

SALE AND PURCHASE AGREEMENT

between

**ROBERT L. GELTZER, ESQ.,
AS CHAPTER 7 TRUSTEE OF TWIN PINES FUELS CORPORATION,**

as "Seller"

and



as "Purchaser"

Date: As of February 20, 2007

Premises:
Block 3837, Lot 1
Bronx County
New York, New York

SALE AND PURCHASE AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made as of the 28th day of February, 2007 (the "**Effective Date**") by and between ROBERT L. GELTZER, ESQ., AS CHAPTER 7 TRUSTEE OF TWIN PINES FUELS CORPORATION, with an office c/o Law Office of Robert L. Geltzer, 1556 Third Avenue, Suite 505, New York, New York 10128 ("**Seller**"), and [REDACTED], a New York family limited partnership, with an office at [REDACTED] ("**Purchaser**").

WITNESSETH:

WHEREAS, Twin Pines Fuels Corporation, a Delaware corporation ("**Debtor**") is the owner of that certain parcel of land located in the County of Bronx, the City of New York as more particularly described on Exhibit A attached hereto and made a part hereof, together with all rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in anyway pertaining to such land (collectively, the "**Land**"), together with all of Seller's right, title, and interest, if any, in and to any strips or gores of real estate adjoining the Land, streets, roads, alleys, or other public ways adjoining the Land, including, without limitation, any land lying in the bed of any street, road, alley or other public way, open or proposed, and any other strips or rights of way adjoining the Land (including, without limitation, all riparian and other rights, if any) together with all improvements located thereon (the "**Improvements**", which, together with the Land are collectively referred to as the "**Property**"); together with (i) all fixtures, equipment, machinery, furniture, furnishings, supplies and other tangible personal property, if any (the "**Personalty**"), and (ii) all intangible personal property ("**Intangibles**"), including, to the extent they are assignable, any and all, (a) warranties, guaranties and indemnities (excluding, however, any claims for relief, including, without limitation, any claim for avoidance and other claims for relief arising under the Bankruptcy Code and), except to the extent such claims arise in connection with any of the foregoing warranties, guaranties or indemnities, if any, (b) the Permits (as hereinafter defined), if any, and (c) plans, drawings, specifications, surveys and other technical descriptions, if any, now or hereafter used by Twin Pines in connection with the operation, ownership or management of the Land and Improvements (the Property, the Personalty and Intangibles, collectively, are referred to herein as the "**Premises**"). Notwithstanding anything in the foregoing to the contrary, the term Premises shall not include any of Seller's right, title, and interest, if any, in and to any accounts receivable; and

WHEREAS, Twin Pines is a debtor in the Chapter 7 bankruptcy case (the "**Bankruptcy Case**") styled In re Twin Pines Fuels Corporation, Debtor, Case No. 05-12088(PCB) before the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"); and

WHEREAS, Seller is the Chapter 7 Trustee of the Debtor in the Bankruptcy Case, having been appointed as such Trustee on April 6, 2005 by the United States Trustee; and

WHEREAS, Seller desires to sell and convey to Purchaser, pursuant to Section 363 of the United States Bankruptcy Code (the "**Bankruptcy Code**"), and Purchaser desires to

purchase, all of Seller's right, title and interest in and to the Premises, upon the terms and conditions of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

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

Section 1.1 "Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person. For purposes of this definition, the term "controls" (including, with correlative meanings, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting stock, by contract or otherwise.

Section 1.2 "Approval Motion" has the meaning given in Section 8.3(b).

Section 1.3 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

Section 1.4 "Business Day" means any day other than a Saturday, Sunday or day on which the banks in New York, New York are authorized or obligated by law to be closed.

Section 1.5 "Cash Balance" has the meaning given in Section 2.1(a)(ii).

Section 1.6 "Closing" has the meaning given in Section 6.1.

Section 1.7 "Closing Date" has the meaning given in Section 6.1.

Section 1.8 "Closing Statement" has the meaning given in Article III.

Section 1.9 "Deposit" has the meaning given in Section 2.1(a)(ii).

Section 1.10 "Dollars" or "\$" means lawful currency of the United States of America, and all sums payable by either party to the other pursuant to this Agreement shall be paid in Dollars.

Section 1.11 "Final Sale Hearing" has the meaning given in Section 8.3(a).

Section 1.12 "Final Order" means an order, ruling or judgment of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for re-argument or rehearing has expired and as to which no

appeal, petition for certiorari or other proceedings for re-argument or rehearing, shall then be pending, or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived in writing, and in the event that an appeal, writ of certiorari, or re-argument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been upheld or affirmed by the highest court to which such order was appealed, or certiorari re-argument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari or move for re-argument or rehearing shall have expired; provided, however, the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

Section 1.13 “Governmental Authority” means the United States, the State and City of New York, Bronx County and any political subdivision, agency, authority, department, court, commission, board, bureau or instrumentality of any of the foregoing asserting jurisdiction over any of the parties hereto or over the Premises.

Section 1.14 “Permits” means any transferable governmental licenses, permits, approvals and certificates which are in effect on the Closing Date and are required or used in connection with the ownership or operation of any part of the Premises.

Section 1.15 “Permitted Exceptions” has the meaning given in Section 4.1.

Section 1.16 “Person” means an individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or subdivision thereof.

Section 1.17 “Purchase Price” has the meaning given in Section 2.1.

Section 1.18 “Rent” has the meaning given in Section 3.1.

Section 1.19 “Sale Order” has the meaning given in Section 8.3(a).

Section 1.20 “Title Exception(s)” means any lien, encumbrance, security interest, charge, reservation, lease, tenancy, easement, right-of-way, encroachment, restrictive covenant, condition or limitation affecting any of the Premises or any other exceptions to title or any matters shown on a survey of the Premises.

Section 1.21 “Title Insurer” means any reputable title insurance company licensed to do business in the State of New York.

ARTICLE II

PURCHASE PRICE; PURCHASE AND SALE

Section 2.1 Payment of Purchase Price; Earnest Money.

(a) The purchase price (the “**Purchase Price**”) for the Premises is Two Million Dollars (\$2,000,000.00) payable by Purchaser as follows:

(i) On the signing of this Agreement, by personal check payable to Seller, Purchaser shall deliver to Seller the amount of One Hundred Thousand Dollars (\$100,000.00) representing five percent (5%) of the Purchase Price (such amount, together with any interest earned thereon, is herein referred to as the "**1st Earnest Money Deposit**").

(ii) No later than thirty (30) days following the Effective Date, Purchaser shall deliver to Seller by bank check payable to Seller the amount of One Hundred Thousand Dollars (\$100,000.00) representing five percent (5%) of the Purchase Price (such amount, together with any interest earned thereon, is herein referred to as the "**2nd Earnest Money Deposit**", and together with the 1st Earnest Money Deposit, the "**Deposit**").

(iii) One Million Eight Hundred Thousand Dollars (\$1,800,000.00) (the "**Cash Balance**") at the Closing, to be paid by Purchaser to Seller pursuant to the provisions of Section 2.1(b) below.

(b) The Cash Balance, subject to the adjustments set forth in Article III hereof, shall be paid at Closing by wire transfer of immediately available federal funds transferred to one or more bank accounts designated by Seller, provided that Seller shall have the right, to be exercised by written notice given to Purchaser at least one (1) Business Day prior to the Closing, to require Purchaser to pay a portion of the Cash Balance by one or more separate official bank checks, each to be drawn on the New York office of a member bank of the New York Clearinghouse Association, and each to be payable to the unendorsed order of Seller or Seller's designee. If Seller elects to cause Purchaser to pay a portion of the Cash Balance by official bank check(s) as aforesaid, then Seller's exercise notice shall set forth (i) the portion of the Cash Balance to be so paid, (ii) the number of official bank checks to be drawn and (iii) the payee(s) thereof. With respect to the portion of the Cash Balance to be paid by wire transfer, Seller, at least one (1) Business Day prior to the Closing, shall notify Purchaser in writing of the designated bank account(s) and the wiring instructions therefor.

