Agreement Date, the source of said Exhibit "3.3" list being the title commitment that Seller had received from its own title insurer prior to August 20, 2001, same being the date on which Seller acquired title to the Real Property. Buyer hereby agrees to purchase and take title to the Real Property under and subject to said Qualified Exceptions, subject to Buyer's right of termination at the end of the Inspection Period and to the survey process in §3.4 below.

#### 3.4 Survey:

3.4.1 **Buyer Survey and Delivery To Seller:** At any time during the Inspection Period Buyer shall have the right to cause to be performed a land survey or "as built" land survey of the Real Property by a duly licensed and reputable land surveyor. Within three (3) business days after the date of its receipt, Buyer shall deliver to Seller a duplicate copy of the plan of survey and all accompanying materials prepared and submitted to Buyer by its surveyor.

3.4.2 **Buyer Termination Option Based on Objectionable Survey Condition(s):** In the event that (i) Buyer shall not be satisfied with any condition, matter, fact, item or thing set forth or disclosed on a survey performed under §3.4.1, above (other than any such condition, matter, fact, item or thing constituting a "Title Defect" within the meaning of §3.2.2, above) and said "condition, matter, fact, item or thing" constitutes an Objectionable Survey Condition (hereinafter defined): then and in that event, Buyer shall have the right, exercisable by written notice ("Survey Based Termination Notice", hereinafter) delivered to Buyer prior to the expiration of the Inspection Period, to terminate this agreement in which event the Deposit shall be returned

to Buyer and the parties shall have no further rights or obligations hereunder. The foregoing to the contrary notwithstanding, Seller shall have the option, exercisable by written Cancellation Notice sent to Buyer not later than the seventh (7th) day after Seller's receipt of Buyer's Survey Based Termination Notice to void/cancel the Buyer's Survey Based Termination Notice and the termination of this agreement set forth therein, provided only that Seller's Cancellation Notice shall set forth Seller's binding promise that Buyer will cure or remove the Objectionable Survey Condition(s) cited as the basis for termination in the Survey Based Termination Notice, and in such event, Seller's failure to effect said cure or remove same shall constitute Seller's breach of this agreement.

**3.4.3 Objectionable Survey Condition:** For the purposes of this §3.4, a matter, thing, fact or condition disclosed or set forth on the survey plan obtained by Buyer under and pursuant to the provisions of this §3.4 shall constitute an "Objectionable Survey Condition" if and only if (i) same is not a "Title Defect" within the meaning of §3.2.2, above, and (ii) if the effect of said matter, thing, fact or condition shall be to materially and substantially prevent or bar the use and occupancy of the Real Property as an office building in the same or substantially similar manner as is being used as of the Agreement Date.

### **3.5 Removable Liens:**

**3.5.1 Payment At Closing:** The title to the Real Property to be conveyed to Buyer at Closing hereunder shall not be considered to have been rendered not "clear and marketable" (as otherwise required by §3.1, above) by reason of the presence of any Removable Lien if and to the extent that the title shall be insurable as described in §3.1 or §3.5.2, below. In that regard, the title shall be considered insurable even in the presence of said Removable Lien if either:

3.5.1.1 Seller shall pay (or cause to be paid) the obligation secured by (or giving rise to) said Removable Lien not later than the consummation of Closing hereunder, or

3.5.1.2 Simultaneously with the consummation of Closing hereunder, a separate escrow fund shall be described, created and funded under and pursuant to §3.5.2, below.

### **3.5.2 Contested Removable Liens:**

**3.5.2.1 Seller Election To Contest:** If at the time of Closing hereunder there shall exist a Removable Lien that is the subject matter of a Seller dispute as to either the propriety, correctness or bonafides of the lien itself or the correctness of payoff amount (the "Claimed Payoff Amount", sometimes hereinafter) claimed by the lienholder to be due and payable as a condition for the removal of the lien, Seller shall have the right, exercisable by written notice delivered to Buyer at or prior to Closing hereunder, to (i) have said Removable Lien treated as a "Contested Removable Lien" under the remaining terms of this §3.5.2 and (ii) to designate what portion, if any, of the Claimed Payoff Amount shall be paid at the time of consummation of Closing. Upon the proper creation and funding of the escrow described and set forth in §3.5.2.2, below, the existence of a Contested Removable Lien shall not cause the title to be conveyed to Buyer hereunder to be rendered not clear, not marketable or not insured or insurable.

**3.5.2.2 Escrow For Contested Removable Liens:** With respect to each separate Contested Removable Lien referred to in §3.5.2.1, above, there shall be created at the time of consummation of Closing hereunder a separate interest bearing escrow fund in the amount

set forth in §3.5.2.3, below, same to be held in escrow either a Post Closing Escrow Holder mutually acceptable to both Buyer and Seller for the purpose of insuring the ultimate payment of that portion of the Claimed Payoff Amount that is not paid off at the time of consummation of Closing.

**3.5.2.3. Amount Of Escrow Fund:** The amount of money to be deposited into a §3.5.2.2 Escrow with respect to each separate Contested Removable Lien referred to in §3.5.2.1, above, shall be that sum of money equal to two hundred percent (i.e., 200% of ) the portion of the Claimed Payoff Amount that is not paid off at the time of consummation of Closing, said amount of money (the "Escrow Fund" hereinafter) to continue to be held in escrow until resolution of the Seller's dispute.

**3.5.2.4 Seller to Commence Legal Proceedings To Resolve Lien Related Dispute:** If and to the extent not amicably resolved prior thereto, not later than the thirtieth (30<sup>th</sup>) day after the consummation of Closing hereunder, Seller shall cause to be instituted in a court of competent jurisdiction an action at law and/or in equity in which all matters and issues concerning said dispute (and all parties thereto) are to be included and Seller shall diligently and in good faith pursue said action to its conclusion by entry of a final and non-appealable judgment or decree, whereupon all sums finally determined to be due and payable shall be released from escrow and paid to the lienholder in question, with any sums remaining in escrow to be refunded to Seller, together with any interest earned with respect to the Escrow Fund to the extent not required to be paid to the lienholder.

**3.5.3 Definition - Removable Lien:** A lien (including, without limitation, assessment and tax liens), security interest, judgment or other encumbrance upon the title to the Real Property shall be considered a "Removable Lien" if same can be removed, satisfied, released or otherwise discharged by the payment of money.

**3.6 Replacement of Title Insurance Company:** In the event that Buyer's title insurance company shall be unwilling to insure the title described in §3.1, above, or Buyer's title insurance company shall be unwilling to insure title notwithstanding the existence of a Contested Removable Lien (as per §3.5.2, above), or to serve as Escrow Holder under or pursuant to the provisions of §3.5.2, above or to accept the Escrow Holder agreed to by the Parties, then in any such event, Seller shall have the right and option to elect to replace Buyer's title insurance company and/or the aforesaid Escrow Holder with another qualified title insurance company ("Replacement Title Insurer", hereinafter) that will, in fact, insure said title. A Replacement Title Insurer shall be considered as "qualified" if and only if same shall be a generally recognized multi-state or national title insurance company of sound financial standing. Buyer shall have the right to consent to the identity of the Replacement Title Insurer, said consent not to be unreasonably withheld or delayed.

### **3.7 Closing:**

**3.7.1** Closing of the purchase and sale transaction set forth and called for in this agreement shall take place not later than the fifth (5<sup>th</sup>) business day after the Inspection Period Expiration Date described in §7.1, below, at the offices of the title insurance company or agency that will be insuring Buyer's title hereunder, or at such other location as Seller and Buyer may mutually agree. It is agreed by the parties hereto that time for Closing shall be of the essence.

**3.7.2 Documents.** At Closing, the parties shall simultaneously execute and deliver the following:

**3.7.2.1 Seller's Documents and Other Items:** Seller shall execute and deliver or cause to be executed and delivered to Buyer in proper form for recording where appropriate:

(a) **Deed:** A special warranty deed prepared by Seller (the "Deed"), conveying fee simple title to the Real Property, duly executed by Seller and notarized for recording.

(b) **Bill of Sale.** A bill of sale substantially in the form set forth on Exhibit "3.7.2.1-b".

**3.7.2.2 Lease Assignments & Security Deposit:**

(a) **Lease Assignments:** For each Lease to be assigned pursuant to this agreement, a Lease Assignment, Assumption And Indemnification Agreement in substantially the same form as the pro-forma thereof which is attached hereto, made part hereof an marked Exhibit "3.7.2.2-a".

(b) **Security Deposits.** Security deposits of tenants, and any prepaid rent, existing at the time of consummation of Closing which are held by Seller shall be delivered to Buyer. For the purposes of this agreement "prepaid rent" means any rent monies received by Seller prior to the consummation of Closing if and to the extent that same relates to any period of time after the consummation of Closing hereunder.

(c) **Tenant Estoppel Certificates.** All tenant estoppel certificates obtained by Seller under and pursuant to §7.2.3, below.

**3.7.2.3 FIRPTA:** All certificate(s) required under Section 1445 of the Code.

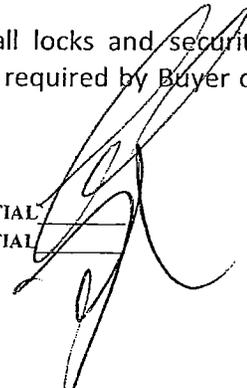
**3.7.2.4 Title Insurance Certificate.** A "standard" title affidavit of title from Seller to Buyer in such form as shall be reasonably required by the Title Company insuring Buyer's title but only to the extent that the terms and provisions set forth in said "standard" title affidavit:

(a) Are consistent with the terms and provisions of this agreement and the undertakings of the parties as set forth herein, and

(b) Do not expose the Seller or its officers, directors and shareholders to obligations, duties, risk or similar "exposure" greater than is contemplated by and called for under the terms and provisions of this agreement.

**3.7.2.5 Tenant Letter:** Letters to each tenant advising of the change in ownership and directing the payment of rent to such party as the Buyer shall designate, said letter to be in form acceptable to Buyer.

**3.7.2.6 Other.** Keys, combinations or card keys to all locks and security systems, and such other documents and instruments, as may be reasonably required by Buyer or



otherwise, in order to effectuate the provisions of this Agreement and the Closing of the transactions contemplated herein.

**3.7.3 Buyer's Payments:** At Closing, Buyer shall deliver or cause to be delivered to Seller the sums of money required to be paid to Seller pursuant to this Agreement.

**3.7.4 Necessary Documents.** Buyer and Seller shall execute and deliver such other documents and instruments as may be reasonably necessary to complete the transaction contemplated by this Agreement.

**4. COVENANTS.** In addition to the covenants contained in the other terms of this Agreement, Seller covenants as follows:

**4.1 Maintenance.** At all times prior to the consummation of Closing hereunder, Seller shall operate and maintain the Real Property in substantially the same manner and under the same management practices and leasing standards as it has historically done; it being understood and agreed, however, that nothing in this §4.1 shall require (or be deemed to require) Seller to make or effect and capital repairs or replacements to the Real Property or any portion thereof.

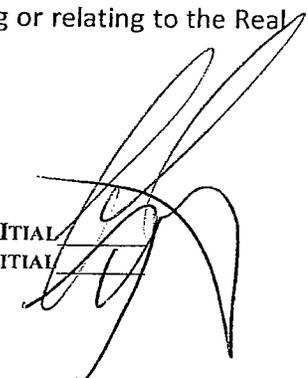
**4.2 Alterations.** At no time prior to the consummation of Closing hereunder shall Seller make or cause to be made any material alterations, improvements or additions to the Real Property without the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), it being understood and agreed, however, that Seller, without obtaining the Buyer's advance written consent (but giving the earliest practicable notice) shall be permitted to make or effect any such alterations, improvements or additions if and to the extent required by any emergency condition posing (i) a material adverse threat of physical damage to the Real Property and/or (ii) a material adverse threat to the occupancy or property of any Tenant or other occupant of the Real Property.

