

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 7, 1996

Cali Realty Corporation

(Exact name of registrant as specified in its charter)

Maryland	1-13274	22-3305147
(state or other jurisdiction or incorporation)	(Commission File Number)	(IRS Employer Identification Number)

11 Commerce Drive, Cranford, New Jersey 07016

Registrant's telephone number, including area code (908) 272-8000

N/A

(Former name or former address, if changed since last report)

Item 5. Other Events.

From November 7, 1996 through December 29, 1996, Cali Realty Corporation and subsidiaries (the "Company") acquired, through three individual transactions with unrelated sellers, a three-building office complex, two neighboring office buildings and one individual office building (collectively, the "Acquisitions"). Each of the Acquisitions was disclosed as a proposed acquisition in the Company's Current Report on Form 8-K, dated October 29, 1996. The aggregate acquisition cost of the Acquisitions was approximately \$90.4 million.

The following is a summary of each of the Acquisitions:

On November 7, 1996, the Company acquired Five Sentry Parkway East & West ("Five Sentry"), a two-building office complex comprised of approximately 131,000 net rentable square feet located in Plymouth Meeting, Montgomery County, Pennsylvania, for approximately \$12.4 million in cash, which was drawn from one of the Company's credit facilities. Such borrowing was subsequently repaid from the net proceeds received from the Company's public common stock offering of 17,537,500 shares (the "November Offering") on November 22, 1996.

On December 10, 1996, the Company acquired 300 Tice Boulevard ("Whiteweld"), a 230,000 net rentable square foot office building located in Woodcliff Lake, Bergen County, New Jersey, for approximately \$35.0 million in cash, made available from the net proceeds received from the November Offering.

On December 17, 1996, the Company acquired the International Court at Airport Business Center ("Airport Center"), a three-building office complex comprised of approximately 370,000 net rentable square feet located in Lester, Delaware County, Pennsylvania for approximately \$43.0 million in cash, made available from the net proceeds received from the November Offering.

The foregoing descriptions of the Acquisitions are not intended to be complete and are qualified in their entirety by the completed text of material agreements setting forth the specific terms of the Acquisitions, which material agreements are filed as Exhibits 10.51 through 10.56 hereto and are incorporated herein by reference.

Item 7. Financial Statements, Proforma Financial Information and Exhibits.

(c) Exhibits.

Exhibit Number	Exhibit Title
10.51	Agreement of Assignment of Agreement for Purchase and Sale of Real Estate and Related Property, dated as of October 23, 1996, between Bryemere, L.P. and Five Sentry Realty Associates, L.P.

- 10.52 Purchase Agreement, dated October 11, 1996, between Whiteweld Centre, Inc. and Cali Realty Acquisition Corporation.
- 10.53 First Amendment to Purchase Agreement, dated as of December 10, 1996, by and between Whiteweld Centre, Inc. and Cali Realty Acquisition Corporation.
- 10.54 Agreement of Sale, dated October 23, 1996, by and among Henderson/Tinicum Partnership, International Court II Limited Partnership, International Court III Joint Venture, Wilbur C. Henderson & Son, David Henderson and Cali Realty Acquisition Corporation.
- 10.55 Amendment to Agreement of Sale, dated December 3, 1996, by and among Henderson/Tinicum Partnership, International Court II Limited Partnership, International Court III Joint Venture, Wilbur C. Henderson & Son, David Henderson and Cali Realty Acquisition Corporation.
- 10.56 Second Amendment to Agreement of Sale, dated December 17, 1996, by and among Henderson/Tinicum Partnership, International Court II Limited Partnership, International Court III Joint Venture, Wilbur C. Henderson & Son, David Henderson and Cali Realty Acquisition Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Cali Realty Corporation has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 30, 1996

CALI REALTY CORPORATION

By: /s/ Thomas A. Rizk

Thomas A. Rizk
President and Chief
Executive Officer

By: /s/Barry Lefkowitz

Barry Lefkowitz
Vice President - Finance
and Chief Financial
Officer

Exhibit Index

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EXHIBIT 10.51

AGREEMENT OF ASSIGNMENT OF AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE AND RELATED PROPERTY (the "Assignment Agreement") entered into this 23rd day of October, 1996, between BRYEMERE, L.P., a Pennsylvania limited partnership ("Contract Vendee"), having an office c/o 443 South Gulph Road, King of Prussia, Pennsylvania 19406 and FIVE SENTRY REALTY ASSOCIATES L.P. ("Assignee"), a Pennsylvania limited partnership, having an office c/o Cali Realty Corporation, 11 Commerce Drive, Cranford, New Jersey 07016.

W I T N E S S E T H:

WHEREAS, as of the 17th day of July, 1996, an Agreement for Purchase and Sale of Real Estate and Related Property was entered into between Mellon Bank, N.A., as Ancillary Trustee under Trust Agreement dated August 10, 1984, as seller ("Seller"), and Contract Vendee, as purchaser, covering the purchase and sale of premises known as Five Sentry Parkway, East and West, City of Blue Bell, Montgomery County, Pennsylvania, which agreement was amended by that certain letter agreement (the "Letter Agreement") dated September 6, 1996 (collectively, the "Sales Agreement") and more particularly described in Exhibit "A" annexed hereto ("Premises"); and

WHEREAS, Contract Vendee is desirous of assigning to Assignee all of the right, title and interest of Contract Vendee in and to the Sales Agreement; and

WHEREAS, the parties agree that any capitalized terms not otherwise defined herein shall have the meaning attributed to them in the Sales Agreement.

NOW, THEREFORE, in consideration of the Premises and the mutual covenants expressed herein, the parties hereto hereby agree as follows:

1. ASSIGNMENT OF SALES AGREEMENT; ASSIGNMENT PRICE.

(a) So long as the conditions to the Closing have occurred, Contract Vendee agrees to assign to Assignee all of Assignor's rights, titles and interests in and to the Sales Agreement (but not including the Deposit posted by Contract Vendee with Seller), which assignment shall be effective as of the Closing, on the terms and conditions set forth below, pursuant to the Assignment of Sales Agreement (the "Assignment") annexed hereto as Exhibit "B".

(b) The assignment price payable to Contract Vendee on account of this Assignment Agreement is of One Million Five Hundred Thousand and xx/100 (\$1,500,000.00) Dollars (the "Assignment Price"), payable as follows:

(i) Two Hundred Thousand and xx/100 (\$200,000.00) Dollars (the "Deposit") to be paid to Adelman Lavine Gold and Levine and Pryor, Cashman, Sherman & Flynn (collectively, the "Escrow Agent") upon delivery to Assignee of a fully executed copy of this Assignment Agreement, which Deposit shall be held in escrow in accordance with the provisions hereinafter set forth; and

(ii) One Million Three Hundred Thousand and xx/100 (\$1,300,000.00) Dollars at Closing (as defined below), by wire transfer of immediately available funds to Contract Vendee and as provided herein.

(c) At and only upon the Closing, Assignee shall also pay to Seller the amount due Seller under the Sales Agreement on account of the Purchase Price thereunder in an amount equal to Ten Million Nine Hundred Thousand and xx/100 (\$10,900,000.00) Dollars, subject to adjustment as provided in the Sales Agreement, which Contract Vendee represents and warrants to Assignee is the Purchase Price. In the event that Seller has applied the Deposit

posted by Contract Vendee to the Purchase Price under the Sales Agreement, Assignee shall reimburse Contract Vendee for the Deposit at Closing and shall pay to Seller the Purchase Price in an amount equal to \$10,700,000.00.

2. INTENTIONALLY OMITTED

3. MATTERS TO WHICH THIS SALE IS SUBJECT

(a) Except as set forth in subsection (b) below, title to the Real Property and to the Personal Property shall be as set forth in Section 6 of the Sales Agreement. Contract Vendee represents and warrants to Assignee that it has not issued any notice of any defect, encumbrance or other title objection and covenants that it (i) shall not issue any such notice without Assignee's prior consent, (ii) will issue any such notice which Assignee so requests and (iii) will exercise the options set forth in Section 6.C. of the Sales Agreement as directed by Assignee.

(b) Notwithstanding the provisions of subsection (a) above, Contract Vendee shall cause to be terminated and removed of record the matters described in No. 17 of Schedule B, Section 1 of the Title Commitment, and title to the Premises shall conveyed to Assignee free and clear of such matters at the Closing.

4. REPRESENTATIONS AND WARRANTIES.

(a) Contract Vendee, to induce Assignee to enter into this Assignment Agreement and to complete the Closing, makes the following representations and warranties to Assignee, which representations and warranties are true and correct as of the date of this Assignment Agreement, and shall be true and correct at and as of the Closing in all respects as though such representations and warranties were made both at and as of the date of this Assignment Agreement, and at and as of the Closing:

(i) Annexed hereto as Exhibit "C" annexed hereto is a true, complete and correct copy of the Sales Agreement, and the Sales Agreement has not been modified, changed or amended (other than by the Letter Agreement);

(ii) The Sales Agreement is in full force and effect, is a valid contract and is legally enforceable in accordance with its terms, and represents the entire agreement between Contract Vendee and Seller with respect to the Premises;

(iii) Contract Vendee has, to the best of its knowledge, heretofore timely performed and observed all of the duties, obligations, terms, covenants and conditions of the Sales Agreement on its part to be performed or observed thereunder;

(iv) All representations contained in the Sales Agreement made by Contract Vendee, and to the best knowledge of Contract Vendee, made by Seller, are and continue to be true and correct;

(v) Neither Seller nor Contract Vendee has declared a default under the Sales Agreement, and, to the best knowledge of Contract Vendee, no event has occurred or failed to occur which, but for the giving of notice or passage of time, or both, would constitute a default thereunder by either Seller or Contract Vendee;

(vi) Contract Vendee has not assigned, conveyed, encumbered, mortgaged, pledged or transferred all or any part of its interest in the Sales Agreement;

(vii) No person, firm, corporation or other entity other than Assignee has any right or option to acquire the Premises or any part thereof arising from any act of Contract Vendee;

(viii) Contract Vendee has delivered or made available to Assignee true, correct and complete copies any and all documents, instruments, agreements and other items in its possession with respect to the Premises, including without limitation the Leases, the Service Contracts, the Title Commitment, the Required Number of Estoppel Certificates, Seller's Estoppel Certificates, the Information Package, any schedules, summaries and projections of tenant improvement costs and leasing commission obligations, tenant profiles and summaries and structural, engineering and environmental assessment reports with respect to the Premises;

(ix) Contract Vendee has not received from Seller or any other party any notice of any litigation, insurance claim, personal injury, proceeding (zoning or otherwise) or governmental investigation pending or threatened against or relating to the Premises or the transaction contemplated by the Sales Agreement other than as set forth on Exhibit "D" annexed hereto; to the extent any matter is set forth on Exhibit "D"; Contract Vendee represents and warrants that there is adequate liability insurance coverage for same;

(x) To the best knowledge of Contract Vendee, the only leases, tenancies, licenses and other agreements for the use and occupancy

of any portion of the Premises other than the Leases are those leases, tenancies, licenses and other agreements listed on Exhibit "E" (the "New Leases"), which Exhibit is a true, correct and complete list of New Leases; the representations and warranties of Seller with respect to the Leases set forth in Sections 8.A.9 and 8.A.10. of the Sales Agreement are hereby deemed repeated in their entirety in this Assignment Agreement by Contract Vendee with respect to the New Leases;

(xi) Annexed hereto as Exhibit "F" is a true, complete and correct schedule of the leasing commission agreements for the New Leases. True, complete and correct copies of said agreements are annexed hereto as a schedule to Exhibit "F";

(xii) To the best knowledge of Contract Vendee, there has been no material adverse change in the status of the Premises or any contracts or agreements relating thereto (including without limitation additional leases, renewals, extensions or amendments thereto, or additional service contracts) except for the New Leases;

(xiii) The execution and delivery of this Assignment Agreement and the performance by Contract Vendee of its obligations hereunder will not conflict with or result in a breach of any law, regulation or order, or any agreement or instrument to which Contract Vendee is a party or by which Contract Vendee is bound; and this Assignment Agreement and the documents to be delivered by Contract Vendee pursuant to this Assignment Agreement will each constitute the legal, valid and binding obligations of Contract Vendee, enforceable in accordance with their respective terms, covenants and conditions subject only to the Seller's consent to the assignment of the Sales Agreement to Assignee as set forth in the Sales Agreement; and there are no claims, defenses (personal or otherwise) or offsets to the validity of or enforceability against Contract Vendee of this Assignment Agreement and the documents to be delivered pursuant hereto;

(xiv) Intentionally Deleted.

(xv) Intentionally Deleted.

(xvi) Contract Vendee has not received any Lease Proposals from Seller nor has Contract Vendee consented to or been deemed to have consented to any Lease Proposals except for the sublease identified on Exhibit "I";

(xvii) Annexed hereto as Exhibit "J" is a true and correct list of Service Contracts which have been assigned to and/or assumed by Contract Vendee under the Sales Agreement;

(xviii) As of the date of Closing, there are no payments required to be paid with respect to the period prior to Closing under the documents specified in No. 4, No. 8 and No. 12 of Schedule B, Section 2 of the Title Commitment; and

(xix) Contract Vendee shall maintain a net worth of at least \$500,000 for at lease one (1) year following the Closing.

(b) Assignee, to induce Contract Vendee to enter into this Assignment Agreement and to complete the Closing, hereby represents and warrants that the execution and delivery of this Assignment Agreement and the performance by Assignee of its obligations hereunder will not conflict with or result in a breach of any law, regulation or order, or any agreement or instrument to which Assignee is a party or by which Assignee is bound; and this Assignment Agreement and the documents to be delivered by Assignee pursuant to this Assignment Agreement will each constitute the legal, valid and binding obligations of Assignee, enforceable in accordance with their respective terms, covenants and conditions; and there are no claims, defenses (personal or otherwise) or offsets to the validity of or enforceability against Assignee of this Assignment Agreement and the documents to be delivered pursuant hereto.

5. COVENANTS.

Contract Vendee hereby covenants and agrees that between the date hereof and the Closing, and with respect to the Closing, it shall perform and observe the following with respect to the Premises and the Sales Agreement:

(a) Contract Vendee shall continue to timely perform and observe all of the duties, obligations, terms, covenants and conditions of the Sales Agreement on its part to be performed or observed thereunder;

(b) Contract Vendee shall not modify, terminate, amend, cancel, surrender or, with the exception of this Assignment Agreement, make any agreement affecting the Sales Agreement without first obtaining Assignee's prior written consent, which will not be unreasonably withheld or delayed;

(c) Contract Vendee shall not grant any consents or approvals with respect to the Premises and shall not enter into or caused to be entered into any agreements, leases, tenancies, licenses or contracts with respect to the Premises without first obtaining Assignee's prior written consent, which

will not be unreasonably withheld or delayed;

(d) Contract Vendee shall use its best efforts to cause Seller (i) to operate and maintain the Premises in the ordinary course of business and use reasonable efforts to reasonably preserve for Assignee the relationships of Seller and Seller's tenants, suppliers, managers, employees and others having on-going relationships with the Premises, (ii) to complete any capital expenditure program currently in process or anticipated to be completed through the date of closing under the Sales Agreement and (iii) not to defer taking actions or spending its funds, or otherwise manage the Premises differently, due to the pending sale of the Premises, except as specifically permitted in the Sales Agreement;

(e) Contract Vendee shall forward to Assignee all notices, communications, demands or requests received by Contract Vendee with respect to the Premises promptly after receipt;

(f) Contract Vendee shall advise Seller that Contract Vendee has assigned the Sales Agreement to Assignee effective as of the Closing, and shall use its best efforts to obtain and deliver an original counterpart of Seller's unconditional written consent to Assignee as to such assignment in form and substance reasonably satisfactory to Assignee, and cause Seller to prepare and execute all documents, items and instruments required to be delivered at Closing under the Sales Agreement in the name and for the benefit of Assignee. The Seller's consent to the assignment of the Sales Agreement to Assignee shall be unconditional or, if conditions are imposed, Contract Vendee, and not Assignee, shall be required to perform or satisfy same, except that Assignee shall agree to be bound by and assume the obligations of the Purchaser under the Sales Agreement;

(g) Contract Vendee shall include Assignee and its agents in all aspects in the closing of the Sales Agreement, including by way of example and not limitation, closing documents and closing adjustments provided that Closing under this Assignment Agreement occurs simultaneously with closing under the Sales Agreement;

(h) Contract Vendee shall cooperate in all respects with Assignee in connection with the acquisition by Assignee of the Premises;

(i) Contract Vendee shall cause to be completed, at no cost to Assignee, no later than December 31, 1996, all parking lot renovations in accordance with the revised layout plans illustrating a minimum of 448 additional parking spaces (3.4 spaces per thousand square feet) attached hereto as Exhibit "K", in a good and workmanlike manner, lien free and in accordance with all applicable laws and all insurance requirements. Contract Vendee shall deliver (or cause to be delivered) to Assignee within ten (10) days following completion of the work, (x) a copy of a final, unconditional Certificate of Occupancy (or other reasonable documentary proof) evidencing the completion of such work in accordance with law, (y) a certificate from a licensed architect that such work has been completed in accordance with law and the plans attached as Exhibit "K", and (z) evidence reasonably satisfactory to Assignee and its title company that such work has been paid for in full and free from any liens. Contract Vendee shall indemnify, defend and hold Assignee harmless from and against all claims, suits, liens, actions proceedings, liabilities, damages and expenses (including, without limitation, reasonable attorneys fees) arising out of or relating to the performance of the work (including, without limitation, any injury or damage to property) or the failure liensto complete the same in accordance with this paragraph. The provisions of this paragraph shall survive the closing; and

(j) Contract Vendee shall use its best efforts to cause the Seller to perform all of its covenants and obligations under the Sales Agreement in accordance with its terms up to the date of the Closing.

6. ASSIGNEE'S RIGHTS RESPECTING SALES AGREEMENT.

If Contract Vendee shall fail to obtain Seller's consent to the assignment of the Sales Agreement to Assignee in accordance with Section 5(f) above, Contract Vendee shall notify Assignee of such failure and Contract Vendee shall close title to the Premises in its own name and immediately thereafter convey title to the Premises to Assignee upon, and subject to, the terms and conditions set forth in the Sales Agreement as modified by this Assignment Agreement except that: (i) at the Closing, Assignee shall pay Contract Vendee (or, at the Contract Vendee's direction, the Seller) the amount due Seller under the Sales Agreement on account of the Purchase Price in an amount equal to \$10,900,000.00, subject to adjustment as provided herein and in the Sales Agreement; (ii) Contract Vendee shall be deemed to have made, for the benefit of Assignee, all representations, warranties and covenants of the Seller contained in the Sales Agreement, and Contract Vendee shall execute and deliver to Assignee at the Closing a certification of same; and (iii) Contract Vendee shall pay, and indemnify and hold Assignee harmless from, all costs and expenses relating to or arising out of Contract Vendee's failure to obtain the consent of the Seller to the assignment of the Sales Agreement to Assignee including, without limitation, Contract Vendee's closing title to the Premises and conveyance of same to Assignee, all transfer taxes, title insurance fees and

premiums and recording fees, but excluding Assignee's attorney's fees incurred in connection with such transaction, which obligation shall survive the Closing.

7. ITEMS TO BE DELIVERED OR CAUSE TO BE DELIVERED BY CONTRACT VENDEE ON THE CLOSING DATE

On the Closing date, Contract Vendee, at its sole cost and expense, will deliver or cause to be delivered to Assignee the following:

(a) All of the documents, items and instruments to be delivered by Seller and Contract Vendee under and pursuant to the Sales Agreement;

(b) Any documents reasonably required by Assignee or necessary in order to effectuate the transactions contemplated by this Assignment Agreement, including by way of example and not limitation, affidavits, assurances, acknowledgments, deeds, and transfer tax returns;

(c) The Assignment;

(d) Seller's written consent and approval to the assignment of the Sales Agreement to Assignee as provided in Section 5(f) above (subject, however, to Section 6 above);

(e) An affidavit on account of Contract Vendee in the form of Exhibit "G", FIRPTA Affidavit;

(f) Any agreements contracts, reports, analysis, studies, leases, licenses, tenancies, material, documents and items with respect to the Premises in the possession of Contract Vendee or required to be delivered to Assignee pursuant to the terms hereof which have not previously been delivered to Assignee;

(g) All estoppel certificates required to be delivered by Seller pursuant to Section 10.D.(ii) of the Sales Agreement and those estoppel certificates which Contract Vendee has acknowledged as having been satisfactorily delivered pursuant to Paragraph 2 of the Letter Agreement;

(h) The Replacement Reserve and the Common Area Reserve described in Section 17 hereof, together with Escrow Agreement I and Escrow Agreement II (as hereinafter defined); and

(i) All other documents, instruments and materials required to be delivered to Assignee pursuant to the terms of this Assignment Agreement.

8. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND OBLIGATIONS

The representations, warranties and obligations of Contract Vendee set forth in Sections 4(a)(i), (vi), (vii) and (xix) of this Assignment Agreement shall remain in effect for a period of one (1) year following the Closing and thereafter if Assignee shall have given to Contract Vendee notice of a breach thereof within one (1) year period.

9. OBLIGATIONS WITH RESPECT TO SALES AGREEMENT.

Contract Vendee and Assignee hereby agree as to the following with respect to certain of the obligations of Contract Vendee under the Sales Agreement and this Assignment Agreement:

(a) Contract Vendee shall pay an amount which is equal to the amount Contract Vendee is obligated to pay pursuant to Section 9.A. of the Sales Agreement, all realty transfer taxes, recordation and documentary stamps and taxes imposed on account of the Assignment Price, and one-half of all reasonable escrow fees. Contract Vendee's tax obligation attributable to the Assignment Price shall be held in escrow by Pryor, Cashman, Sherman & Flynn ("PCS&F") pending a final determination by the Pennsylvania Supreme Court regarding taxes of this type. If it is finally determined that said tax is due, then such amount shall be promptly paid to the appropriate taxing authority; if it is determined that no such tax is due, then such amount shall be promptly returned to Contract Vendee together with any interest thereon.

(b) Any claims arising out of Contract Vendee's entry upon the Premises shall be the responsibility of Contract Vendee, and any claims arising out of Assignee's entry upon the Premises shall be the responsibility of Assignee;

(c) Contract Vendee shall be obligated to make the payments required of it pursuant to Section 9. of the Sales Agreement;

(d) Contract Vendee shall be obligated to make all payments due on account of outstanding or deferred leasing commissions and costs for tenant improvements for all Leases (including but not limited to the obligations under the Merck lease and Selas Fluids lease) executed prior to Closing under

the Sales Agreement, and all Leasing Costs with respect to (i) New Leases executed prior to Closing under the Sales Agreement, (ii) extensions or expansions of existing Leases executed prior to Closing under the Sales Agreement, and (iii) the failure of a tenant to exercise a cancellation option (if any) contained in a New Lease executed prior to Closing under the Sales Agreement. The foregoing obligations shall survive Closing;

(e) Contract Vendee shall cause Seller to pay one-half of the cost of the title commitment and the new owner's title insurance policy insuring Assignee; and

(f) Contract Vendee shall deliver to Assignee reasonably satisfactory evidence that the base amount to be used for calculating operating expense escalation payments under each of the Merck leases shall be a total of no less than \$639,668.

10. TITLE.

Notwithstanding anything to the contrary contained in the Sales Agreement, title to the Premises shall be insured by Commonwealth Land Title Insurance Company or such other title company selected by Assignee (with the consent of Seller, to the extent such consent is required under the Sales Agreement) which is licensed in the State of Pennsylvania (the "Title Company"). If title to the Premises is not conveyed to Assignee pursuant to the Sales Agreement and this Assignment Agreement as a result of any act or omission of Contract Vendee, Contract Vendee shall be responsible for all title fees, survey expenses and search charges of the Title Company. In all other events, Assignee and Seller shall be responsible for the premiums, costs and expenses of the Title Company.

11. CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATIONS.

The obligations of Assignee to accept the Assignment, to acquire the Premises and to perform the other covenants and obligations to be performed by Assignee on the Closing date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Assignee):

(a) The representations and warranties made by Seller in the Sales Agreement and Contract Vendee in this Assignment Agreement shall be true and correct in all respects with the same force and effect as though such representations and warranties had been made on and as of the Closing, except that for purposes of this paragraph (a), the representations and warranties of Contract Vendee shall be without regard to any knowledge standard of Contract Vendee.

(b) Seller and Contract Vendee, respectively, shall have performed all covenants and obligations undertaken by Seller in Section 10 of the Sales Agreement and Contract Vendee in Section 5 of this Assignment Agreement in all respects and complied with all conditions required by the Sales Agreement and this Assignment Agreement to be performed or complied with by it on or before the Closing.

(c) The satisfaction by Seller of its obligations as set forth in Section 8.D., 9.B.4., 9.B.5., 10.D., 10.E. and 10.G. of the Sales Agreement and which shall be subject to Assignee's approval, which approval shall not be unreasonably withheld or delayed.

(d) The Title Company is prepared to issue to Assignee a Title Policy meeting the requirements set forth in Section 6. of the Sales Agreement subject only to the payment of the premium therefor by Assignee.

(e) Seller and Contract Vendee, respectively, shall have delivered to Assignee all of the documents enumerated in Section 10.A. and 10.B. of the Sales Agreement and Section 7 of this Assignment Agreement subject only to the payment of the premium therefore by Assignee.

12. CLOSING.

The closing of title shall take place on or about November 1, 1996 (the "Closing"), at the time and location specified in the Sales Agreement, unless extended in accordance with this Assignment Agreement. This transaction shall be consummated simultaneously with the transaction covered by the Sales Agreement. The Premises shall be conveyed directly from the Seller to Assignee at the Closing so as to vest title to the Premises in the Assignee pursuant to the terms of the Sales Agreement subject, however, to the terms of Section 6 hereof.

13. INTENTIONALLY OMITTED

14. REMEDIES.

(a) In the event Assignee fails to perform on the Closing, Assignee's sole liability and Contract Vendee's sole recourse shall be limited to the amount of the Deposit. Contract Vendee agrees that retention of the Deposit constitutes fixed and liquidated damages resulting from Assignee's

default, and Contract Vendee waives any other claim, at law or in equity, either against Assignee or against any person, known or unknown, disclosed or undisclosed.

(b) (i) If, after complying with the terms of this Assignment Agreement, Contract Vendee shall be unable to perform in accordance with the terms of this Assignment Agreement, Contract Vendee shall direct the Escrow Agent to refund to Assignee the Deposit, whereupon this Assignment Agreement shall be deemed cancelled and the parties hereto shall be released of all obligations and liabilities under this Assignment Agreement, except those that are expressly stated to survive the cancellation or termination of this Assignment Agreement.

(ii) In the event of any default on the part of Seller or Contract Vendee, or Seller's or Contract Vendee's failure to comply with any representation, warranty or agreement in the Sales Agreement or herein, respectively, Assignee shall be entitled to (a) terminate this Assignment Agreement upon notice to Contract Vendee, in which event the Deposit shall be returned by Escrow Agent to Assignee and neither party shall thereafter have any further obligations under this Assignment Agreement, (b) commence an action against Seller, Contract Vendee or both seeking specific performance of Seller's and Contract Vendee's obligations under the Sales Agreement and this Assignment Agreement, respectively or (c) in the event of a willful default by Seller under the Sales Agreement, Contract Vendee under the Assignment Agreement, or both, Assignee may pursue any and all of its remedies at law or in equity or any combination thereof against the defaulting party.

15. ESCROW AGREEMENT

The parties agree that the Deposit shall be held by the Escrow Agent in escrow and disposed of only in accordance with the provisions of this Section 15. The parties agree that if the Deposit is cash, such cash shall be invested in an assignable interest-bearing certificate of deposit, money market fund, treasury bill or other similar security approved by Contract Vendee and Assignee, and all interest accruing thereon shall be paid to Assignee, except as otherwise provided herein.

(a) The Escrow Agent will deliver the Deposit to Contract Vendee or to Assignee, as the case may be, under the following conditions:

(i) To Contract Vendee at Closing;

(ii) To Contract Vendee upon receipt of written demand therefor, such demand stating that Assignee has defaulted in the performance of this Assignment Agreement and specifically setting forth the facts and circumstances underlying such default. The Escrow Agent shall not honor such demand until more than five (5) days have elapsed after the Escrow Agent has mailed a copy of such demand to Contract Vendee or Assignee, as the case may be, nor thereafter if the Escrow Agent shall have received written notice of objection from Assignee in accordance with the provisions of clause (b) of this Section 15; or

(iii) To Assignee upon receipt of written demand therefor, such demand stating that this agreement has been terminated in accordance with the provisions hereof, or Contract Vendee has defaulted in the performance of this Assignment Agreement, and specifically setting forth the facts and circumstances underlying the same. The Escrow Agent shall not honor such demand until more than five (5) days have elapsed after the Escrow Agent has mailed a copy of such demand to Contract Vendee or Assignee, as the case may be, nor thereafter, if the Escrow Agent shall have received written notice of objection from the other party in accordance with the provisions of clause (b) of this Section 15.

(b) Upon the filing of a written demand for the Deposit by Assignee or Contract Vendee, pursuant to subclause (ii) or (iii) of clause (a) of this Section 15, the Escrow Agent shall promptly mail a copy thereof to the other party. The other party shall have the right to object to the delivery of the Deposit by filing written notice of such objection with the Escrow Agent at any time within five (5) days after the mailing of such copy to it, but not thereafter. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of such notice, the Escrow Agent shall promptly mail a copy thereof to the party who filed the written demand.

(c) In the event the Escrow Agent shall have received the notice of objection provided for in clause (b) above and within the time therein prescribed, the Escrow Agent shall continue to hold the Deposit until (i) the Escrow Agent receives written notice from Contract Vendee and Assignee directing the disbursement of said Deposit, in which case, the Escrow Agent shall then disburse said Deposit in accordance with said direction, or (ii) in the event of litigation between Contract Vendee and Assignee, the Escrow Agent shall deliver the Deposit to the Clerk of the Court in which said litigation is pending, or (iii) the Escrow Agent takes such affirmative steps as the Escrow Agent may, in the Escrow Agent's reasonable opinion, elect in order to terminate the Escrow Agent's duties including, but not limited to, depositing the Deposit with the Court and bringing an action for interpleader, the costs thereof to be borne by whichever of Contract Vendee or Assignee is the losing party.

(d) The Escrow Agent 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 it shall not be liable in connection with the performance of any duties imposed upon the Escrow Agent by the provisions of this Agreement, except for damage caused by the Escrow Agent's own negligence or willful default. The Escrow Agent shall have no duties or responsibilities except those set forth herein. The Escrow Agent shall not be bound by any modification of this agreement, unless the same is in writing and signed by Assignee and Contract Vendee, and, if the Escrow Agent's duties hereunder are affected, unless Escrow Agent shall have given prior written consent thereto. In the event that the Escrow Agent shall be uncertain as to the Escrow Agent's duties or rights hereunder, or shall receive instructions from Assignee or Contract Vendee which, in the Escrow Agent's opinion, are in conflict with any of the provisions hereof, the Escrow Agent shall be entitled to hold and apply the Deposit pursuant to clause (c) above and may decline to take any other action. The Escrow Agent shall not charge a fee for its services as escrow agent.

16. NOTICE

All notices, demands, requests, or other writings in this agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other or by Escrow Agent, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Assignee: Five Sentry Realty Associates L.P.
c/o Cali Realty Acquisition Corp.
11 Commercial Drive
Cranford, New Jersey 07016
Attn: John J. Cali and Roger W. Thomas, Esq.
(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to: Wayne Heicklen, Esq.
Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
(212) 326-0854 (tele.)
(212) 326-0806 (fax)

If to Contract Vendee: Bryemere, L.P.
443 South Gulph Road
King of Prussia, Pennsylvania 19406
Attn: J. Brian O'Neill
(610) 962-5101 (tele.)
(610) 962-5108 (fax)

with a copy to: Kevin W. Walsh, Esq.
Adelman Lavine Gold and Levin
Suite 1900
Two Penn Center Plaza
Philadelphia, Pennsylvania 19102
(215) 568-7515 (tele.)
(215) 557-7922 (fax)

If to Escrow Agent: Commonwealth Land Title Insurance Company
655 Third Avenue
New York, New York
Attention: William Deatley
(212) 949-0100 (tele.)
(212) 856-9308 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided same is sent prior to 4:00 p.m. on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send verification on its machines and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by Assignee or Contract Vendee, as the case may be, for all purposes hereunder.

17. REPLACEMENT RESERVE ACCOUNT; COMMON AREA RENOVATIONS

(a) Contract Vendee shall remit a portion of the Assignment Price in the amount of Five Hundred Thousand (\$500,000.00) Dollars (the "Replacement Reserve") directly to PCS&F and held by PCS&F, as escrow agent, pursuant to the terms of the escrow agreement ("Escrow Agreement I") annexed hereto as Exhibit "L". Assignee shall have the right to draw down any part of or

all of the Replacement Reserve to pay for replacement air conditioning units or other capital expenditures as they occur for a period of five (5) years from the Closing. Any funds remaining in the Replacement Reserve at the end of the five (5) year period shall be returned to Contract Vendee with interest.

(b) Contract Vendee shall also remit a portion of the Assignment Price in an amount not to exceed One Hundred Thousand (\$100,000.00) Dollars (the "Common Area Reserve") directly to PCS&F and held by PCS&F who shall act jointly with Adelman Lavine Gold and Levin as escrow agent pursuant to the terms of an escrow agreement ("Escrow Agreement II"), to be agreed upon between the parties for purposes of funding common area renovations. The Common Area Reserve shall be released to Contract Vendee in accordance with the Escrow Agreement as the common area renovations are completed pursuant to the plans and specifications to be agreed upon between the parties. Any funds remaining in the Common Area Reserve upon completion of the common area renovation shall be returned to Contract Vendee with interest.

(c) Assignee hereby consents to Contract Vendee or its affiliated construction entity to perform the common area renovations set forth in Section 17(b). If Contract Vendee or its affiliated construction entity shall not perform said work, then Assignee shall have the right to select the contractor therefor. Any funds remaining in the Common Area Reserve upon completion of the Common Area renovations shall be returned to Contract Vendee with interest.

18. MISCELLANEOUS

(a) If any instrument or deposit is necessary in order to obviate a defect in or objection or exception to title, the following shall apply: (i) any such instrument shall be in such form and shall contain such terms and conditions as may be required by the Title Company to omit any defect, objection or exception to title, (ii) any such deposit shall be made with the Title Company, and (iii) Contract Vendee agrees to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any such instrument and to make any such deposit.

(b) This Assignment Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties.

(c) This Assignment Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

(d) This Assignment Agreement shall be interpreted and governed by the laws of the State of New Jersey and shall be binding upon the parties hereto and their respective successors and assigns.

(e) Whenever in this Assignment Agreement there is a provision for the return of the Deposit, the provision shall be deemed to include all interest earned thereon and paid to Assignee.

(f) The caption headings in this Assignment Agreement are for convenience only and are not intended to be part of this agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained.

(g) If any term, covenant or condition of this agreement is held to be invalid, illegal or unenforceable in any respect, this agreement shall be construed without such provision.

(h) Each party shall, from time to time, execute, acknowledge and deliver such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this agreement. Nothing contained in this Assignment Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Contract Vendee and Assignee. This Assignment Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Contract Vendee, Assignee or the party whose counsel drafted this agreement.

(i) This Assignment Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Assignment Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single agreement.

(j) This Assignment Agreement shall not create any rights in any third parties against Assignee not otherwise heretofore in existence.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

CONTRACT VENDEE:

BRYEMERE, L.P.

By: Bryemere Estate Planning and
Construction, Inc.,
its general partner

By: /s/J. Brian O'Neill

Name: J. Brian O'Neill
Title:

ASSIGNEE:

FIVE SENTRY REALTY ASSOCIATES L.P.

By: Cali Sub VIII, Inc.,
its general partner

By: /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: Vice President

ESCROW AGENT:

PRYOR, CASHMAN, SHERMAN & FLYNN

By: /s/ Pryor, Cashman, Sherman & Flynn

Name:
Title:

ADELMAN LAVINE GOLD AND LEVIN

By: /s/ Kevin W. Walsh

Name: Kevin W. Walsh
Title: Treasurer

LIST OF EXHIBITS

- Exhibit "A" - Description of Premises
- Exhibit "B" - Form of Assignment of the Sales Agreement
- Exhibit "C" - Sales Agreement
- Exhibit "D" - Schedule of Litigation/Proceedings
- Exhibit "E" - New Leases
- Exhibit "F" - Schedule of Leasing Commissions for New Leases
- Exhibit "G" - FIRPTA Affidavit
- Exhibit "H" - 1995 Income and Expense Statement
- Exhibit "I" - Lease Proposal
- Exhibit "J" - Service Contracts Assigned to and/or Assumed by Contract
Vendee under the Sales Agreement
- Exhibit "K" - Parking Lot Renovation Plans
- Exhibit "L" - Escrow Agreement I

PURCHASE AGREEMENT

DATED OCTOBER 11, 1996 BETWEEN

WHITEWELD CENTRE, INC.

and

CALI REALTY ACQUISITION CORPORATION

INDEX TO PURCHASE AGREEMENT

dated October 11, 1996, between

WHITEWELD CENTRE, INC.

and

CALI REALTY ACQUISITION CORPORATION

Section

1. Subject of Conveyance
2. Definitions of Certain Terms
3. Inspection Period;
Purchaser's Right of Inspection Prior to Closing
4. Purchase Price and Terms of Payment
5. Matters to Which this Sale is Subject
6. Adjustments
7. Estoppel Certificates
8. Items to be Delivered by Seller on the Closing Date
9. Seller's Representations and Warranties
10. Seller's Covenants
11. Conditions Precedent to Purchaser's Obligations
12. Expenses
13. Tax Reduction and Appeals
14. Leasing Commissions and Tenant Improvement Obligations
15. Broker
16. Title Report
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18. Condemnation
19. Remedies
20. Assessment
21. Closing
22. Notice
23. Escrow Agreement
24. Assignment
25. Environmental Representations
26. Miscellaneous

Exhibit A	Land
Exhibit B	List of Personal Property
Exhibit C	Schedule of Leases
Exhibit D	Title Exceptions
Exhibit E	Estoppel Certificates
Exhibit F	Rent Roll
Exhibit G	Schedule of Service Contracts
Exhibit H	Tax Reduction Proceeding
Exhibit I	Schedule of Leasing Commissions

AGREEMENT

THIS AGREEMENT made this 11th day of October, 1996 between WHITEWELD CENTRE, INC., a New Jersey corporation having an office c/o Whiteweld, Barrister & Brown, Inc., 300 Tice Boulevard, Woodcliff Lake, New Jersey 07675 ("Seller") and CALI REALTY ACQUISITION CORPORATION, a Maryland corporation, having an office at 11 Commerce Drive, Cranford, New Jersey 07016 ("Purchaser").

RECITALS

A. Seller is the owner of the Premises (as hereinafter defined) located in the County of Bergen, Township of Woodcliff Lake, State of New Jersey, commonly known as Whiteweld Centre, 300 Tice Boulevard, Woodcliff Lake.

B. Seller has agreed to sell to Purchaser, and Purchaser has agreed to purchase from Seller, the Premises (as hereinafter defined), subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, do hereby agree as follows:

1. SUBJECT OF CONVEYANCE.

Seller hereby agrees to sell and convey, and Purchaser hereby agrees to purchase, subject to all terms and conditions set forth in this Agreement:

(i) those certain plots, pieces or parcels of land situate, lying and being in the County of Bergen, Township of Woodcliff Lake and State of New Jersey comprised of approximately 20 acres in the aggregate of developed land, as described in Exhibit A annexed hereto (the "Land"); and

(ii) the buildings, open parking areas and improvements, including without limitation, all mechanical, electrical, heating, ventilation, air conditioning and plumbing fixtures, systems and equipment as well as all compressors, engines, elevators and escalators, if any, erected on the Land and commonly known as Whiteweld Centre, 300 Tice Boulevard, Woodcliff Lake, New Jersey (collectively, the "Building"); and

(iii) All leases and other agreements with respect to the occupancy of the Land and Building, together with all amendments and modifications thereto, and rents, additional rents, reimbursements, profits, income, receipts and Security Deposits thereunder ("Leases") and all of Seller's right, title and interest in and to those contracts and agreements for the servicing, maintenance and operation of the Land and Building ("Service Contracts") to the extent Purchaser elects to assume same as provided in Section 8 herein; and

(iv) all right, title and interest, if any, of the Seller in and to those certain fixtures, equipment, furniture and other personal property affixed to or appurtenant to the Land and Building including, without limitation, all carpets, drapes and other furnishings; maintenance equipment and tools; keys to locks on or in the Building; and all other machinery, equipment, meters, boilers, repair parts, fixtures and tangible personal property of every kind and character and all accessions and additions thereto owned by and in the possession of Seller and attached to or located upon and used in connection with the ownership, maintenance, or operation of the Land or Building which are not the property of tenants of the Building or of other persons (the "Personal Property"); and

(v) all right, title and interest, if any, of the Seller in and to any land lying in the bed of any public street, road, alley, easements, rights of way, water, water courses, hereditaments or avenue opened or proposed, in front of or adjoining said Land and Building, including all strips and gores between the Land and abutting property, to the center line thereof; and

(vi) all right, title and interest of Seller, if any,

in and to all site plans, surveys, soil and substrata studies, architectural drawings, plans and specifications, engineering plans and studies, floor plans, landscape plans, operating or maintenance manuals and other plans and studies of any kind owned by Seller, if any, with respect to the Land, the Building, or the Personal Property ("Plans"); and

(vii) all books, records, promotional material, tenant data, leasing material and forms, past and current rent rolls, paid bill files, bank statements, tax returns, market studies, keys, and other materials of any kind owned by Seller, if any, which are or may be used in Seller's ownership or use of the Land, the Building or the Personal Property ("Books and Records"); and

(viii) all right, title and interest of Seller, if any, in and to any and all licenses and permits owned or held by Seller (including any certificates of occupancy) to the extent such are assignable and in any way related to or arising out of or used in connection with the ownership or operation of the Land, the Building or the Personal Property (collectively, "Licenses and Permits"); and

(ix) all other rights, privileges and appurtenances owned by Seller, if any, and in any way related to the rights and interests described above in this Section.

The foregoing properties, rights and interests set forth or described in sub-sections (i) - (ix) of this Section 1 are hereinafter collectively referred to as the "Premises".

2. DEFINITIONS OF CERTAIN TERMS.

For purposes of this Agreement, unless the context otherwise requires:

"Additional Rent" shall mean any component of additional rent, however characterized, under a Lease, including without limitation, real estate taxes, electrical charges, utility costs and operating expenses.

"Appurtenances" shall mean all right, title and interest, if any, of Seller in and to any award or payment made, or to be made, (x) for any taking in condemnation, eminent domain or agreement in lieu thereof of land adjoining all or any part of the Land or Building, (y) for damage to the Land or Building or any part thereof by reason of change of grade or closing of any such street, road, highway or avenue, and (z) for any taking in condemnation or eminent domain of any part of the Land or Building.

"Cash Payment" is Thirty-Four Million Nine Hundred and Fifty Thousand (\$34,950,000) Dollars, subject to adjustment as provided herein.

"Closing" is on or about December 6, 1996 but subject to the provisions of Section 21.

"Closing Date" shall mean the date on which the deed to the Premises shall be delivered and title thereto conveyed to Purchaser.

"Deed" shall mean a bargain and sale deed with covenants in proper statutory form for recording so as to convey to Purchaser good and marketable title to the fee simple of the Premises, free and clear of all liens and encumbrances, except the Permitted Encumbrances.

"Deposit" is Two Hundred and Fifty Thousand (\$250,000) Dollars.

"Element" is as defined in Section 25.

"Environmental Documents" is as defined in Section 25.

"Environmental Inspection Period" is the period commencing on the Execution Date and ending November 29, 1996.

"Escrow Agent" is Commonwealth Land Title Insurance Company.

"Estoppel Certificate" is as defined in Section 7.

"Execution Date" is the date that a fully executed copy of this Agreement is in the possession of counsel to Purchaser and Seller.

"Governmental Authorities" shall mean any agency, board, bureau, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision thereof, having, asserting or

acquiring jurisdiction over all or any part of the Premises or the management, operation, use or improvement thereof.

"Hazardous Materials" shall include, without limitation, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls, asbestos or any materials containing asbestos, or related or similar materials, or any other substance or material defined as a hazardous or toxic substance or waste or toxic pollutant by any federal, state or local law, ordinance, rule, or regulation.

"Inspection Period" is the period commencing on the Execution Date and ending November 8, 1996.

"ISRA" is the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the regulations promulgated thereunder and any amending or successor legislation and regulations.

"ISRA Compliance Date" is as defined in Section 25.

"Major Facility" is as defined in the Spill Act.

"NJDEP" is the New Jersey Department of Environmental Protection.

"Permitted Encumbrances" is as defined in Section 5.

"Premises" is as defined in Section 1.

"Purchase Price" is as defined in Section 4.

"Rent Roll" is the rent roll for the Premises set forth in Exhibit F in the form required under Section 9(b).

"Security Deposits" are those deposits posted under the Leases and all other deposits, if any, in the nature of security for a Tenant's performance under its Lease.

"Service Contracts" shall mean those contracts set forth in Exhibit G.

"Spill Act" shall mean the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., together with any amendments or revisions thereof and any regulations promulgated thereunder and any amending or successor legislation and regulations.

"Tenants" shall mean any and all occupants of the Premises as of the date hereof.

"Tests and Studies" is as defined in Section 3.

"Title Company" is Commonwealth Land Title Insurance Company.

"Title Policy" is as defined in Section 16.

3. INSPECTION PERIOD; PURCHASER'S RIGHT OF INSPECTION PRIOR TO CLOSING

During the Inspection Period (except as otherwise set forth herein), Purchaser, at its sole expense, may perform Tests and Studies and may inspect the physical (including environmental) and financial condition of the Premises, including but not limited to the Leases, contracts, engineering and environmental reports, development approval agreements, permits and approvals and Service Contracts, which inspection shall be satisfactory to Purchaser in its sole discretion. Purchaser may terminate this Agreement for any reason, by written notice to Seller given within the Inspection Period (except as otherwise set forth herein). In the event Purchaser terminates this Agreement, Purchaser shall be entitled to the return of the Deposit with interest earned thereon, and this Agreement shall be null and void and the parties hereto shall be relieved of all further obligations hereunder except as otherwise provided herein.

During the Inspection Period (except as otherwise set forth herein), Purchaser, its agents and contractors, shall have the right to enter upon the Premises and perform (or cause to be performed) tests, investigations and studies of or related to the Premises including, but not limited to, soil borings, ground water investigation, percolator tests, surveys, architectural, engineering, subdivision, environmental, access, financial, market analysis, development and economic feasibility studies and other tests, investigations or studies as Purchaser, in its sole discretion, determines is necessary or desirable to satisfy Purchaser of the feasibility of owning and using the Premises (collectively the "Tests and Studies"), provided that it shall give Seller notification of its intention to conduct any such inspection and that such inspection shall not unreasonably impede the normal day-to-day business operation of the Premises. Such right of inspection and the exercise of such right shall not constitute a waiver by Purchaser of the breach of any representation or warranty of Seller which might have been disclosed by such

inspection.