Section 2.2 Deposit.

(a) The Deposit shall be delivered to Seller in accordance with the provisions of Section 2.1 hereof, and shall be held by Seller in a bonded, segregated interest-bearing account until the Closing or sooner termination of this Agreement. In the event that the Closing does not occur, the Deposit shall be disbursed as provided herein. Any interest earned on the Deposit shall be paid to the same party entitled to the Deposit hereunder (as and when such party is entitled to the Deposit), and the party receiving such interest shall pay any income taxes thereon. For purposes thereof, the tax identification numbers of the parties hereto are as follows: 13-4084462 (Twin Pines), and [REDACTED] (Purchaser).

(b) If a dispute arises between Seller and Purchaser with regard to the disposition of the Deposit, then Seller shall, either (i) continue to hold the Deposit and the interest thereon, if any, until otherwise directed by a final judgment of the Bankruptcy Court directing the disposition of the Deposit or (ii) deposit the Deposit and the interest thereon with the Clerk of the Bankruptcy Court. Seller shall give written notice of such deposit to Purchaser.

(c) If the Closing occurs, Purchaser shall receive a credit against the Purchase Price in the amount of the Deposit, provided, however, any interest earned on the Deposit shall not be credited against the Cash Balance. Seller shall not be liable for any losses suffered in connection with any such investment and shall have no obligation to obtain the best, or otherwise seek to maximize, the rate of interest earned on any such investment. Any fees or charges in connection with such investment shall be paid out of the Deposit before any other payments shall be required to be made from such amounts.

Section 2.3 Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, the Premises, for the consideration and upon and subject to the terms, provisions and conditions hereinafter set forth.

ARTICLE III

ADJUSTMENTS

The following are to be adjusted and prorated between Seller and Purchaser as of 11:59 p.m. on the day preceding the Closing Date, based upon a 365 day year, and the net amount thereof shall be added to (if such net amount is in Seller's favor) or deducted from (if such net amount is in Purchaser's favor) the Cash Balance. Seller shall cause his accountants, employees or attorneys to prepare a schedule of adjustments to be delivered to and approved by Purchaser (the "**Closing Statement**") prior to the Closing.

Section 3.1 Rent.

(a) Any fixed rents, base rents, minimum rents, occupancy payments (including, without limitation, any occupancy or rent payments for which any person or entity shall be adjudged liable pursuant to any order entered in the Bankruptcy Case) or basic rentals payable in fixed installments for stated periods (collectively, "**Rent**") paid or payable by tenants or occupants of the Premises shall be adjusted and prorated on an if, as and when collected basis. Any Rent collected by Purchaser or Seller after the Closing from any tenant or occupant of the Premises who owes Rent for periods prior to the Closing shall be applied (i) first, in payment of Rent owed to Seller by such tenant or occupant for all periods prior to the day preceding the Closing Date and (ii) Second, in payment of Rent owed to Purchaser by such tenant or occupant from and after the Closing Date. Each such amount, less any costs of collection (including reasonable counsel fees) reasonably allocable thereto, shall be adjusted and prorated as provided above, and the party who receives such amount shall promptly pay over to the other party the portion thereof to which it is so entitled.

(b) Seller shall have the right to pursue any tenants or occupants of the Premises in order to collect any past due Rent (including, without limitation, the prosecution of one or more lawsuits), but Seller shall not be entitled to evict (by summary proceedings or otherwise) any such tenants or occupants. Any payment by a tenant or occupant of the Premises of an amount less than the full amount of Rent then due and payable by such tenant or occupant shall be applied first to Rent (in the order of priority as to time periods as is set forth in Section 3.1(a) above) to the extent of all such Rent then due and payable by such tenant or occupant.

Section 3.2 Taxes and Assessments. Real estate taxes shall be adjusted and prorated on the basis of the fiscal year for which assessed. If the Closing shall occur before the tax rate or assessed valuation is fixed for the Premises, the apportionment of real estate taxes for the Premises shall be upon the basis of the tax rate for the preceding year applied to the most recently applicable assessed valuation of the Premises, subject to final adjustment promptly upon the fixing of the tax rate and/or assessed valuation for the Premises for the fiscal year in which the Closing occurs. In the event that the Premises or any part thereof shall be or shall have been affected by an assessment or assessments, whether or not the same become payable in annual installments, Seller shall timely pay and be responsible for any installments due prior to the Closing and Purchaser shall timely pay and be responsible for any installments due on or after the Closing.

Section 3.3 Water and Sewer Charges. Water rates, water meter charges, sewer rents and vault charges, if any (other than any such charges, rates or rents which are payable by tenants of any portion of the Premises directly to the applicable Governmental Authority or utility provider), shall be adjusted and prorated on the basis of the fiscal period for which assessed. If there be a water meter, or meters, with respect to any portion of the Premises, Seller agrees that it shall at the Closing furnish an actual reading of same to a date not more than ten (10) days prior to the Closing and the unfixed meter charges and the unfixed sewer rent thereon for the time intervening from the date of the last reading shall be apportioned on the basis of such last reading, and shall be promptly and appropriately readjusted after the Closing on the basis of the next subsequent bills. Unmetered water charges shall be apportioned on the basis of the charges therefor for the same period of the preceding calendar year, but applying the current rate thereto. As to any unpaid water charges or sewer rents payable directly to the applicable Governmental Authority or utility provider, Purchaser shall close title and accept the delivery of the deed for the Premises subject to such unpaid charges and rents and any lien resulting therefrom, without credit against the Purchase Price or any claim or right of action against Seller.

Section 3.4 Utility Charges. Gas, steam, electricity and other public utility charges (other than any such charges which are payable by tenants or occupants of the Premises), if any, will be paid by Seller for the period up to (but not including) the Closing Date. Seller shall arrange for a final reading of all utility meters (covering gas, steam and electricity) as of the Closing, except meters the charges of which are payable by tenants or occupants of the Premises directly to the applicable utility company. At the Closing, Seller and Purchaser shall jointly execute a letter to each of such utility companies advising such utility companies of the termination of Seller's responsibility for such charges for utilities furnished to the Premises as of the date of the Closing and commencement of Purchaser's responsibilities therefor from and after such date. If a bill is obtained from any such utility company as of the Closing (other than a bill payable by tenants or occupants of the Premises), Seller shall pay such bill on or before the Closing. If such bill shall not have been obtained on or before the Closing, Seller shall, upon receipt of such bill, pay all such utility charges as evidenced by such bill or bills pertaining to the period prior to the Closing, and Purchaser shall pay all such utility charges pertaining to the period thereafter. Any such bill which shall be rendered which shall cover a period both before and after the date of Closing shall be apportioned between Purchaser and Seller as of the Closing.

Section 3.5 Permits. Charges, payments and deposits under all Permits.

Section 3.6 Other. Any other item which, under the terms of this Agreement, is to be apportioned at Closing.

If any such items are not determinable at the Closing, the adjustment shall be made subsequent to the Closing promptly when the charge is determined. Any errors or omissions in computing adjustments at the Closing shall be promptly corrected, provided that the party seeking to correct such error or omission shall have notified the other party of such error or omission on or prior to the date that is six (6) months following the Closing Date. The provisions of this Article III shall survive the Closing or termination of this Agreement.