**4.3 Insurance.** Continue all insurance policies related to the Real Property in full force and effect until the Closing, providing written evidence thereof to the Buyer.

**4.4 Liens.** To the extent any improvements which might form the basis of mechanics' liens or materialmen's liens have been made or will be made to the Real Property prior to Closing, Seller agrees to keep the Real Property free from such liens which might result from such improvements.

**4.5 Notice to Buyer.** Notify Buyer promptly of the occurrence of any of the following: (i) a fire or other casualty causing damage to the Real Property, or any portion thereof; (ii) receipt of notice of eminent domain proceedings or condemnation of or affecting the Real Property, or any portion thereof; (iii) receipt or delivery of any default or termination notice or claim of offset or defense to the payment of rent from any tenant; (iv) receipt of any notice of default from the holder of any lien or security interest in or encumbering the Real Property, or any portion thereof; or (v) notice of any actual or threatened litigation against Seller or affecting or relating to the Real Property, or any portion thereof.

INITIAL  
INITIAL



**4.6 Delivery of Certain Documentation and Other Things.** At or Before Closing:

**4.6.1** Seller shall deliver to Buyer any and all original written documentation (other than invoices for items of tangible personal property purchased by Seller) of the various property and property interest referred to and described in §1.1.2, above, if and to the extent that Seller has possession of such documentation.

**4.6.2** Seller shall deliver to Buyer the original of all documents defined as Leases in §1.1.3, above. If and to the extent that original Leases do not exist or are not available, complete or conformed copies shall be delivered to the extent that copies had not been previously delivered to Buyer. With respect to each tenant of the Real Property as of the scheduled Closing Date, Seller shall deliver to Buyer a written worksheet (on paper and also in the form of an electronic Excel spreadsheet) containing and/or listing the following information:

**4.6.2.1** The amount of each such tenant's security deposit to be delivered to Buyer at Closing, and the amount of each such tenant's security deposit that Seller intends to retain at and after consummation of Closing as damages for any breach or default under the tenant's particular Lease or for any other reason authorized by the terms and provisions of this agreement (including, unpaid rent, and without limitation, by reason of same constituting part of the "Excluded Property").

**4.6.2.3** The amount of any claim that Seller has against any such tenant in excess of the amount of that tenant's security deposit. In that regard, Seller represents that at the time of execution of this agreement there do exist unpaid tenant/lease related balances representing unpaid items of rent, additional rent and other sums due and payable under the tenant's lease, none of which have, to date, been (i) reduced to a formal demand, and/or (ii) set off against the tenant's security deposit in whole or part, and/or (iii) been the subject matter of an action at law or in equity; it being understood and agreed that nothing contained in this §4.6.2.3 shall be construed as a bar preventing Seller's doing such things or taking any such action.

**5. REPRESENTATIONS AND WARRANTIES.** In order to induce Buyer to enter into this Agreement, each Seller hereby represents and warrants to Buyer that to the best of Seller's information, knowledge, notice and belief the following representations and warranties are true now and will be true at Closing:

**5.1 Seller's Authority For Binding Agreement.** The Seller is a duly authorized and validly existing corporation formed under the laws of Pennsylvania. Seller has full power, right and authority to own its properties, to carry on its business as now conducted, and to enter into and fulfill its obligations under this Agreement. Each of the persons or entities executing this Agreement on behalf of Seller is authorized to do so. This Agreement is the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms. The execution

and delivery of this Agreement and compliance with its terms will not conflict with or result in the breach of any law, judgment, order, writ, injunction, decree, rule or regulation, or conflict with or result in the breach of any other agreement, document or instrument to which Seller is a party or by which it or the Real Property is bound or affected.

**5.2 Employment on "At-Will" Basis.** All persons and entities presently employed in connection with the operation and maintenance of the Real Property are employed on an "at will" basis; are dischargeable upon prior notice, and, unless otherwise directed by Buyer, shall be terminated by Seller as of the time of consummation of Closing hereunder. There are no labor disputes pending, nor to the best of Seller's knowledge, contemplated pertaining to the operation or maintenance of the Real Property, or any part thereof. Seller has no employment agreements, either written or oral, with any person which would require Buyer to employ any person after the date hereof.

**5.3 Service Contracts.** Seller has performed, and at Closing shall have performed, all obligations which it has under any Service Contracts (defined below) including but not limited to payment of all fees, costs and expenses thereunder. As soon as practicable after the execution of this agreement, Seller will provide Buyer with a list of all existing service, equipment, supply and maintenance contracts with respect to or affecting the Real Property (the "Service Contracts"), said list separately identifying those Service Contracts that are not terminable at will and/or terminable with a penalty or cancellation fee.

**5.4 Condemnation.** There is no condemnation or eminent domain proceeding pending with regard to any part of the Real Property, and to the best of Seller's knowledge, no such proceedings are proposed.

**5.5 No Lawsuits, Proceedings or Existing or Threatened Claims.** As soon as practicable after the execution of this agreement, and to be updated at the time of Closing, Seller will provide Buyer with a list of all claims, lawsuits or judicial, quasi-judicial or administrative proceedings pending ("matters"), or to the best of the Seller's knowledge, threatened against or relating to the Real Property and/or Seller's interest therein that pose (or has or is likely to have) a material adverse effect on (i) the performances and duties set forth in this agreement or (ii) the quality and quantity of title to be purchased, sold, transferred assigned and conveyed pursuant to this agreement. Seller agrees that it indemnifies Buyer against any liability, whether by way of monetary, lien or other relief, under such matters, including – should Buyer be named or interpleaded – attorneys' fees and costs.

**5.6 No Tax Assessments.** There are no public improvements in the nature of off-site improvements, or otherwise, which have been ordered to be made and/or which have not heretofore been assessed, and, to Seller's knowledge, there are no special or general assessments currently affecting or pending against the Real Property, except as set forth in the Title Binder (herein defined).

**5.7 Leases.** Other than as set forth on *Exhibit "5.7"*, which list sets forth a true, complete and correct Digest of Leases for the Real Property (the "Digest of Leases"), there are no oral or written leases or rights of occupancy or grants or claims of right, title or interest in any portion of the Real Property (the "Leases"). There have been no changes to any of the tenants (or to Seller's knowledge, the financial condition of any of the tenants) other than as expressly set

forth in the Digest of Leases. No tenant security deposit has been applied towards any unfulfilled obligation of any tenant under any Lease except as expressly set forth in the Digest of Leases.

**5.8 Compliance with Law.**

**5.8.1 In General:** Except as set forth or disclosed to the contrary elsewhere in this agreement, Seller has received no notice alleging that the Real Property is in violation of applicable laws, rules or regulations.

**5.8.2 Environmental Matters:** Buyer hereby acknowledges that it has received from Seller e-mailed computer-readable (Adobe/"pdf") copies of the writings, reports, letters and other documents that are referenced and identified on Exhibit "5.8.2" which is attached hereto and made part hereof and that Buyer has read and become familiar with the contents and substance of all of said writings, reports, letters and other documents. Seller hereby represents to Buyer that:

- (i) To the best of Seller's information, knowledge and belief, and
- (ii) Except as otherwise disclosed, mentioned, described, discussed, opined and/or referred to in any of writings, reports, letters and other documents that are referenced and identified on Exhibit "5.8.2":

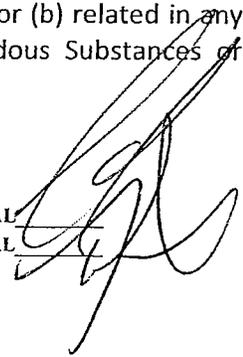
there are no uncontained Hazardous Substances (defined below) and no uncontained Hazardous Wastes (defined below) are present on the Real Property including, without limitation, asbestos, flammable substances, explosives, radioactive materials, hazardous wastes, toxic substances, pollutants, pollution, contaminant, polychlorinated biphenyls ("PCBs"), urea formaldehyde foam insulation, radon, corrosive, irritant, biologically infectious materials, petroleum product, garbage, refuse, sludge, hazardous or waste materials.

Seller further represents to Buyer that to the best of Seller's information, knowledge and belief:

5.8.2.1 Seller or any shareholder of Seller has not been identified in any litigation, administrative proceeding or investigation as a responsible party or potentially responsible party for any liability for clean-up costs, natural resource damages or other damages or liability for prior disposal or release of Hazardous Substances, Hazardous Wastes or other environmental pollutants or contaminants at the Real Property, and no lien or super lien has been recorded, filed or otherwise asserted against any real or personal property of Seller for any clean-up costs or other responses costs incurred in connection with any environmental contamination that is attributable, in whole or in part, to Seller.

5.8.2.2 Seller or any shareholder of Seller has not received any summons, citation, directive, letter or other communication, written or oral, from any governmental or quasi-governmental authority concerning any intentional or unintentional action or omission on Seller's part which (a) resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances or Hazardous Wastes at the Real Property, or (b) related in any way to the generation, storage, transport, treatment or disposal of Hazardous Substances or Hazardous Wastes by Seller at the Real Property.

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_



For purposes of this Agreement, "Hazardous Substances" means those elements and compounds which are designated as such in Section 101(14) of the Comprehensive Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Section 9601 (14), as amended, all petroleum products and by-products, and any other hazardous substances as that term may be further defined in any and all applicable federal, state and local laws; and "Hazardous Wastes" means any hazardous waste, residential or household waste, solid waste, or other waste as defined in applicable federal, state and local laws.

5.9 **FIRPTA.** Seller is not a "foreign person" as such term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended (the "Code").

5.10 **Mechanic's Liens.** No work has been performed or is in progress at, and no materials have been furnished to the Real Property which, though not presently the subject of, might give rise to construction, mechanic's, materialmen's, municipal or other liens against the Real Property or any portion thereof, except that for which full and complete releases have been obtained. If any lien for any such work is filed before or after Closing, Seller shall promptly discharge the same at its own costs and expense.

5.11 **Improvements, Equipment, Systems, Et Cetera.** Except as set forth or otherwise disclosed to the contrary in this agreement, including, without limitation, §1.3, above, and Exhibit "5.11", to the best of Seller's knowledge there is no material defect in, mechanical failure of or damage to the Office Building, including the structure, walls, heating, ventilation, air conditioning, plumbing, electrical, drainage, fire alarm, communications, sprinkler, security and exhaust systems and their component parts, or other improvements on or forming a part of the Office Building. Nothing contained in this §5.11 shall be deemed, considered or taken as any form of representation, covenant or warranty (including, without limitation, any warranty of merchantability or fitness for a particular purpose) as to the condition or operating condition of the roof, structure, walls, heating, ventilation, air conditioning, plumbing, electrical, drainage, fire alarm, communications, sprinkler, security and exhaust systems and their component parts, or other improvements on or forming a part of the Office Building it being understood and agreed that this agreement and the purchase, sale, Closing and conveyance to be effected in accordance herewith is and shall be an "as is" transaction as more particularly set forth in §1.3, above.

5.12 **Zoning.** The current zoning classification of the Real Property is "CR" in accordance with the Upper Dublin Township (the "Township") Zoning Code. Prior to the Closing Date, if and to extent obtainable from Upper Dublin Township, Seller shall obtain from the Township, written statement disclosing (i) the extent to which the Real Property and the uses thereon comply with all applicable zoning, subdivision, development, building and use laws, ordinances, codes, rules, regulations and other similar restrictions (including, without limitation, all requirements and restrictions with respect to height, density and set back), and (ii) the extent to which there are no outstanding violations concerning the Real Property.