Notwithstanding the foregoing, during the Environment Inspection Period, Purchaser, its agents and contractors may continue to inspect the environmental condition of the Premises and may have the right to enter upon the Premises and perform (or cause to be performed) those Tests and Studies which relate to the environmental condition of the Premises, including but not limited to, soil borings, ground water investigation, percolator tests and environmental studies, upon the terms and conditions set forth in this Section 3, which inspection shall be satisfactory to Purchaser in its sole discretion. Purchaser may terminate this Agreement for any reason relating to the environmental condition of the Premises, by written notice to the Seller given within the Environmental Inspection Period. In the event that Purchaser has not notified Seller of its intention to terminate this Agreement upon the expiration of the Environmental Inspection Period, Purchaser shall be deemed to have terminated this Agreement and the provisions of this Section 3 shall apply.

Seller agrees to permit Purchaser access to the Premises upon prior notice to Seller for the purpose of performing the Tests and Studies. To assist Purchaser in the performance of its Tests and Studies, Seller has previously delivered to Purchaser true and complete copies of all test borings, environmental reports (including, without limitation, all Environmental Documents), surveys, title materials and engineering and architectural data and the like relating to the Premises that are in Seller's possession or under its control. In the event any additional materials or information come within Seller's possession or control after the date of this Agreement, Seller shall promptly submit true and complete copies of the same to Purchaser. Seller shall cooperate with Purchaser in facilitating the Tests and Studies and shall obtain, at no cost or expense to Seller, any consents that may be necessary in order for Purchaser to perform the same. Purchaser shall repair and restore any portion of the surface of the Premises disturbed by Purchaser, its agents or contractors during the conduct of any of the Tests and Studies to substantially the same condition as existed prior to such disturbance.

4. PURCHASE PRICE AND TERMS OF PAYMENT.

The purchase price for the Premises is THIRTY FIVE MILLION TWO HUNDRED THOUSAND and xx/100 (\$35,200,000) Dollars (the "Purchase Price"), payable as follows:

- (a) Delivery of the Deposit to the Escrow Agent on the Execution Date, which shall be held pursuant to the terms of Section 23; and
- (b) The Cash Payment, by a bank, certified or cashier's check on the Closing Date or by the wiring of federal funds to Seller or the Escrow Agent, subject to adjustment as provided herein.

5. MATTERS TO WHICH THIS SALE IS SUBJECT

The Premises are sold and are to be conveyed subject to the following (collectively the "Permitted Encumbrances"):

- (a) The liens of real estate taxes, personal property taxes, water charges, and sewer charges provided same are not due and payable;
- (b) The rights of Tenants, as tenants only;
- (c) Those restrictions, covenants, agreements, easements, matters and things affecting title to the Premises and more particularly described in Exhibit "D" annexed hereto and by this reference made a part hereof;
- (d) Any and all laws, statutes, ordinances, codes, rules, regulations, requirements, or executive mandates as the same may be amended subsequent to the date hereof affecting the Premises adopted by the United States, the State of New Jersey, the Township of Woodcliff Lake and any and every other Governmental Authority having jurisdiction thereof;
- (e) The state of facts shown on that certain survey prepared by Schan Associates and dated December 12, 1994 and any other state of facts which a recent and accurate survey of the Premises would actually show, provided same do not impair the use of the Premises as an office building and do not render title uninsurable at standard rates; and
- (f) Those Service Contracts which are assumed by Purchaser, at its option, at Closing.

6. ADJUSTMENTS

(a) The following items with respect to the Premises are to be apportioned as of midnight on the date preceding the Closing:

- (i) Rents, escalation charges and percentage rents payable by Tenants as and when collected. All monies received from Tenants from

and after the Closing shall belong to Purchaser and shall be applied by Purchaser to current rents and other charges under the Leases. After application of such monies to current rents and charges, Purchaser agrees to remit to Seller any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing, not in excess of one (1) month's rent. The provisions of this subsection 6(a) shall survive the Closing Date.

(ii) Utility charges payable by Seller, including, without limitation, electricity, water charges and sewer charges. If there are meters on the Premises, Seller will cause readings of all said meters to be performed not more than five (5) days prior to the Closing Date.

(iii) Amounts payable under the Service Contracts, to the extent Purchaser assumes such Service Contracts at Closing.

(iv) Real estate taxes due and payable over the calendar year. If the Closing Date shall occur before the tax rate is fixed, the apportionment of real estate taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. If subsequent to the Closing Date, real estate taxes (by reason of change in either assessment or rate or for any other reason) for the Premises should be determined to be higher or lower than those that are apportioned, a new computation shall be made, and Seller agrees to pay Purchaser any increase shown by such recomputation and vice versa. The provisions of this Subsection 6(a)(v) shall survive the Closing Date.

(v) Income from vending machines, if any, and all other income, if any, other than rents.

(b) At the Closing, Seller shall deliver to Purchaser a list of the Additional Rents billed to Tenants for the calendar year 1996 (both on a monthly basis and in the aggregate), the basis for which the monthly amounts are being billed and the amounts incurred by Seller on account of the components of Additional Rent for calendar year 1996. Upon the reconciliation by Purchaser of the Additional Rents billed to Tenants, and the amounts actually incurred for calendar year 1996, Seller and Purchaser shall be liable for overpayments of Additional Rents, and shall be entitled to payments from Tenants, as the case may be, on a pro rata basis based upon each party's period of ownership during calendar year 1996. To the extent that Purchaser determines, in its reasonable discretion, that any overpayments due to Tenants are material in light of the amounts actually incurred, Purchaser shall be given a credit at the Closing. Purchaser agrees to remit to Tenants such overpayments as are due to each Tenant.

(c) Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to title closings in the State of New Jersey.

(d) Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

(e) The provisions of this Section 6 shall survive the Closing Date.

7. ESTOPPEL CERTIFICATES

(a) Seller represents to Purchaser that Seller has delivered to each Tenant an estoppel certificate in the form annexed hereto as Exhibit "E" for Tenant's execution, completed to reflect the Tenant's particular Lease status.

(b) Seller agrees to use its best efforts to obtain from all Tenants and deliver same to Purchaser (i) the estoppel certificates referred to in subsection 7(a), or at a minimum and in satisfaction of the remainder of this Section 7, (ii) estoppel certificates in the form in which each Tenant is obligated to deliver same as provided in its Lease. All certificates referred to in (i) and (ii) above shall be collectively referred to as "Estoppel Certificates".

(c) As a condition to Closing, Seller shall deliver (i) an Estoppel Certificate from each Tenant which is leasing demised space in the Premises of 10,000 square feet or more and (ii) Estoppel Certificates from the remaining Tenants leasing seventy-five (75%) percent of the aggregate remaining square footage of the Premises.

(d) For an Estoppel Certificate to be deemed delivered for purposes of this Agreement, it must certify that the Tenant's most recent rental payment under its Lease was made not more than one (1) month prior to the month in which the Closing occurs.

(e) Seller shall deliver its own Estoppel Certificate on behalf of each Tenant which has failed to deliver such certificate on its own behalf.

8. ITEMS TO BE DELIVERED BY SELLER ON THE CLOSING DATE

On the Closing Date, Seller, at its sole cost and expense, will deliver or cause to be delivered to Purchaser the following documents in connection with the Premises in form and substance reasonably satisfactory to Purchaser:

(a) The Deed duly executed and acknowledged. The delivery of the Deed shall also be deemed to transfer all of Seller's right, title and interest in and to the Personal Property.

(b) All original Leases and all other documents pertaining thereto, and certified copies of such Leases or other documents where Seller, using its best efforts, is unable to deliver originals of same.

(c) All other original documents or instruments initialed by or on behalf of the parties to this Agreement or referred to herein, and certified copies of same where Seller, using its best efforts, is unable to deliver originals.

(d) A letter to Tenants advising the Tenants of the sale hereunder and directing that rent and other payments thereafter be sent to Purchaser or its designee, as Purchaser shall so direct.

(e) Duly executed and acknowledged assignment of all Leases, Security Deposits and Intangible Property in form reasonably acceptable to Purchaser.

(f) A cashier's check to the order of Purchaser in the amount of the Security Deposits and any prepaid rents, together with interest required to be paid thereon. At the election of Purchaser, such amount may be allotted to Purchaser as a credit against the Cash Payment.

(g) An affidavit, or such other documents as required by the Title Company, executed by Seller certifying (i) against any work done or supplies delivered to the Premises which might be grounds for a materialman's or mechanic's lien under or pursuant to New Jersey law, in form sufficient to enable the Title Company to affirmatively insure Purchaser against any such lien, (ii) that the signatures on the Deed are sufficient to bind Seller and convey the Premises to Purchaser, (iii) the conveyance is not prohibited or restricted in any way under the laws of the State of New Jersey and (iv) the Rent Roll. Seller shall also deliver a survey affidavit in the form and substance required by the Title Company.

(h) Any and all affidavits and other instruments (including but not limited to all organizational documents of the Seller and Seller's general partner including limited partnership agreements, certificates of partnership, by laws, articles of incorporation, and good standing certificates) and documents which the Title Company shall reasonably require in order to insure title to Purchaser, subject to no exceptions other than the Permitted Encumbrances.

(i) The Estoppel Certificates required in Section 7.

(j) Plans, Books and Records.

(k) The certificates of occupancy for the Building and a letter from the local municipal zoning department certifying that the Premises complies in all respects with the current zoning ordinance.

(l) A Rent Roll, current as of the Closing Date, certified by Seller as being true and correct in all respects.

(m) All proper instruments as shall be reasonably required for (i) the conveyance of title to the Appurtenances, and (ii) the assignment of and/or collection rights to any condemnation or eminent domain claims, awards or payments, as well as the right to claim or collect damages resulting from damage to the Premises or any part thereof by reason of the changing of grade or closing of any street, road, highway or avenue.

(n) Duly executed and acknowledged assignment of those Service Contracts which Purchaser has elected to assume in form reasonably acceptable to Purchaser.

(o) A certificate signed by an officer of Seller to the effect that Seller is not a "foreign person" as that term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

(p) All such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Seller as may be required of Seller by law in connection with the conveyance of the Premises to Purchaser, including but not limited to, Internal Revenue Service forms 1099-S and 1096.

(q) A statement setting forth the Purchase Price with all adjustments and prorations shown thereon.

(r) The Seller's closing certificate with respect to the representations and warranties described in Section 9 hereof and recertifying

that same are true and correct on the Closing Date.

(s) The Additional Rent list described in Section 6 hereof.

9. SELLER'S REPRESENTATIONS AND WARRANTIES

In order to induce Purchaser to purchase the Premises, Seller hereby warrants, represents and agrees that the following are true as of the date hereof and will be true on the Closing Date:

(a) Annexed hereto as Exhibit "C" is a true, complete and correct schedule of all Leases, which Leases are valid and bona fide and are now in full force and effect. No defaults exist thereunder and no condition exists which, with the passage of time or the giving of notice or both, will become a default; the Leases constitute all of the leases, tenancies or occupancies affecting the Premises on the date hereof; all Tenants have commenced occupancy; there are no agreements which confer upon any Tenant or any other person or entity any rights with respect to the Premises, nor is any Tenant entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted by any Tenant.

(b) Annexed hereto as Exhibit "F" (the "Rent Roll") is a true, complete and correct listing of all Leases, which sets forth: (i) the total number of Tenants at the Premises; (ii) the name of each Tenant; (iii) fixed rent actually being collected; (iv) expiration date or status of the Leases (including all rights or options to renew); (v) Security Deposits; (vi) arrangements under which any Tenant is occupying space on the date hereof or will in the future, occupy such space; (vii) any notices given by any Tenant of an intention to vacate space in the future; and (viii) the base year(s) and base year amounts for all items of rent or additional rent billed to each Tenant on that basis. Seller has performed all of the obligations and observed all of the covenants required of the landlord under the terms of the Leases.

(c) All work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future. No work has been performed at the Premises which would require an amendment to the certificate of occupancy, and any and all work performed at the Premises to the date hereof and to the Closing Date has been and will be in accordance with the rules, laws and regulations of all applicable authorities. All bills and claims for labor performed and materials furnished to or for the benefit of the Premises will be paid in full on the Closing Date.

(d) There are no service contracts, union contracts, employment agreements or other agreements affecting the Premises or the operation thereof, except the Service Contracts. True, accurate and complete copies of the Service Contracts have been initialed by the parties. All of the Service Contracts are and will on the Closing Date be unmodified and in full force and effect without any default or claim of default by any of the parties thereto. All sums presently due and payable by Seller under the Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the Closing Date shall be fully paid on the Closing Date.

(e) There are no actions, suits, labor disputes, litigation or proceedings currently pending or, to the knowledge of Seller, threatened against or related to Seller or to all or any part of the Premises or the operation thereof, nor does Seller know of any basis for any such action.

(f) There are no outstanding requirements or recommendations by (i) the insurance company(s) which issued the insurance policies insuring the Premises; (ii) any board of fire underwriters or other body exercising similar functions, or (iii) the holder of any mortgage, which require or recommend any repairs or work to be done on the Premises.

(g) No Tenants are in arrears for the payment of rent for any month preceding the month of the date of this Agreement, nor has Seller received notice of an intention to vacate from any Tenant, except as noted on the Rent Roll.

(h) The Seller has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Premises, or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Premises, (iii) any proposed or pending special assessments affecting the Premises or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against the Premises and (v) any proposed change(s) in any road or grades with respect to the roads providing a means of ingress and egress to the Premises. Seller agrees to furnish Purchaser with a copy of any such notice received within two (2) days after receipt.

(i) Seller has provided Purchaser with all reports in Seller's possession or under its control related to the physical condition of the Premises and all Books and Records necessary for Purchaser to conduct its due diligence and Tests and Studies.

(j) Seller has no knowledge of any notices, suits, or judgments relating to any violations (including environmental) of any laws, ordinances or regulations affecting the Premises, or any violations or conditions that may give rise thereto and has no reason to believe that any Governmental Authorities contemplates the issuance thereof.

(k) There are no employees working at or in connection with the Premises. There is currently no union agreement affecting the Premises and none will be in effect on the Closing Date.

(l) Annexed hereto as Exhibit "I" is a schedule of all leasing commission obligations affecting the Premises. The respective obligations of Seller and Purchaser with respect to said commissions are set forth in Section 14.

(m) Seller (A) is a duly organized and validly existing corporation under the laws of the State of New Jersey, and is duly authorized to transact business in the State of New Jersey; (B) has all requisite power and authority to execute and deliver this Agreement and all other documents and instruments to be executed and delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell the Premises in accordance with the terms and conditions hereof and all necessary actions of the stockholders and board of directors of Seller to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(n) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Seller, enforceable in accordance with the terms of this Agreement. Seller's performance of its duties and obligations under this Agreement and the transfer documents contemplated hereby will not conflict with, or result in a breach of or default under, any provision of any of Seller's organizational documents, any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which Seller is a party or by which its assets are or may be bound.

(o) No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or State bankruptcy laws is pending or threatened against, or contemplated by Seller.

(p) No person, firm, or entity has any rights in, or rights to acquire all or any part of the Premises.

(q) The Personal Property is now owned and will on the Closing Date be owned by Seller free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other security interests of any kind.

All representations and warranties provided by Seller in this Agreement shall survive the Closing Date for a period of one (1) year and shall not be merged in the delivery of the Deed. Seller agrees to indemnify and hold Purchaser harmless against all claims, liabilities, losses, deficiencies and damages as well as reasonable expenses (including attorney's fees), and interest and penalties related thereto, asserted by any third party against or incurred by Purchaser, by reason of or resulting from any breach, inaccuracy, incompleteness or nonfulfillment of the covenants, representations and warranties of Seller contained in this Agreement.

10. SELLER'S COVENANTS

10.1 Seller covenants and agrees that between the date hereof and the Closing Date it shall perform or observe the following with respect to the Premises:

(a) Seller, as landlord, will not enter into any new leases with respect to the Premises, or renew or modify any Lease, without Purchaser's prior written consent.

(b) If prior to the Closing Date Seller shall have received from (i) any insurance company which issued a policy with respect to the Premises, (ii) any board of fire underwriters or other body exercising similar functions, or (iii) the holder of any mortgage, any notice requiring or recommending any repair work to be done on the Premises, Seller will do the same expeditiously and diligently at its own cost and expense prior to the Closing Date.

(c) Seller will operate and maintain the Premises in the ordinary course of business and use reasonable efforts to reasonably preserve for Purchaser the relationships of Seller and Seller's Tenants, suppliers, managers, employees and others having on-going relationships with the Premises. Seller will complete any capital expenditure program currently in process or anticipated to be completed. Seller will not defer taking any actions or spending any of its funds, or otherwise manage the Premises differently, due to

the pending sale of the Premises.

(d) Seller shall not:

(i) Enter into any agreement requiring Seller to do work for any Tenant after the Closing Date without first obtaining the prior written consent of Purchaser; or

(ii) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent.

(e) Seller shall not, between the date hereof and the Closing Date, apply any of such Security Deposits with respect to any Tenant in occupancy on the Closing Date.

(f) Between the date hereof and the Closing Date, Seller will not renew, extend or modify any of the Service Contracts without the prior written consent of the Purchaser in each instance first had and obtained. At the Closing, Seller will cancel or will have previously cancelled (effective on the Closing Date) all Service Contracts except those which Purchaser has agreed in writing to assume, with all cancellations at Seller's sole cost and expense.

(g) Seller shall not remove any Personal Property as set forth in Exhibit "B" annexed hereto, fixtures or equipment located in or on the Premises, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to Purchaser.

(h) Seller shall, upon request of Purchaser at any time after the date hereof, assist Purchaser in its preparation of audited financial statements, statements of income and expense, and such other documentation as Purchaser may reasonably request, covering the period of Seller's ownership of the Premises.

(i) Between the date hereof and the Closing Date, Seller will make all required payments under any mortgage affecting the Premises within any applicable grace period, but without reimbursement by Purchaser therefor. Seller shall also comply with all other terms covenants, and conditions of any mortgage on the Premises.

(j) Seller shall not cause or permit the Premises, or any interest therein, to be alienated, mortgaged, liened, encumbered (other than by mechanic's or materialman's liens or claims which are removed or bonded against prior to Closing) or otherwise be transferred.

(k) Up to and including the Closing Date, Seller agrees to maintain and keep such hazard, liability and casualty insurance policies in full force and effect in such amounts and covering such risks sufficiently to protect the Premises and to protect, to a reasonable and prudent extent, the owner of the Premises, in such amounts as are required so as not to be deemed a co-insurer, and for actual replacement cost, against any loss, damage, claim or liability.

(l) Seller shall permit Purchaser and its authorized representatives to inspect the Books and Records of its operations at all reasonable times for a period of one (1) year subsequent to the Closing Date. All Books and Records not conveyed to Purchaser hereunder shall be maintained for Purchaser's inspection at Seller's address as set forth above.

(m) All violations of laws, statutes, ordinances, regulations, orders or requirements affecting the Premises, whether or not such violations are now noted in the records of or have been issued by any Governmental Authorities will be complied with by Seller and the Premises will be conveyed free of any such violations.

10.2 Seller covenants and agrees that commencing at the Closing and continuing during such time as Whiteweld, Barrister & Brown, Inc. occupies space in the Building, Purchaser shall retain the right, at Purchaser's sole discretion, to use the name "Whiteweld Centre". Provided that Purchaser is using said name, Seller, its affiliates or both shall not use said name in competition with Purchaser.

11.CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATIONS.

The obligations of Purchaser to purchase the Premises and to perform the other covenants and obligations to be performed by Purchaser on the Closing Date shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by Purchaser):

(i) The representations and warranties made by Seller herein shall be true and correct in all respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(ii) Seller shall have performed all covenants and obligations undertaken by Seller in Section 10 hereof in all respects and

complied with all conditions required by this Agreement to be performed or complied with by it on or before the Closing Date.

(iii) The Title Company is unconditionally prepared to issue to Purchaser a Title Policy meeting the requirements set forth in Section 17 hereof for an "insurable title".

(iv) Seller shall have delivered to Purchaser all of the documents enumerated in Section 8 hereof.

12. EXPENSES

(a) Seller shall pay the fees, costs and expenses of Seller's counsel, and any and all sales taxes, transfer taxes, documentary stamps and other taxes and charges imposed in connection with the delivery and recording of the Deed, all customary prorations and appointments and one-half of all reasonable escrow fees.

(b) Purchaser shall pay the fees, costs and expenses of Purchaser's counsel, all title insurance premiums and charges, all recording fees, all survey or surveyor charges, and any fees, costs or expenses incurred by Purchaser in connection with its inspection of the Premises, including, but not limited to, any architects', engineers', accountants', appraisers' or contractors' fees or costs, all customary prorations and appointments and one-half of all reasonable escrow fees.

(c) The obligations of Seller and Purchaser set forth in this Section 12 shall survive the Closing or the earlier termination of this Agreement.

13. TAX REDUCTION AND APPEALS

Seller is hereby authorized to continue the proceeding or proceedings now pending for the reduction of the assessed valuation of the Premises as set forth on Exhibit "H" and to litigate or settle the same in Seller's discretion. Any refund payable on account of tax years or portions thereof preceding the Closing shall be the property of Seller. Purchaser is hereby authorized by Seller, in Purchaser's sole discretion, to file any applicable proceeding for the 1996 fiscal year for the reduction of the assessed valuation of the Premises. The net refund of taxes, if any, for any tax year for which Seller or Purchaser shall be entitled to share in the refund shall be divided between Seller and Purchaser in accordance with the apportionment of taxes pursuant to the provisions hereof. All expenses in connection therewith, including counsel fees, shall be borne by Seller. The provisions of this Section shall survive the Closing Date.

14. LEASING COMMISSIONS AND TENANT IMPROVEMENT OBLIGATIONS

All leasing commissions due on account of the original term of all Leases made before the date of this Agreement and extensions and renewals which are presently effective (but not renewals or extensions of such leases which are exercised after the Closing Date) shall be paid by Seller. All leasing commissions on account of extensions or renewals of Leases made after the Closing Date shall be paid by Purchaser. All tenant improvements obligations shall be satisfied prior to the Closing Date. The provisions of this Section shall survive the Closing.

15. BROKER

Purchaser and Seller represent that they have not dealt with any brokers, finders or salesmen, in connection with this transaction, and agree to indemnify, defend and hold each other harmless from and against any and all loss, cost, damage, liability or expense, including reasonable attorneys' fees, which they may sustain, incur or be exposed to by reason of any claim for fees or commissions. The provisions of this Section shall survive the Closing Date or other termination of this Agreement.

16. TITLE REPORT

(a) Purchaser agrees promptly after execution of this Agreement to order a report of title or title commitment from the Title Company and to direct the Title Company to provide Seller with a copy thereof. It shall be a condition to Closing that Seller transfer, and that the Title Company agree to insure, title to the Premises in the amount of the Purchase Price (at a standard rate for such insurance) in the name of Purchaser, after delivery of the Deed, by a standard 1992 ALTA Owners Policy, with ALTA endorsements Form 3.1, Form 8.1, Form 9 and any other endorsements as required by Purchaser attached, free and clear of all liens, encumbrances and other matters, other than the Permitted Encumbrances (the "Title Policy"). The Title Company shall provide affirmative insurance that any Permitted Encumbrances have not been violated, and that any future violation thereof will not result in a forfeiture or reversion of title and the exception for taxes shall apply only to the current taxes not yet due and payable. Seller shall provide such affidavits and undertakings as the Title Company insuring title to the Premises may require and shall cure all other defects and exceptions. The words "insurable title" and "insurable" as used in this Agreement are hereby defined to mean title which is

insurable at standard rates (without special premium) by the Title Company without exception other than the Permitted Encumbrances, and standard printed policy and survey exceptions. Seller shall be obligated to expend up to the Purchase Price to cause title to the Premises to be conveyed to Purchaser in the manner required under this Agreement.