ARTICLE IV

TITLE AND PERMITTED EXCEPTIONS

Section 4.1 Permitted Exceptions. The Premises shall be sold and are to be conveyed, and Purchaser agrees to purchase the Premises, subject to (a) those matters set forth on Exhibit B annexed hereto, (b) applicable zoning, subdivision, building and other land use laws and regulations, (c) any rights of tenants and licensees under any lease which pertains to the Premises, (d) the lien of real estate taxes and assessments not yet due and payable, (e) the standard exceptions and provisions contained in the form of insuring agreement employed by the Title Insurer, (f) all exceptions to title set forth in an ALTA survey of the Premises, (g) all other matters affecting title to the Premises as to which Purchaser has actual knowledge and (h) any exceptions and matters that are approved, waived or deemed to have been approved or waived by Purchaser (the liens, claims, encumbrances, exceptions and matters set forth in subclauses (a) through (h) above with respect to the Premises being collectively referred to as the "**Permitted Exceptions**").

Section 4.2 Title Report.

(a) Purchaser shall promptly order a title report from the Title Insurer. Purchaser shall, within three (3) Business Days after the issuance of any title report or any and all continuations thereof, cause a copy of such report or continuations to be delivered to Seller's counsel at the address set forth in Article 19 hereof.

(b) Purchaser shall be responsible for all costs (including, without limitation, all premiums and the cost of any endorsements requested by Purchaser) in connection with the Title Insurer's issuance of a title policy (the "**Title Policy**") to Purchaser.

Section 4.3 Use of Purchase Price to Discharge Title. Subject to the last sentence of this Section 4.3, if, at the Closing, there are any Title Exceptions (including any unpaid real estate taxes owed by Seller with respect to the Premises) which are not Permitted Exceptions and which Seller is obligated by this Agreement or elects to pay and discharge, Seller may use any portion of the Cash Balance, as adjusted pursuant to Article III hereof, to satisfy the same, provided that Seller delivers to the Title Insurer (with copies to Purchaser) at the Closing instruments in recordable form sufficient to satisfy such Title Exceptions of record, together with

the cost of any applicable recording or filing fees. Purchaser, if request is made by Seller within one (1) Business Day prior to the Closing, agrees to provide at the Closing separate official bank checks as requested, aggregating not more than the amount of the Cash Balance, as adjusted pursuant to Article III hereof, to facilitate the satisfaction of any such Title Exceptions. The existence of any such liens or encumbrances shall not be deemed objections to title if Seller shall comply with the foregoing requirements. Notwithstanding the foregoing, Seller shall not be obligated at Closing to pay or otherwise satisfy any liens which are not Permitted Exceptions.

Section 4.4 Inability to Convey. Nothing contained in this Agreement shall be deemed to require Seller to take or bring any action or proceeding or any other steps to remove any Title Exception or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller, at law or in equity, for Seller's inability to convey title in accordance with the terms of this Agreement.

Section 4.5 Rights in Respect of Inability to Convey. In the event that Seller shall be unable to convey title to the Premises, subject to the Permitted Exceptions, and Purchaser shall not, prior to the Closing Date, give notice to Seller that Purchaser is willing to waive objection to each Title Exception which is not a Permitted Exception and close this transaction without abatement of the Purchase Price, credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise, Seller shall have the right, at Seller's sole election, to either (i) take such action as Seller shall deem advisable to discharge each such Title Exception which is not a Permitted Exception or (ii) terminate this Agreement. In the event Seller shall elect to take action to discharge each such Title Exception which is not a Permitted Exception, Seller shall be entitled to one or more adjournments of the Closing Date for a period not to exceed thirty (30) days in the aggregate and the Closing shall be adjourned to a date specified by Seller not beyond such thirty (30) day period. If, for any reason whatsoever, Seller shall not have succeeded in discharging each such Title Exception at the expiration of such adjournment(s) and if Purchaser shall not, prior to the expiration of the last of such adjournments, give notice to Seller that Purchaser is willing to waive objection to each such Title Exception and to close this transaction without abatement of the Purchase Price, credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise, this Agreement shall be deemed to be terminated as of the last date to which the Closing Date was adjourned by Seller pursuant to this Article IV. Upon any termination of this Agreement pursuant to this Section 4.5, (a) the Deposit shall be returned to Purchaser, (b) Seller shall reimburse Purchaser for the reasonable out of pocket costs and expenses incurred by Purchaser in connection with obtaining a title report (without the issuance of a policy) in accordance with Section 4.2 hereof and (c) neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. No action taken by Seller to discharge, or attempt to discharge, any purported Title Exception shall be an admission that any such purported Title Exception is not a Permitted Exception.

Section 4.6 Purchaser's Right to Accept Title. Notwithstanding the foregoing provisions of this Article IV, Purchaser may, by written notice given to Seller at any time prior to the Closing Date (as it may have been adjourned by Seller pursuant to this Article IV), elect to accept such title as Seller can convey, notwithstanding the existence of any Title Exceptions which are not Permitted Exceptions. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing and Purchaser shall not be entitled to any

abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise by reason of the existence of any Title Exceptions which are not Permitted Exceptions.

ARTICLE V

CONDITION OF PREMISES

Section 5.1 Condition of Premises. Purchaser is a sophisticated investor and its valuation of, and decision to purchase, the Premises is based upon its own independent expert evaluations of such facts and materials deemed relevant by Purchaser and its agents. Other than the representations and warranties of Seller specifically set forth herein, Purchaser has not relied in entering into this Agreement upon any oral or written information from Seller, in any capacity, or any of its employees, affiliates, agents, consultants, attorneys, advisors or representatives, including, without limitation, any appraisals, projections or evaluations of credit quality prepared by Seller or any of its employees, affiliates, agents, consultants, attorneys, advisors or representatives. Purchaser further acknowledges that no employee, affiliate, agent, consultant, attorneys, advisor or representative of Seller has been authorized to make, and that Purchaser has not relied upon, any statements or representations other than those specifically contained in this Agreement. Without limiting the generality of the foregoing, Purchaser acknowledges and agrees that Purchaser is purchasing the Premises "as is" and "where is" on the Closing Date, and Seller is making no representation or warranty, express or implied, and Purchaser has not relied on any representation or warranty, express or implied, regarding the Premises, including, without limitation, any representation or warranty with respect to (a) the business or financial condition of any tenant or occupant of the Premises, (b) the physical condition of the Land, Improvements, the Property or the Premises or their fitness, merchantability or suitability for any use or purpose, (c) the rents, income or expenses of the Premises, (d) the compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any Governmental Authority and any violations thereof or (e) the current or future use of the Premises, including, but not limited to, the Premises' use for commercial, office, retail, industrial or other purposes. Seller is not liable or bound in any manner by any verbal or written statements, representations, real estate brokers' "set-ups", offering memorandum or information pertaining to the Premises furnished by any real estate broker, advisor, consultant, agent, employee, representative or other Person. Purchaser further acknowledges and agrees that the provisions of this Section 5.1 were a material factor in the determination of the Purchase Price.

Section 5.2 Environmental Issues.

(a) Purchaser has conducted its own independent due diligence regarding the environmental condition of the Premises and hereby acknowledges that Purchaser understands and has been advised that there are environmental issues which affect the Premises which include, but are not limited to, known petroleum contamination of the soil, surface waters and groundwater of the Premises and neighboring properties (collectively the "**Environmental Issues**") and Purchaser shall take title to the Premises subject to any and all Environmental Issues, including, without limitation, that certain Administrative Order on Consent (Index No. D2-00001-00-01) executed by New York Department of Environmental Conservation ("**NYSDEC**") and Twin Pines in 2000.