5.13 **Uncompleted Work.** Seller has received no notices of any items of work, repair, maintenance or construction to be completed by Seller pursuant to any Tenant Lease and, to Seller's Knowledge, there is no such work to be done. Seller represents that to the best of its information, knowledge and belief, none of the Tenants of the Real Property is entitled to any

additional leasehold improvements or other fit-out or construction work during the term of its respective Lease.

5.14 **Unpaid Commissions.** As of the Closing Date, there will be no leasing brokerage or other lease related commissions due or payable on an absolute or contingent basis to any person in connection with any of the Leases, except for any leasing brokerage commissions that are due and payable under the terms of any lease executed and approved by Buyer at any time after the Agreement Date.

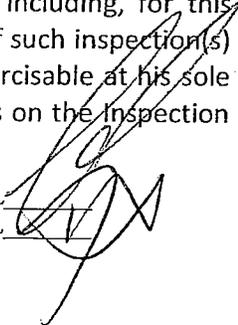
5.15 **Material Information.** To Seller's Knowledge, (a) there is no material fact that has not been disclosed to Buyer in writing that has or could reasonably be expected to have a material adverse effect upon the Real Property, or the use or value thereof; and (b) this Agreement, together with any documents provided to Seller by the Buyer, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein not materially misleading.

6. **POSSESSION.** Upon consummation of Closing hereunder, possession of the Real Property is to be given to Buyer, subject to the right of tenants under the Leases at said time by delivery of the Deed (herein defined) and by assignment of the Leases. At Closing, Seller shall deliver to Buyer -- all clearly labeled, marked and identified -- all keys (and any existing copies of keys) for all doors of the Real Property and all its spaces, including but not limited to mechanical rooms and elevator room, and all codes, passwords, lock combinations, and the like, related to the Real Property both physically and in relation to any computer or internet system related to the Real Property.

7. **REVIEW OF TITLE AND INSPECTION.**

7.1 **Physical and Financial Inspection.** For a period (the "Inspection Period") commencing on the Agreement Date and expiring on the forty-fifth (45th) day thereafter (such forty-fifth (45th) day hereinafter referred to as the "Inspection Period Expiration Date"), and in addition to the a land survey which is the subject matter of §3.4, above, at its sole cost and expense, Buyer shall have the right to perform and a physical and mechanical inspection, measurement and audit of the Real Property (including, without limitation, all aspects of the façade brick wall which is the subject matter of §21, below) and an inspection of all books and records and financial information pertaining thereto, and Seller shall cooperate with Buyer and shall furnish to Buyer such information, materials and documents as Buyer may reasonably request and shall have its Treasurer or other personnel familiar with the books and records of the Seller reasonable available at reasonable times throughout such period to assist in Buyer's inspection and review. The inspection, audit and measurement of the Real Property's operation, condition and maintenance shall include, without limitation, such reasonable environmental and engineering inspections, reviews and assessments that Buyer deems appropriate.

If Buyer, at Buyer's sole and absolute discretion, shall find the results (not including, for this purpose, the results of the survey which is the subject matter of §3.4, above) of such inspection(s) to be unsatisfactory for any reason whatsoever, Buyer shall have the right, exercisable at his sole option by written notice delivered to Seller not later than the close of business on the inspection



Period Expiration Date, to terminate the purchase and sale set forth in this agreement, and upon such termination, the Deposit shall be immediately refunded to the Buyer, and thereupon the parties hereto shall have no further liabilities one to the other with respect to the subject matter of this Agreement. Buyer agrees that it shall not unreasonably interfere with tenants in performing its inspection.

**7.2 Tenants.**

**7.2.1 Buyer Contact With Tenants:** Subsequent to the Tenant Contact Date described and set forth in §7.2.2, below, and during usual business hours 9:00 AM to 5:30 PM, Buyer's executive employees shall be permitted to have contact with the Seller's Tenants solely for the following purposes:

**7.2.1.1** For the purpose of introducing themselves and Buyer to each respective tenant and the reason prompting said introduction; and/or

**7.2.1.2** For the purpose of inquiring into the tenant's intentions or expectations regarding continuing occupancy at the Real Property.

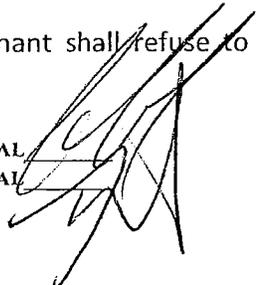
Buyer shall notify Seller of its intent to engage in the aforementioned tenant contact and the dates and times when it desires to conduct same, whereupon, if requested by Buyer, Seller shall appropriately inform each of the tenants with whom Buyer's executive employees intend to meet. Seller agrees to assist and cooperate with Buyer's efforts to meet with the tenants in the manner and to the extent set forth above.

**7.2.2 Tenant Contact Date:** The Tenant Contact Date shall be the latest of the following dates: (i) the date on which Buyer's right and option to terminate this agreement under §3.2 (and specifically §3.2.6.2 thereof) or §3.4 shall have expired unexercised, or (ii) the date on which the mortgage financing contingency set forth in §12, below, shall have expired, been terminated, or been irrevocably waived and released by Buyer.

**7.2.3 Estoppel Certificates:**

**7.2.3.1 In General:** Seller shall obtain from each tenant at the Real Property an estoppel certificate duly executed not earlier than the Agreement Date each to be in form substantially identical to the pro-forma estoppel certificate which is attached hereto, made part hereof and marked Exhibit "7.2.3". Seller shall send an estoppel certificate that complies with the requirements of this §7.2.3 to each tenant not later than the third (3rd) day after the Tenant Contact Date. The foregoing to the contrary notwithstanding, if and to the extent that any particular tenant shall object to the estoppel certificate form (as required and sent in accordance with the foregoing requirements) on the grounds that the requested estoppel certificate exceeds its Lease's requirement as to form or substance, then as soon as practicable after being notified of the particular tenant's objection Seller shall replace the previously sent estoppel certificate form with a new form of estoppel certificate that comports with the estoppel certificate requirements or parameters of that particular tenant's Lease.

**7.2.3.2 Tenant Refusal:** In the event that a tenant shall refuse to execute or deliver an estoppel certificate as contemplated by this §7.2.3,



7.2.3.1 Seller shall not be deemed in breach of the requirements of this §7.2.3, and

7.2.3.2 In lieu of the refusing Tenant's estoppel certificate, Seller shall execute and deliver to Buyer at Closing hereunder a written and duly executed Seller certification setting forth to the best of Seller's information, knowledge and belief all of the same representations that would have been included in the refusing tenant's estoppel certificate had that tenant refused to execute same.

8. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES.** The representations and warranties of Seller set forth in §5.2, above, and any Seller certification that is required under the provisions and conditions of §§5.8, 5.9 and 5.10, and §7.2.3.2, above, shall survive the Closing and delivery of the deed for a period of one (1) year from the Closing Date. Except as set forth in the immediately preceding sentence or elsewhere in this Agreement, none of the representations set forth in this agreement shall survive the consummation of Closing hereunder.

9. **FIRE OR OTHER CASUALTY.**

9.1 **Maintain Insurance.** Seller shall maintain in effect until the Closing Date the insurance policies (or like policies) now in effect with respect to the Real Property and Personal Property and shall furnish Buyer with evidence of continuing coverage.

9.2 **Partial Damage.** If prior to the consummation of Closing hereunder any portion of the Real Property is partially damaged by fire or other casualty, and the cost of repair or restoration thereof shall be more than One Hundred Thousand Dollars (\$100,000.00) (as established by good faith estimates obtained by Seller), but less than One Million (\$1,000,000.00) Dollars, Buyer may within thirty (30) days after receipt of notice ("**Damage Notice**") of said damage or destruction, terminate this Agreement by giving written notice thereof to Seller ("**Buyer's Notice of Election**"), and if this Agreement is so terminated, then the Deposit shall be immediately refunded to Buyer, and thereafter neither party shall have any further liability hereunder thereafter. If under the circumstances set forth in this §9.2 Buyer does not elect to terminate this Agreement, Seller at the time of consummation of Closing hereunder shall assign and turn over, and Buyer shall be entitled to receive and keep, all rights under any insurance policies, and insurance proceeds payable with respect to such damage or destruction (which shall then be repaired or not at Buyer's sole option and cost), plus Seller shall pay over to Buyer an amount equal to the deductible amount with respect to the insurance or uninsured amount and the parties shall proceed to Closing pursuant to the terms hereof without modification of the terms of this Agreement and without any reduction in the Purchase Price.

9.3 **Major Damage or Complete Destruction:** If prior to the consummation of Closing hereunder either (i) a substantial portion or all of the Office Building is destroyed by fire or other casualty or (ii) the Real Property is partially damaged by fire or other casualty, and the cost of repair or restoration thereof shall be more than One Million (\$1,000,000.00) Dollars (as established by good faith estimates obtained by Seller), Buyer or Seller [within thirty (30) days after the later of the occurrence of said event or Buyer's receipt of Seller's notice thereof ("**Damage Notice**")]

terminate this Agreement by giving written notice thereof to the other party ("**Notice of Termination Election**"), and if this Agreement is so terminated, then the Deposit shall be immediately refunded to Buyer, and thereafter neither party shall have any further liability hereunder thereafter. If neither party elects to terminate this Agreement pursuant to the provisions of this §9.3 by reason of any such casualty, Buyer shall have the right to participate in any adjustment of the insurance claim and Seller shall not compromise, settle or adjust any such claim without Buyer's prior written consent (which consent may not be unreasonable withheld or delayed).

**10. CONDEMNATION.** If, prior to the Closing Date, all or any portion of the Real Property is taken by eminent domain or a notice of any eminent domain proceedings with respect to the Real Property or any part thereof is received by the Seller, then Seller shall within five (5) days thereafter give notice thereof to Buyer and Buyer shall have the option to (a) complete the purchase hereunder or (b) if such taking, in Buyer's sole and absolute discretion, materially and adversely affects the Real Property or its current economic viability, terminate this Agreement, in which event the Deposit shall be immediately refunded to Buyer, and this Agreement shall be null and void. Buyer shall deliver written notice of its election to the Seller within twenty (20) days after the date upon which the Buyer receives written notice of such eminent domain proceedings. If notice of condemnation is received by Buyer and it fails to deliver said written notice of its election within said time period, such failure shall constitute a waiver by Buyer of its right to terminate this Agreement. If this Agreement is not so terminated, Buyer shall be entitled to all awards or damages by reason of any exercise of the power of eminent domain or condemnation with respect to or for the taking of the Real Property or any portion thereof, and until such time as Closing has occurred, or this Agreement terminates. Any negotiation for, or agreement to, and all contests of any offers and awards relating to eminent domain proceedings shall be conducted with the joint approval and consent of the Seller and the Buyer.

**11. EXPENSE ALLOCATIONS.**

**11.1 Transfer Taxes.** Seller and Buyer shall each be responsible for fifty percent (50%) of the applicable real estate transfer taxes imposed by reason of the execution, delivery and recording of the Deed.

**11.2 Buyer's Expenses.** Buyer shall pay for Buyer's title examination, its environmental report, its survey and title premiums and endorsements and any other costs incurred by Buyer in connection with its inspection of the Real Property.

**11.3 Attorneys' Fees.** Buyer and Seller shall be responsible for paying their own attorney's fees in connection with this transaction.