(b) If, at the Closing, Seller is unable to convey to Purchaser insurable title to the Premises subject to and in accordance with the provisions of this Agreement, Seller shall be entitled, upon written notice delivered to Purchaser at or prior to the Closing, to reasonable adjournments of the Closing Date one or more times, for a period or periods not to exceed, in the aggregate, thirty (30) days, to enable Seller to convey such title or to fulfill such obligations. If Seller does not so elect to adjourn the Closing, or if at the adjourned date Seller is still unable to convey insurable title subject to, and in accordance with the provisions of, this Agreement, then Purchaser may, at its option, (a) terminate this Agreement by written notice delivered as provided in Section 22 hereof, in which event the sole liability of Seller shall be to direct the Title Company to refund the Deposit with interest thereon to Purchaser, and to refund to Purchaser all charges made for (i) examining the title, (ii) any appropriate additional municipal searches made in accordance with this Agreement, and (iii) survey and survey inspection charges; or (b) accept title to the Premises subject to such defect(s), in which event such defect(s) shall become Permitted Encumbrance(s). Upon such refund being made to Purchaser in accordance with clause (a) of the immediately preceding sentence, then this Agreement shall automatically become void and of no further force or effect, and neither party shall have any obligations of any nature to the other hereunder or by reason hereof, except obligations which, pursuant to the provisions of this Agreement, are expressly stated to survive the termination of this Agreement. If Seller elects to adjourn the Closing as provided above, this Agreement shall remain in effect for the period or periods of adjournments, in accordance with its terms.

(c) Upon notice to Seller, Purchaser shall have the right to cause one or more title insurance companies, whether or not through abstract agencies, to insure Purchaser's title to the Premises on a co-insurance basis or to change title companies, so long as in each instance, said company and agency, to the extent applicable, is a duly licensed title insurance company authorized to conduct business in the State of New Jersey.

(d) Seller shall cause the surveyor to (a) certify and warrant directly to Purchaser and to the Title Company the square footage and acreage of the Land (to the nearest one-one hundredth (1/100)), (b) certify that the survey is a complete and accurate representation of the Premises, (c) certify that there are no gores, gaps or strips, and such other facts that are customarily required by the Title Company, (d) provide directly to the Purchaser and the Title Company a metes and bounds description of the Land and any off-site private easements benefiting the Premises, and (e) otherwise prepare the survey in accordance with the customary requirements of a lending institution financing such a transaction. Seller shall cause the surveyor to update the survey as of the Closing Date and shall have the general survey exception removed from the Title Policy and the survey affirmatively insured to Purchaser.

17. CASUALTY LOSS

(a) If prior to the Closing Date any part of the Premises is damaged as the result of fire or other casualty and the estimated cost of repair of the damage exceeds \$100,000, Purchaser shall have the option to either (i) accept title to the Premises without any abatement of the Purchase Price whatsoever, in which event on the Closing Date all of the insurance proceeds shall be assigned by Seller to Purchaser and any moneys theretofore received by Seller in connection with such fire or other casualty shall be paid over to Purchaser, or (ii) cancel this Agreement and the Deposit together with all interest earned thereon shall be returned to Purchaser by the Escrow Agent, and upon such return neither party shall have any further liability or obligation to the other. In the event that the damages shall not exceed \$100,000, this Agreement shall remain in full force and effect, the insurance proceeds shall be assigned by Seller to Purchaser and all sums received by Seller in connection therewith shall be paid over to Purchaser. Seller shall maintain adequate insurance on the Premises to cover the full replacement value of the Building without reduction for depreciation, including adequate rental value insurance, so as not to be deemed a co-insurer and for actual replacement costs, with no more than a \$100,000 deductible and Seller shall give Purchaser a credit therefor on the Closing Date in case of fire or other casualty occurring before the Closing Date.

(b) Seller shall not settle any fire or casualty loss claims in connection with the Premises without obtaining Purchaser's prior written consent.

(c) Seller hereby agrees to furnish Purchaser with written notification of any such fire or casualty within twenty-four (24) hours of such event.

18. CONDEMNATION

In the event of the institution of any proceedings, judicial,

administrative or otherwise, which shall relate to the proposed material taking of any portion of the Premises by eminent domain prior to the Closing Date, or in the event of the material taking of any portion of the Premises by eminent domain prior to the Closing Date, Purchaser shall have the right and option to terminate this Agreement by giving the Seller written notice to such effect at any time after its receipt of written notification of any such occurrence. Any damage to or destruction of the Premises as a result of a taking by eminent domain shall be deemed "material" for purposes of this Section 18 if the estimate of the damage, which estimate shall be performed by an insurance adjuster and Purchaser's architect, shall exceed \$100,000. Should Purchaser so terminate this Agreement in accordance with this Section 18, the Deposit together with interest earned thereon shall immediately be returned to Purchaser by the Escrow Agent and upon such return, neither party shall have any further liability or obligations to the other. In the event Purchaser shall not elect to cancel this Agreement, Seller shall assign all proceeds of such taking to Purchaser, and same shall be Purchaser's sole property, and Purchaser shall have the sole right to settle any claim in connection with the Premises.

19. REMEDIES

(a) In the event Purchaser fails to perform on the Closing Date, Purchaser's sole liability and Seller's sole recourse shall be limited to the amount of the Deposit. Seller agrees that retention of the Deposit constitutes fixed and liquidated damages resulting from Purchaser's default, and Seller waives any other claim, at law or in equity, either against Purchaser or against any person, known or unknown, disclosed or undisclosed.

(b) (i) If, after complying with the terms of this Agreement, Seller shall be unable to convey the Premises in accordance with the terms of this Agreement, the sole obligation and liability of Seller shall be to direct the Escrow Agent to refund to Purchaser the Deposit, and to pay Purchaser's net cost of examining title, which cost is not to exceed the charges fixed by the local board of title underwriters and actually to be paid by Purchaser, and survey charges actually to be paid by Purchaser, which charges are not to exceed \$5,000, whereupon this Agreement shall be deemed cancelled and the parties hereto shall be released of all obligations and liabilities under this Agreement, except those that are expressly stated to survive the cancellation or termination of this Agreement.

(ii) In the event of any default on the part of Seller or Seller's failure to comply with any representation, warranty or agreement in any material respect, Purchaser shall be entitled to terminate this Agreement upon notice to Seller, in which event the Deposit shall be returned by Escrow Agent to Purchaser and neither party shall thereafter have any further obligations under this Agreement; to commence an action against Seller seeking specific performance of Seller's obligations under this Agreement; to pursue all of its remedies at law or in equity; or to do any or all of the above.

(c) The acceptance of the Deed by Purchaser shall be deemed a full performance and discharge of every agreement and obligation of Seller to be performed under this Agreement, except those, if any, which are specifically stated in this Agreement to survive the Closing.

20. ASSESSMENT

If, on the Closing Date, the Premises or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, of which the first installment is either then a charge or lien or has been paid, then for the purposes of this Agreement all the unpaid installments of any such assessment, including those which are to become due and payable after the Closing Date, shall be deemed to be due and payable and to be liens upon the Premises and shall be paid and discharged by Seller on the Closing Date.

21. CLOSING

The closing and delivery of the Deed (the "Closing") shall take place at the offices of Pryor, Cashman, Sherman & Flynn, 410 Park Avenue, New York, New York 10022 on or about the Closing Date. Upon notice to Seller, Purchaser may elect to accelerate the Closing Date to a date not less than five (5) days after the date of Purchaser's notice.

22. NOTICE

All notices, demands, requests, or other writings in this Agreement provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other or by Escrow Agent, shall be in writing and shall be delivered by depositing the same with any nationally recognized overnight delivery service, or by telecopy or fax machine, in either event with all transmittal fees prepaid, properly addressed, and sent to the following addresses:

If to Purchaser: Cali Realty Acquisition Corporation
11 Commerce Drive
Cranford, New Jersey 07016
Attn: John J. Cali and Roger W. Thomas, Esq.

(908) 272-8000 (tele.)
(908) 272-6755 (fax)

with a copy to: Andrew S. Levine, Esq.
Pryor, Cashman, Sherman & Flynn
410 Park Avenue
New York, New York 10022
(212) 326-0414 (tele.)
(212) 326-0806 (fax)

If Seller: Whiteweld Centre, Inc.
c/o Whiteweld, Barrister & Brown, Inc.
300 Tice Boulevard
Woodcliff Lake, New Jersey 07675
(201) 307-8957 (tele.)
(201) 476-1536 (fax)

with a copy to: Michael F. Rehill, Esq.
Law Offices of Williamson & Rehill
Whiteweld Centre
300 Tice Boulevard
Woodcliff Lake, New Jersey 07675
(201) 476-1515 (tele.)
(201) 476-1818 (fax)

If to Escrow Agent: Commonwealth Land Title Insurance Company
655 Third Avenue, 11th Floor
New York, New York 10017
(212) 949-0100 (tele.)
(212) 856-9308 (fax)

or to such other address as either party may from time to time designate by written notice to the other or to the Escrow Agent. Notices given by (i) overnight delivery service as aforesaid shall be deemed received and effective on the first business day following such dispatch and (ii) telecopy or fax machine shall be deemed given at the time and on the date of machine transmittal provided same is sent prior to 4:00 p.m. on a business day (if sent later, then notice shall be deemed given on the next business day) and if the sending party receives a written send confirmation on its machine and forwards a copy thereof by regular mail accompanied by such notice or communication. Notices may be given by counsel for the parties described above, and such Notices shall be deemed given by Purchaser or Seller, as the case may be, for all purposes hereunder.

23. ESCROW AGREEMENT

Upon the signing of this Agreement by the parties, Purchaser shall deliver the Deposit to the Escrow Agent. The parties agree that the Deposit shall be held by the Escrow Agent in escrow and disposed of only in accordance with the provisions of this Section 23. The parties agree that if the Deposit is cash, such cash shall be invested in an assignable interest-bearing certificate of deposit, money market fund, treasury bill or other similar security approved by Seller and Purchaser, and all interest accruing thereon shall be paid to Purchaser, except as otherwise provided herein.

(a) The Escrow Agent will deliver the Deposit to Seller or to Purchaser, as the case may be, under the following conditions:

(i) To Seller on the Closing Date;

(ii) To Seller upon receipt of written demand therefor, such demand stating that Purchaser has defaulted in the performance of this Agreement and specifically setting forth the facts and circumstances underlying such default. The Escrow Agent shall not honor such demand until more than five (5) days have elapsed after the Escrow Agent has mailed a copy of such demand to Seller or Purchaser, as the case may be, nor thereafter if the Escrow Agent shall have received written notice of objection from Purchaser in accordance with the provisions of clause (b) of this Section 23; or

(iii) To Purchaser upon receipt of written demand therefor, such demand stating that this Agreement has been terminated in accordance with the provisions hereof, or Seller has defaulted in the performance of this Agreement, and specifically setting forth the facts and circumstances underlying the same. The Escrow Agent shall not honor such demand until more than five (5) days have elapsed after the Escrow Agent has mailed a copy of such demand to Seller or Purchaser, as the case may be, nor thereafter, if the Escrow Agent shall have received written notice of objection from the other party in accordance with the provisions of clause (b) of this Section 23.

(b) Upon the filing of a written demand for the Deposit by Purchaser or Seller, pursuant to subclause (ii) or (iii) of clause (a) of this Section 24, the Escrow Agent shall promptly mail a copy thereof to the other party. The other party shall have the right to object to the delivery of the Deposit by filing written notice of such objection with the Escrow Agent at any time within five (5) days after the mailing of such copy to it, but not thereafter. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of such notice, the Escrow Agent shall promptly

mail a copy thereof to the party who filed the written demand.

(c) In the event the Escrow Agent shall have received the notice of objection provided for in clause (b) above and within the time therein prescribed, the Escrow Agent shall continue to hold the Deposit until (i) the Escrow Agent receives written notice from Seller and Purchaser directing the disbursement of said Deposit, in which case, the Escrow Agent shall then disburse said Deposit in accordance with said direction, or (ii) in the event of litigation between Seller and Purchaser, the Escrow Agent shall deliver the Deposit to the Clerk of the Court in which said litigation is pending, or (iii) the Escrow Agent takes such affirmative steps as the Escrow Agent may, in the Escrow Agent's reasonable opinion, elect in order to terminate the Escrow Agent's duties including, but not limited to, depositing the Deposit with the Court and bringing an action for interpleader, the costs thereof to be borne by whichever of Seller or Purchaser is the losing party.

(d) The Escrow Agent 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 it shall not be liable in connection with the performance of any duties imposed upon the Escrow Agent by the provisions of this Agreement, except for damage caused by the Escrow Agent's own negligence or willful default. The Escrow Agent shall have no duties or responsibilities except those set forth herein. The Escrow Agent shall not be bound by any modification of this Agreement, unless the same is in writing and signed by Purchaser and Seller, and, if the Escrow Agent's duties hereunder are affected, unless the Escrow Agent shall have given prior written consent thereto. In the event that the Escrow Agent shall be uncertain as to the Escrow Agent's duties or rights hereunder, or shall receive instructions from Purchaser or Seller which, in the Escrow Agent's opinion, are in conflict with any of the provisions hereof, the Escrow Agent shall be entitled to hold and apply the Deposit pursuant to clause (c) above and may decline to take any other action. The Escrow Agent shall not charge a fee for its services as escrow agent.

24. ASSIGNMENT.

Purchaser shall have the right, at its sole option, to assign its rights hereunder to an affiliate of Purchaser upon written notice to Seller. No assignment shall relieve Purchaser of its obligations hereunder.

25. ENVIRONMENTAL REPRESENTATIONS

A. Seller represents and warrants that (a) there are no Hazardous Materials on or at the Premises, except those in compliance with all applicable federal, state and local laws, ordinances, rules and regulations; (b) no owner or occupant nor any prior owner or occupant of the Premises has received any notice or advice from any Governmental Authority or any source whatsoever with respect to Hazardous Materials on, from or affecting the Premises; (c) no portion of the Premises has ever been used by Seller or any former owner, occupant or operator to generate, manufacture, refine, produce, treat, store, handle, dispose of, transfer, process or transport Hazardous Materials, whether or not any of those parties has received notice or advice from any Governmental Authority or other source with respect thereto; (d) no portion of the Premises is now, or has ever been used as a "Major Facility," and Seller has not used, and does not intend to use, any portion of the Premises for that purpose; and (e) Hazardous Materials have not been transported from the Premises to another location which is not in compliance with all applicable federal, state or local environmental laws, regulations or permit requirements. Seller covenants that the Premises has been kept free of Hazardous Materials, and neither Seller nor any occupant of the Premises has used, transported, stored, disposed of or in any manner dealt with Hazardous Materials on the Premises, except in compliance with all applicable federal, state and local laws, ordinances, rules and regulations. Seller has complied with, and ensures compliance by all occupants of the Premises with, all applicable federal, state and local laws, ordinances, rules and regulations, and has kept the Premises free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Seller receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Premises, Seller shall immediately notify Purchaser.

B. Seller represents and warrants that no lien has been attached to the Premises as a result of any action by the Commissioner of the NJDEP or its successor or its designee pursuant to the New Jersey Spill Compensation Fund as such term is defined in the Spill Act expending monies from said fund to pay for "cleanup and removal costs" or "natural resources" damages as a result of any "discharge" of any "hazardous substances" on or at the Premises, as such terms are defined in the Spill Act. Seller further represents, covenants and agrees that Seller has not in the past, and does not now own, operate or control any Major Facility or any hazardous or solid waste disposal facility.

C. Notwithstanding anything to the contrary contained in this Agreement, the obligation of the Purchaser to pay the Cash Payment and otherwise close title to the Premises on the Closing Date shall be subject to the condition that Seller obtain a Letter of Non-Applicability pursuant to ISRA from the Industrial Site Evaluation Element or its successor (hereinafter called the "Element") of the NJDEP, on or before the date (hereinafter called the "ISRA Compliance Date"), that is thirty (30) days after the Execution Date. If this

condition is not satisfied on or before the ISRA Compliance Date, Purchaser shall have the right to extend the ISRA Compliance Date or to terminate this Agreement, in which event this Agreement shall be rendered null and void and of no further force or effect, Seller shall promptly reimburse Purchaser for the costs of obtaining its title search, appraisal and any survey of the Premises obtained by Purchaser, the Deposit shall promptly be paid to Purchaser, and neither party shall have any further liability or obligation to the other under or by virtue of this Agreement.

D. Seller shall provide Purchaser with all information, reports, studies and analysis which Seller delivered to the NJDEP for the application and issuance of the Letter of Non-Applicability.

E. For purposes of this Agreement, the term "Environmental Documents" shall mean all environmental documentation in the possession or under the control of Seller concerning the Premises or its environs including, without limitation, all sampling plans, cleanup plans, preliminary assessment plans and reports, site investigation plans and reports, remedial investigation and reports, remedial action plans and reports or the equivalent, sampling results, sampling result quality assurance/quality control documentation, correspondence to or from the Element or any other municipal, county, state or federal Governmental Authority, submissions to the Element or any other municipal, county, state or federal Governmental Authority and directives, orders, approvals and disapprovals issued by the Element or any other Governmental Authority. Within five (5) days from the date of this Agreement, and subsequently promptly upon receipt by Seller or Seller's representatives, Seller shall deliver to Purchaser: (i) all Environmental Documents concerning or generated by or on behalf of predecessors in title or former occupants of the Premises; (ii) all Environmental Documents concerning or generated by or on behalf of Seller, whether currently or hereafter existing; (iii) all Environmental Documents concerning or generated by or on behalf of current or future occupants of the Premises, whether currently or hereafter existing; and (iv) a description of all known operations, past and present, undertaken at the Premises, and existing maps, diagrams and other Environmental Documents designating the location of past and present operations at the Premises and past and present storage of hazardous or toxic substances, pollutants or wastes, or fill materials, above or below ground, in, on, under or about the Premises or its environs.

F. Seller shall notify Purchaser in advance of all meetings scheduled between Seller or Seller's representatives and NJDEP and Purchaser, and Purchaser's representatives shall have the right, without obligation, to attend and participate in all such meetings.

G. Seller shall indemnify, defend and hold harmless Purchaser from and against all claims, liabilities, losses, damages, penalties and costs, foreseen or unforeseen including, without limitation, counsel, engineering, attorney and other professional or expert fees, which Purchaser may incur, resulting directly or indirectly, wholly or partly, from any misrepresentation or breach of warranty by Seller or by reason of Seller's action or non-action with regard to Seller's obligation under this Section 26.

H. This Section 25 shall survive Closing.

26. MISCELLANEOUS

(a) If any instrument or deposit is necessary in order to obviate a defect in or objection or exception to title, the following shall apply: (i) any such instrument shall be in such form and shall contain such terms and conditions as may be required by the Title Company to omit any defect, objection or exception to title, (ii) any such deposit shall be made with the Title Company, and (iii) Seller agrees to execute, acknowledge and deliver any such instrument and to make any such deposit.

(b) This Agreement constitutes the entire agreement between the parties and incorporates and supersedes all prior negotiations and discussions between the parties.

(c) This Agreement cannot be amended, waived or terminated orally, but only by an agreement in writing signed by the party to be charged.

(d) This Agreement shall be interpreted and governed by the laws of the State of New Jersey and shall be binding upon the parties hereto and their respective successors and assigns.

(e) Whenever in this Agreement there is a provision for the return of the Deposit, the provision shall be deemed to include all interest earned thereon and paid to Purchaser.

(f) The caption headings in this Agreement are for convenience only and are not intended to be part of this Agreement and shall not be construed to modify, explain or alter any of the terms, covenants or conditions herein contained.

(g) If any term, covenant or condition of this Agreement is

held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

(h) Each party shall, from time to time, execute, acknowledge and deliver such further instruments, and perform such additional acts, as the other party may reasonably request in order to effectuate the intent of this Agreement. Nothing contained in this Agreement shall be deemed to create any rights or obligations of partnership, joint venture or similar association between Seller and Purchaser. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against Seller, Purchaser or the party whose counsel drafted this Agreement.

(i) This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed by the parties hereto in counterparts, all of which together shall constitute a single Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

PURCHASER

CALI REALTY ACQUISITION CORPORATION

By: /s/ Roger W. Thomas

Name: Roger W. Thomas
Title: Vice President

SELLER

WHITEWELD CENTRE, INC.

By: /s/ James J. Bovino

Name: James J. Bovino
Title: President

The undersigned joins in the execution of the Agreement solely for the purpose of acknowledging the receipt of the Deposit and its agreement to hold the Deposit in escrow in accordance with the terms hereof.

ESCROW AGENT

By:/s/ William N. Deary

Name: William N. Deary
Title: Vice President

EXHIBIT 10.53

FIRST AMENDMENT TO
PURCHASE AGREEMENT

FIRST AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") dated as of December 10, 1996, by and between WHITEWELD CENTRE, INC., a New Jersey corporation having an office c/o Whiteweld, Barrister & Brown, Inc., 300 Tice Boulevard, Woodcliff Lake, New Jersey 07675 ("Seller"), and CALI REALTY ACQUISITION CORPORATION, a Maryland corporation having an office at 11 Commerce Drive, Cranford, New Jersey 07016 ("Purchaser").

W I T N E S S E T H :

WHEREAS, Seller and Purchaser have entered into a certain Purchase Agreement dated October 11, 1996 (the "Agreement"), pursuant to which Seller agreed to sell and Purchaser agreed to purchase the property commonly known as Whiteweld Centre, 300 Tice Boulevard, Woodcliff Lake, New Jersey, as more fully described in the Agreement (the "Premises"); and

WHEREAS, Seller and Purchaser have agreed to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of Ten (\$10.00) and 00/100 Dollars and the mutual covenants and agreements hereinafter set forth, and intending to be legally bound hereby, it is hereby agreed by the parties as follows:

1. The Purchase Price is hereby reduced by Two Hundred Thousand (\$200,000) Dollars to Thirty Five Million (\$35,000,000) Dollars.

2. (a) Purchaser has advised Seller that in addition to the leasing commissions reflected on Schedule "J" to the Agreement, there is an additional leasing commission (the "Cushman Commission") which is the obligation of Seller in accordance with Section 14 of the Agreement, due to Cushman & Wakefield of New Jersey, Inc. ("Cushman") in connection with the Lease dated April 13, 1992 between Seller and Integral Systems, Inc. In addition, the agreement pursuant to which the leasing commission due Strategic Alliance, which commission (the "Strategic Commission") is set forth on Schedule "J" of the Agreement, provides that the full amount of said commission becomes immediately due and payable upon a sale of the Premises. Seller hereby agrees that the Strategic Commission shall be paid to Strategic Alliance at the Closing and the Cushman Commission shall be paid to Cushman at the Closing, and Purchaser is hereby entitled to pay the Strategic Commission to Strategic Alliance or its designee against a receipt of same and to pay the Cushman Commission to Cushman or its designee against a receipt of same, in each event to be paid out of Seller's funds.

(b) Seller shall provide Purchaser with evidence at Closing reasonably satisfactory to Purchaser that the commission due to CB Commercial Real Estate Group in Connection with the Lease dated December 15, 1992 between Seller and Comdisco Inc. and to Jacobson, Goldfarb and Tanzman Associates in connection with the Lease dated May 25, 1994, between Seller and Chase Home Mortgage Company have been fully paid.