(b) Purchaser hereby generally, unconditionally and irrevocably releases and forever discharges Seller from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, counterclaims, and demands whatsoever, in law or in equity, whether direct or indirect, known or unknown, anticipated or unanticipated, which the other has, may have, or may hereafter have, in each case arising from any cause related to the presence of Hazardous Materials (as hereinafter defined) at, on, under or migrating from the Premises at any time in the past, now or in the future.

(c) Purchaser shall fully defend, indemnify, and hold harmless Seller from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind in nature, known or unknown, contingent or otherwise, arising out of, or in any way related to: (a) the Environmental Issues; (b) the presence, disposal, release or threatened release of any Hazardous Material (as hereinafter defined) at, on, under or migrating from the Premises or affecting the soil, surface water, groundwater, vegetation, buildings, personal property, natural resources, persons, or otherwise at the Premises; (c) any personal injury, including wrongful death, or real or personal property damage arising out of or related to such Hazardous Materials; (d) any claim brought or threatened, settlement reached, or governmental order relating to such Hazardous Materials, and/or (e) any violation of laws, orders, regulations, requirements or demands of governmental authorities, or any policies or requirements of the U.S. Environmental Protection Agency or NYSDEC, which are based upon or in any way related to such Hazardous Materials including, without limitation, attorney and consultant fees and expenses, investigation and laboratory fees, monitoring costs, court costs, and litigation expenses.

(d) For purposes of this paragraph, "Hazardous Materials" include, without limit, any chemical, compound, material, mixture or substance that is defined or listed in, or otherwise classified as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," or any other substance classified under any law due to ignitability, corrosivity, reactivity, carcinogenicity, radioactivity, or toxicity, including any petroleum, petroleum product, natural gas, natural gas liquid, liquefied natural gas, asbestos, asbestos-containing materials and polychlorinated biphenyls.

(e) The provisions of this Section 5.2 shall be in addition to any and all other obligations and liabilities the Purchaser shall have to Seller at common law and shall survive the closing of title and delivery of the deed.

ARTICLE VI

CLOSING

Section 6.1 Closing Date. The closing of the transaction contemplated by this Agreement (the "**Closing**") shall be held at the offices of Bryan Cave LLP, 1290 Avenue of the Americas, New York, New York 10104 on the later of (A) the sixtieth (60th) day following the Effective Date (it being agreed and understood that if such day is not a Business Day, then the

first Business Day thereafter) and (B) ten (10) days after the entry of the Sale Order which Sale Order shall be a Final Order (said date being herein referred to as the "**Scheduled Closing Date**"), TIME BEING OF THE ESSENCE with respect to Purchaser's obligation to close on the Scheduled Closing Date, subject to Section 6.2 below. The actual date on which the Closing occurs is herein referred to as the "**Closing Date.**"

Section 6.2 Adjourments by Purchaser.

(a) Subject to the conditions set forth in this Section, Purchaser shall have the right to adjourn (the "**Adjournment Right**") the Closing, one or more times and from time to time, upon written notice to Seller specifying the new Closing Date (such date being herein referred to as the "**Adjourned Closing Date**"), to a date no later than July 15, 2007, TIME BEING OF THE ESSENCE with respect to Purchaser's obligation to close on the Adjourned Closing Date. Notwithstanding the foregoing, Purchaser's Adjournment Right shall be subject to the following conditions: (i) Purchaser shall have exercised its initial Adjournment Right by delivering written notice (an "**Adjournment Notice**") to Seller at least three (3) Business Days prior to the Scheduled Closing Date (and in the case of any subsequent adjournments such Adjournment Notice shall be delivered to Seller at least three (3) Business Days prior to the then Adjourned Closing Date), and (ii) simultaneously with the delivery of any Adjournment Notice, Purchaser shall deliver to Seller by bank check payable to Seller the amount of Forty Thousand Dollars (\$40,000.00) (the "**Adjournment Amount**") for every thirty (30) days (or portion thereof) that the Closing Date is adjourned beyond the Scheduled Closing Date (it being agreed and understood that Seller shall be required to pay the full Adjournment Amount for any partial thirty (30) day period). The Adjournment Amount shall be in addition to the Purchase Price and any other fees and expenses due to Seller hereunder and in consideration of the terms and conditions hereof. Any amount due pursuant to this Section 6.2 are non-refundable.

It is agreed and understood that Seller shall be required to pay the full Adjournment Amount for any partial thirty (30) day period

Section 6.3 Notwithstanding anything to the contrary herein, in the event that a stay of the Sale Order is entered and is not lifted within thirty (30) days after the entry of the Sale Order, either party shall have the right to terminate this Agreement by written notice to the other party. Upon any such termination of this Agreement, Seller shall return the Deposit to Purchaser and neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement.

ARTICLE VII

CLOSING DELIVERIES

Section 7.1 Documents and Payments to be Delivered at the Closing. At the Closing:

(a) Purchaser shall deliver to Seller the Cash Balance and any other amounts payable by Purchaser to Seller, as adjusted in accordance with Article III hereof, pursuant to this Agreement;

(b) Seller shall execute, acknowledge and deliver to Purchaser a trustee's deed of the Premises, in proper form for recording;

(c) Seller shall execute and deliver to Purchaser a certification of non-foreign status, in form required by the Internal Revenue Code Section 1445 and the regulations issued thereunder. Seller understands that such certification will be retained by Purchaser and will be made available to the Internal Revenue Service on request;

(d) Seller and Purchaser shall each execute, acknowledge and deliver a Real Property Transfer Tax Return pursuant to Chapter 46, Title II of the New York City Administrative Code, or any successor form(s) then required to be filed with respect to the payment of the New York City Real Estate Transfer Tax;

(e) Seller and Purchaser shall each execute, acknowledge and deliver a New York State Real Estate Transfer Tax Return Credit Line Mortgage Certificate (TP-584), or any successor form(s) then required to be filed with respect to the payment of the New York State Real Estate Transfer Tax;

(f) Purchaser and Seller shall each deliver to the other and to the Title Insurer evidence reasonably satisfactory to the other party and to the Title Insurer that each party is authorized to enter into this Agreement on the date hereof and to consummate the transaction contemplated herein as of the Closing Date;

(g) Purchaser and Seller shall jointly and duly execute and deliver to the other the Closing Statement for the purpose of making the closing costs and proration adjustments as provided herein;

(h) Seller shall deliver to Purchaser a bill of sale duly executed by Seller conveying the personalty on the Premises, if any;

(i) Seller shall deliver all keys to the Premises, if any, to Purchaser;

(j) Purchaser shall deliver evidence reasonably satisfactory to Title Insurer that the person or persons executing the closing documents on behalf of Purchaser have full right, power and authority to do so; and.

(k) Seller and Purchaser shall each execute and/or deliver such other instruments or documents which by the terms of this Agreement are to be delivered by such party at Closing or which may be required pursuant to the Sale Order, if applicable.

ARTICLE VIII

CONDITIONS TO CLOSING

Section 8.1 Conditions to Purchaser's Obligation to Close. Purchaser's obligation to purchase the Premises is subject to the satisfaction of the following conditions precedent, any or all of which may be waived by Purchaser, all of which waivers shall be expressly and specifically made in writing to be enforceable against Purchaser. Notwithstanding the foregoing, the parties expressly agree that Purchaser shall be deemed to have waived all of the following conditions upon Purchaser's acceptance of the deed to the Premises.