**11.4 Assessments After Date Of Agreement.** In the event that at any time after the Agreement Date there shall be imposed by any governmental or quasi-governmental body, agency or authority any assessment for public improvements, said assessment shall be borne solely by Buyer. Seller shall notify Buyer immediately upon Seller's receipt of notice of the imposition of any such assessment and shall send Buyer copies of any and all notices and documentation received by

Seller in connection therewith. Seller shall cooperate with any appeals or protests that Buyer shall determine to file, lodge, make or docket, said cooperation to include, without limitation, allowing Buyer to pursue any such protest or appeal in Seller's name until such time as Closing hereunder shall have been consummated, whereupon, said appeal or protest shall be assigned by appropriate substitution of parties, name change or other similar procedure. If Buyer in proceeding under this §11.4 shall obtain any favorable assessment related adjustment for or with respect to any period of time occurring after the consummation of Closing hereunder, Buyer shall have the benefit of any such adjustment. Conversely, If Buyer n proceeding under this §11.4 shall obtain any favorable assessment related adjustment for or with respect to any period of time occurring prior to the consummation of Closing hereunder, Seller shall have the benefit of any such adjustment.

**12. MORTGAGE CONTINGENCY:**

**12.1 In General:** This Agreement and the purchase and sale hereunder are conditioned and contingent upon Buyer's obtaining a firm, binding and written commitment from a recognized and reputable first mortgage lender for conventional first mortgage financing in connection with the Real Property subject hereto under the following terms and provisions:

**12.1.1** The amount of the loan not to exceed One Million Nine Hundred and Fifty Thousand Dollars (\$1,950,000.00) , and

**12.1.2** The stated rate of interest per annum not to exceed six and forty-five one hundredths percent (6.45%), and

**12.1.3** Level monthly payments to be based on not longer than a thirty (30) year amortization schedule.

**12.2 Application To Lender:** As soon as possible after the execution of this agreement (but in all events not later than twenty days after the date of this Agreement, Buyer shall prepare and submit to such lender an appropriate and complete application requesting the financing described hereinabove. Buyer's failure to timely submit said mortgage financing application shall render void the financing contingency set forth in this §12, in which event Buyer shall be required to perform under the remaining terms and provisions of this agreement as if said contingency did not exist. Promptly after submission of its timely submitted mortgage financing application (as contemplated in this §12) Buyer shall deliver to Seller due and proper written evidence thereof. Buyer's said mortgage financing application shall be prepared and submitted at Buyer's sole cost and expense, and Buyer shall submit such documents and instruments as shall be reasonably required by the said lender in connection with said application. Buyer shall provide evidence to Seller that of its Buyer covenant and agrees to pursue with all due diligence and in good faith the financing application contemplated by this §12 and to fully cooperate with all requests and data requirements reasonable requested by said first mortgage lender.

**12.3 Termination of Inability To Non-Approval of Application:** Provided only that Buyer shall have otherwise complied with the performance and requirements of this §12, in the event that Buyer shall not have obtained the firm, binding and written first mortgage commitment described in §12.1, above, prior to the expiration of the Inspection Period, then unless prior to the expiration of said Inspection Period Buyer shall elect by written notice to Seller to waive the

financing contingency set forth in this §12, this Agreement shall become null, void, and of no further force and effect, and all deposit monies plus interest accrued thereon shall be refunded to Buyer.

**12.4 Access To Real Property:** Seller hereby agrees to permit inspections by appraisers, certifiers, Buyer, and other persons authorized by Buyer as shall be reasonably required by Buyer's proposed mortgage lender.

**13. DEFAULT; REMEDIES.**

**13.1 Seller's Default.** In the event that any of Seller's material representations, warranties or covenants contained in this Agreement are untrue or if Seller shall have failed to have performed any of the material covenants and/or agreements contained in this Agreement which are to be performed by Seller, on or before the date set forth in this Agreement for the performance thereof, or if any of the conditions precedent to Buyer's obligation to consummate the transaction contemplated by this Agreement shall have failed to occur, and the aforesaid event materially adversely affects Buyer's intended use of the Real Property, Buyer may, at its option, terminate the purchase and sale transaction set forth in this Agreement by giving written notice of such termination, whereupon the Deposits shall be returned to Buyer, whereupon the parties shall have no further liability to each other hereunder. In the alternative, but without limiting Buyer's right upon any default by Seller hereunder to receive the prompt return of the Deposit, Buyer may seek to enforce specific performance of this Agreement.

**13.2 Buyer's Default.** In recognition that Seller has removed the Real Property from the market upon the execution of this Agreement, if this Agreement is not consummated by reason of Buyer's default, Seller shall be entitled to retain the Deposit as liquidated damages for such breach as the Seller's sole and exclusive remedy.

**14. PRORATIONS AND ADJUSTMENTS**

**14.1 In General.** The following items shall be prorated at Closing, as of close of business of the day immediately preceding the date on which Closing hereunder shall have been consummated (the "Adjustment Date"):

**14.1.1 Base Rents, Additional Rents and Tenant Utility Charges.** Base rents, Additional Rents and tenant billings for utilities (i. e, gas, electricity, water and sewer) shall be allocated on the basis of each separate tenant's lease month. To the greatest extent possible and practicable, Seller shall update all tenant accruals for utilities related tenant charges and items of additional rents so as to minimize the need to allocate additional rents and utilities charges on the basis of estimates.

**14.1.2 Real Estate Taxes.** Real estate taxes for the current year shall be allocated on the basis of the fiscal year for which each separate real estate tax is assessed. All overdue real estate tax, and any interest and penalties, shall be paid by Seller at or before Closing.

**14.1.3 Operating Expenses.** Operating expenses incurred with vendors or under contracts that are to be assumed by or assigned to Buyer upon consummation of Closing

shall be allocated on a per diem basis between the parties. Such allocations and prorations proposed by Seller shall be accompanied at Closing by documentation (to the extent available) showing the basis therefor.

**14.1.4 Utilities Charges.** Charges for electricity, gas, and water and sewer usage based upon meter readings to be obtained by Seller on the Adjustment Date, or if not so obtainable, a date not more than ten (10) days prior to the Adjustment Date, and the unfixed meter charges based thereon for the intervening period shall be apportioned on the basis of such last reading. Upon the taking of a subsequent actual reading, such apportionment shall be readjusted and Seller or Buyer, as the case may be, will promptly deliver to the other the amount determined to be so due upon such readjustment. If Seller is unable to furnish such prior reading, any reading subsequent to the Closing will be apportioned on a per diem basis from the date of such reading immediately prior thereto and Seller shall pay the proportionate charges due up to the Closing Date.

**14.1.3 Assigned Contracts.** Amounts paid or payable in respect of any service and maintenance contracts assigned to Buyer in accordance herewith.

**14.2 Application of Prorations.** If such prorations result in a payment due Buyer, the cash payable at Closing shall be reduced by such sum. If such prorations result in a payment due Seller, the same shall be paid by uncertified check at Closing.

**14.3 Schedule of Prorations.** The parties shall endeavor to jointly prepare a schedule of prorations for the Real Property no later than five (5) days prior to the date scheduled for Closing.

**14.4 Readjustments.** The parties shall correct any errors in prorations as soon after the Closing as amounts are finally determined.

**15. BROKERS, AGENTS AND OTHER "LICENSEES".**

**15.1** Seller represents that David Hoffman and Jeffrey Hoffman, Remax Services, Commercial Division, 794 Penllyn Pike-Suite 200, Rue Bell, Pennsylvania acting jointly, have been retained as Exclusive Sales Agents for the purpose of listing the Real Property for sale and as such Seller is the "client" of said Exclusive Sales Agents in connection with the transaction referred to and set forth in this agreement.

**15.2** Buyer represents that the availability of the Real Property for purchase was brought to his attention by Michael Brown a duly licensed real estate agent associated with Blue Square Property Management & Realty LLC, 123 Chestnut St, Philadelphia, Pennsylvania 19106.

**15.3** It is understood and agreed that any and all properly due and payable real estate commissions shall be paid by Seller at such time as Closing hereunder is consummated.

**15.4** Except as set forth and/or disclosed to the contrary in this §15.0, each of the parties hereto represents and warrants to the other party that that it has not employed or retained any broker, transaction intermediary, finder or other real estate "licensee" or person in connection with the transaction contemplated by this Agreement (nor the discussions and negotiations leading up to same), and it has not had any dealings with any other person or party (other than the aforesaid Exclusive Sales Agents) which may entitle that person or party to a fee or commission.

Each party covenants and agrees that it shall indemnify the other of and from any liability, claims, damages, losses and expenses (including, without limitation, reasonable counsel fees and litigation costs) incurred at any time after the consummation of Closing hereunder by the other party by reason of the representations of the other party set forth in this §15 being false or untrue.

16. **ESCROWEE.** The parties hereto have requested that the Deposit be held in escrow by the Escrowee to be applied at the Closing or paid, transferred or otherwise disposed of in accordance with this Agreement. The Escrowee will deliver the Deposit to Seller or to Buyer, as the case may be under the following conditions:

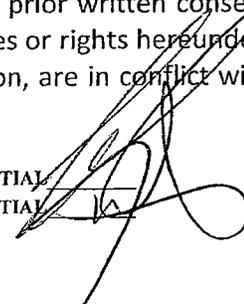
**16.1 Payment to Seller.** To Seller at the time of consummation of Closing hereunder or upon the occurrence of an uncured breach of this agreement or upon a Buyer default as set forth in §13.3, above.

**16.2 Payment to a Party.** To a party as specified in a document signed by Seller and Buyer or their attorneys.

**16.3 Notice of Dispute.** If either Seller or Buyer believes that it is entitled to the Deposit or any part thereof, it shall make written demand therefor upon the Escrowee. The Escrowee shall promptly mail a copy thereof to the other party in the manner specified in §18.1 below. The other party shall have the right to object to the delivery of the Deposit, by filing written notice of such objections with the Escrowee at any time within ten (10) days after the mailing of such copy to it in the manner specified in §18.1 below, but not thereafter. Such notice shall set forth the basis for objection to the delivery of the Deposit. Upon receipt of such notice, the Escrowee shall promptly deliver a copy thereof to the party who filed the written demand.

**16.4 Escrow Subject to Dispute.** In the event the Escrowee shall have received the notice of objection provided for in §16.2, in the manner and within the time therein prescribed, the Escrowee shall continue to hold the Deposit until (i) the Escrowee receives written notice from both Seller and Buyer directing the disbursement of the Deposit in which case the Escrowee shall then disburse said Deposit in accordance with said direction, or (ii) litigation arises between Seller and Buyer, in which event the Escrowee shall deposit the Deposit with the Clerk of the Court in which said litigation is pending, or (iii) the Escrowee takes such affirmative steps as the Escrowee may, at the Escrowee's option elect in order to terminate the Escrowee's duties including, but not limited to, deposit in Court and an action for interpleader.

**16.5 Escrowee's Rights and Liabilities.** Escrowee shall not be required to determine questions of fact or law, and may act upon any instrument or other writing believed by it in good faith to be genuine and to be signed and presented by the proper person, and shall not be liable in connection with the performance of any duties imposed upon Escrowee by the provisions of this Agreement, except for Escrowee's own willful default or gross negligence. Escrowee shall have no duties or responsibilities except those set forth herein. Escrowee shall not be bound by any modification of this Agreement, unless the same is in writing and signed by Buyer and Seller, and, if Escrowee's duties hereunder are affected, unless Escrowee shall have given prior written consent thereto. In the event that Escrowee shall be uncertain as to Escrowee's duties or rights hereunder, or shall receive instructions from Buyer or Seller which, in Escrowee's opinion, are in conflict with

INITIAL  
INITIAL  


any of the provisions hereof, Escrowee shall be entitled to hold and apply the Deposit, pursuant to §16.3, and may decline to take any other action.