3. (a) Seller has agreed that certain work is to be performed at the Premises following the Closing for which it shall be liable. Said work (the "Property Repairs") and the estimated dollar amount required to complete each item of work (the "Allocated Amounts") are set forth on Exhibit 3(a) annexed hereto. At Closing, Seller shall deposit with Pryor, Cashman, Sherman & Flynn (the "Escrowee") pursuant to an escrow agreement executed at Closing the sum of One Hundred Twenty-Six Thousand (\$126,000) Dollars (the "Repair Escrow"). No later than three (3) days following Closing, and subject to the requirements set forth in this Section 3(a), Seller shall commence the Property Repairs and shall complete same within thirty (30) days thereafter except for those Property Repairs that can not reasonably be completed within thirty (30) days. The Property Repairs shall be diligently pursued, shall be performed in a good and workmanlike manner, and shall be completed with new, first class materials. The Property Repairs shall be deemed completed upon the approval of Purchaser, and upon the delivery to Purchaser of evidence reasonably satisfactory to it that all of the parties performing said repairs have been paid in full, that none of said parties have any right to file a lien against the Premises for any purpose and that any permits or licenses necessary to evidence the acceptance of the Property Repairs by any applicable governmental authorities have been issued. Upon completion of each of the Property Repairs as required herein, Purchaser shall direct Escrowee to release to Seller the Allocated Amount for said

Property Repair from the Repair Escrow.

(b) Prior to commencing any of the Property Repairs, Seller shall obtain Purchaser's approval of any plans, specifications or other construction program for, and the parties performing, the Property Repairs, shall provide Purchaser with evidence of such insurance as Purchaser reasonably requires, and shall coordinate the Property Repairs with Purchaser. Seller hereby indemnifies, defends and holds harmless Purchaser from any and all losses, costs, damages, expenses (including reasonable attorney's fees) or claims which Purchaser may incur on account of the Property Repairs or the failure to perform same in accordance with this Amendment. In the event that Seller requires access to any of the space occupied by tenants at the Premises to perform the Property Repairs, said access shall be subject to the rights of said tenants.

(c) In the event that the Property Repairs are not completed in the manner and within the time frame set forth above, Purchaser shall have the right, but not the obligation, to commence and complete same and to be reimbursed from the Repair Escrow, upon demand, for all of its costs and expenses incurred on account thereof.

4. (a) Prior to closing, Seller shall have entered into a five (5) year lease with Town & Country Developers, Inc. ("T&C") for an aggregate of 5,776 square feet at an annual rental rate of \$24.00 per square foot (the "T&C Lease"). The form of the T&C Lease shall be reasonably acceptable to Purchaser and shall include among other things, the following terms and conditions: T&C shall not be permitted to sublet the premises demised under the T&C Lease without the Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed; Landlord shall be entitled to collect any incremental income, however characterized, received from a subtenant or upon an assignment of the lease; and all costs of tenant improvements and leasing commissions in connection with a sublet shall be borne by T&C.

(b) In addition, at Closing, T&C shall deliver to Purchaser a guaranty of T&C's obligations under the T&C Lease by James J. Bovino, which guaranty shall be in form and substance satisfactory to Purchaser.

5. (a) Seller, for its own account and on behalf of others, is in the process of obtaining approvals for the construction of a heliport (the "Heliport") on a portion of the Premises shown on the site plan attached hereto as Exhibit 6(a). Purchaser hereby consents to Whiteweld, Barrister & Brown, Inc. ("WBB") continuing to pursue said approvals on behalf of Seller and such other parties, provided that any submissions be delivered to Purchaser prior to their submission to the relevant governmental authorities for Purchaser's approval (Seller hereby representing and warranting that none of the submissions or approvals to date have imposed any obligations on the owner of the Premises), not to be unreasonably withheld or denied, and provided, further, that any conditions, requirements or limitations on the development, construction and operation of the Heliport shall similarly be subject to Purchaser's approval, not to be unreasonably withheld or denied. If Purchaser shall accept the approvals for the Heliport, then WBB agrees to construct the Heliport at no cost or expense to Purchaser and subject to the requirements set forth below. WBB agrees to keep Purchaser informed on the status of the approvals, and any meetings or hearings with regard to the approvals.

(b) Any work in connection with the development or construction of the Heliport (the "Heliport Construction") shall be commenced promptly after acceptance of the approvals by Purchaser, shall be continued diligently, and shall be completed lien-free, in a good and workmanlike manner using new, first class materials. Prior to commencing the Heliport Construction, WBB shall obtain Purchaser's approval of any plans, specifications or other construction program for, and the parties performing, the Heliport Construction, shall provide Purchaser with evidence of such insurance as Purchaser reasonably requires, and shall coordinate the Heliport Construction with Purchaser. WBB hereby indemnifies, defends and holds harmless Purchaser from any and all losses, costs, damages, expenses (including reasonable attorney's fees) or claims which Purchaser may incur on account of the Heliport Construction or the failure to perform same in accordance with this Amendment. WBB shall reimburse Purchaser for its reasonable costs in supervising and inspecting the Heliport Construction from time to time.

(c) At Purchaser's election, made at any time, WBB shall be obligated to post a bond or other evidence of security satisfactory to Purchaser in its discretion, both as to amount and surety, to insure completion of the Heliport Construction in the manner required herein.

(d) In the event that the approvals are granted and the Heliport Construction is completed, the Heliport may not be used until such time as WBB, Purchaser and Medco Containment Services, Inc. ("Medco") shall have entered into an agreement reasonably acceptable to Purchaser providing that so long as WBB and Medco are tenants at the Premises, such parties shall have a "preferential" use of the Heliport, and that Purchaser shall have substantially similar use rights. Purchaser shall also have the right to grant other parties the rights to use the Heliport.

6. In the event of any conflict or inconsistency between the terms and conditions of this Amendment and the terms and conditions of the Agreement, the terms and conditions of this Amendment shall govern and control. All other terms, conditions and provisions of the Agreement shall continue in full force and effect and unmodified.

7. Capitalized terms used and not otherwise defined herein shall have the meanings respectively assigned to them in the Agreement.

8. This Amendment shall be binding upon and inure to the benefit of the successors, legal representatives, heirs and assigns of the parties hereto. This Amendment represents the entire agreement of the parties with respect to the matters addressed herein, and may not be amended except upon the written agreement of both of the parties hereto.

9. This Amendment may be executed by facsimile signatures in any number of counterparts, each of which shall be deemed an original and all of which when considered together shall be one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

WHITEWELD CENTRE, INC., Seller

By: /s/ James J. Bovino

Name: James J. Bovino

Title: President

CALI REALTY ACQUISITION
CORPORATION, Purchaser

By: /s/ Roger W. Thomas

Name: Roger W. Thomas

Title: Vice President

EXHIBIT 10.54

AGREEMENT OF SALE
PARCEL II
AIRPORT BUSINESS CENTER
TINICUM TOWNSHIP, PA

THIS AGREEMENT is made this 23rd day of October, 1996, by and among HENDERSON/TINICUM PARTNERSHIP ("H/T Partnership"), a Pennsylvania general partnership, INTERNATIONAL COURT II LIMITED PARTNERSHIP ("International Court II, LP"), a Pennsylvania limited partnership, INTERNATIONAL COURT III JOINT VENTURE ("International Court III, JV"), a Pennsylvania general partnership, WILBUR C. HENDERSON & SON ("Henderson & Son"), a Pennsylvania general partnership, and DAVID C. HENDERSON ("David Henderson"), an individual, (H/T PARTNERSHIP, INTERNATIONAL COURT II, L.P., INTERNATIONAL COURT III, J.V., HENDERSON & SON, AND DAVID C. HENDERSON, are sometimes hereinafter collectively referred to as "Sellers" and each individually as "Seller"), and CALI REALTY ACQUISITION CORPORATION ("Buyer"), a Delaware corporation.

RECITALS:

A. H/T Partnership is the owner of certain real property and improvements thereon located in Tinicum Township, Delaware County, Pennsylvania, containing approximately 12.7 acres of land and improved with a three-story building consisting of approximately 95,000 rentable square feet and commonly known as "International Court I", all as more fully described on Exhibit "A-1", attached hereto and made a part hereof (the "International Court I Building").

B. International Court II, LP is the owner of certain real property and improvements thereon located in Tinicum Township, Delaware County, Pennsylvania, containing approximately 13.6 acres of land and improved with a four-story building consisting of approximately 208,000 rentable square feet and commonly known as "International Court II", all as more fully described on Exhibit "A-2", attached hereto and made a part hereof (the "International Court II Building").

C. International Court III, JV is the owner of certain real property and improvements thereon located in the Township of Tinicum, Delaware County, Pennsylvania, containing approximately 4 acres of land and improved with a three-story building consisting of approximately 68,000 rentable square feet and commonly known as "International Court III", all as more fully described on Exhibit "A-3", attached hereto and made a part hereof (the "International Court III Building").

D. Henderson & Son and David Henderson are the owners, as tenants in common, of a certain unimproved parcel of land located in Tinicum Township, Delaware County, Pennsylvania, containing approximately 12.7 acres of land, all as more fully described on Exhibit "A-4", attached hereto and made a part hereof (the "Parcel").

E. International Court I Building, International Court II Building, International Court III Building and the Parcel make up an office park commonly known as "Parcel II, Airport Business Center". International Court I Building, International Court II Building, International Court III Building are sometimes hereinafter referred to collectively as, the "Buildings" and individually as, a "Building". (References to lot size for the Buildings and the Parcel are for description only and are not representations as to actual size and dimension.)

F. H/T Partnership desires to sell to Buyer, and Buyer desires to purchase from H/T Partnership, the International Court I Building.

G. International Court II, LP desires to sell to Buyer and Buyer desires to purchase from International Court II, LP, the International Court II Building.

H. International Court III, JV desires to sell to Buyer and Buyer desires to purchase from International Court III, JV, the International Court III Building.

I. Henderson & Son and David Henderson desire to sell to Buyer, and Buyer desires to purchase from Henderson & Son and David Henderson, the Parcel.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein, and each intending to be legally bound hereby, agree as follows:

1. Sale of Property.

A. Subject to and upon the terms and conditions set forth in this Agreement, each Seller agrees to sell, assign, transfer, deliver and convey to Buyer, and Buyer agrees to purchase, acquire and accept from each Seller, all of each Seller's right, title, and interest in the Building or the Parcel, as the case may be, which it owns, as set forth in the Recitals above for the purchase price hereinafter set forth.

B. Buyer agrees to pay to each Seller and each Seller agrees to accept as the purchase price for its Building or the Parcel, as the case may be, the following sum:

<TABLE>

<CAPTION>

Property -----	Price -----
<S>	<C>
International Court I Building	\$12,020,000
International Court II Building	\$23,100,000
International Court III Building	\$ 7,880,000
Parcel	\$ 2,000,000

</TABLE>

Each of the foregoing sums is sometimes hereinafter referred to as the "Individual Purchase Price" for the Building or the Parcel designated opposite such sum, and the sum of all of them, being Forty-Five Million Dollars (\$45,000,000.00), is sometimes hereinafter referred to as the "Purchase Price".

C. Each Seller agrees to sell, convey, assign and transfer as part of this Agreement, with respect to its Building or the Parcel, as the case may be, the following:

(1) All open parking areas and improvements, including without limitation, all mechanical, electrical, heating, ventilation, air conditioning and plumbing fixtures, systems and equipment as well as all compressors, engines and elevators, if any; and

(2) All leases and other agreements with respect to the occupancy of the Building or the Parcel, together with all amendments and modifications thereto ("Leases"), and rents, additional rents, reimbursements, profits, income and receipts with respect to the period commencing on the date of Closing and continuing thereafter as set forth below, and Security Deposits, as hereinafter defined, thereunder and all of Seller's right, title and interest in and to those contracts and agreements for the servicing, maintenance and operation of the Building or the Parcel ("Service Contracts") to the extent Buyer elects to assume same as provided in Paragraph 3.D. herein; and

(3) All right, title and interest, if any, of the Seller in and to those certain fixtures, equipment, furniture and other items of personal property affixed to or appurtenant to the Building or the Parcel owned by Seller and constituting either a part of a Building or the Parcel or used in the operation thereof, including, without limitation, all carpets, drapes and other furnishings; maintenance equipment and tools, all fixtures, machinery, transformers, apparatus, fittings, freezing, lighting, laundry, incinerating and power equipment and apparatus, all engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention and fire extinguishing and refrigerating equipment and apparatus; shades, blinds, awnings, screens, storm doors and windows, cabinets, partitions, ducts and compressors, rugs, furniture and furnishings, hot water heaters, garbage receptacles and containers above and below ground, keys to locks on or in the Building, and all other machinery, equipment, meters, boilers, repair parts, fixtures and tangible personal property of every kind and character and all accessions and additions thereto owned by and in the possession of Seller and attached to or located upon and used in connection with the ownership, maintenance, or operation of the Building or the Parcel which are not the property of Tenants of the Building or of other persons (the "Personal Property") (As used in this Agreement, the term "Tenant" shall mean any and all occupants of the Building or the Parcel.); and

(4) All right, title and interest, if any, of the Seller in and to any land lying in the bed of any public street, any interest in any public or private road, alley, easements, rights of way, water, water courses, sewer rights, hereditament or avenue opened or proposed, in front of or adjoining said Building or the Parcel, as the case may be, including all strips and gores between the Building or the Parcel, as the case may be, and abutting property, to the center line thereof all appurtenances to the Building or the Parcel; and

(5) All right, title and interest of Seller, if any, in and to all current or proposed site plans, and all surveys, soil and substrata studies, architectural drawings, plans and specifications, engineering plans and studies, floor plans, landscape plans, operating or maintenance manuals and other plans and studies of any kind owned by Seller, if any, with respect to the Building or the Parcel or the Personal Property ("Plans"); and

(6) All books, records, promotional material, tenant data, leasing material and forms, current rent rolls, market studies, keys, and other materials of any like kind owned by Seller, if any, which are or may be used in Seller's ownership or use of the Building or the Parcel or the Personal Property (to the extent any such material or information is contained in a document that also contains material or information with respect to a property other than a Building or the Parcel, then Seller shall retain ownership of the document and provide to Buyer a copy thereof, redacted to remove information relating to such other property) during the three (3) year period immediately preceding the date of Closing; Seller shall retain the originals of such for purposes of record-keeping and shall provide true and correct copies to Buyer ("Books and Records"); and

(7) All right, title and interest of Seller, if any, in and to the use of the names, "International Court" and a license to use the name "Airport Business Center" as such relates to the Buildings and the Parcel, but Seller shall retain such right, title and interest, if any, in and to the use of such name as such relates to other property owned by any Seller, and any other name by which the property is commonly known, and all goodwill, if any, related to the name by which the Buildings are commonly known ("Trade Names"); and

(8) All right, title and interest of Seller, if any, in and to any and all licenses and permits owned or held by Seller (including any certificates of occupancy) to the extent such are assignable and in any way used in connection with the ownership or operation of the Building or the Parcel or the Personal Property (collectively, "Licenses and Permits"); and

(9) All other rights, privileges and appurtenances owned by Seller, if any, and in any way related to the rights and interests described above in this Section; provided, however, that if such rights, privileges and appurtenances also benefit or relate to property constituting the Airport Business Center owned by Seller other than the Buildings and the Parcel, then Seller shall retain an ownership interest therein and shall grant and convey to Buyer such interest and right as may be necessary or desirable for Buyer's use and enjoyment of the Buildings and the Parcel.

(The foregoing Buildings, the Parcel, rights and interests set forth or described in subsections (1) through (9) of this Section are hereinafter collectively referred to as the "Property".)

2. Payment of Purchase Price.

A. Simultaneously with the execution and delivery of this Agreement by each Seller, Buyer shall deliver to Commonwealth Land Title Insurance Company ("Title Company"), as escrow agent, a cash deposit in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) to be held by Title Company as the security for the performance of Buyer's obligations hereunder (together with all interest earned thereon, the "Initial Deposit") pursuant to the provisions set forth in Paragraph 19.

B. Within five (5) days after the end of the Inspection Period, as hereinafter defined, Buyer shall at its sole option deliver to Title Company, as escrow agent, either an additional cash deposit in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00), together with all interest earned thereon (the "Second Deposit") or an irrevocable and unconditional, domestic letter of credit (the "Letter of Credit"), issued by a financial institution reasonably acceptable to Sellers for the account of Buyer and naming Title Company as beneficiary, in the sum of Five Hundred Thousand Dollars (\$500,000.00), payable on December 10, 1996, in form reasonably acceptable to Sellers (the "Letter of Credit Deposit"), to be held by Title Company as the security for the performance of Buyer's obligations hereunder pursuant to the provisions set forth in Paragraph 19. (The Initial Deposit and the Second Deposit, if and when made, are sometimes hereinafter collectively referred to as the "Deposit".) In the event Buyer elects to and does deliver the Letter of Credit Deposit, the Initial Deposit shall be promptly returned to Buyer by the Escrow Agent, notwithstanding anything to the contrary set forth in Paragraph 19 or otherwise in this Agreement, and the Letter of Credit Deposit shall be deemed to be the Deposit for the purposes of this Agreement.

C. At the time of Closing, the Deposit, if not in the form of the Letter of Credit Deposit, shall be applied to the Purchase Price.

D. Buyer shall pay to each Seller the balance of the Individual Purchase Price for its Building or Parcel, as the case may be, plus or minus any credits and adjustments as may be provided herein, and less the application of the Deposit, if not in the form of the Letter of Credit Deposit, in cash or by wire transfer of the immediately available federal funds to such Seller's order.

E. In the event that the Parcel Closing, as hereinafter defined, is not held on the same date as the Closing, as hereinafter defined, but is held on or before the first anniversary of the date of Closing, the Individual Purchase Price for the Parcel shall be Two Million Dollars (\$2,000,000.00); if the Parcel Closing is held on a date that is after the first anniversary of the Closing but before the second anniversary of the Closing, the Individual Purchase Price for the Parcel shall be Two Million Fifty Thousand Dollars (\$2,050,000.00); and if

the Parcel Closing is held on a date that is after the second anniversary of the Closing, the Individual Purchase Price for the Parcel shall be Two Million One Hundred Thousand Dollars (\$2,100,000.00), subject to adjustment as provided herein. The parties' respective rights and obligations with respect to the Parcel are more fully set forth in Paragraph 26 hereof.

3. Certain Conditions.

The following shall be conditions precedent to Buyer's obligations to close hereunder:

A. Buyer shall have thirty (30) days, commencing with the date of this Agreement, in which to review all Leases, contracts, income, expenses, Service Contracts, Plans, Books and Records, business records, including, without limitation, engineering and environmental reports, to conduct or retain third parties to conduct physical inspections, soil tests and borings, environmental surveys and tests, ground water tests and investigations, marketing surveys and such other tests, inspections and surveys as Buyer deems relevant or necessary to this purchase ("Inspection Period"). In the event Buyer, in its sole discretion is not satisfied for any reason with the results of said review, tests, reports, or inspections, this Agreement shall terminate as of the end of the Inspection Period. In the event Buyer elects to continue with the purchase of the Property under this Agreement, Buyer shall provide notice of such election to Seller prior to the expiration of the thirty (30) day Inspection Period. The failure by Buyer to timely provide written notice to Seller of its election to continue with the purchase shall be evidence of Buyer's termination of this Agreement. For purposes of the notice referred to above, only, Buyer may provide notice to Seller by hand delivery to Seller's address set forth in Paragraph 18 hereof, and such shall be deemed good notice on the date so delivered. Buyer may elect not to proceed under this Agreement within said time period for any reason whatsoever or no reason. In the event this Agreement terminates by operation of this Paragraph, Buyer will deliver to Seller at the time that the Deposit is returned to Buyer, copies of all environmental and engineering reports and tests that it has received or caused to be made, the Deposit shall be returned to Buyer, this Agreement shall become null and void and neither Seller nor Buyer shall have any further rights or obligations under this Agreement.

(1) Seller hereby agrees that Buyer, its agents and contractors, shall have the right to enter onto the Buildings and the Parcel and Seller agrees to permit inspections, tests, borings, investigations, and studies by Buyer, its agents and contractors, of or related to the Buildings and the Parcel, as Buyer, in its sole discretion may deem necessary or desirable, including without limitation, tests involving the roof, HVAC and other structural elements of each of the Buildings, as well as soil borings and tests and ground water tests and investigations. Prior to undertaking any test that will result in any material damage to the Real Property, Buyer shall obtain Seller's written consent, which consent shall not be unreasonably withheld or delayed. If such consent is not denied within twenty-four (24) hours after the written request therefor is delivered to Seller, the consent shall be deemed granted. Seller shall advise Buyer of any conditions which exist, that due to the nature of the test, boring or investigation to be performed by or on behalf of Buyer pose a dangerous condition to Buyer or any other person. Seller shall cooperate with Buyer and shall use reasonable efforts to secure the cooperation of Tenants, contractors and engineers with Buyer's inspections. Seller shall allow free access to the grounds and the common and Building system areas of the Buildings and to the Parcel during normal business hours, subject to the rights of Tenants under law and the Leases. Tenant areas will be subject to investigation with permission of Tenants, who generally will not permit inspection during normal business hours. Seller will, with the permission of Tenants, make available to Buyer its personnel to assist in obtaining access to Tenant areas during evening and weekend hours. Seller will deliver to Buyer documents in its possession concerning any Plans and/or surveys, current rent roll, Licenses and Permits, Books and Records of the last three years, Leases, Service Contracts, ground water tests and investigations, soil tests and borings, and hazardous waste reports which Seller has in Seller's possession or subject to Seller's control, in regard to the Property and such other documents in Seller's possession, if any, which Buyer may reasonably desire to inspect within three (3) business days after written request therefor is delivered to Seller.

(2) Buyer agrees that it shall indemnify and hold Seller harmless from any and all actions, causes of actions, claims, suits, costs and expenses, including reasonable counsel fees, as a result of personal injury or damage to property, including the Property, to the extent arising out of or occurring as a result of the actions or failure to act of Buyer, its servants, agents or employees and contractors in the course of having access to the Premises and or performing the tests and inspections permitted hereunder, except to the extent caused by Seller, Tenants or their respective agents, servants and employees or other third parties over whom Buyer has no control. Buyer further agrees that if it undertakes any tests in which portions of Buildings, improvements or land are damaged, displaced or removed, Buyer, at its cost, will promptly restore such to its condition prior to the performing of such tests or inspections.

B. All of Seller's representations shall be true and correct as of the

date of Closing, unless expressly limited to the date of this Agreement.

C. As of Closing, the title to the Property shall comply with the requirements specified in Paragraph 4 hereof.

D. Buyer, at least thirty-five (35) days prior to Closing, shall identify in writing to Seller those Service Contracts that Buyer wishes to assume ("Elected Service Contracts"). Seller shall cause all Service Contracts, other than the Elected Service Contracts, to be terminated so that there shall be no contracts or agreements for supplies or services to the Property outstanding on the date of Closing. Buyer shall, in writing, on terms reasonably acceptable to Seller, agree to assume the Elected Service Contracts and release Seller of all liability for obligations or occurrences arising therefrom after the date of Closing.

E. Seller shall have performed all of its covenants, agreements and obligations set forth herein and shall have complied with all conditions required by this Agreement to be performed or complied with by Seller on or before the date of Closing.

F. Seller shall have delivered to Buyer all of the documents required to be delivered as set forth in Paragraph 12 hereof.

G. In the event the zoning classification of any Building is changed prior to Closing without Buyer's written approval, Buyer shall have the right to cancel this Agreement and to receive the Deposit, whereupon neither party shall have any further rights, duties or obligations under this Agreement.

H. Valid and final certificates of occupancy shall have been issued for each Building and for each of the spaces leased to Tenants and no space in any Building shall have been leased or occupied in violation of any such certificate.