- (a) This Agreement shall be in full force and effect;
- (b) Seller shall have complied, in all material respects, with its obligations under Article VII hereof;
- (c) Seller shall have delivered to Purchaser (i) one (1) true and correct copy of the Sale Order, which order shall, among other things, authorize Seller to sell and convey the Premises to Purchaser free and clear of any mortgages or other liens (other than the Permitted Exceptions) and (ii) a certificate of Seller that no stay of the Closing has been issued with respect to the Sale Order by the Bankruptcy Court which remains in effect as of the Closing Date;
- (d) The Sale Order shall be a Final Order; and
- (e) Purchaser shall have received an owner's policy of title insurance (including all endorsements reasonably desired by Purchaser) or binders to issue the same, issued by Title Insurer, dated as of the date of Closing and in amounts satisfactory to Purchaser (and in no event in an amount greater than the Purchase Price) insuring or committing to insure title to the Property free and clear of all liens, encumbrances and other matters affecting title except for the Permitted Exceptions.

Section 8.2 Conditions to Seller's Obligation to Close. Seller's obligation to sell and convey the Premises is subject to the satisfaction of the following conditions precedent, any or all of which may be waived by Seller, all of which waivers shall be expressly and specifically made in writing to be enforceable against Seller. Notwithstanding the foregoing, the parties expressly agree that Seller shall be deemed to have waived all of the following conditions upon Seller's acceptance of the Cash Balance, as adjusted in accordance with Article III hereof.

- (a) This Agreement shall be in full force and effect and there shall not then exist any event which would allow Seller to terminate this Agreement pursuant to the express terms hereof;
- (b) Purchaser shall have complied, in all material respects, with its obligations under Article VII hereof;
- (c) The Bankruptcy Court shall have issued the Sale Order and such Sale Order shall be in effect and not stayed at the time of Closing;
- (d) No order staying or enjoining the Closing shall be in effect; and

(e) Seller shall have (i) entered into a stipulation with Debtor's secured lender with respect to (x) the payment of a debt held by such secured lender which is secured by a mortgage on the Premises and (y) the carve out of certain cash collateral in the amount of, and on such other terms as, are mutually agreed to by the Seller in his discretion and such secured lender, which stipulation shall have been approved by the Bankruptcy Court and such order approving such stipulation shall be in effect and not stayed at the time of Closing or (ii) obtain an order of the Bankruptcy Court surcharging such secured lender, in form and substance acceptable to the Seller in his discretion.

Section 8.3 Bankruptcy Court Approval

(a) Notwithstanding anything to the contrary in this Agreement, all obligations of Seller under this Agreement and Purchaser's obligation to close are subject to (i) any higher and better offers that may be made at the Auction (as defined below), (ii) entry of the Sale Order (as defined below) by the Bankruptcy Court and (iii) any order issued by the Bankruptcy Court (or any other court) which shall stay or enjoin the Closing.

(b) Within twenty (20) days after the Effective Date, Seller shall file a motion in the Bankruptcy Court (the "**Approval Motion**") and shall give notice of the Approval Motion to all appropriate parties in interest required to receive notice under the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"). The Approval Motion shall seek the following relief: (i) that at the initial sale hearing (the "**Initial Sale Hearing**"), an order be entered which order shall, among other things, approve (A) this Agreement, (B) the form and manner of notice of the Auction and the Final Sale Hearing (as such terms are defined below), (C) the scheduling of the Auction and the Final Sale Hearing, (D) the Expense Reimbursement (as defined below) and (E) the Minimum Overbid Amount and the Bid Procedures (each as defined below) and (ii) that at the final sale hearing (the "**Final Sale Hearing**"), an order be entered (the "**Sale Order**") which order shall, among other things, (X) authorize Seller to consummate the sale transaction contemplated by this Agreement or (Y) authorize Seller to sell the Premises to such other higher and better bidder selected by Seller at the Final Sale Hearing and approved by the Bankruptcy Court.

(c) Seller shall hold an auction (the "**Auction**") at which Seller may entertain higher and better offers for the Premises (any such offer being a "**Competing Bid**"). Purchaser acknowledges and agrees that Seller may seek and solicit Competing Bids. The Auction shall be held at such place, time and date as scheduled or permitted by the Bankruptcy Court and Seller shall provide reasonable advanced notice of the Auction to Purchaser. Any Competing Bid, in order to be accepted by Seller, must (i) be on substantially the same terms and conditions provided for herein (other than the amount of the Purchase Price); (ii) provide for a cash deposit of \$200,000.00 (two hundred thousand dollars and no cents), to be paid in the form of a cashier's check or certified funds payable to Seller at the Auction, or such other date and time established by the Bankruptcy Court; (iii) provide for a Purchase Price of not less than \$2,100,000.00 (two million and one hundred thousand dollars and no cents) (the "**Minimum Overbid Amount**") and (iv) shall agree to hold such bid open until the sale is consummated. The foregoing requirements are collectively referred to as the "**Bid Procedures.**" Notwithstanding anything to the contrary contained herein, Purchaser agrees and understands that Purchaser's obligations under this Agreement shall survive Seller's acceptance of a

Competing Bid and in the event that a sale of the Premises pursuant to a Competing Bid fails to close within thirty (30) days from the date of the Auction, Seller shall, at its sole discretion, elect to either (i) sell the Premises to Purchaser pursuant to the terms of this Agreement or (ii) return the Deposit to Purchaser and this Agreement shall terminate. In the event that a sale of the Premises pursuant to a Competing Bid closes, Seller shall return the Deposit to Purchaser and this Agreement shall terminate.

(d) Subject to any applicable notice requirements under the Bankruptcy Rules and the calendar of the Bankruptcy Court, Seller shall use its good faith efforts to schedule (i) the Initial Sale Hearing as soon as reasonably practicable after the filing of the Approval Motion and (ii) the Auction and the Final Sale Hearing.

(f) Solely in the event that Seller elects to sell the Premises pursuant to a Competing Bid and subject to the terms and conditions set forth below, Seller agrees to reimburse Purchaser for Purchaser's actual and reasonable out of pocket expenses incurred in connection with (i) the reimbursement of the premium(s) for insurance pursuant to Section 10.1 below, (ii) the performance of any tests, evaluations, appraisals, underwriting analyses and other analyses at the Premises pursuant to Section 11.1 below and (iii) the securing of the Premises against trespassers and vandalism pursuant to Section 11.1 below (collectively, the "**Expense Reimbursement**"), which Expense Reimbursement shall not exceed the aggregate amount of \$50,000.00. Notwithstanding the foregoing, Seller shall have no obligation to pay the Expense Reimbursement unless all of the following conditions are satisfied: (i) payment of the Expense Reimbursement in accordance with the terms of this Section 8.3(f) have been approved by the Bankruptcy Court at the Initial Sale Hearing; (ii) a sale of the Premises pursuant to a Competing Bid is approved by the Bankruptcy Court and such sale closes as provided for in such Competing Bid; (iii) Purchaser has not breached its obligations under this Agreement; and (iv) Purchaser shall have provided Seller with reasonable documentation of such expenses. Purchaser agrees and acknowledges that if a sale pursuant to a Competing Bid does not close for any reason, Purchaser shall not have any claim against Seller or the estate of Twin Pines for the Expense Reimbursement.