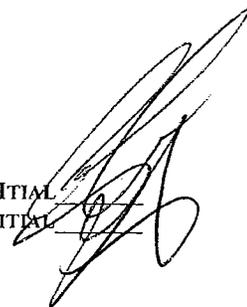
**17. Seller's Post-Closing Occupancy:** In consideration of the mutual promises, covenants and undertakings set forth herein, Seller have the right to rent-free occupancy of the suite which it occupies at the time of execution of this agreement (same being Suite 120 Twining Office Center). During said post-closing occupancy period, Seller, and its employees and agents, agree to strictly abide by Buyer's intended post-Closing "no-smoking policy" at any hour of the day at the Real Property.

Further, it is agreed that Seller shall vacate said Suite 120 at the expiration of thirty (30) calendar days. This thirty (30) day period may be extended for no more than five (5) days on notice to Buyer from Seller, such request to be made no later than the twentieth (20th) calendar day post-closing.

To insure that Seller vacates said Suite 120 on a timely basis, and leaves it empty and broom-swept, it is agreed that a deposit of \$20,000 shall be held by the Escrowees identified above. In the event that Seller shall not vacate on or before the aforesaid thirty (30) calendar days (as same may have been extended, as aforesaid), Seller shall be charged with a "Holdover Fee" determined in accordance with the following formula:

Number of Days of Holdover Period	Daily Holdover Fee
1	\$300.00
2	\$300.00
3	\$300.00
4	\$300.00
5	\$300.00
6	\$400.00
7	\$400.00
8	\$400.00
9	\$400.00
10	\$400.00
11	\$500.00
12	\$500.00
13	\$500.00
14	\$500.00
15	\$500.00
16	\$600.00
17	\$600.00
18	\$600.00
19	\$600.00
20	\$600.00
21	\$700.00
22	\$700.00
23	\$700.00
24	\$700.00
25	\$700.00
26	\$800.00
27	\$800.00
28	\$800.00
29	\$800.00
30	\$800.00
More Than 30	1,000.00

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_



The aggregate amount of Holdover Fees, if any, which shall accrue and be payable in accordance with the foregoing provisions and table shall be paid by Escrowees directly to Buyer and the balance of all sums held in escrow under and pursuant to this §17 shall be refunded to Seller. Any holdover beyond the thirty (30) day or a timely-noticed five (5) day extension shall constitute a trespass, it being understood and agreed, however, that aside from the right to proceed with an eviction action in a court of competent jurisdiction, payment to (and receipt by receipt by) Buyer of the aggregate holdover fees under this §17 shall be Buyer's sole and exclusive remedy for any such trespass. Seller agrees not to contest any action for trespass.

18. **GENERAL PROVISIONS.**

18.1 **Notices.** All notices or other communications required or permitted to be given under the terms of this Agreement shall be in writing, and shall be deemed effective when sent by nationally-recognized overnight courier or deposited in the United States mail and sent by certified mail, postage prepaid. All such notices shall also be sent simultaneously by means of a facsimile and e-mail copy with all notices enclosures also faxed and e-mailed (to the extent possible). Faxed signatures on any and all such notices shall be as valid as original signatures. The following addresses, fax numbers and e-mail addresses shall be used for all required notice recipients, until changed by appropriate recipient's advance notice (sent in accordance with the requirements of this §18.1) :

***If to Seller, addressed to***

Joseph Lupowitz Sons, Inc.  
Attention: Robert S. Dubin, Treas.  
715 Twining Road, Suite #120  
Dresher, Pennsylvania 19025  
Fax No. 215-887-8619  
e-mail address: [commeqcorp@aol.com](mailto:commeqcorp@aol.com)

***with a copy to:***

Remax Services  
Commercial Division  
794 Penllyn Pike-Suite 200  
Blue Bell, PA 19422

***If to Buyer, addressed to:***

David Ferleger, Esquire  
Archways Professional Building  
413 Johnson Street, Suite 203  
Jenkintown, Pennsylvania 19046  
Fax No 610 672 9680  
e-mail address: [david@ferleger.com](mailto:david@ferleger.com)

**with a copy to:**

Michael Brown  
BlueSquare Property Management and Realty LLC.  
225 Arch St 1st Floor, Philadelphia PA 19106  
Email: [commercialagent@comcast.net](mailto:commercialagent@comcast.net)

**If to Escrowee, addressed to:**

Jeffrey Hoffman & David Hoffman  
Remax Services  
Commercial Division  
794 Penllyn Pike-Suite 200  
Blue Bell, PA 19422  
Email: [jeff@hoffmanre.com](mailto:jeff@hoffmanre.com) and [daveghoffman@gmail.com](mailto:daveghoffman@gmail.com)

18.2 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

18.3 **Entire Agreement.** All Exhibits attached to this Agreement are incorporated herein and made a part hereof. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior negotiations, understandings and agreements of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified or amended other than by an agreement in writing. The captions included in this Agreement are for convenience only and in no way define, describe or limit the scope or intent of the terms of this Agreement. With regard to each and every provision of this Agreement and any and all agreements and instruments subject to the terms hereof, the parties hereto understand and agree that same have or has been mutually negotiated, prepared and drafted, and that if, at any time, the need arises to construe any provision hereof, or any agreement or instrument subject hereto, that no consideration shall be given to the issue of which party actually prepared, drafted, requested, or negotiated each and/or every provision of this Agreement or any agreement subject hereto.

18.4 **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and jurisdiction of any dispute shall be vested with the Montgomery County Court of Common Pleas.

18.5 **No Recording.** This Agreement shall not be recorded in the Clerk's Office or in any other office or place of public record.

18.6 **Tender.** Tender of Deed by Seller and of the Purchase Price by Buyer, are hereby mutually waived.

18.7 **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This

Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

**18.8 Further Instruments.** Seller will, whenever and as often as it shall be reasonably request so to do by Buyer, and Buyer will, whenever and as often as it shall be reasonably requested so to do by Seller, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all conveyances, assignments, correction instruments and all other instruments and documents as may be reasonably necessary in order to complete the transaction provided for in this Agreement and to carry out the intent and purposes of this Agreement. All such instruments and documents shall be satisfactory to the respective attorneys for Buyer and Seller. The provisions of this Article shall survive the Closing.

**18.9 Time.** Time is of the essence. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday, or legal holiday of the United States or the Commonwealth of Pennsylvania, the time for such performance will be extended to the next succeeding business day. Time periods under this Agreement will exclude the first day and include the last day of such time period.

**18.10 Captions:** The section headings, title and captions which are contained and set forth in this agreement are present in this agreement strictly for the convenient reference of the reader and under no circumstances shall same be utilized in any manner or to any extent in the interpretation of the wording, operation, construction and effect of this agreement.

**18.11 References.** Any and all references in this Agreement to any party or person in the singular shall be deemed a reference, where applicable, to same in the plural. Likewise, reference to a person in the masculine, feminine, or neuter gender shall be construed, where applicable, to any other applicable gender.

**18. ENTRY AND Buyer INDEMNITY.** In connection with any entry by Buyer, or its agents, employees or contractors onto the Real Property, Buyer shall give Seller reasonable advance notice of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the greatest extent possible, interference with Seller's business and the business of Seller's tenants and otherwise in a manner reasonably acceptable to Seller. Without limiting the foregoing, prior to any entry to perform any on-site testing, Buyer shall give Seller notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. If Buyer or its agents, employees or contractors take any sample from the Real Property in connection with any such approved testing, upon Seller's request, Buyer shall provide to Seller a portion of such sample being tested to allow Seller, if it so chooses, to perform its own testing. Seller or its representative may be present to observe any testing or other inspection performed on the Real Property. Buyer shall maintain, and shall assure that its contractors maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer, its agents, employees or contractors, arising out of any entry or inspections of the Real Property pursuant to the provisions hereof, and Buyer shall provide Seller with evidence of such insurance coverage upon request by Seller. Buyer shall indemnify, defend and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorney's fees) arising out of or relating to any entry on the Real Property by Buyer, its agents, employees or contractors

in the course of performing the inspections, testing or inquiries provided for in this Agreement. The foregoing indemnity shall survive beyond the Closing, or if the sale is not consummated, beyond the termination of this Agreement.

19. **CONFIDENTIAL INFORMATION.** The parties acknowledge that the transaction described herein is of a confidential nature and shall not be disclosed except to consultants, investors, advisors, and affiliates, or as required by law. No party will make any public disclosure of the specific terms of this Agreement, except as required by law. Without limiting the generality of the foregoing, any press release or other public disclosure regarding this Agreement or the transactions contemplated herein, and the wording of same, must be approved in advance by both parties. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated hereby, each party acknowledges that it will have access to confidential information relating to the other party. Each party shall treat such information as confidential, preserve the confidentiality thereof, and not duplicate or use such information, except to advisors, consultants, investors and affiliates in connection with the transactions contemplated hereby. In the event of the termination of this Agreement for any reason whatsoever, Buyer will return to Seller, at Seller's request, all documents, work papers, and other material (including all copies thereof) obtained from Seller in connection with the transactions contemplated hereby, and each party shall use its best efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information. The provisions of this Section will survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

20. **OFAC/PATRIOT ACT COMPLIANCE.** Buyer represents, warrants and covenants that to the best of its knowledge, Buyer is not (i) listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("Order") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (ii) listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (iv) listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (v) listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ.L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 6001-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (vi)

engaged in activities prohibited in the Orders; or (vii) (and has not been) convicted, pleaded *nolo contendere*, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.).

21. **FACADE REPAIRS.** Buyer hereby acknowledges that he has been informed by Seller that Upper Dublin Township has ordered the Seller to effect repairs to certain portions of the brick façade wall located in the rear of the Office Building. With regard thereto, Buyer represents that he intends to include said Township requirement and the financial effect of same as part of the inspection process contemplated by §7, above, and subject only to Buyer's termination rights set forth in §7.1, above,. Buyer hereby agrees to be fully responsible for all required repairs and replacements to said brick facade at the rear of the Office Building (the "Brick Facade").

22. **AGREEMENT DATE:** Any and all references to the "Agreement Date" shall mean and be deemed to refer to that certain date on which each of the parties hereto shall have executed and delivered to the other party a fully signed and initialed duplicate original of this agreement, and promptly thereafter the parties shall by mutual written correspondence confirm the date that shall be considered the "Agreement Date".

*[the balance of this page has been left blank intentionally]*

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping tail that extends downwards and to the right.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

Seller; JOSEPH LUPOWITZ SONS, INC.

By: \_\_\_\_\_  
President

Attest: Adrian A. Caspe  
[Corporate Seal]

Buyer: DAVID FERLEGER,

David Ferleger (Seal)  
DAVID FERLEGER

Agreed to by Escrowee with regard to the obligations, terms, covenants and conditions contained in this Agreement relating to Escrowee.

Remax Services, Commercial Division

By: Jeffrey A. Hoffman  
JEFFREY HOFFMAN

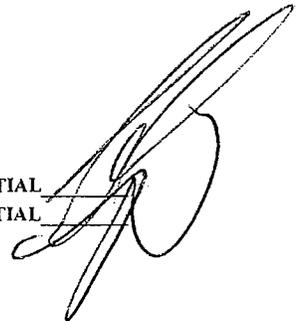
By: David Hoffman  
DAVID HOFFMAN

DF

*Exhibits to Agreement of Sale*

*[Set forth on the pages following this page]*

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_

A handwritten signature in black ink, consisting of a large, stylized initial 'B' followed by a cursive name.