I. As of Closing, there shall be no sewer moratorium affecting any of the Buildings or the Parcel.

J. The Property shall be in compliance with all Environmental Laws (as hereinafter defined).

4. Title.

A. At the Closing and the Parcel Closing hereunder, title to the Buildings and to the Parcel, shall be transferred in fee simple, good and marketable, free and clear of all liens, encumbrances, easements and restrictions, except for those items set forth on Exhibit "B" hereto attached and made a part hereof, or those to which Buyer agrees in writing to take subject to ("Permitted Exceptions") and shall be insurable as good and indefeasible fee simple title to the Property, subject only to the Permitted Exceptions, at standard rates by a responsible title insurance company in the Philadelphia and Delaware County area. There shall be no restrictions which would prohibit the use of the Buildings or the Parcel as offices, office buildings, or an office park. Each Seller shall use its diligent efforts to deliver title as required hereunder, subject to the provisions of this Agreement.

B. Each Seller shall inform Buyer within ten (10) days after the date of this Agreement of the existence of any mortgage liens on the Building or the Parcel, which it owns, and the outstanding principal balance and accrued interest due and owing thereon. Each Seller shall use a portion of the Closing proceeds to satisfy any amounts due under such mortgages. Any such mortgage lien shall be discharged or satisfied prior to or at Closing by Seller. If any such mortgage lien is not held by an institutional lender, then Seller shall be obligated to present at Closing a fully executed discharge and satisfaction piece in recordable form and an original of such mortgage properly endorsed for cancellation.

C. If, at or before Closing, it appears that any Building or the Parcel may be or is subject to mechanics' or materialmen's liens or the lien of decedent's debts, the Seller owning such Building or Parcel shall, at Seller's cost and expense, provide special insurance against such lien and upon so doing the same shall be considered good delivery of title with respect thereto under this Agreement. Each Seller shall discharge at Closing all monetary liens that it voluntarily has agreed to attach to the Property in exchange for any monetary benefit (each such lien is sometimes referred to hereinafter as a "Voluntary Lien").

D. If, at or before Closing, it appears that any Building or the Parcel is subject to the possible lien of unsettled corporate taxes or will be subject to possible corporate tax liability of the Seller owning such Building or Parcel, that Seller will enter into an agreement satisfactory to Title Company or deposit funds or security with Title Company as required to induce Title Company to insure title to the subject Building or the Parcel free and clear of loss or damage by reason of the nonpayment of such unsettled and other corporate taxes and the same shall be considered good delivery of title with respect thereto under this Agreement.

E. In the event any monetary liens (other than a mortgage lien or mechanic's or materialmen's lien or a Voluntary Lien) exist against the Property, which individually or in the aggregate are less than or equal to Three Hundred Fifty Thousand Dollars (\$350,000.00), then Seller shall discharge such lien or liens prior to or at Closing, by payment or by posting a bond with the court having jurisdiction over such lien. If Seller desires to contest said lien and cannot discharge the lien by bonding, then Seller shall post an amount equal to the lien, plus interest payable thereon, if any, with Title Company and Buyer, in escrow. Seller shall execute and deliver an agreement, as may be required by Title Company to insure over such lien, and as may be required by Buyer, to provide for the use of such funds to satisfy such lien in the event that any action to execute thereon is initiated against the encumbered Building or Parcel, or in connection with any financing or sale of such Building or Parcel by Buyer. If such lien or liens are individually or in the aggregate with the cost of compliance as set forth in Paragraph 11.J hereof, more than Three Hundred Fifty Thousand Dollars (\$350,000.00), then Buyer shall have the option of either (i) terminating this Agreement and receiving back the Deposit, or (ii) completing Closing hereunder and receiving from Seller a Three Hundred Fifty Thousand Dollar (\$350,000.00) credit against the Purchase Price.

5. Closing.

A. Closing on the purchase of the Buildings, and or the Parcel, if held concurrently, (the "Closing") shall occur at the offices of Seller or such other location as shall be mutually agreed upon by the parties, between December 2, 1996, and December 6, 1996, and in no event shall Closing be held prior to December 2, 1996.

B. As more fully set forth below in Paragraph 26, Buyer may elect to close on the purchase of the Parcel on a date other than the Closing. Closing on the purchase of the Parcel if not concurrently with the Closing, shall occur by the parties at any time within three (3) years after the Closing upon ten (10) days written notice from Buyer to Seller at the offices of Seller or such other location as shall be mutually agreed upon (the "Parcel Closing"), and any term, covenant, representation or warranty made or given herein with respect to or applicable to the Parcel shall extend to and be applicable to the date of the Parcel Closing, and this Agreement shall remain in full force and effect with respect to the Parcel, unless specifically provided otherwise herein.

C. Except as set forth in Paragraphs 4.C. and 4.D., all title insurance fees and premiums shall be borne by Buyer.

6. Apportionments at Closing.

A. The payment of all realty transfer taxes shall be the obligation of Seller and shall be paid at Closing.

B. The following items with respect to each Building and the Parcel are to be apportioned as of 11:59 P.M. on the date preceding the Closing:

(1) Rents and percentage rents payable by Tenants as and when collected. Any rent from a Tenant received by Buyer after Closing for the month in which Closing occurs, shall be pro-rated on a per diem basis based on the actual number of days in such month, and Buyer shall, within thirty (30) days after receipt of such rent, provide to Seller its proportionate share thereof. All other monies received from Tenants from and after the Closing shall belong to Buyer and shall be applied by Buyer to current rents and other charges under the Leases. After application of such monies to current rents and charges, Buyer agrees to remit to Seller any excess amounts paid by a Tenant to the extent that such Tenant was in arrears in the payment of rent prior to the Closing, not in excess of one (1) month's rent. The provisions of this subsection shall survive the Closing.

(2) Utility charges payable by Seller, including without limitation, electricity, water charges and sewer charges. If there are meters on the Building, Seller will cause readings of all said meters to be performed not more than five (5) days prior to the Closing.

(3) Amounts payable under the Elected Service Contracts.

(4) Real estate taxes due and payable.

(5) Income from vending machines, if any, and all other income, if any, other than rents.

C. At the Closing Seller shall deliver to Buyer a certified statement for each Tenant of the Tenant's Operating Allowance, the Operating Lease Year and the Estimated Operating Expenses (as defined in the Leases) with respect to any Operating Lease Year for which the expenses have not been reconciled, setting forth Seller's expenses passed through to Tenant for such Operating Lease Year including, but not limited to, expenses common to all Tenants such as real estate taxes, insurance costs, common area utility costs and other common area operating expenses as well as those charges specific to a particular Tenant ("Additional Rent") as well as the amount Seller has paid or incurred, monthly and in the aggregate, for each item of Additional Rent to the date of Closing.

In the event that Seller has expended more than the amount billed to Tenant, Buyer shall pay Seller the difference between the amount expended or incurred and the amount billed to the Tenant. In the event Tenant has been billed more than the expenses which Seller has paid or incurred, Buyer shall be entitled to a credit against the Purchase Price in the amount of such difference. Buyer agrees to remit said amount to each Tenant as shown on the statement. Seller acknowledges its obligation to each Tenant with respect to any claims of overpayment of Additional Rent for any period to the date of Closing other than as set forth on said statement, and that such obligation shall survive Closing. In the event that a Tenant subsequently disputes the amount of such expenditures by Seller, Seller shall provide Buyer with copies of the invoices and evidences of payment of the invoices for the purposes of resolving such dispute. In the event Buyer is unable to resolve such dispute amicably, Buyer may request Seller to provide counsel for any litigation which may ensue.

D. Except as otherwise provided in this Agreement, the adjustments shall be made in accordance with the customs in respect to closings in the Commonwealth of Pennsylvania.

E. Any errors in calculations or adjustments shall be corrected or adjusted as soon as practicable after the Closing.

7. Allocation of Purchase Price.

The parties agree that the price for the three Buildings shall be allocated among the Buildings as set forth in Paragraph 1.B. above, and that such division of the purchase price is a fair allocation of the relative market values of the Buildings.

The parties agree that notwithstanding the aforesaid, the Agreement for the sale of the Buildings is indivisible and all Buildings must be purchased or the Agreement is subject to cancellation by either party hereto regardless of the reason for the liability, failure, or refusal to offer to convey or accept less than all the Buildings, provided, however, that no Seller may terminate this Agreement due to the failure or refusal of another Seller to comply with the terms hereof and Buyer may not terminate this Agreement as to any Building unless Buyer terminates this Agreement as to all Buildings and the Parcel. Neither Buyer nor Seller may select any one or more of the Buildings for sale or purchase at the allocated prices.

8. As-Is Purchase.

The parties hereto agree that, except as otherwise represented or warranted in this Agreement, the sale of the Parcel and Buildings is on an "as-is" basis. Buyer agrees that it will complete the purchase only on the basis of its own inspection of the Property, tests and inspections by engineers and other consultants, its analysis of the Leases and Tenants, and verification of the income and operating expenses and not in reliance upon any representations or statements made by Seller, its employees and agents, or Broker, as hereinafter defined, its agents, servants or employees, other than those contained in this Agreement or in any instrument or document delivered pursuant hereto.

9. Seller's Representations.

A. As a material inducement to cause Buyer to enter into this Agreement, each Seller hereby makes the following covenants, warrants and representations with respect to it and its respective Property:

(1) Each Building and the Parcel is zoned BCD - Business Center District.

(2) With reference to the items of Personal Property, if any, sold pursuant to this Agreement, Seller, as to such items, if any, applicable to its Building or Parcel, is the sole and absolute owner thereof, free and clear of all security interests, bills of sale, chattel mortgages, security agreements, liens and encumbrances, except for security interests granted in favor of the holder of any mortgage to be paid off on or before Closing.

(3) Annexed hereto as Exhibit "C" (the "Rent Roll") is a true, complete and correct schedule of all Leases, which Leases are valid and bona fide and are now in full force and effect. Seller has delivered to Buyer true, correct and complete copies of all of the Leases. Except as disclosed on the Rent Roll, to the best of Seller's knowledge, no defaults exist under any Lease. The Leases constitute all of the leases, tenancies or occupancies affecting the Buildings or the Parcel on the date hereof; all Tenants have commenced occupancy; other than the Leases, there are no agreements which confer upon any Tenant or any other person or entity any rights with respect to the Buildings or the Parcel; no Tenant is entitled now or in the future to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted by any Tenant; no Tenant is in arrears for the payment of rent for any months preceding September, 1996; all work, alterations, improvements or installations required to be made for or on behalf of all Tenants under the Leases have in all respects been carried out, performed and complied with, and there is no agreement with any Tenant for the performance of any work to be done in the future.

(4) The Rent Roll sets forth: (i) the total number of Tenants at the Buildings and the Parcel; (ii) the name of each Tenant; (iii) fixed rent actually being collected; (iv) expiration date of the Leases (including all rights or options to renew); all deposits posted under the Leases and all other deposits, if any, in the nature of security for performance by a Tenant under its Lease ("Security Deposits"); (vi) arrangements under which any Tenant is occupying space on the date hereof or will in the future, occupy such space (other than under a Lease); (vii) any written notices given by any Tenant of an intention to vacate space in the future; and (viii) the operating lease year(s) and base year(s) and operating lease year amounts and base year amounts for all items of rent or Additional Rent. Seller has performed all of the obligations and observed all of the covenants required of the landlord under the terms of the Leases.

(5) There are no service, maintenance, employment or other contracts affecting the Property or any portion thereof which will not have been terminated as of Closing, other than the Elected Service Contracts. Without Buyer's consent, Seller shall not enter into any other contracts which cannot be terminated prior to Closing. True, accurate and complete copies of the Service Contracts have been initiated by the parties. All of the Elected Service Contracts are and will on the date of Closing be unmodified and in full force and effect without any default or claim of default by any party thereto. All sums presently due and payable by Seller under the Elected Service Contracts have been fully paid and all sums which become due and payable between the date hereof and the date of Closing shall be fully paid on the day of Closing, unless Seller is, in good faith, disputing the payment of such sum. Seller shall provide to Buyer prompt notice of any dispute with or default by any vendor of an Elected Service Contract but failure to do so will not constitute a breach of this covenant.

(6) Each of the respective Sellers is the sole owner of fee simple title of the Building or the Parcel, as set forth in the Recitals, and has the right to convey by special warranty deed fee simple title to such Building or to the Parcel, as the case may be.

(7) To the best of Seller's knowledge, there are no violations of any building codes, zoning codes or other township ordinances applicable to the Buildings or the Parcel, or the operation thereof. Seller has no knowledge of any notices, suits, investigations or judgments alleging or relating to any violations of any laws, ordinances, regulations, codes, decrees, orders or statutes affecting the Property, or the use and operation thereof, and has no reason to believe that any governmental agency, authority or board contemplates the issuance or commencement thereof.

(8) There are no pending legal proceedings, actions, suits, labor disputes currently pending or, to the best of Seller's knowledge, threatened against or affecting title to the Property or any part thereof or Seller, except suits for personal injury to third persons that are covered by insurance.

(9) There are no leasing commissions due on account of the original term of all Leases or any extensions and renewals thereof and owing by the Seller. All commissions, including without limitation, those disclosed to Buyer, and shall be fully satisfied by Seller prior to Closing.

(10) To the best of Seller's knowledge, the public utilities available for the operation of the Buildings as an office park or any part thereof, i.e., water, sewer, gas and electricity, are fully available to the Buildings and enter the office park through Stevens Drive in accordance with valid easements which are recorded and which will enure to the benefit of Buyer. To the best of Seller's knowledge, said utilities, as built, extend to the cul-de-sac, but do not extend to the edge of the Parcel, except gas service which does not extend to the cul-de-sac.

(11) There exists no building permits under which work remains to be completed.

(12) To the best of Seller's knowledge, there are no underground storage tanks on the Buildings or the Parcel, except one 10,000 gallon tank for heating oil servicing International Court II Building and all required permits and registrations with respect to such tank have been obtained by Seller and remain in full force and effect.

(13) Henderson/Tinicum Partnership and Wilbur C. Henderson & Son are Pennsylvania general partnerships, duly formed and validly existing under the laws of the Commonwealth of Pennsylvania and the persons executing this Agreement on behalf the partners of such partnership are authorized to do so.

(14) International Court II Limited Partnership is a Pennsylvania limited partnership duly formed and existing under the laws of the Commonwealth of Pennsylvania. The person or persons executing this Agreement on behalf of the general partner of such limited partnership are authorized to do so.

(15) International Court III Joint Venture is a Pennsylvania general partnership duly formed and validly existing under the laws of the Commonwealth of Pennsylvania. The persons executing this Agreement on behalf of the entities comprising the partnership are authorized to do so.

(16) Seller has had a delineation of the wetlands on the Parcel made by a wetlands consultant. A copy of the wetlands delineation and the site plan for said Parcel upon which the wetlands have been delineated has been or will be delivered to Buyer. To the best of Seller's knowledge, such delineation of the wetlands is accurate and complete.

(17) Under current zoning and land development laws, codes and ordinances and other laws and regulations applicable to the Parcel, as a matter of right, without the need for any variance, exception or other relief, there can be constructed on the Parcel with the wetlands delineation discussed above in Paragraph 9.A(17), either (i) a minimum of 135,000 square feet of office space with parking therefor at the ratio of four spaces per 1,000 square feet of space, or (ii) a minimum of 150,000 square feet of office space with structured parking as needed to achieve a parking ratio of four spaces per 1,000 square feet of space. Sewer capacity is available to support the construction and operation of the amount of space set forth in the immediately preceding sentence.

(18) All documents delivered by Seller to Buyer in accordance with the provisions of this Agreement will be true and correct copies of Seller's records, either maintained by Seller in its or his ordinary course of business, or delivered to Seller for use in its or his business.

(19) To the best of Seller's knowledge, there are no outstanding requirements or recommendations, which if not followed could jeopardize any insurance coverage, by (i) the insurance company(s) which issued the insurance policies insuring the Buildings; (ii) any board of fire underwriters or other body exercising similar functions, or (iii) the holder of any mortgage, which require or recommend any repairs or work to be done on the Buildings.

(20) The Seller has received no written notice and has no knowledge of (i) any pending or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, affecting or which may affect the Property, or any part thereof, (ii) any proposed or pending proceeding to change or redefine the zoning classification of all or any part of the Property, (iii) any proposed or pending special assessments affecting the Property or any portion thereof, and (iv) any proposed changes in any road or grades with respect to the roads providing a means of ingress and egress to the Property. Seller agrees to furnish Buyer with a copy of any such notice received within two (2) days after receipt.

(21) All books and records provided by Seller to Buyer are true, complete and correct.

(22) There are no employees of any Seller working at or in connection with the Property. There is currently no union agreement affecting the Property and none will be in effect on the date of Closing.

(23) Seller has all requisite power and authority to execute and deliver this Agreement and all other documents to be executed delivered by it hereunder, and to perform its obligations hereunder and under such other documents and instruments in order to sell its Building or the Parcel and the Property owned by it in accordance with the terms and conditions hereof and all necessary actions of the general and limited partners (stockholders and board of directors) of Seller to confer such power and authority upon the persons executing this Agreement and all documents which are contemplated by this Agreement on its behalf have been taken.

(24) This Agreement, when duly executed and delivered, will be the legal, valid and binding obligation of Seller, enforceable in accordance with the terms of this Agreement, subject to bankruptcy, insolvency, reorganization or other laws affecting the rights of creditors generally. Seller's performance of its duties and obligations under this Agreement and the transfer documents contemplated hereby will not conflict with, or result in a breach of or default under, any provision of any of Seller's organizational documents, any agreements, instruments, decrees, judgments, injunctions, orders, writs, laws, rules or regulations, or any determination or award of any court or arbitrator, to which Seller is a party or by which its or his assets are or may be bound.

(25) No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or State bankruptcy laws is pending or threatened against, or contemplated by Seller.

(26) No person, firm or entity has any rights in, or rights to acquire all or any part of the Property.

B. All representations and warranties herein made shall be considered to have been made both as of the date of execution hereof and as of the date of

Closing hereunder, unless the representation is as of the date of this Agreement, in which event the representation is not as of the date of Closing. With respect to Henderson & Son and David C. Henderson, the representations, warranties set forth above in subparagraphs (6), (8), (9), (11), (12), (13), (18), (20), (21), (22), (23), (24), (25) and (26) and covenants contained herein shall continue and shall be considered to have been made both as of the date hereof and as of the date of the Parcel Closing, to the extent applicable to the Parcel and such Sellers or either, except as may be otherwise provided herein.

10. Signage.

A. Buyer and Seller of Parcel agree that such Seller will not post more than one (1) sign on the Parcel of the same size as the existing sign until the date of the Parcel Closing. Said sign shall be limited to advertising the development or leasing of flex buildings within Seller's remaining acreage in the Airport Business Center and the name, address and telephone number of Seller's agent and shall include the descriptive word "industrial". If Buyer does not close on the purchase of said Parcel as provided herein, Seller's agreement with respect to the limitation on signage on the Parcel shall terminate and Seller will not thereafter be bound.

B. Following the Parcel Closing, Seller shall be entitled to post a sign on the Parcel at the location indicated on the sketch attached hereto and marked Exhibit "H" for a period of two (2) years ending on the anniversary of the Parcel Closing; provided however, that if Buyer has entered into an agreement for the sale or development of said Parcel with a purchaser or lessee who objects to the continuation of the sign for the balance of said two (2) year period, said sign shall be removed to a location on the premises of International Court II Building or International Court III Building at a location mutually satisfactory to Buyer and Seller and as close to Interstate 95 as the existing sign. The cost of such removal and relocation of said sign shall be borne by Seller. Said sign after the date of Closing shall be restricted to the same purposes as that agreed upon prior to the date of the Parcel Closing. In no event shall the sign located on Parcel II of the Airport Business Center be used by Seller to advertise the sale or leasing of Seller's office space, wherever located. Seller at its cost shall comply with all applicable codes, rules, regulations, orders, laws, and statutes relating to the construction, erection and maintenance of such sign. Seller shall maintain with an insurance company licensed to do business in Pennsylvania, casualty and liability insurance with respect to such sign in amounts and coverages reasonably acceptable to Buyer and naming Buyer as an additional insured. Seller shall provide evidence, reasonably satisfactory to Buyer, of such insurance coverage prior to the erection of such sign. Following the Parcel Closing, Seller agrees to indemnify, defend and hold Buyer harmless from and against all claims, damages, liabilities and actions arising out of damage to property and injuries to persons, including death, resulting from the negligence or wilful misconduct of Seller, its employees, agents, servants and independent contractors except to the extent such damage or injury is caused by the negligence or misconduct of Buyer, its officers, agents, servants, employees and independent contractors. The terms of this Paragraph 10 shall survive closing.

11. Other Obligations of Seller.

During the period between the execution of this Agreement and Closing hereunder and with respect to the Parcel, the Parcel Closing hereunder, each Seller with respect to its property, covenants and agrees that it shall perform and observe the following with respect to the Property:

A. Seller shall keep and maintain the Buildings in the same condition as they now are, ordinary wear and tear and damage by accident or casualty excepted.

B. Seller will operate and maintain the Buildings in the ordinary course of business and use reasonable efforts to maintain the existing relationships of Seller and Seller's Tenants, suppliers, managers, employees and others having on-going relationships with the Buildings. Seller will not commence any capital expenditure program. Seller will not manage the Buildings differently, due to the pending sale of the Buildings.

C. Seller shall not:

(1) Enter into any agreement requiring Seller to do work for any Tenant after the date of Closing without first obtaining the prior written consent of Buyer; or

(2) Accept the surrender of any Service Contract or Lease, or grant any concession, rebate, allowance or free rent, without the consent of Buyer, which consent shall not be unreasonably withheld.

D. Seller shall not, between the date hereof and the date of Closing, apply against rent due any Security Deposits with respect to any Tenant in occupancy on the date of Closing, unless such Tenant has vacated the Building.

E. Between the date hereof and the date of Closing, Seller will not renew, extend or modify any of the Elected Service Contracts without the prior written consent of the Buyer in each instance first had and obtained. At the Closing, Seller will cancel or will have previously cancelled (effective on the

date of Closing) all Service Contracts except the Elected Service Contracts, with all cancellations at Seller's sole cost and expense. The snow removal contract expires at the end of October, 1996. Seller will attempt to negotiate the snow removal contract for the year commencing November, 1996, subject to the approval of Buyer, which shall not be unreasonably withheld. If Buyer does not approve such contract as negotiated by Seller, then Seller shall not enter into such contract unless by its terms such contract can be terminated effective at the time of Closing.

F. Seller shall not remove any of its Personal Property located in or on the Buildings or the Parcel, except as may be required for repair and replacement. All replacements shall be free and clear of liens and encumbrances and shall be of quality at least equal to the replaced items and shall be deemed included in this sale, without cost or expense to Buyer.

G. Seller shall, upon the request of Buyer at any time after the date hereof, assist Buyer in its preparation of audited financial statements, statements of income and expense, and such other documentation as Buyer may reasonably request, covering the period of Seller's ownership of the Property.

H. Seller shall not voluntarily cause the Buildings or the Parcel, or any interest therein, to be alienated, mortgaged, or otherwise be transferred.

I. Up to and including the date of Closing, Seller agrees to maintain and keep in full force and effect hazard and casualty insurance policies in such amounts and for such coverages as set forth on Exhibit "D", attached hereto and made a part hereof.