ARTICLE IX

REPRESENTATIONS AND WARRANTIES

Section 9.1 Representations and Warranties by Seller as to Seller. Seller represents and warrants to Purchaser that, as of the date hereof:

- (a) Seller. Seller is the Chapter 7 trustee of Twin Pines in the Bankruptcy Case.
- (b) Authority. Subject to the entry of the Sale Order, Seller shall have the authority to enter into and perform this Agreement.
- (c) Conflict with Existing Laws or Contracts. Except with respect to the requirements of the Bankruptcy Code, the execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Seller

does not conflict with any provision of any law or regulation to which Seller is subject, conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Seller is a party or by which Seller is bound or any order or decree applicable to Seller or result in the creation or imposition of any lien on any of its assets or property, which would materially and adversely affect the ability of Seller to perform its obligations under this Agreement.

(d) Legal Action Against Seller. There is no action, suit or proceeding pending against Seller in any court or by or before any other governmental agency or instrumentality which would materially and adversely affect the ability of Seller to perform its obligations under this Agreement.

Notwithstanding the foregoing, all of Seller's representations set forth herein shall be deemed to merge with the deed and shall not survive the Closing.

Section 9.2 Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller that, as of the date hereof:

(a) Authority; Binding on Purchaser; Enforceability. Purchaser is a duly organized, validly existing family limited partnership and in good standing under the laws of the State of New York, with requisite powers adequate for the making and performing of this Agreement and for carrying on the business now conducted or proposed to be conducted by it. The Purchaser has taken all action required to execute, deliver and perform this Agreement and to make all of the provisions of this Agreement the valid and enforceable obligations they purport to be and has caused this Agreement to be executed by a duly authorized officer.

(b) Conflict with Existing Laws or Contracts. The execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Purchaser do not conflict with any provision of any law or regulation to which Purchaser is subject, conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Purchaser is a party or by which Purchaser is bound or any order or decree applicable to Purchaser, or result in the creation or imposition of any lien on any of Purchaser's assets or property, which would materially and adversely affect the ability of Purchaser to perform its obligations under this Agreement; and, except for the Sale Order, Purchaser has obtained all consents, approvals, authorizations or orders of any court or governmental agency or body, if any, required for the execution, delivery and performance by Purchaser of this Agreement.

(c) Legal Action Against Purchaser. There are no judgments, orders or decrees of any kind against Purchaser unpaid or unsatisfied of record or any legal action, suit or other legal or administrative proceeding pending, threatened or reasonably anticipated which could be filed before any court or administrative agency which has, or is likely to have, any material adverse effect on (i) the business or assets or the condition, financial or otherwise, of Purchaser or (ii) the ability of Purchaser to perform its obligations under this Agreement.

(d) Bankruptcy or Debt of Purchaser; Financial Condition. Purchaser has not filed any petition seeking or acquiescing in any reorganization, arrangement,

composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency, nor has any such petition been filed against Purchaser. No general assignment of Purchaser's property has been made for the benefit of creditors, and no receiver, master, liquidator or trustee has been appointed for Purchaser or any of its property. Purchaser is not insolvent and the consummation of the transactions contemplated by this Agreement shall not render Purchaser insolvent. Purchaser has now and will have as of the Closing sufficient capital or net worth to meet its current obligations.

Notwithstanding the foregoing, all of Purchaser's representations set forth herein shall be deemed to merge with the deed and shall not survive the Closing.

ARTICLE X

COVENANTS

Section 10.1 Insurance. Pursuant to the terms of this Section 10.1, between the date hereof and the Closing Date, Seller shall either (a) cause Twin Pines to maintain in full force and effect all insurance policies owned by Twin Pines and relating to fire or other casualty in effect on the date hereof with respect to the Premises or (b) replace such insurance policies with other policies providing coverage equivalent thereto. Notwithstanding anything to the contrary contained in this Agreement, Seller and Purchaser agree that Purchaser shall deliver to Seller an amount equal to \$13,260.05 representing a reimbursement of the premium for the insurance policy with respect to the Premises in effect on date hereof and currently set to expire on April 9, 2007 (the "**Current Insurance Policy**"). In addition, if the Closing Date has not occurred by the date that the Current Insurance Policy is set to expire (i.e. April 9, 2007), then no later than the second (2nd) Business Day immediately following the expiration of the Current Insurance Policy Purchaser shall deliver to Seller an amount equal to the premium for (x) any renewal of the Current Insurance Policy (it being agreed and understood that such renewal shall be on substantially the same terms and for substantially the same duration as the Current Insurance Policy) or (y) if the Current Insurance Policy may not be renewed for any or no reason, any replacement insurance policy providing coverage equivalent to the coverage provided in the Current Insurance Policy. It is agreed and understood that any amounts due pursuant to this Section 10.1 are in addition to the Purchase Price and any other fees and are expenses due to Seller hereunder and in consideration of the terms and conditions hereof. Any amount due pursuant to this Section 10.1 are non-refundable.

ARTICLE XI

INSPECTION

Section 11.1 Inspection.

(a) Between the date of the execution of this Agreement and the Closing Date, Purchaser and/or its agents, consultants and representatives (collectively, "**Purchaser's Agents**") shall have the right to access the Premises in order to (1) inspect the Premises and perform tests, evaluations, appraisals, underwriting analyses and other analyses at the Premises and (2) secure the Premises against trespassers and vandalism as Purchaser

reasonably desires from time to time during business hours on Business Days, provided that, in each such instance, (i) Purchaser shall first give Seller reasonable advance notification of its intention to access the Premises, (ii) Purchaser shall permit a representative of Seller to accompany Purchaser and/or Purchaser's Agents during any such access if Seller shall make such a representative available, (iii) such access shall not unreasonably impede the normal day-to-day business operation of such Premises, (iv) to the extent Purchaser and Purchaser's Agents are not covered as an "additional insured" party under the Current Insurance Policy, each of Purchaser and each of Purchaser's Agents who perform any such access shall first have provided Seller with evidence that each of them has liability insurance for bodily injury and property damage of at least \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate and otherwise reasonably acceptable to Seller in all respects and (v) any work performed, or actions taken, by Purchaser's Agents pursuant to this Section (a) shall not violate any present or future laws, ordinances, orders, judgments, rules, regulations and requirements of any governmental authority and (b) shall be subject to the prior written approval of Seller.

(b) Purchaser hereby indemnifies and agrees to defend and hold Seller, its agents, representatives and attorneys, harmless from all losses, costs (including, without limitation, reasonable attorneys' fees), claims or damages arising in connection with or from any such access, inspection and/or work performed, or actions taken, in order to secure the Premises against trespassers and vandalism by Purchaser and/or Purchaser's Agents. The provisions of this Article 11 shall survive the Closing or termination of this Agreement.

ARTICLE XII

TRANSACTION COSTS

Section 12.1 Seller's Transaction Costs. Seller, in addition to its apportionments obligations hereunder, if any, shall be responsible for the cost of its legal counsel, advisors and the other professionals employed by it in connection with the sale of the Premises.

Section 12.2 Purchaser's Transaction Costs. Purchaser, in addition to its apportionments (if any) and its other payment obligations hereunder, shall be responsible for all costs and expenses associated with (a) Purchaser's due diligence, (b) Purchaser's legal counsel, advisors, engineers, consultants and the other professionals employed by it in connection with Purchaser's due diligence and the purchase of the Premises, (c) title reports or abstracts issued by the Title Insurer, as well as all survey and search costs and updates related thereto, (d) the premiums in respect of any fee title insurance obtained by Purchaser and any mortgage title insurance required by Purchaser's lender (if any), (e) the recording fees for the deed and (f) all costs and expenses of obtaining any financing Purchaser may elect to obtain (including any fees, financing costs, transfer taxes, mortgage taxes and intangible taxes in connection therewith).