**Exhibit "A"**  
**Legal Description**

ALL THAT CERTAIN lot or tract of ground situate in the Township of Upper Dublin, County of Montgomery and State of Pennsylvania according to an As Built Survey "Twining Center" prepared for Frank J. Smith, Jr., as September 19, 1975, bounded and described as follows:

BEGINNING at a point on the Southeast side of Twining Road (70 feet wide) the Southeast side being at a distance of 40 feet from the original center line of Twining Road, being South 47 degrees 6 minutes East 40 feet from a point in said center line and said last point being North 42 degrees 54 minutes East measured along the said center line of Twining Road 424.52 feet from a point at the intersection of the center line of Twining Road with the center line of Limekiln Pike (60 feet wide) extending Northeastwardly from Twining Road, said point beginning being a corner of Parkview Gardens West, as proposed; thence from the first mentioned point of beginning partly along Lot #49, Lot #48, Lot #47 and Lot #46 all of Parkview Gardens Subdivision, South 47 degrees 6 minutes East 277.10 feet to a point a corner of land proposed to be conveyed to the Township of Upper Dublin for Park Land; thence along the same and crossing the Southeast terminus of a certain 10 feet right of way for drainage for storm culvert construction and along the Northwest terminus of a proposed 20 feet wide storm drainage right of way extending to the Southeast and the Sandy Run Creek South 42 degrees way extending to the Southeast and the Sandy Run Creek South 42 degrees 54 minutes West 400.37 feet more or less to a point in line of land of Leighton Appleman; thence along the same the two following courses and distances to wit: (1) North 20 degrees 39 minutes 40 seconds West 21.71 feet to a point a corner; (2) South 69 degrees 00 minutes West 180 feet more or less to a point a corner on the Northeast side of Limekiln Pike, as proposed 65 feet wide, said point being 40 feet from the original center line of said Pike (50 feet wide); thence along the Northeast side of Limekiln Pike as proposed, North 17 degrees 6 minutes West 89.72 feet to a point a corner of land of Parcel #1-A of which this was a part; thence along the same the three following courses and distances to wit: (1) North 69 degrees 00 minutes East 149.37 feet to a point a corner on the Southwest side of a certain 10 feet wide drainage easement granted to Parcel #1-A (2) North 42 degrees 54 minutes East and crossing the Northwest terminus of the aforementioned right of way 94.84 feet to a point, a corner; (3) North 47 degrees 6 minutes West 173.10 feet to a point a corner on the Southeast side of Twining Road, as proposed 70 feet wide, said side being 40 feet from the center of the road; thence along said side of Twining Road, North 42 degrees 54 minutes East 265 feet to the point and place of beginning.

CONTAINING a lot area of 99,363 square feet, more or less or 2.2811 acres of land, be the same more or less.

TOGETHER with the rights to all land in the Limekiln Pike and Twining Road extending from said described side of Limekiln Pike and Twining Road the original deed lines in said roads.

Being Parcel Number 54-00-15957-00-9

EXHIBIT "3.3"

QUALIFIED EXCEPTIONS:

1. Unrecorded easements, discrepancies or conflicts in boundary lines, shortages in area and encroachments which an accurate and complete survey would disclose.
2. Restrictions affecting title as in Deed Book 239 page 252.
3. Rights granted to Bell Telephone Company in Deed Book 3605 page 145 and 4281 page 188.
4. Right of Way Agreement as in Deed Book 3404 page 58.
5. Deed of Dedication to Township of Upper Dublin as in Deed Book 3591 page 1.
6. Lot Location Plan of Property of Twining Corporation made by C. Raymond Weir Associates Inc., Civil Engineers and Surveyors, Ambler, Pennsylvania, dated 3/13/1969 and last revised December 1969 and recorded in Plan Book C-10 page 16 shows the following: (1) 40 feet building set back lines; (2) 30 feet wide joint easement; (3) 15 feet wide easement for 1 way traffic only; (4) 25 feet wide paved easement for Upper Dublin Township Park Land; (5) 5 feet wide planted buffer strip; (6) 10 feet wide easement for storm culvert.
7. Conditions disclosed by Plan of Survey and Topography, Twining Office Associates L.P. made by Eastern/Chadrow Associates, Inc. (E-1613) dated July 12, 1996 and last revised July 24, 1996.

**EXHIBIT "3.7.2.1-b"**  
**PRO-FORMA BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS that (i) pursuant to the terms and provisions of that certain Agreement of Sale bearing date of June , 2011 the principal parties to which are Joseph Lupowitz Sons, Inc. (the "Seller" therein and herein) and DAVID FERLEGER, ("Buyer" therein and herein) and (ii) in consideration of the Closing of the purchase and sale transaction more particularly set forth in said Agreement of Sale, and (iii) for other good, valuable, legal, adequate and sufficient consideration,;

1. Seller by execution and delivery of this Bill of Sale does hereby irrevocably deliver ownership and possession to Buyer all of Seller's right, title and interest in and to all of the following personal property located and situate in and on the improved parcel of real property known as 715 Twining Road, Dresher, Pennsylvania 19025:

All fixtures, machinery, heating systems, septic systems, heating equipment, ventilation, hot water heaters, and hot water equipment, plumbing systems, and equipment, security and alarm, gas lines and equipment, electrical equipment, wiring and lighting fixtures, elevators and elevator equipment, air conditioners and air conditioning equipment, partitions, fences, shades and window treatments, to the extent that same shall not be considered part of the improved parcel of real property situate at 715 Twining Road, Dresher, Pennsylvania 19025.

2. The description of personal property set forth in paragraph 1, above, shall not and does not include (i) any personal property, fixtures or equipment which is the property of any tenant or other occupant of the aforesaid improved parcel of real property.

3. By execution of this Bill of Sale Buyer does hereby accept ownership and possession of the personal property described in paragraph 1, above, in its/their present condition, without recourse to Seller for any reason, and on an "as is" and "where is" basis without any Seller guarantee or warranty of any kind, whether express or implied, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose.

IN WITNESS WHEREOF, Seller, intending to be legally bound, has executed and delivered this Bill of Sale on this , 2011.

Seller; JOSEPH LUPOWITZ SONS, INC.

By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_

[Corporate Seal]

Buyer:

\_\_\_\_\_  
DAVID FERLEGER

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_

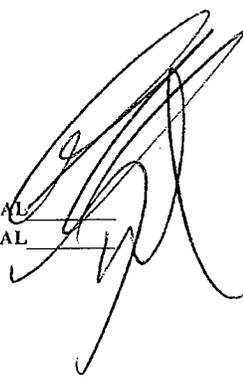


EXHIBIT "3.7.2.2-a"

LEASE ASSIGNMENT, ASSUMPTION AND INDEMNIFICATION AGREEMENT

AGREEMENT made and entered into this \_\_\_\_\_, 2011 by and between Joseph Lupowitz Sons, Inc., a Corporation ("Assignor"), and DAVID FERLEGER. ("Assignee").

WITNESSETH

WHEREAS, simultaneously herewith Assignor has consummated Closing with respect to the Real Property located at 715 Twining Road, Dresher, Pennsylvania at which Closing Assignor has granted and conveyed title to the said Real Property to Assignee, and

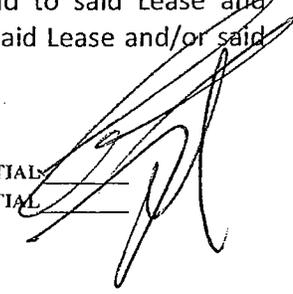
WHEREAS, Assignor intends hereby to assign to Assignee all of Assignor's right, title, and interest in and to that certain Lease described more fully on Schedule "1" which is attached hereto and made part hereof, the original or an exact copy of which Lease (including, without limitation, any and all modifications, changes and additions thereto) is attached hereto and made part hereof,

WHEREAS, the parties desire to set forth in a firm and binding written agreement all of the terms and provisions governing and relating to the assignment and assumption of the Lease,

NOW THEREFORE, in consideration of the consummation of Closing as identified hereinabove, and for other good, valuable, sufficient, legal, and adequate consideration, including, without limitation, the mutual promises, covenants, obligations, performance and other undertakings set forth in this agreement:

**1.0 Assignment:** Effective immediately upon the mutual execution and delivery of this agreement, Assignor does hereby irrevocably assign, remise, release, and quitclaim (without recourse to Assignor) unto Assignee:

- 1.1 All of Assignor's rights, title, and interest in and to the Lease referred to hereinabove and the Leasehold Estate represented therein and created thereby, together with
- 1.2 Any and all rights, title, estates and interest of Assignor as Landlord or Lessor under the Lease, whether now or hereinafter acquired in and to any improvements and fixtures located in, on or about the leasehold premises that is the subject matter of the said Lease, together with
- 1.3 Any and all rights, privileges, easements, rights of way or appurtenances to the Lease and the aforesaid Leasehold Estate (including, without limitation, any and all rents, issues, profits, royalties, income, revenues and/or other benefits arising or accruing under or with respect to said Lease and/or said Leasehold Estate) hereinafter accruing, together with
- 1.4 Any and all rights, title, estates and interests of Assignor in and to any subleases, if any, relating to the aforesaid Leasehold Premises, together with
- 1.5 All claims, choses in action and other appurtenances in and to said Lease and leasehold estate arising or accruing under or with respect to said Lease and/or said



Leasehold Estate at any time after the execution and delivery of this Assignment; provided, however,

Assignor does hereby retain and reserve unto itself any and all claims, actions, choses in action that are attributable to any period of time prior to the execution and delivery of this agreement.

**2.0 Acceptance and Assumption:** Effective immediately upon the mutual execution and delivery of this agreement:

- 2.1 Assignee does hereby accept the Assignment(s) set forth in §1.0, above, and further
- 2.2 Assignee does hereby assume all of the duties and responsibilities of Landlord and/or Lessor under and pursuant to the terms of the Lease which shall arise and/or accrue at any at any time the mutual execution and delivery of this agreement.

**3.0 Release of Assignor's Duties and Responsibilities As Landlord:** Effective simultaneously with the execution and delivery of this agreement, Assignor is hereby irrevocably released and discharged from any and all duties and responsibilities as a Lessor or Landlord under the terms and provisions of the Lease which shall arise and/or accrue at any at any time the mutual execution and delivery of this agreement.

**4.0 Assignor's Representations:** Assignor does hereby covenant, warrant, and represent that except as set forth to the contrary: (i) on Exhibit "4.1" which is attached hereto and made part hereof, or (ii) in the Tenant's Estoppel Certificate bearing date of \_\_\_\_\_, 2011 (a true and correct copy of which is attached hereto, made part hereof and marked Exhibit "4.2") that:

4.1 Assignor has no knowledge or notice of the existence of any breach, default, or non-performance by the Lessee/Tenant of and under the within Lease, and

4.2 To the best of Assignor's information, knowledge, and belief as of the date hereof Assignor (as Landlord/Lessor of and under the aforesaid Lease immediately prior to the execution and delivery of this agreement) is not in breach or default of any term or provision of said Lease; and

4.3 Assignor has no notice (including, without limitation, notice(s) received any notice from the Tenant/Lessee of the aforementioned Lease) or knowledge of:

4.3.1 The existence or pendency of any claim that said Tenant/Lessee (or anyone claiming through said Tenant/Lessee) has any lien, charge, encumbrance, action, right of action or cause of action, claim, or claim of offset against (i) the Lessor or Landlord or (ii) against any rents which may become or are due under said Lease, or

4.3.2 The existence of any presently pending or threatened proceeding by the said Tenant/Lessee (or anyone claiming through same) against the said Landlord or Lessor which in any manner shall relate to the Lease, the Tenant/Lessee's Leasehold Estate, and/or the use and occupancy of the Leased Premises by any of said Tenant/Lessee and/or its visitors and invitees, or

4.3.3 The existence of any presently pending, potential or threatened or alleged actual or potential claim of the Tenant/Lessee or anyone claiming through said Tenant/Lessee and against Assignor regarding the existence or alleged existence of any breach or non-performance by Assignor as Landlord under or with respect to the said Lease and Leasehold Estate.