J. All violations of laws, statutes, ordinances, regulations or orders affecting the Buildings or the Parcel, whether or not such violations are now noted in the records of or have been issued by any governmental authorities will be complied with by Seller and the Buildings and the Parcel will be conveyed free of any such violations, provided that the cost of compliance, individually or in the aggregate, is less than or equal to Three Hundred Fifty Thousand Dollars (\$350,000.00). In the event that the cost of compliance, individually or in the aggregate with the cost of compliance as set forth in Paragraph 4.E hereof, is more than Three Hundred Fifty Thousand Dollars (\$350,000.00), then Buyer shall have the option of either (i) terminating this Agreement and receiving back the Deposit, or (ii) completing Closing hereunder and receiving from Seller a Three Hundred Fifty Thousand Dollar (\$350,000.00) credit against the Purchase Price. Seller shall provide to Buyer notice of any violation received by Seller within two (2) days after Seller's receipt thereof. Seller shall provide to Buyer at least ten (10) days prior to Closing, evidence of Seller's payment or of Seller's correction of any violation made after the date of this Agreement. Provided that if following Closing, the existence of such violation shall not prohibit Buyer or any Tenant from using and enjoying the Building, the Parcel or any part thereof, then if Seller disputes its liability for or the applicability of any violation, Seller shall have the right to contest said violation by appropriate measures. In connection with any such contest, Seller shall post with the court or agency having jurisdiction over such contest, or shall deposit in escrow with Title Company for the benefit of Buyer pursuant to an escrow agreement satisfactory to Buyer and Title Company, an amount equal to the estimated cost necessary to correct such violation, plus ten percent (10%). Seller shall have the right to continue such contest after Closing until a final determination thereof by the appropriate court or agency, provided Seller also agrees in writing, in form and substance acceptable to Buyer, to indemnify, defend and hold Buyer harmless from and against all actions, causes of actions, fines, penalties, expenses, damages and costs, which Buyer may incur resulting from such violation or contest.

12. Documents to be Delivered at Settlement.

A. At Closing, each Seller, as to its Building or Parcel and itself, at its sole cost and expense, will deliver to Buyer the following, all in form and substance reasonably satisfactory to Buyer:

(1) The originals of all Leases, together with all amendments and modifications thereof and other documents pertaining thereto;

(2) Originals of all Permits and Licenses Seller has obtained pertaining to the operation and maintenance of the Buildings;

(3) A copy of the notice to the Tenants under the Leases advising them of sale hereunder and instructing such Tenants to make all future rent payments to Buyer or its designee, as Buyer may direct;

(4) Copies of the income and expense records for the Buildings for the previous two years

(5) To the extent they are in Seller's possession, original copies of the Building's plans and working drawings at the time of construction, together with final "as built" surveys of the Buildings showing all improvements now existing thereon.

(6) Original Certificates of Occupancy for the Buildings and

each of the spaces leased by Tenants.

(7) Assignments, in form acceptable to Buyer, of all warranties and guarantees in Seller's possession in connection with construction or maintenance of the Buildings.

(8) A certified statement to Buyer setting forth the amount of all Security Deposits, and prepaid rents, together with any interest required to be paid thereon, if any, paid by the Tenants under the Leases. Seller shall retain the Security Deposits and Buyer shall receive a credit against the Purchase Price in an amount equal to all Security Deposits and prepaid rents, together with any interest required to be paid thereon, if any, paid by the Tenants under Leases.

(9) A letter ("Estoppel Letter") signed by each Tenant under the Leases as reflected on the list of Tenants attached as Exhibit "C" hereto, dated as no more than three weeks prior to Closing, in substantially the form attached hereto as Exhibit "E", or if such Tenant refuses to execute fully such an Estoppel Letter, in such form as may be set forth in the Lease for such Tenant.

(10) A Special Warranty Deed for each Building, and, if appropriate, the Parcel, duly executed and acknowledged by Seller.

(11) A duly executed and acknowledged Bill of Sale for the Personal Property.

(12) A FIRPTA Certificate duly executed by each Seller.

(13) A Rent Roll for the Buildings, certified by Seller to be true and correct as of the date of Closing, setting forth the names and locations of Tenants, and whether any Tenants are in arrears in the payment of rent under such Tenant's Lease and the amount of such arrearage.

(14) An affidavit, or such other documents as required by Title Company, executed by Seller certifying (i) against any work done or supplies delivered to the Buildings or the Parcel which might be grounds for a materialman's or mechanic's lien under or pursuant to Pennsylvania law, in form sufficient to enable Title Company to affirmatively insure Buyer against any such lien, (ii) that the signatures on the Deeds are sufficient to bind Seller and convey the Property to Buyer, (iii) that the conveyance is not prohibited or restricted in any way under the laws of the Commonwealth of Pennsylvania, and (iv) the Rent Roll.

(15) Any and all fact affidavits and other previously executed instruments or documents (including but not limited to all organizational documents of the Seller and Seller's general partner including limited partnership agreements, certificates of partnership, by laws, articles of incorporation, and good standing certificates) which Title Company shall reasonably require in order to insure title to Buyer, subject to no exceptions other than the Permitted Exceptions.

(16) Originals of all Plans, and copies of all Books and Records for the past three years.

(17) All proper instruments as shall be reasonably required for (i) the conveyance of title to the appurtenances, and (ii) the assignment of and/or collection rights to any condemnation or eminent domain claims, awards or payments, as well as the right to claim or collect damages resulting from damage to the Buildings or any part thereof by reason of the changing of grade or closing of any street, road, highway or avenue.

(18) All such realty transfer tax affidavits and statements of value and such transfer and other tax declarations and returns and information returns, duly executed and sworn to by Seller as may be required of Seller by law in connection with the conveyance of the Property to Buyer, including but not limited to, Internal Revenue Service forms 1099-S and 1096.

(19) The Seller's closing certificate with respect to the representations and warranties given herein and recertifying that same are true and correct on the date of Closing and containing a limitation on survival consistent with Paragraph 22(M) hereof.

(20) A letter from Tincum Township certifying that the Buildings comply in all respects with the current zoning ordinances, if Tincum Township issues such letters as a matter of course.

(21) Such further documents or instruments in form suitable for recording, if appropriate, as necessary to effectuate the provisions hereof.

B. At Closing, Buyer, at its sole cost and expense, will deliver to Seller the following, all in form and substance reasonably satisfactory to Seller:

(1) A certificate from its corporate secretary certifying the resolutions of Buyer authorizing the transactions contemplated by this Agreement, and Buyer's articles of incorporation and bylaws; and

(2) A copy of the most recently filed Form 10K by Cali Realty Corporation ("Cali").

C. At Closing, Buyer and each Seller, as to its Building or Parcel and itself, at a shared cost, will deliver to each other the following, all in form and substance reasonably satisfactory to them:

(1) A separate assignment and assumption agreement duly executed and acknowledged by Seller and Buyer, pursuant to which Seller shall assign to Buyer, and Buyer shall assume from Seller, all of Seller's interest in and liability for future performance of the Leases, Security Deposits, Plans, Licenses and Permits, and Trade Names, all as more fully set forth above;

(2) An assignment and assumption agreement, duly executed and acknowledged by Seller and Buyer, pursuant to which Seller shall assign to Buyer, and Buyer shall assume from Seller, all of Seller's interest in the Elected Service Contracts; and

(3) A duly signed statement setting forth the Purchase Price with all adjustments, credits and prorations shown thereon.

13. Possession.

Possession of the Property will be transferred to the Buyer at Closing by Special Warranty Deed and by keys to all of the Buildings and access to all areas of the Property.

14. Fire or Other Casualty.

In the event of damage to or destruction of any of the Buildings by fire or other casualty of 25,000 square feet of rentable office space or more, Buyer shall have the option of:

(a) terminating this Agreement, in which event the Deposit shall be returned to Buyer and all rights and obligations of the parties hereunder shall terminate and shall be null and void; or

(b) of proceeding with Closing, in which event the net proceeds of any insurance collected prior to Closing will be paid or credited to Buyer at Closing, and all unpaid claims and rights in connection with losses under any insurance policies will be assigned to Buyer at Closing and be credited on account of the Purchase Price and all claims and actions with respect to such casualty shall be assigned to Buyer. In consideration thereof, Seller agrees to continue to maintain its present insurance with risks generally known as extended coverage, at Seller's cost and expense until Closing. Forthwith upon execution of this Agreement, all of said policies of insurance will be endorsed or amended to make them payable to Seller and Buyer as their respective interests may appear. Certificates to this effect from the respective insurance companies will be delivered to Buyer within twenty (20) days from the date hereof and such certificates shall provide for at least ten (10) days' written notice to Buyer in the event of cancellation or material change in coverage in any of the policies evidenced thereby.

In the event that any of the Buildings is damaged by fire or other casualty, and less than 25,000 square feet of rentable office space has been so damaged, this Agreement shall remain in full force and effect. In the event Seller expends any money in repairing any such casualty damage prior to Closing, then Seller shall be entitled to a portion of insurance proceeds equal to Seller's expenditures. Prior to Closing, Seller shall provide to Buyer evidence of such expenditures. All remaining insurance proceeds shall be assigned to Buyer and all remaining sums received by Seller in connection therewith shall be paid over to Buyer, and all rights to claims shall be assigned to Buyer.

Seller shall not settle or compromise any claims without obtaining Buyer's prior written consent.

15. Eminent Domain.

In the event Seller receives any notice of any condemnation proceedings, or other proceedings in the nature of eminent domain it will forthwith send a copy of such notice to Buyer. If ten percent (10%) or more of any of the Buildings or Parcel or all of them is proposed to be or is taken by eminent domain, Buyer may, within twenty (20) days of receipt of such notice of condemnation, upon written notice to Seller, elect to cancel this Agreement, and in such event the Deposit together with interest earned thereon shall be returned to Buyer and neither party shall have any further rights or obligations hereunder and this Agreement shall be null and void. If all or any portion of the Buildings or Parcel or all of them has been or is hereafter taken or condemned and this Agreement is not cancelled, Seller shall, at Closing, credit or assign to Buyer all of Seller's right, title and interest in and to any actions, claims, awards in condemnation, or damages of any kind, to which Seller may have become entitled or may thereafter be entitled by reason of any exercise of the power of eminent domain with respect to or for the taking of the Buildings, the Parcel or any portion thereof.

16. Default.

A. Buyer's Default.

In the event Buyer defaults in its performance of any term, covenant, condition or obligation under this Agreement, Seller's sole remedy, legal and equitable, shall be to retain the Deposit to the extent delivered to the Title Company at the time of the default, and interest earned thereon as liquidated damages, it being understood that the exact amount of damages that Seller will sustain is difficult of determination and that the amount of the liquidated damages provided herein is a reasonable estimate of the amount of damages Seller will sustain. Seller waives all other remedies. Buyer consents to the jurisdiction of the Court of Common Pleas of Delaware County, and of the United States District Court for the Eastern District of Pennsylvania and agrees that service may be made upon Buyer by registered or certified U.S. Mail.

B. Seller's Default.

In the event Seller defaults in its obligations to close under this Agreement, Buyer shall be entitled to (a) enforce specific performance of this Agreement with an abatement of the Purchase Price in an amount equal to Buyer's costs and expenses in enforcing its remedy of specific performance, including without limitation, reasonable attorney's fees, plus the damages suffered by Buyer as measured by the difference between the return to Buyer of interest earned on the purchase money and the return from operating income and rents that Buyer would have earned had the sale been completed as contemplated hereby, during such period between December 6, 1996, and the date on which Closing actually occurs; or (b) to terminate this Agreement and to bring suit for all of Buyer's costs and expenses incurred in connection with this Agreement, including without limitation, reasonable attorney's fees (both in-house and outside counsel) and fees of engineers and consultants and to have the Deposit returned. In the event Seller breaches any representation or warranty made or given by Seller in this Agreement, Buyer shall be entitled to bring suit against such Seller or Seller breaching such representations or warranties for all damages suffered by Buyer, and all costs and expenses, including without limitation, reasonable attorney's fees (both in-house and outside counsel) and fees of engineers and consultants; provided, however, in no event shall the liability of Seller hereunder, in the aggregate of all claims, exceed Two Million Dollars (\$2,000,000). The foregoing shall be the sole remedies available to Buyer. Seller agrees that service may be made upon Seller by registered or certified U.S. Mail.

In the event of a default by any one Seller, each other Seller agrees that this Agreement shall remain in full force and effect against it, notwithstanding anything to the contrary contained herein, and this Agreement shall continue and be extended until such time as there is a final, nonappealable resolution of any claims that Buyer may have against the defaulting Seller.

17. Notices.

All notices required or permitted to be given hereunder shall be in writing and sent by registered or certified mail, postage prepaid, or by a recognized overnight delivery service addressed as follows:

If to Seller:	David C. Henderson 200 Stevens Drive, Suite 210 Lester, PA 19113
with a copy to:	Norman C. Henss, Esquire 200 Stevens Drive, Suite 210 Lester, PA 19113
with a copy to:	John C. Halderman, Esquire PECO Energy Company 2301 Market Street S23-1 Philadelphia, PA 19103
If to Buyer:	John R. Cali Chief Administrative Officer Cali Realty Corporation 11 Commerce Drive Cranford, NJ 07016
With copy to:	Roger W. Thomas, Esquire, Counsel Cali Realty Corporation 11 Commerce Drive Cranford, NJ 07016
And with copy to:	Andrew S. Levine, Esquire Pryor, Cashman, Sherman and Flynn 410 Park Avenue New York NY 10022

or to such other person or address as the party to be charged with such notice may designate by notice given in the aforesaid manner. Notices shall be deemed

given on the second day after deposit in the United States Mail or the next business day after deposit with a recognized overnight delivery service. Notices given by counsel for the parties shall be deemed given by the party so represented.

18. Brokerage.

Buyer warrants and represents to Seller that the only brokers of any kind that Buyer has dealt with in regard to this transaction are Joseph Vedejo of Jackson Cross Company and Robert R. Powell of Vanguard Commercial Mortgage (the "Broker") who have acted as joint brokers on this transaction. Seller shall be liable for the commission due Broker with respect to this transaction and for any brokerage, finders or similar fees or commissions due to any other party by reason of these transactions; and Seller shall defend, indemnify and hold Buyer harmless from all claims of any such party claiming to have had contact with Seller with regard to these transactions. The provisions of this paragraph shall survive Closing.

19. Escrow Agreement.

Upon the signing of this Agreement by the parties, Buyer shall deliver the First Deposit to the Title Company, as escrow agent. The parties agree that the First Deposit and the Second Deposit or the Letter of Credit Deposit, as the case may be, when and if delivered, shall be held by the Title Company in escrow and disposed of only in accordance with the provisions of this Paragraph 19. The parties agree that the Deposit shall be invested in an assignable interest-bearing certificate of deposit, money market fund, treasury bill or other similar security approved by Seller and Buyer, and all interest accruing thereon shall be paid to Buyer, except as otherwise provided herein. Buyer shall be responsible for the payment of any taxes due on the interest earned, if any, on the Deposit.

A. The Title Company will deliver the Deposit to Seller or to Buyer, as the case may be, under the following conditions:

(1) If not in the form of the Letter of Credit Deposit, to Seller on the Closing Date for the account of Buyer provided Closing is completed;

(2) If in the form of the Letter of Credit Deposit, to Buyer on the Closing Date provided Closing is completed;

(3) If Buyer fails to close, Seller, upon receipt of written demand therefor, such demand stating that Buyer has defaulted in the performance of this Agreement and specifically setting forth the basis for such default. The Title Company shall not honor such demand until more than ten (10) days have elapsed after the Title Company has mailed a copy of such demand to Seller or Buyer, as the case may be, nor thereafter if the Title Company shall have received written notice of objection from Buyer in accordance with the provisions of clause B of this Paragraph 19; or

(4) To Buyer upon receipt of written demand therefor, such demand stating that this Agreement has been terminated in accordance with the provisions hereof, or Seller has defaulted in the performance of this Agreement, and specifically setting forth the basis for the same. The Title Company shall not honor such demand until more than ten (10) days have elapsed after the Title Company has mailed a copy of such demand to Seller or Buyer, as the case may be, nor thereafter, if the Title Company shall have received written notice of objection from the other party in accordance with the provisions of clause B of this Paragraph 19.

B. Upon the filing of a written demand for the Deposit by Buyer or Seller, pursuant to subclause 3 or 4 of clause A of this Paragraph 19, the Title Company shall promptly mail a copy thereof to the other party. The other party shall have the right to object to the delivery of the Deposit by filing written notice of such objection with the Title Company at any time within ten (10) days after the mailing of such copy to it, but not thereafter. Such notice shall set forth the basis for objecting to the delivery of the Deposit. Upon receipt of such notice, the Title Company shall promptly mail a copy thereof to the party who filed the written demand. In the event that Closing is not completed by December 10, 1996, then Title Company shall thereafter promptly make demand upon the issuer of the Letter of Credit for payment thereof. Upon receipt of the proceeds, Title Company shall deposit the same in an account as specified in the first paragraph of this Paragraph 19 and shall hold such proceeds in accordance with the provisions hereof. In the event that the issuer of the Letter of Credit refuses to honor payment thereof, Title Company shall promptly notify Buyer and Sellers, who jointly shall enforce collection thereof. Buyer further guarantees the payment of the Letter of Credit proceeds from the issuer and will be liable to make payment immediately if the issuer refuses to do so. If the issuer of the Letter of Credit fails to pay the proceeds over to Title Company after demand for honor is made by Title Company, Buyer agrees that interest on the amount of the Letter of Credit Deposit shall accrue, and if Seller is entitled to the Deposit, at an annual rate of six percent (6%), until such time as such demand is honored.

C. In the event the Title Company shall have received the notice of

objection provided for in clause B above and within the time therein prescribed, the Title Company shall continue to hold the Deposit until (i) the Title Company receives written notice from Seller and Buyer directing the disbursement of said Deposit, in which case, the Title Company shall then disburse said Deposit in accordance with said direction, or (ii) in the event of litigation between Seller and Buyer, the Title Company shall deliver the Deposit to the Clerk of the Court or the office of Judicial Support, as the case may be, in which said litigation is pending, or (iii) the Title Company takes such affirmative steps as the Title Company may, in the Title Company's reasonable opinion, elect in order to terminate the Title Company's duties including, but not limited to, depositing the Deposit with the Court and bringing an action for interpleader, the costs thereof to be borne by whichever of Seller or Buyer is the losing party.

D. The Title Company 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 it shall not be liable in connection with the performance of any duties imposed upon the Title Company by the provisions of this Agreement, except for damage caused by the Title Company's own negligence or willful default. The Title Company shall have no duties or responsibilities except those set forth herein. The Title Company shall not be bound by any modification of this Agreement, unless the same is in writing and signed by Buyer and Seller, and, if the Title Company's duties hereunder are affected, unless the Title Company shall have given prior written consent thereto. In the event that the Title Company shall be uncertain as to the Title Company's duties or rights hereunder, or shall receive instructions from Buyer or Seller which, in the Title Company's opinion, are in conflict with any of the provisions hereof, the Title Company shall be entitled to hold and apply the Deposit pursuant to clause C above and may decline to take any other action. The Title Company shall not charge a fee for its services as escrow agent.

E. The Title Company shall not be:

(1) Responsible for any loss or delay occasioned by the closure or insolvency or the financial institution into which it deposited the Deposit;

(2) Responsible for the dishonor of any check, money order, draft, negotiable instrument, or other financial document, received as the Deposit; and

(3) Liable for any error of judgement or for any act done or omitted in good faith, or for anything which it may in good faith do or refrain from doing in connection herewith.

F. Buyer and Sellers hereby indemnify and agree to save the Title Company harmless from all liability, loss, damage, reasonable attorney's fees and expenses, arising out of this Paragraph and its duties hereunder; save and except however any liability, loss, damage, attorney's fees and/or expenses caused by Title Company's fraud, negligence or willful default.

G. The Title Company shall have the authority to deduct or offset against the Deposit the following items: (1) Title Company's attorney's fees as provided under Paragraph 19.F; and (2) Title Company's loss, damage or expenses as provided under Paragraph 19.F.

20. Entire Agreement.

This Agreement contains the entire agreement between the parties relating to the purchase and sale of the Property. All prior negotiations between the parties are merged in this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement and other agreements reflected to herein shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

21. Captions.

The captions contained herein are not a part of this Agreement. They are only for the convenience of the parties and do not in any modify, amplify, or give meaning to any of the terms, covenants or conditions of this Agreement.

22. Miscellaneous.

A. This Agreement shall not be recorded in the office for recording of deeds or in any other office or place of public record.

B. This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

C. In the event any one or more of the provisions contained in this Agreement are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal, or

unenforceable provision had not been contained herein.

D. This Agreement may be assigned by Buyer in its sole discretion to any other entity which controls, is controlled by, or which is under common control with, the Buyer, and may be assigned by Buyer to any other third party upon the prior written consent of Seller, which such consent shall not be unreasonably withheld or delayed.

E. Any paragraph headings or captions contained in this Agreement shall be for convenience of reference only and shall not affect the construction or interpretation of any provisions of this Agreement.

F. Seller and Buyer hereby agree to cooperate with each other in accomplishing each and every condition precedent to Closing contemplated hereunder, and to that end agree, when necessary, to join in all applications and to execute all other documents, declarations and maps required to be signed by either of them for such purpose provided that Seller shall be given a reasonable opportunity to review any documents required in connection hereunder and such inspection shall involve no cost or expense to Seller.

H. When the context of this Agreement so requires, nouns appearing in the singular shall have the same effect as if used in the plural and vice versa, and the proper gender shall be attributed to all pronouns.

I. The date of this Agreement shall be the date on which it is executed by all parties or, if not executed simultaneously, the date on which it is executed by the last of the parties, which date will be inserted at the top of the first page hereof.

J. No waiver by either party or any failure of, or refusal by, the other party to comply with its obligations under this Agreement shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

K. The individuals executing this Agreement represent and warrant that they have full authority and/or have been duly authorized by their respective parties to do so on behalf of such parties.

L. The parties waive the formal requirements for tender of payment and deed. The parties agree that all times are of the essence.

M. It is the express intention of the parties that all representations, warranties and indemnities contained in Paragraphs 9.A. (2), (3), (4), (7), (8), (9), (13), (14), (15), (18), (20), (21), (22), (23), (24), (25), (26), and (27) of this Agreement shall survive Closing, or the Parcel Closing, as the case may be, the delivery of the deed and the conveyance of the Buildings and the Parcel and shall not merge into the deed, for a period of one (1) year following the Closing or the Parcel Closing, as appropriate, except as to those representations, warranties and indemnities of Seller set forth in Paragraph 25 which shall survive for a period of two (2) years from the Closing or the Parcel Closing, as appropriate. To the extent an Estoppel Letter has been obtained with respect to a Lease, then the representations and warranties given in Paragraphs 9.A.(3) and (4) as they relate to such Lease, shall not survive Closing. Suit must be instituted for damages for the breach of such representations, warranties and indemnities within the one (1) year or two (2) year period respectively. Suit may not be instituted for such breach unless Closing has been consummated. If the representations, warranties and covenants contained in Paragraph 9.A and Paragraph 25 do not survive Closing, then such representations, warranties and covenants will be deemed conditions of Closing for which no suit or damages may be brought. If Buyer has actual knowledge of such breach of representations, warranties and covenants prior to or at Closing, Buyer may terminate the Agreement for breach of said condition; but if Buyer closes after such knowledge, Buyer shall be deemed to have waived such breach.

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

O. The Legislature has established a Real Estate Recovery Fund. The purpose of the fund is to compensate persons who obtain a judgment because of the fraud, misrepresentation or deceit of an agent. For further information concerning the Recovery Fund telephone: (717) 783-3658.

P. Whenever used in this Agreement, the phrases "to the best of Seller's knowledge", "Seller has no knowledge of", and like qualifications, shall mean that Wilbur C. Henderson, David C. Henderson, Patrick G. Tomlinson, Richard L. Phillips, Norman C. Henss, Kathy Santangelo and Annamarie Donley who have responsibility for the operation, construction, use and leasing of the Buildings or Parcel, have actual knowledge or knowledge of any written information, notice or demand, after reasonable due diligence, with respect to such referenced fact, condition or circumstances, without any duty to independently investigate such matter beyond Seller's Books and Records, Plans and files.