ARTICLE XIII

BROKERAGE

Section 13.1 Representations. Purchaser and Seller each represents and warrants to the other that such party has not had any conversations or dealings with any broker, finder or other similar party in connection with the transactions contemplated hereby, other than G.E.M. Auction Corp. (the "**Broker**"). Purchaser shall indemnify, defend and hold Seller harmless from and against any and all claims, liabilities, losses, damages, costs or expenses (including, without limitation, reasonable attorneys' fees and expenses), arising out of a claim of a breach of the representation made by Purchaser pursuant to the first sentence of this Section 13.1. Seller shall pay Broker such commission as may be owed to Broker pursuant to a separate agreement with Broker that may be approved by the Bankruptcy Court in the Sale Order (or any other order issued by the Bankruptcy Court) and Purchaser shall not be under any obligation to pay any commission or fees to Broker. The provisions of this Article XIII shall survive the Closing or termination of this Agreement.

ARTICLE XIV

CASUALTY AND CONDEMNATION

Section 14.1 Casualty.

(a) If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting any the Premises, then Purchaser shall have no right to terminate this Agreement and shall purchase the Premises in its damaged condition without reduction of or offset against the Purchase Price or any other claim against Seller. Seller shall assign to Purchaser the right to receive any insurance proceeds payable to Seller as a result of such fire or other casualty; provided, however, that Seller shall be entitled to retain (to the extent theretofore paid to Seller), and shall not be obligated to assign the right to receive (to the extent not theretofore paid to Seller), an amount of such insurance proceeds equal to Seller's expenses, if any, incurred in collecting such proceeds and repairing the damage caused by fire or other casualty.

(b) In no event shall Seller have any obligation to repair any damage or destruction to the Premises, but Seller shall have the right to do so and to utilize insurance proceeds for such purpose.

(c) Seller and Purchaser expressly intend that the provisions of this Section 14.1, and not Section 5-1311 of the New York State General Obligations Law, shall govern in the event of a fire or other casualty.

Section 14.2 Condemnation.

(a) If, between the date hereof and the Closing, any condemnation or eminent domain proceedings are initiated which would result in the taking of all or any material portion of the Premises, then Purchaser may elect to terminate this Agreement by giving written notice of its election to Seller within fifteen (15) days after receiving notice of such prospective taking. If Purchaser shall so elect to terminate this Agreement, then (i) Purchaser shall be entitled to the return of the Deposit (together with any interest earned thereon) and (ii) neither party hereto shall have any further obligations or liabilities to the other with respect to the

Premises (or under this Agreement), except for those which expressly survive the termination of this Agreement. If Purchaser does not elect to terminate this Agreement, then the parties hereto shall proceed to the Closing without reduction of or offset against the Purchase Price and the Purchaser shall have no other claim against the Seller. In such event, all of Seller's right, title and interest in and to any condemnation proceeds paid or payable in connection therewith shall be assigned to Purchaser. In no event shall Seller have any obligation to repair or restore the Premises or any portion thereof, but Seller shall have the right to do so and to utilize the condemnation proceeds for such purpose.

(b) If, between the date hereof and the Closing, any condemnation or eminent domain proceedings are initiated which would result in the taking of less than a material portion of the Premises, then neither Seller nor Purchaser may terminate this Agreement and the parties shall proceed to the Closing without reduction of or offset against the Purchase Price and Purchaser shall have no other claim against Seller. In such event, all of Seller's right, title and interest in and to any condemnation proceeds paid or payable in connection therewith shall be assigned to Purchaser, provided, however, Seller does not exercise his right pursuant to the provisions of the subsequent sentence. Notwithstanding anything herein to the contrary, in no event shall Seller have any obligation to repair or restore the Premises or any portion thereof, but Seller shall have the right to do so and to utilize the condemnation proceeds for such purpose.

ARTICLE XV

ASSIGNMENT

Section 15.1 No Assignment by Purchaser. Neither this Agreement nor any of the rights of Purchaser hereunder (nor the benefits of such rights) may be assigned, transferred or encumbered without Seller's prior written consent and any purported assignment, transfer or encumbrance without Seller's prior written consent shall be void. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement subject to the following conditions: (a) the assignment must be to a limited partnership, limited liability company or other entity controlled by Purchaser or any owner of Purchaser as of the date hereof and in which Purchaser or such owner of Purchaser as of the date hereof own, directly or indirectly, at least a 49% interest; (b) such assignee must assume all of Purchaser's obligations hereunder in a manner reasonably acceptable to Seller and become jointly and severally liable with Purchaser for all such obligations; (c) such entity shall not be insolvent at the time this Agreement is assigned to it; and (d) at least five (5) days prior to the proposed assignment, Purchaser shall provide Seller with notice thereof and evidence that the foregoing conditions are satisfied.

ARTICLE XVI

DEFAULT AND REMEDIES

Section 16.1 Purchaser's Default On or Before Closing. If, on or prior to the Closing Date, (i) Purchaser defaults in any of the material covenants, agreements or obligations to be performed by Purchaser under this Agreement on or as of the Closing Date (or at the Closing), (ii) Seller shall become aware of an inaccuracy in any representation or warranty made by Purchaser pursuant to Section 9.2 hereof (as made as of the date hereof) which has a material

adverse effect on Seller, or (iii) Purchaser otherwise materially defaults hereunder and such other material default is not cured by the Closing Date, then, and in any of such events, Seller, as its sole remedy therefor, may terminate this Agreement by written notice to Purchaser, whereupon, as liquidated damages on account thereof, Purchaser shall be liable to Seller for an amount equal to the Deposit, and Seller may retain the Deposit and credit the Deposit against Purchaser's liability. Upon any such termination of this Agreement, neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. Seller and Purchaser agree that the damages that Seller will sustain as a result of such termination will be substantial but will be difficult to ascertain, and the aforesaid liquidated damages are a fair and reasonable amount to be retained by Seller as agreed and liquidated damages in light of Seller's removal of the Premises from the market and the damages incurred by Seller and shall not constitute a penalty or a forfeiture.

Section 16.2 Seller's Default On or Before Closing.

(a) If, on or prior to the Closing Date, (i) Seller defaults in any of the material covenants, agreements or obligations to be performed by Seller under this Agreement on or as of the Closing Date (or at the Closing), or (ii) Seller otherwise materially defaults hereunder and such other material default is not cured by the Closing Date, then, and in any of such events, Purchaser, as its sole remedy therefor, may either (1) seek specific performance from the Bankruptcy Court of Seller's obligations hereunder, without abatement, credit against or reduction of the Purchase Price if all conditions to closing are otherwise satisfied, or (2) terminate this Agreement by written notice to Seller, whereupon the Deposit (to the extent that such has been deposited) shall be returned to Purchaser. If Purchaser shall elect to so terminate this Agreement, then, upon such election, neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement.

(b) If, on or prior to the Closing Date, Purchaser shall become aware of an inaccuracy in any representation or warranty made by Seller pursuant to Section 9.1 hereof (as made as of the date hereof) which has a material adverse effect on Purchaser, then Purchaser, as its sole remedy therefor, may either (1) elect to proceed to the Closing, without abatement, credit against or reduction of the Purchase Price or (2) terminate this Agreement by written notice to Seller, whereupon the Deposit (to the extent such has been deposited) shall be returned to Purchaser; it being understood and agreed that in no event shall Purchaser be entitled to monetary damages. If Purchaser shall elect to so terminate this Agreement, then, upon such election, neither party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. Without limiting the generality of this Section 16.2(b), in no event shall the occurrence of the event or circumstance described in the first sentence of this Section 16.2(b) give rise to any obligation of Seller to cure an inaccuracy in any representation or warranty or otherwise make Seller liable for damages on account thereof.