**5.0 Assignee's Indemnification of Assignor:** Assignee does hereby covenant and agree that at all times after the mutual execution and delivery of this agreement, it shall indemnify, defend and hold harmless Assignor from and against any and all loss, claims, suits, actions, causes of action, judgments, demands, liabilities, damages, costs and expenses (including, but not limited to litigation costs and reasonable counsel fees) of any kind or nature whatsoever arising out of acts or omissions of Assignee in connection with the Lease occurring at any time after the time of execution and delivery of this agreement.

**6.0 Rent Accruals and Collections:**

**6.1 In General:** Any and all rents and items of rent (including, without limitation, base rents, utility related reimbursements, all additional rents, and all other sums of money due and payable under and with respect to the Lease and regardless of whether or not labeled as "rent") that shall have been earned or otherwise properly accrued at any time prior to the time of mutual execution and delivery of this agreement shall be deemed to be the property of Assignor, all of which shall be deemed to have been retained by Assignor, and none of which shall be considered included in (or the subject matter of) the assignment set forth in §1.0, above. Conversely, any and all rents and items of rent (including, without limitation, base rents, utility related reimbursements, all additional rents, and all other sums of money due and payable under and with respect to the Lease and regardless of whether or not labeled as "rent") that shall have been earned or otherwise properly accrued at any time after the time of mutual execution and delivery of this agreement shall be deemed to be the property of Assignee, all of which shall be deemed to have been assigned by §1.0 to Assignee. The time at which all rents and items of rent which are the subject matter of this §6.1 shall be deemed or considered to have arisen or accrued shall be determined on the accrual method of accounting and regardless of whether or not any portion of said rents shall have actually paid by the tenant. Any and all tenant payments of any rent and items of rent made at any time after the mutual execution and delivery of this agreement shall be applied to the earliest accruals of rents and items of rent.

**6.2 Assignor Right To Collect Pre-Assignment Rents, Etc.:** Notwithstanding any contrary provision set forth in this agreement, at any time after the mutual execution and delivery of this agreement Assignor shall have the right to collect and receive any and all of the unpaid amounts of the rents and items of rent which under the provisions of §8.1 are retained by (and reserved to) Assignor. Assignee hereby covenants and agrees that if at any time after mutual execution and delivery of this agreement it shall receive any of the aforesaid rents and items of rent that under the provisions of §6.1 are retained by (and reserved to) Assignor, Assignee shall promptly thereupon pay over same to Assignee.

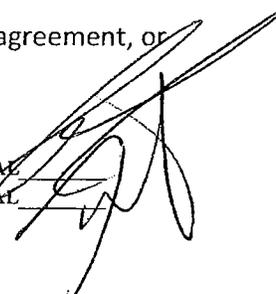
**6.3 Assignor Turnover of Post Assignment Rents, Etc.:** Assignor hereby covenants and agrees that if at any time after mutual execution and delivery of this agreement it shall receive any of the aforesaid rents and items of rent that under the provisions of §6.1 are the property of Assignee, it shall promptly thereupon pay over same to Assignee.

**7.0 Arbitration**

7.1 To the extent not amicably resolved by the parties hereto:

- (i) Any and all claims and disputes between and among the parties hereto as to the meaning and effect of any provision set forth herein, or
- (ii) Any claim for payment or non-payment made under this agreement, or

INITIAL  
INITIAL



(iii) Any other matters in question between the parties to this Agreement, arising out of or relating to this Agreement or the breach thereof;

shall be decided by arbitration in Montgomery County, Pennsylvania in accordance with the Commercial Arbitration Rules of the American Arbitration Association then obtaining, unless the parties shall mutually agree otherwise. No arbitration, arising out of or relating to this Agreement, shall include, by consolidation, joinder or in any other manner, any additional person not a party to this Agreement.

7.2 Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association, The demand shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

7.3 The award rendered by the arbitrators shall be final, and judgment maybe entered upon it in accordance with applicable law in any court having jurisdiction thereof.

7.4 The unsuccessful party to any arbitration conducted pursuant to this §7.0 shall bear all costs associated with the conducting of the arbitration proceedings and shall also reimburse the prevailing party for all reasonable counsel fees incurred by it.

8.0 If any term or provision of this agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this agreement shall be valid and be enforced to the fullest extent permitted by law.

9.0 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.0 The parties agree to do such additional things, perform such additional acts and execute such additional documents and instruments as shall be reasonably necessary to carry out and effectuate the terms, provisions and intent of this Agreement.

11.0 This Agreement shall be legally binding upon and inure to the benefit of the parties, their respective successors and, to the extent permitted, assigns.

12.0 This Agreement expresses the entire understanding of the parties hereto with regard to the subject matter contained herein, and except as specifically contained or referred to in this Agreement, there are no other agreements, covenants, or understandings, oral, written, expressed, implied, or ostensible, other than those set forth in this Agreement. This Agreement may not be modified, altered, or changed in any manner, except by a writing, setting forth same, and duly executed by the parties hereto.

13.0 With regard to each and every provision of this Agreement and any and all agreements and instruments subject to the terms hereof, the parties hereto understand and agree that same has or have been mutually negotiated, prepared, and drafted, and that if, at any time, the need arises to construe any provision hereof, or any agreement or instrument subject hereto, that no consideration shall be given to the issue of which party actually prepared, drafted, requested, or negotiated each and/or every provision of this Agreement or any Agreement subject

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby does hereby execute this Lease Assignment intending same to be its lawful act and deed and intending same to be the binding act of Assignor on behalf of itself, its successors and assigns from and after the date of this Assignment.

ASSIGNOR: Joseph Lupowitz Sons, Inc.

By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_

[Corporate Seal]

ASSIGNEE:

\_\_\_\_\_  
DAVID FERLEGER

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_

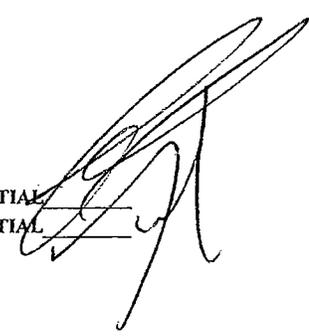
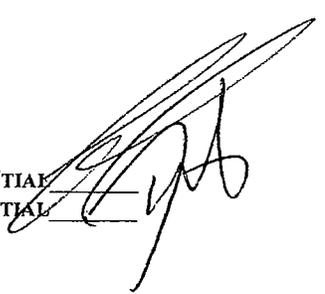


EXHIBIT "12.2.1.3" (Continued)  
LEASE ASSIGNMENT, ASSUMPTION AND INDEMNIFICATION AGREEMENT  
SCHEDULE "1"  
General Lease Description

1. Leasehold Suite No.:
2. Approximate Area of Leasehold Space:
3. Tenant Name:
4. Start Date of Current term:
5. End Date of Current Term

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_



# Exhibit "5.7"

## Digest of Leases

1	2	3	8	11	13	14	15	16	23	25	30		
Twining Office Center Leases @ June 26, 2011 Suite & Tenant			Area & Percentage Data							Term Related Data		Rent Data	
1	2	3	8	11	13	14	15	16	23	25	30		
4	5	6	7	8	9	10	11	12	13	14	15		
1	2	3	4	5	6	7	8	9	10	11	12		
13	14	15	16	17	18	19	20	21	22	23	24		
25	26	27	28	29	30	31	32	33	34	35	36		
37	38	39	40	41	42	43	44	45	46	47	48		
49	50	51	52	53	54	55	56	57	58	59	60		
61	62	63	64	65	66	67	68	69	70	71	72		
73	74	75	76	77	78	79	80	81	82	83	84		
85	86	87	88	89	90	91	92	93	94	95	96		
97	98	99	100	101	102	103	104	105	106	107	108		
109	110	111	112	113	114	115	116	117	118	119	120		
121	122	123	124	125	126	127	128	129	130	131	132		
133	134	135	136	137	138	139	140	141	142	143	144		
145	146	147	148	149	150	151	152	153	154	155	156		
157	158	159	160	161	162	163	164	165	166	167	168		
169	170	171	172	173	174	175	176	177	178	179	180		
181	182	183	184	185	186	187	188	189	190	191	192		
193	194	195	196	197	198	199	200	201	202	203	204		
205	206	207	208	209	210	211	212	213	214	215	216		
217	218	219	220	221	222	223	224	225	226	227	228		
229	230	231	232	233	234	235	236	237	238	239	240		
241	242	243	244	245	246	247	248	249	250	251	252		
253	254	255	256	257	258	259	260	261	262	263	264		
265	266	267	268	269	270	271	272	273	274	275	276		
277	278	279	280	281	282	283	284	285	286	287	288		
289	290	291	292	293	294	295	296	297	298	299	300		
301	302	303	304	305	306	307	308	309	310	311	312		
313	314	315	316	317	318	319	320	321	322	323	324		
325	326	327	328	329	330	331	332	333	334	335	336		
337	338	339	340	341	342	343	344	345	346	347	348		
349	350	351	352	353	354	355	356	357	358	359	360		
361	362	363	364	365	366	367	368	369	370	371	372		
373	374	375	376	377	378	379	380	381	382	383	384		
385	386	387	388	389	390	391	392	393	394	395	396		
397	398	399	400	401	402	403	404	405	406	407	408		
409	410	411	412	413	414	415	416	417	418	419	420		
421	422	423	424	425	426	427	428	429	430	431	432		
433	434	435	436	437	438	439	440	441	442	443	444		
445	446	447	448	449	450	451	452	453	454	455	456		
457	458	459	460	461	462	463	464	465	466	467	468		
469	470	471	472	473	474	475	476	477	478	479	480		
481	482	483	484	485	486	487	488	489	490	491	492		
493	494	495	496	497	498	499	500	501	502	503	504		
505	506	507	508	509	510	511	512	513	514	515	516		
517	518	519	520	521	522	523	524	525	526	527	528		
529	530	531	532	533	534	535	536	537	538	539	540		
541	542	543	544	545	546	547	548	549	550	551	552		
553	554	555	556	557	558	559	560	561	562	563	564		
565	566	567	568	569	570	571	572	573	574	575	576		
577	578	579	580	581	582	583	584	585	586	587	588		
589	590	591	592	593	594	595	596	597	598	599	600		
601	602	603	604	605	606	607	608	609	610	611	612		
613	614	615	616	617	618	619	620	621	622	623	624		
625	626	627	628	629	630	631	632	633	634	635	636		
637	638	639	640	641	642	643	644	645	646	647	648		
649	650	651	652	653	654	655	656	657	658	659	660		
661	662	663	664	665	666	667	668	669	670	671	672		
673	674	675	676	677	678	679	680	681	682	683	684		
685	686	687	688	689	690	691	692	693	694	695	696		
697	698	699	700	701	702	703	704	705	706	707	708		
709	710	711	712	713	714	715	716	717	718	719	720		
721	722	723	724	725	726	727	728	729	730	731	732		
733	734	735	736	737	738	739	740	741	742	743	744		
745	746	747	748	749	750	751	752	753	754	755	756		
757	758	759	760	761	762	763	764	765	766	767	768		
769	770	771	772	773	774	775	776	777	778	779	780		
781	782	783	784	785	786	787	788	789	790	791	792		
793	794	795	796	797	798	799	800	801	802	803	804		
805	806	807	808	809	810	811	812	813	814	815	816		
817	818	819	820	821	822	823	824	825	826	827	828		
829	830	831	832	833	834	835	836	837	838	839	840		
841	842	843	844	845	846	847	848	849	850	851	852		
853	854	855	856	857	858	859	860	861	862	863	864		
865	866	867	868	869	870	871	872	873	874	875	876		
877	878	879	880	881	882	883	884	885	886	887	888		
889	890	891	892	893	894	895	896	897	898	899	900		
901	902	903	904	905	906	907	908	909	910	911	912		
913	914	915	916	917	918	919	920	921	922	923	924		
925	926	927	928	929	930	931	932	933	934	935	936		
937	938	939	940	941	942	943	944	945	946	947	948		
949	950	951	952	953	954	955	956	957	958	959	960		
961	962	963	964	965	966	967	968	969	970	971	972		
973	974	975	976	977	978	979	980	981	982	983	984		
985	986	987	988	989	990	991	992	993	994	995	996		
997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008		
1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020		
1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032		
1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044		
1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056		
1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068		
1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080		
1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092		
1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104		
1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116		
1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128		
1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140		
1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152		
1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164		
1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176		
1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188		
1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200		
1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212		
1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224		
1225	1226	1227	1228	1229									