23. Leasing Buildings.

Seller shall not enter into any new leases for the Buildings or elect to renew or amend any existing Leases without the prior written consent of

Buyer, which consent shall not be unreasonably withheld during the Inspection Period. In the event Buyer consents to any new lease or any renewal or amendment of any existing Lease and Closing occurs, the Buyer shall be responsible for the costs of any tenant improvements and broker commissions due in connection therewith.

24. Confidentiality.

The parties agree that each of them shall keep as confidential (except that each may make disclosures to its counsel, advisors, consultants, and contractors) the negotiations of this transaction, that this Agreement of Sale has been executed, and all of the details included in this Agreement until such time as Buyer may be required to make such facts known in accordance with the rules and regulations of the federal and state securities and exchange commissions and authorities.

25. Environmental Representations and Indemnity.

A. Each Seller represents and warrants with respect to the Building or Parcel that it owns that:

(1) Except as may be set forth in the Environmental Reports, as hereinafter defined, to the best of Seller's knowledge, there is not present, petroleum or any hazardous or toxic waste or hazardous substance or contaminant or pollutant (collectively, "Contaminants"), except in compliance with Environmental Laws, and there has been no discharge, release, spillage, controlled loss, seepage or filtration or the like of Contaminants (each an "Environmental Event") as those terms are used in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act, the Federal Water Pollution Control Act, the Pennsylvania Solid Waste Management Act, the Pennsylvania Clean Streams Law, or any other federal, state or local law, rule, regulation, statute or order governing Contaminants, the construction, use and maintenance of improvements, the discharge or release of any Contaminants, the fill of any wetland or the installation or use of any tank, above or below ground, as such laws exist or may be amended from time to time (collectively, the "Environmental Laws") in, on, over, under or migrating from the Buildings or the Parcel or any real estate contiguous to the Building or the Parcel.

(2) Seller has not caused and Seller shall not knowingly permit to exist, any conditions on the Buildings or the Parcel in violation of Environmental Laws in, upon, over, under or migrating from or within the Buildings or the Parcel or on any real estate contiguous to the Buildings or the Parcel.

(3) Seller has not and shall not knowingly permit any person or entity to engage in any activity on the Buildings or the Parcel in violation of an Environmental Law.

(4) Seller has not, and except as may be set forth in the Environmental Reports, to best of Seller's knowledge no one else has, discharged any dredge or fill material into any "wetland" or "waters of the United States" or "waters of the Commonwealth of Pennsylvania" on the Buildings or the Parcel or property adjacent thereto, as those terms are defined in the rules and regulations promulgated pursuant to the Clean Water Act or the Dam Safety and Encroachments Act or other applicable federal, state or local wetland law. Seller has not received any notices, claims or other correspondence or communication from the United States Army Corps of Engineers or from any other governmental authority with respect to wetlands on the Parcel, except such as are identified in Exhibit F.

(5) Seller has provided Buyer with and shall direct within three (3) days of the date hereof in writing (a courtesy copy of which will be provided to Buyer) all of its environmental consultants, engineers and agents to promptly provide to Buyer copies of all: (A) permits, licenses, certificates, registrations, approvals, and any amendments thereto acquired for the Buildings and the Parcel and for the conduct of Seller's activities at or the activities of any Tenant (to the extent in their respective possession) the Buildings and the Parcel pursuant to Environmental Laws, which Seller believes constitute all of the permits, licenses, certificates, registrations, and approvals that Seller believes are required for the foregoing; (B) applications, reports or other materials submitted by or on behalf of Seller, or to the extent in their respective possession, by any Tenant, to any governmental agency in connection with any Environmental Laws; (C) correspondence, notices of violation, summonses, orders, administrative, civil or criminal complaints, requests for information by governmental authorities or other documents received by Seller or its counsel or environmental consultants pertaining to compliance with Environmental Laws or the generation, storage, treatment, handling, discharge, emission, release or migration of any Contaminants on, over, under, from or affecting the Buildings and the Parcel; (D) records and analyses of any environmental tests pertaining to the Buildings and the Parcel including, without limitation, the results of any air, water or soil analyses or tank integrity testing which are in the possession of Seller or any managing agent for the Buildings or the Parcel or the existence of which is known to Seller; and (E) all materials relating to wetlands delineations, permits or

investigations with respect to the Buildings or the Parcel, which are in the possession, control or custody of Seller or any managing agent responsible for the management of the Buildings or the Parcel. All of the foregoing (A) through (E) are sometimes hereinafter referred to as the "Environmental Reports" and are listed on Exhibit "F", attached hereto and made a part hereof.

(6) No civil, criminal or administrative proceeding is pending or, to the best of Seller's knowledge, threatened relating to Environmental Laws or Contaminant in, on, over, under, or migrating from the Property; neither Seller nor any of its agents has received any notice of violation or of potential liability regarding the Buildings or the Parcel or activities thereon relating to Environmental Laws or Contaminants in, on, over, under or migrating from the Buildings and the Parcel; notwithstanding the foregoing, the parties recognize that the creek transversing the Buildings or the Parcel may be contaminated; Seller has not entered into any consent order, consent decree, administrative order, judicial order or settlement relating to Environmental Laws or Contaminants in, on, over, under, or migrating from the Buildings and the Parcel except as may be required in connection with the request for a Wetlands Delineation (as hereinafter defined) pursuant to Paragraph 26.C., copies of which have been or shall be provided to Buyer.

(7) To the best of Seller's knowledge, no underground storage tanks have been removed from the Buildings or the Parcel.

(8) All permits, licenses, certificates, registrations and approvals acquired for the Buildings and the Parcel, copies of which were supplied to Buyer pursuant to Paragraph (5) above, and to the extent transferrable, shall be transferred with the Property to Buyer, without additional payment by the Buyer to the Seller but at Buyer's cost (other than Seller's legal fees), and shall, upon Closing, be transferred to Buyer by Seller.

B. Seller hereby agrees to indemnify, defend and save Buyer harmless from and against any and all loss, damage, liability, penalties, fines and the like, of whatever nature, including without limitation, attorneys' and environmental expert fees should any of the foregoing representations or warranties set forth in this Paragraph 25 prove to be untrue or inaccurate.

C. The provisions of this Paragraph 25 shall survive the Closing, as to the Buildings, and the Parcel Closing, as to the Parcel, for a period of two (2) years.

26. Parcel Option.

A. In addition to the rights of Buyer set forth above, during the period commencing on the date of Closing and terminating on the date that is the day immediately preceding the fourth anniversary of the date of Closing (the "Option Period"), Buyer shall have the right, from time to time, to acquire the Parcel by written notice to Seller. Such written notice shall be effectuated by Buyer forwarding to Seller, a notice (the "Acquisition Notice") setting forth the purchase price determined in accordance with Subparagraph C. below, and the entity to which the Parcel is to be conveyed (if different from Buyer). Closing of title on the Parcel shall take place within ten (10) days following the date of the Acquisition Notice, but in no event shall said date be later than the last day of the Option Period.

B. Seller hereby grants Buyer an irrevocable and continuous right of access to the Parcel during the Option Period. Seller further grants Buyer the right to pursue any and all course of action in the development of the Parcel or portions thereof, but not to obtain any final approvals, including without limitation, the right to apply for and prosecute, subdivisions and land development applications, approvals, zoning approvals, variances and other zoning relief, permits, or any other governmental action, license or certification required in connection with the development of the Parcel. Seller agrees to cooperate with the Buyer in pursuing the approvals, permits, variances, etc. outlined above prior to the Parcel Closing and to execute and deliver such applications, consents, and instruments in connection therewith, as Buyer may reasonably request; however, under no circumstances is this Agreement deemed to be conditioned upon the Buyer's success in achieving any such approval, consent or permit, nor shall the Seller be required to expend any sum of money in connection with its agreement to cooperate.

C. Prior to the Parcel Closing, Henderson & Son and David Henderson shall obtain, at their sole cost and expense, a delineation of the wetlands on the Parcel, concurred with by the United States Army Corps of Engineers (the "Corps") through a jurisdictional delineation as evidenced by a letter from the Corps (the "Wetlands Delineation"). In the event that because of the Wetlands Delineation under zoning and land development and environmental laws, codes and ordinances and other laws and regulations applicable to the Parcel, as a matter of right, without the need for any relief ("Development Conditions"), there cannot be constructed on the Parcel at least 135,000 square feet of office space in a four-story building with parking therefore at a ratio of four (4) spaces per 1,000 square feet of space, then the Individual Purchase Price for the Parcel shall be adjusted downward to be equal to the product of 14.81 multiplied by the number of square feet of office space with parking therefore at a ratio of four (4) spaces per 1,000 square feet of space that can be so constructed on the Parcel. If, with the Wetlands Delineation, less than 80,000 square feet of

office space with parking therefore at a ratio of four (4) spaces per 1,000 square feet of space can be built on the Parcel under the Development Conditions, then Buyer shall have no obligation whatsoever to purchase the Parcel. Such determination shall be made by Buyer within sixty (60) days after Buyer's receipt of the Wetlands Delineation. Except as set forth above, Buyer shall bear the risk of any change in the zoning of the Parcel.

D. All of the terms and conditions set forth in this Agreement shall apply to the acquisition of the Parcel pursuant to an Acquisition Notice or a Put Notice, as hereinafter defined, and shall govern and control unless modified pursuant to a written instrument executed by both parties. The parties shall comply with the terms, covenants, conditions, obligations and requirements set forth above, as and to the extent such are applicable to the Parcel.

E. If Buyer has not acquired the Parcel by the date that is thirty (30) days prior to the end of the Option Period, Seller shall have the right, but not the obligation, to give Buyer a written notice (the "Put Notice") requiring Buyer to purchase and close title on the Parcel by the expiration of the Option Period. If Buyer fails to close title on the Parcel by the end of the Option Period, Buyer shall be deemed to be in default hereunder and the Seller shall have the right to retain the Deposit (as reduced following Closing) as liquidated damages.

F. The parties agree that between the date hereof and the expiration of the Option Period, in addition to all of their respective covenants and agreements contained elsewhere in this Agreement, they shall perform or observe the following with respect to the Parcel:

(1) Seller shall be responsible for all, and shall pay when due, real estate taxes on the Parcel until actually conveyed to Buyer.

(2) Seller agrees that it shall not voluntary cause or voluntary permit the Parcel, or any interest therein, to be mortgaged, encumbered, transferred, conveyed, leased or assigned during the Option Period.

(3) Buyer shall be responsible for the general maintenance of the Parcel, including the cutting of grass to the extent Buyer deems necessary and only to the extent permitted by Environmental Laws.

G. Simultaneous with the execution of this Agreement, the parties shall execute a memorandum (the "Memorandum"), in recordable form, evidencing the respective rights and obligations of the parties hereto (other than the Individual Purchase Price for the Parcel) and either party shall have the right to cause said memorandum to be recorded in the Recorder of Deed's Office in and for Delaware County, Pennsylvania only after Closing of title to the Buildings has taken place and only if, prior thereto, Buyer executed, in proper recordable form, an agreement terminating the Memorandum ("Termination Agreement") (which instrument shall evidence a termination and release of the Memorandum) and places same in escrow with Title Company. The Termination Agreement may be released by Title Company upon the earlier of (i) Buyer's default hereunder after notice and a fifteen (15) day opportunity to cure or (ii) ten (10) days after the end of the Option Period.

F. At the Closing, Buyer shall cause Cali to execute and deliver to Seller, an agreement by which Cali agrees to guaranty the obligations of Buyer to purchase the Parcel pursuant to this Paragraph 26, substantially in the form of Exhibit "G", attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be signed the day and year first above written.

SELLER:

[corporate seal]

HENDERSON/TINICUM PARTNERSHIP
By: HENDERSON DELAWARE CORP., general partner

Attest: _____

By: _____

President

[Signatures Continued on Next Page]

[corporate seal]

HENDERSON LESTER CORP., general partner

Attest: _____

By: _____

President

INTERNATIONAL COURT II LIMITED

PARTNERSHIP

[corporate seal]
its sole

By: HENDERSON INTERSTATE CORP.,
general partner

Attest: _____

By: _____
President

INTERNATIONAL COURT III JOINT

VENTURE

[corporate seal]
general partner

By: HENDERSON STEVEN CORP.,

Attest: _____

By: _____
President

[corporate seal]
partner

ADWIN REALTY COMPANY, general

Attest: _____

By: _____
Vice-President

[corporate seal]

WILBUR C. HENDERSON & SON

Witness: _____

By: _____

General Partner

Witness:

By: _____

General Partner

Witness:

- - - - -

DAVID C. HENDERSON

BUYER:

[corporate seal]
CORPORATION

CALI REALTY ACQUISITION

Attest: _____

By: _____

The undersigned joins in this execution of this Agreement for the limited purposes of acknowledging its receipt of the Deposit and its agreement to hold the Deposit in escrow in accordance with the terms hereof.

ESCROW AGENT:

[corporate seal]

Attest: _____

By: _____

EXHIBIT 10.55

AMENDMENT TO AGREEMENT OF SALE
PARCEL II
AIRPORT BUSINESS CENTER
TINICUM TOWNSHIP, PA

THIS AMENDMENT is made this 3rd day of December, 1996, by and among HENDERSON/TINICUM PARTNERSHIP, a Pennsylvania general partnership, INTERNATIONAL COURT II LIMITED PARTNERSHIP, a Pennsylvania limited partnership, INTERNATIONAL COURT III JOINT VENTURE, a Pennsylvania general partnership, WILBUR C. HENDERSON & SON, a Pennsylvania general partnership, and DAVID C. HENDERSON, an individual (hereinafter collectively referred to as "Sellers" and each individually as "Seller"), and CALI REALTY ACQUISITION CORPORATION ("Buyer"), a Delaware corporation.

BACKGROUND

A. Sellers and Buyer have entered into a certain Agreement of Sale dated October 23, 1996 (the "Agreement of Sale"), pursuant to which each Seller agreed to sell to Buyer certain property owned by it, and Buyer agreed to purchase from each Seller such property, all of which such property is commonly known as the Airport Business Center, Parcel II, and is located in Tinicum Township, Delaware County, Pennsylvania, and more fully described in the Agreement of Sale.

B. The Sellers and Buyer desire to amend the Agreement of Sale to provide for an extension of the Inspection Period and the Closing period, and to clarify the length of the Option Period as defined in the Agreement of Sale.

C. Capitalized terms used herein but not defined herein shall have the meaning ascribed to such terms in the Agreement of Sale.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Inspection Period. The Inspection Period shall expire on December 3, 1996.

2. Closing. Closing, if required to be made, shall occur between December 9, 1996, and December 13, 1996.

3. Title. Pursuant to Paragraph 4.A, Buyer timely provided to Sellers Buyer's Title Notice in which Buyer listed as a Non- Permitted Exception the Declaration of Protective Covenants and Easements and related Declarant Assignment appearing as items 9 and 7, respectively, on the Title Company's title commitment (collectively the "Declaration").

Seller timely responded that it is unable to cause the Declaration to be completely removed of record. The parties agree to discuss what changes and amendments to the Declaration are desired by Buyer and what, if any, relief can be accomplished. Accordingly, the parties agree that the time period in which Buyer must elect to either take title subject to the Declaration or to terminate the Agreement of Sale, is extended to December 3, 1996.

4. Parcel Option. The Option Period shall be the three (3) year period commencing on the date of Closing and terminating on the date that is the day immediately preceding the third anniversary of the date of Closing.

5. No Other Changes. Except as specifically amended by the foregoing, all of the terms, conditions, covenants and agreements in the Agreement of Sale dated October 23, 1996 shall remain unaltered and of full force and effect.

6. Miscellaneous. This Amendment shall be governed and construed according to the laws of the Commonwealth of Pennsylvania. This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original as to any party whose signature appears thereon, and all of which when taken together shall constitute one and the same instrument. The parties agree to accept and rely on facsimile copies of signatures as originals.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be signed the day and year first above

written.

SELLERS:

HENDERSON/TINICUM PARTNERSHIP

By: _____

HENDERSON DELAWARE CORP., general partner

By: HENDERSON LESTER CORP., general partner

By: _____

INTERNATIONAL COURT II LIMITED PARTNERSHIP

By: HENDERSON INTERSTATE CORP., its sole general partner

By: _____

INTERNATIONAL COURT III JOINT VENTURE

By: HENDERSON STEVEN CORP., general partner

By: _____

ADWIN REALTY COMPANY, general partner

By: _____

WILBUR C. HENDERSON & SON

By: _____

General Partner

By: _____

General Partner

DAVID C. HENDERSON

BUYER:

CALI REALTY ACQUISITION CORPORATION

By: _____

EXHIBIT 10.56

SECOND AMENDMENT TO AGREEMENT OF SALE
PARCEL II
AIRPORT BUSINESS CENTER
TINICUM TOWNSHIP, PA

THIS AMENDMENT is made this 17th day of December, 1996, by and among HENDERSON/TINICUM PARTNERSHIP, a Pennsylvania general partnership, INTERNATIONAL COURT II LIMITED PARTNERSHIP, a Pennsylvania limited partnership, INTERNATIONAL COURT III JOINT VENTURE, a Pennsylvania general partnership, WILBUR C. HENDERSON & SON, a Pennsylvania general partnership, and DAVID C. HENDERSON, an individual (hereinafter collectively referred to as "Sellers" and each individually as "Seller"), and CALI REALTY ACQUISITION CORPORATION ("Buyer"), a Delaware corporation.

BACKGROUND

A. Sellers and Buyer have entered into a certain Agreement of Sale dated October 23, 1996, as amended by an Amendment to Agreement of Sale dated December 3, 1996 (as amended, the "Agreement of Sale"), pursuant to which each Seller agreed to sell to Buyer certain property owned by it, and Buyer agreed to purchase from each Seller such property, all of which such property is commonly known as the Airport Business Center, Parcel II, and is located in Tinicum Township, Delaware County, Pennsylvania, and more fully described in the Agreement of Sale.

B. The Sellers and Buyer desire to amend the Agreement of Sale.

C. Capitalized terms used herein but not defined herein shall have the meaning ascribed to such terms in the Agreement of Sale.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. The Henderson Group Lease. At Closing and as a condition to Buyer's obligations hereunder and under the Agreement of Sale, International Court II Limited Partnership, shall cause The Henderson Group, Inc. to execute and deliver to Buyer an amendment (the "Lease Amendment") to its existing lease for Suite 210 in the International Court II Building (the "Lease"). At Closing, and as a condition to Buyer's obligations hereunder and under the Agreement of Sale, Wilbur C. Henderson & Son and David C. Henderson shall execute and deliver to Buyer a guaranty of lease agreement pursuant to which each of them shall guaranty and become a surety for the obligations of The Henderson Group, Inc. under the Lease (the "Henderson Guaranty"). The Lease Amendment and the Guaranty shall be in the form attached hereto as Exhibits "A" and "B", respectively.

2. Declaration. The Buildings and the Parcel are encumbered by a Declaration of Airport Business Center Protective Covenants and Easements dated April 25, 1986, amended by a First Amendment dated April 5, 1989, and clarified by a Clarification of First Amendment dated October 31, 1989, all of which are recorded in the Recorder of Deeds Office in and for Delaware County, Pennsylvania (the "Recorder's Office") (as amended and clarified, the "Declaration"). By that Declarant Assignment dated September 1, 1987 and recorded in the Recorder's Office at Volume 660, page 1320, all of the rights of the Declarant (as defined in the Declaration) where assigned to Wilbur C. Henderson & Son and David C. Henderson.

Wilbur C. Henderson & Son and David C. Henderson for the purposes of this Amendment are sometimes hereinafter referred to collectively as, the "Declarant". At Closing, and as a condition to Buyer's obligations hereunder and under the Agreement of Sale, Sellers shall cause Declarant to:

A. Execute and deliver to Buyer an instrument, in form and substance reasonably acceptable to Buyer and in recordable form, providing for the amendment of the Declaration to release and remove the rights, benefits and obligations of the Declaration and the Declarant (other than Article II thereunder) from the Buildings and the Parcel, including, among other things,

the deletion of Article III, the deletion of any right by Declarant to make any assessments against any Building or the Parcel, the deletion of any requirement by the owner of any Building or the Parcel to make any payments or contributions to Declarant and the removal of any right of Declarant to place a lien against any Building or the Parcel.

B. Execute and deliver to Buyer an instrument, in form and substance reasonably acceptable to Buyer and in recordable form, terminating the easements for storm water detention facilities burdening that portion of the Parcel identified as Lot 4 of Parcel II of the Airport Business Center on the Airport Business Center Plan (as defined in the Declaration), and designating the Airport Business Center Common Areas burdening any Building or the Parcel as Airport Business Center Limited Common Areas (as defined in the Declaration).

C. Execute and deliver to Buyer an instrument, in form and substance reasonably acceptable to Buyer and in recordable form, pursuant to which Declarant for themselves and their successors and assigns shall covenant and agree to waive any requirements imposed against any Building or the Parcel or any owner thereof or and waive any rights granted to Declarant under Article II of the Declaration as they relate to any Building or to the Parcel.

D. Execute and deliver such documents and plans as may be reasonably requested by Buyer to further the intent of this Paragraph.

Following Closing, Declarant agrees to use its reasonable efforts to cause the Owners of all Building Sites (as defined in the Declaration) to execute and deliver an amendment to the Declaration releasing and removing the Buildings and the Parcel from the burden and benefit of the Declaration, including Article II of the Declaration. The foregoing sentence shall not limit the obligations of the Declarant set forth above.

3. Legal Description. Each Seller agrees that the Deed that it shall deliver shall, at Buyer's option, contain a legal description of the Building or Parcel that such Seller is conveying based upon the final survey thereof to be prepared by Brandywine Valley Engineers, Inc., a copy of which will be provided to each Seller, but in no event shall any Seller be required to convey any property that it does not own.

4. Closing. Closing shall occur on or before December 20, 1996.

5. Deposit. Buyer shall deliver to Title Company the Second Deposit of \$250,000 upon the full execution of this Amendment.

6. Remedies - Parcel. In the event Buyer defaults in its performance of its obligations set forth in Paragraph 26 of the Agreement of Sale Wilbur C. Henderson & Son and David C. Henderson shall be entitled to exercise any and all rights and remedies that may be available at law or in equity. The Form of Cali Guaranty attached to the Agreement of Sale as Exhibit "G" shall be modified to clarify that Cali Realty Corporation's obligations are primary.

7. No Other Changes. Except as specifically amended by the foregoing, all of the terms, conditions, covenants and agreements in the Agreement of Sale shall remain unaltered and of full force and effect.

8. Miscellaneous. This Amendment shall be governed and construed according to the laws of the Commonwealth of Pennsylvania. This Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

9. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original as to any party whose signature appears thereon, and all of which when taken together shall constitute one and the same instrument. The parties agree to accept and rely on facsimile copies of signatures as originals. The parties may rely on facsimile copies as originals.

10. Survival. The provisions of this Amendment shall survive the Closing and shall not merge into the Deeds.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be signed the day and year first above written.

SIGNATURES ON FOLLOWING PAGE

SELLERS:

HENDERSON/TINICUM PARTNERSHIP

By: HENDERSON DELAWARE CORP., general partner

By: _____

HENDERSON LESTER CORP., general partner

By: _____

INTERNATIONAL COURT II LIMITED PARTNERSHIP

By: HENDERSON INTERSTATE CORP., its sole
general partner

By: _____

INTERNATIONAL COURT III JOINT VENTURE

By: HENDERSON STEVEN CORP., general partner

By: _____

ADWIN REALTY COMPANY, general partner

By: _____

WILBUR C. HENDERSON & SON

By: _____
General Partner

By: _____
General Partner

SIGNATURES CONTINUED ON FOLLOWING PAGE

DAVID C. HENDERSON

BUYER:

CALI REALTY ACQUISITION CORPORATION

By: _____