(c) If Purchaser, with knowledge of (i) a default in any of the covenants, agreements or obligations to be performed by Seller under this Agreement and/or (ii) a material inaccuracy in any representation or warranty of Seller made in this Agreement, elects to proceed to Closing, then, upon the consummation of the Closing, Purchaser shall be deemed to

have waived any such default or material inaccuracy and shall have no claim against Seller on account thereof.

Section 16.3 Except as expressly provided in this Article 16, in the event of a default by one of the parties hereto, the non-defaulting party hereby waives any other right or remedy, at law or in equity, which such non-defaulting party may have or be entitled to as a result of any default by the defaulting party. The term “**default**”, as used herein, shall mean the failure to perform an obligation or covenant.

ARTICLE XVII

NOTICES

Section 17.1 Notices. All notices, demands, requests and other communications required hereunder (a) shall be in writing, (b) shall be deemed to have been given upon receipt, (c) shall be sent either (i) by registered or certified mail, return receipt requested, (ii) by any national overnight receipted courier service, or (iii) by facsimile transmission, and (d) shall be addressed to the party for whom it is intended at its address hereinafter set forth:

To Seller:

Robert L. Geltzer, Esq., as Chapter 7 Trustee of Twin Pines Fuels Corporation
c/o Law Office of Robert L. Geltzer
1556 Third Avenue, Suite 505
New York, New York 10128
Attention: Robert L. Geltzer, Esq.
Facsimile: (212) 410-0400

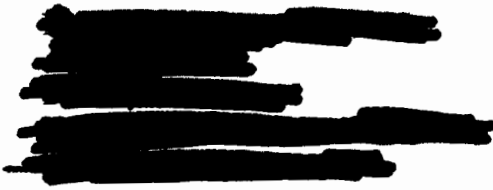
with a copy to:

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attention: Robert A. Wolf, Esq.
Facsimile: (212) 541-4630

To Purchaser:

[REDACTED]

with a copy to:



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

ARTICLE XVIII

MISCELLANEOUS

Section 18.1 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by, and construed in accordance with, the Bankruptcy Code, and to the extent that they do not conflict, the substantive laws of the State of New York, without regard to conflict of law principles. Purchaser hereby consents to the exclusive jurisdiction of the Bankruptcy Court in connection with any matter arising under this Agreement.

Section 18.2 Further Assurances. In addition to the obligations required to be performed hereunder by Seller and Purchaser at or prior to the Closing, each party, from and after the Closing, shall execute, acknowledge and/or deliver such other instruments, as may reasonably be requested in order to effectuate the purposes of this Agreement.

Section 18.3 Successors. All of the provisions of this Agreement and of any of the documents and instruments executed in connection herewith shall apply to and be binding upon, and inure to the benefit of Seller and Purchaser, their successors and permitted assigns, including, without limitation, any trustee heretofore or hereinafter appointed as a representative of Seller, and shall continue in full force and effect in the event of a conversion of the Bankruptcy Case to a case under chapter 11 of the Bankruptcy Code or a confirmation of a plan in the Bankruptcy Case, subject in the case of Seller, to Bankruptcy Court approval.

Section 18.4 No Third Party Beneficiary. This Agreement and each of the provisions hereof are solely for the benefit of Purchaser and Seller and their permitted assigns. No provisions of this Agreement, or of any of the documents and instruments executed in connection herewith, shall be construed as creating in any person or entity other than Purchaser and Seller and their permitted assigns any rights of any nature whatsoever.

Section 18.5 Entire Agreement. This Agreement, together with the documents and instruments executed and delivered in connection herewith, sets forth the entire agreement between Purchaser and Seller relating to the transactions contemplated hereby and all other prior or contemporaneous agreements, understandings, representations or statements, oral or written, relating directly to the Premises are superseded hereby.

Section 18.6 Severability. If any provision in this Agreement is found by the Bankruptcy Court or a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision of this Agreement to be unlawful, void, illegal or unenforceable in any respect, the remainder of this Agreement shall be construed as if such unlawful, void, illegal or unenforceable provision were not contained herein, and the rights, obligations and interests of the parties hereto under the remainder of this Agreement shall continue in full force and effect undisturbed and unmodified in any way.

Section 18.7 Modification. This Agreement and the terms hereof may not be changed, waived, modified, supplemented, canceled, discharged or terminated orally, but only by an instrument or instruments in writing executed and delivered by Purchaser and Seller.

Section 18.8 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES, IRREVOCABLY AND UNCONDITIONALLY, TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS EXECUTED IN CONNECTION HEREWITH, THE PREMISES, OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR TO ANY OF THE FOREGOING.

Section 18.9 No Recording. Neither this Agreement nor any memorandum hereof shall be recorded. Each party hereby agrees to indemnify and hold harmless the others for all liabilities, losses, damages, liens, suits, claims, costs and expenses (including reasonable attorneys' fees) incurred by the other by reason of a breach of the foregoing covenant.

Section 18.10 Captions; Interpretation.

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

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

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

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

Section 18.11 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same original, and the

execution of separate counterparts by Purchaser and Seller shall bind Purchaser and Seller as if they had each executed the same counterpart.

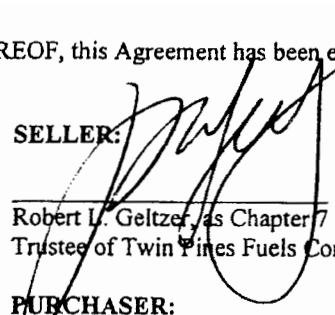
Section 18.12 No Waiver. Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

Section 18.13 Time of Essence. Time shall be of the essence with respect to this Agreement and the covenants and obligations of the parties hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

SELLER:


Robert L. Geltzer, as Chapter 7
Trustee of Twin Pines Fuels Corporation

PURCHASER:

By: 

EXHIBIT A
DESCRIPTION OF THE LAND

(See Attached)

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at the northeast corner of Zerega and Blackrock Avenue, as now laid out and legally acquired:

RUNNING THENCE easterly and outshore along the northerly line of Blackrock Avenue, 328.63 feet to its intersection with the present United States Pierhead and Bulkhead Lines as approved by the Secretary of War on May 2, 1914;

THENCE northerly and along said pierhead and bulkhead line a distance of 228.40 to its intersection with the present United States Pierhead and Bulkhead line as approved by the Secretary of War on May 2, 1914;

THENCE westerly along the southerly line of Watson Avenue, 427.00 feet to ties intersection with the easterly line of said Zerega Avenue; and

THENCE southerly along said easterly line of Zerega Avenue, 206.13 feet to the point of BEGINNING.

EXHIBIT B

PERMITTED EXCEPTIONS

1. Subject to adjustment as herein provided, real estate taxes, tax liens, water and sewer charges, assessments and vault charges, and the liens of any of the foregoing.
2. Conditional bills of sale or Uniform Commercial Code financing statements which were filed on a day more than five years prior to the Closing.
3. Riparian rights, easements or claims of easements, boundary-line disputes, overlaps, encroachments, title to filled lands (if any) and any matters or state of facts not of record which would be disclosed by an accurate survey and inspection of the Premises.
4. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Premises.
5. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over or under the Premises or the streets or sidewalks abutting the Premises, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Premises and retaining walls and the like, if any.
6. Any and all liens filed against the Premises by the NYSDEC or any other federal, state or local governmental authority(ies).
7. Covenants, agreements, licenses, easements and restrictions, violations of record, if any, to the extent not otherwise described in this Exhibit B.