	1	2	3	8	11	13	14	15	16	23	25	30		
	Twining Office Center Leases @ June 30, 2011			Area & Percentage Data								Term Related Data		Rent Data
Suite No.	Current Tenant	RSF Per Lease	Total RSF Based On Present or Prior Leases or Measurements	Vacant or Non-Resolving	Stipulated CAM % in Lease	Start Date	End Date	Renewal Option	Monthly Base Rent @ Report Date	Additional Rent Provisions				
112	J.P. Foods Sales, Inc.	1,312	1,312		2.50%	12/01/05	M2M	WONT SIGN A LEASE BUT IS NOT MOVING	\$1,988.00	% of All Utilities + % of Excess Over Base Year OREX & R.E. Taxes				
113	Bank - David W. Bank Real Estate	877	877		N/A	04/01/04	M2M		\$1,218.84	Gross Lease - Utilities included at stipulated rate				
114	Debra Schaefer	800	800		1.300%	03/01/09	02/28/10		\$750.00	% of All Utilities				
115	Penna. Department Of Labor and Industry	1,630	1,630		N/A	08/01/07	07/31/17		\$1,981.48	Net Lease w/ Stipulated Starting AR (All Items) @ \$5.49/ft adjusted annually per CPI				
118	Patrizia, Adam et/da Financial Independence Planning	527	527		1.180%	04/01/10	03/31/14	WANTS TO EXPAND IN BLDG	\$718.04	All utilities, excess open + excess RE Taxes - Base Year= April 2010 thru March 2011.				
120	Compress Equities Corporation	1,800	1,800	1,800	none - N/A	N/A	N/A							
121	RN Plus, Inc.	841	841		1.860%	12/01/03	11/20/08	NEEDS ONE YEAR @ REDUCED RENTS - WILL GO BACK TO 100% IN 2012	\$1,191.42	% of All Utilities + % of Excess Utilities Excess Operating Expenses (All CAM + RE Tax, combined) Base Year = 12-2003 to 11-2004				
135	Stuart Solomon, CPA	1,433	1,433		3.170%	01/01/04	12/31/08	Business future "NY" and thus won't commit to a long term	\$2,058.70	% of All Electric & W&S (Gas Not Included) PLUS % of Excess Utilities (a) & RE Tax				
200	Vacant		5,206	5,206										
201	John Worthington, MD	600	890		1.510%	01/01/08	12/31/11		\$811.33	% of All Utilities + % of Excess Over Base for CAM & RETax (Separate Calc for RE Tax & Ope) Base Year = Calendar Year 2008				
203	Provident Insurance Services, Inc.	793	793		1.714%	05/19/07	05/31/10		\$1,044.00	Utilities (Elec + W&S), and excess RE Tax and Excess Open Base Yr = May 2007-April 2009				
201B	MM Plus Protection	1,281	1,281		2.816%	Month - Month	M2M		\$1,494.50	% of All Utilities - Recalculate % Each Month - Cam Which Equals Base Year = 1996 + Excess Utilities - Base Yr = 1996 + Excess Net Tax Base Tax Yr=1995				
209	DHF, Incorporated - SUITE 209	987.66	989		2.230%	10/14/05	10/31/15	wants to expand & take over Suite 201E	\$959.29	% of All Utilities + % of Excess Over Base for CAM & RETax - Base Year = Nov-2008-October 2010				

Page 40B

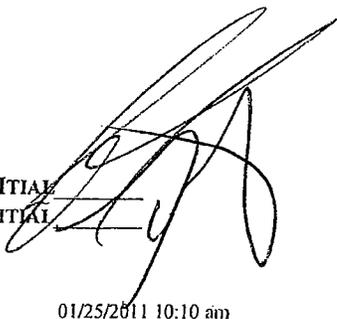
PAGE 40C

	1	2	3	8	11	13	14	15	16	23	25	30			
1	Twining Office Center Lease @ June 28, 2011			Area & Percentage Data								Term Related Data		Rent Data	
2	Suite & Tenant														
3															
4															
5															
6	Suite No.	Current Tenant	R/SF Per Lease	Total SF Based On Present or Prior Leases or Measurements	Vacant or Non-Producing	Stipulated CAM % in Lease	Start Date	End Date	Renewal Option	Monthly Base Rent @ Report Date	Additional Rent Provisions				
8	211	Winnebago Upstein Law Office	1,045	1,045		2.300%	03/01/09	02/29/12	wants to expand	\$1,070.00	% of All Units				
35	213	HF9	1,171	1,171		2.600%	05/07/08	09/31/12		\$1,658.92	% of All Units + % of Excess Over Base for CAM & RETax - Base Year = June 2005 to May 2009				
36	217	Horizons Hospital, Inc.	1,335	1,750		2.900%	11/01/08	10/31/10	swelling renewal documents	\$1,706.29	% of All Units				
37	215	Vacant		1,335	1,800										
38	202-210	Vacant		5,888	7,917										
39	212-220	Vacant		3,680	3,680										
40															

EXHIBIT "5.8.2"

ENVIRONMENTAL REPORTS DELIVERED BY SELLER TO BUYER

- (a) Phase I Environmental Site Assessment dated June 30, 2010 of Salem Environmental, LLC prepared for VIST Financial, as per Adobe File named: "Enviro TWN 2010 Salem.pdf"; and
- (b) Letter of Environmental Strategies & Applications, Inc. dated April 24, 1995 addressed to a "Mr. T. Gallagher" - as per Adobe File named: "Enviro Phase I ESA 1995.pdf"; and
- (c) November 1999 Phase I Environmental Site Assessment performed for Keystone Real Estate, Inc. by National Monitoring labs, Inc. as per Adobe File named: "Enviro Phase I NML 1999.pdf", and
- (d) August 3, 2001 Phase I Environmental Site Assessment performed for First republic Bank et al as per Adobe File named: "ENVIRO TWN 2001 DCR.pdf"; and
- (e) Closure report – Underground Storage Tank Removal prepared by Environmental Strategies & Applications, Inc. dated April 17, 1995, as per Adobe File named: "Tank Closure Report 1995 ESA.pdf".
- (f) Groundwater & Environmental Services, Inc. request letter dated June 26, 2003. as per Adobe File named: "Exxon 1993 Test Request.pdf"; and
- (g) Groundwater & Environmental Services, Inc. letter dated April 30, 2004, as per Adobe File named: "Exxon 2004 Test Results.pdf"002E

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_  
  
01/25/2011 10:10 am

**EXHIBIT "5.11"**

**DEFECTS (TO ROOF, SYSTEMS, ETC)**

- (a) On rare occasions there have been minor amounts of water seeping through the drop ceiling in the common hallway on the second floor near Suites 217 and 215. Seller believes that those occasional leaks occurred as a result of heavy snowfall piled up over HVAC vents with seepage occurring during resulting snow melt. No water leakage has been noted as a result of recent heavy spring rainfall.
- (b) One Suite 200 HVAC unit not working as a result of recent feeder line failure that had resulted in minor flooding in that suite and Suite No. 1, below.
- (c) There is some excess noise emanating from one of the two HVAC units serving Suite 111.
- (d) The rear façade brick wall which is the subject matter of agreement §21.
- (e) All other defects known to Seller are apparent from a visual inspection of the Twining Office Center and its grounds and therefore are not specifically listed herein.

INITIAL  
INITIAL

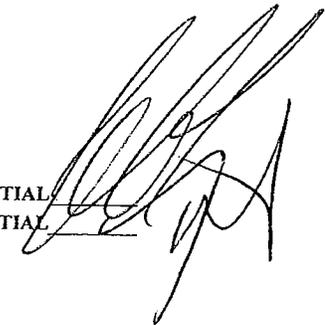
A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned over the 'INITIAL' labels.

EXHIBIT "7.2.3"

PRO-FORMA TENANT ESTOPPEL CERTIFICATE

TO:

Attention:

The undersigned Tenant ("Tenant") does hereby represent and certify to DAVID FERLEGER, or its nominee or assignee ("Buyer") as follows, with the understanding that Buyer is relying on such warranties, representations and agreements as an inducement to purchase, the Real Property which is described in the lease:

1. Tenant is the tenant under that certain lease (as amended to date, the "Lease") dated the parties to which are [to be completed separately for each tenant as the facts dictate] the said lease concerning Suite No. [ ] (the "Leased Premises") in the Office Building known as the Twining office center, 715 Twining Road, Dresher, Pennsylvania 19025 (the "Premises").
2. Attached hereto as Exhibit "EC1" is a true, correct and complete copy of the Lease, including all amendments or modifications thereto, if any. Tenant has not sublet the Leased Premises or any portion thereof, or assigned the Lease.
3. Except as indicated to the contrary in the document or documents comprising Exhibit "EC1", the Lease has not been amended or modified, and is in full force and effect as originally executed, and, to the best of Tenant's knowledge and belief, Landlord is not in default in any respect under any terms of the Lease.
4. The term of the lease commenced on \_\_\_\_\_, and will terminate on \_\_\_\_\_.
5. Monthly rental has not been paid by Tenant more than thirty (30) days in advance.
6. The amount of the security deposit, if any, is \$ \_\_\_\_\_.
7. The base year for "Excess over Base Year" Additional Rents is [ ].
8. Tenant has no offset rights against Landlord or rights to credits against future rent payable under the Lease. Tenant has not given Landlord written notice of a dispute between Landlord and Tenant or that Tenant considers Landlord to be in default under the Lease.
9. Except as set forth in the Lease, Tenant has no right of first refusal or option to lease additional space or to purchase the Real Property or any portion thereof.
10. Any improvements required to be made by Landlord pursuant to the Lease have been satisfactorily completed, and all improvement allowances or other concessions owed to Tenant by Landlord have been paid in full.
11. The person signing this letter on behalf of Tenant is a duly authorized representative of Tenant.
12. Tenant's current address for notices is as set forth in the Lease or as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. All exhibits attached hereto are by this reference incorporated fully herein and are true, correct, and complete. The term "this Certificate" shall be considered to include all such exhibits.

14. This Certificate shall inure to the benefit of Landlord, Buyer and Buyer's lender and their respective successors and assigns, and shall be binding upon Tenant and Tenant's heirs, legal representatives, successors, and assigns. This Certificate shall not be deemed to alter or modify any of the terms and conditions of the lease except to the extent specifically set forth herein.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, 2011

TENANT:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

INITIAL \_\_\_\_\_  
INITIAL \_\_\_\_\_

