AGREEMENT FOR SALE OF REAL ESTATE
AND
FORMATION OF HISTORIC PRECINCT

This Agreement for Sale of Real Estate and Formation of Historic Precinct ("**this Agreement**") is made as of December 22, 2006

by and among: **LIBERTY HALL FOUNDATION**, a New Jersey not-for-profit corporation with an address at 1003 Morris Avenue, Union, New Jersey 07083 (the "**Foundation**");

KEAN UNIVERSITY, a New Jersey state university with an address at 1000 Morris Avenue, Union, New Jersey 07083 (the "**University**")

and: **LIBERTY HALL MUSEUM, INC.**, a New Jersey not-for-profit corporation with an address at 1003 Morris Avenue, Union, New Jersey 07083 ("**LHM**").

In consideration of the agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **CAPITALIZED TERMS**. As used in this Agreement, the capitalized terms listed in Section 21 shall have the meanings indicated therein. Other capitalized terms used in this Agreement shall have the meanings indicated in the Sections in which they are defined or as otherwise required by the context in which they are used.

2. **BACKGROUND**.

2.1. The Foundation owns the Property and the Kirkland Parcel, and operates the Museums located on the portion of the Property described in this Agreement as the "Historic Precinct".

2.2. The Foundation and the University have together organized LHM to lease the Historic Precinct and operate the Museums.

2.3. The University desires to purchase the Property from the Foundation pursuant to this Agreement and, immediately thereafter, lease the Historic Precinct to LHM.

2.4. The Foundation desires to make its valuable collection of historical documents available to the University to enhance the educational opportunities for the University's students.

2.5. The Foundation intends to enter into an agreement (the "**Commerce Agreement**") with Cedar Properties, LLC (an affiliate of Commerce Bank, NA) for the purchase and sale of the Kirkland Parcel on or after the Execution Date. The Foundation needs at least $1,850,000 in net proceeds from the sale of the Kirkland Parcel to adequately fund LHM's operations. The University has agreed to guaranty that the Foundation receives at least $1,850,000 in net proceeds from the sale of the Kirkland Parcel, plus interest and the Foundation's carrying costs for the Kirkland Parcel from the Closing Date until the Kirkland Parcel is sold, in accordance with Section 16.4 of this Agreement. But for this guaranty, the Foundation would not have agreed to sell the Property to the University or make the Historical Documents available to the University.

2.6. Subject to the terms and conditions contained in this Agreement, at the Closing (i) the Foundation shall sell the Property to the University, (ii) the University shall lease the Historic Precinct to LHM, which shall be effected and memorialized by the Ground Lease, (iii) the Foundation shall provide the University with access to photocopies of the Historical Documents that have then been catalogued, and (iv) the University shall grant to the Foundation a first mortgage on the Historic Precinct to secure certain obligations of the University contained in this Agreement, which shall be effected and memorialized by the Mortgage.

3. **SALE OF PROPERTY.** The Foundation agrees to sell, and the University agrees to purchase, the Property at the Closing free and clear of liens, encumbrances and other exceptions to title, except for the Permitted Exceptions.

4. **PURCHASE PRICE.**

4.1. **Purchase Price**. The University will pay a total purchase price of Five Million One Hundred Fifty Thousand Dollars ($5,150,000.00) for the Property (the "**Purchase Price**"), subject to the adjustments to be made at the Closing as provided in this Agreement.

4.2. **Payment of Purchase Price**. The University shall pay the entire Purchase Price to the Foundation for the Property at the Closing in immediately available funds by certified check or bank check, or federal funds wire transfer, subject to adjustment in accordance with Section 9. The Foundation shall have the right to pay off any mortgagee or other person with a claim against the Property out of the proceeds of sale at Closing, and the University will cooperate with the Foundation in making disbursement accordingly.

5. **TITLE.**

5.1. **Conveyance of Title**. The Foundation will convey the Property to the University at the Closing in fee simple by a bargain and sale deed with a covenant against grantor's acts. Title to the Property must be good and marketable and free and clear of mortgages, liens and encumbrances created by the Foundation, except for the Permitted Exceptions and any other title exceptions waived by the University.

5.2. **Title Report**. The University has ordered, at the University's expense, a title report from a reputable title company licensed in New Jersey and will deliver a copy of such report to the Foundation upon receipt, but in any event no later than fourteen (14) days after the date of this Agreement. The University has ordered, at the University's expense, (i) a survey and an updated metes and bounds description of the Property based on such survey, and (ii) a metes and bounds description of the Historic Precinct based on such survey. The survey and metes and bounds descriptions shall be certified to the Foundation in addition to the University and such other parties as the University may specify. If the title report, any update report or the survey ordered by the University reveals any exceptions to title which are not Permitted Exceptions (such other exceptions being referred to here as "**Unpermitted Exceptions**"), then the University will notify the Foundation in writing of any such Unpermitted Exceptions to which the University objects at the time the title report or the survey is delivered to the Foundation, in the case of the title report and survey, or within five (5) days after receipt, in the case of any update report. The University's failure to so object will be deemed to constitute the University's waiver of any such Unpermitted Exceptions, except for those described in Section 5.4.

5.3. **Unpermitted Exceptions**. If the University gives notice of objection to Unpermitted Exceptions to the Foundation pursuant to Section 5.2, then the Foundation will notify the University, within ten (10) days after receiving the University's notice, whether the Foundation intends to cause such Unpermitted Exceptions to be satisfied or removed on or before the Closing Date.

5.3.1. If the Foundation notifies the University that the Foundation intends to cause such Unpermitted Exceptions to be satisfied or removed, then the Foundation will cause or provide for the satisfaction or removal of the Unpermitted Exceptions on or prior to the Closing Date and the Foundation and the University will proceed to Closing as scheduled, *provided that* the Foundation shall be entitled to postpone the Closing by not more than thirty (30) days in order to effectuate satisfaction or removal of such Unpermitted Exceptions.

5.3.2. If the Foundation notifies the University that the Foundation does not intend to cause any such Unpermitted Exceptions to be satisfied or removed, or if the Foundation otherwise fails to notify the University, then the University may, as the University's *sole* remedy, elect either to: (i) terminate this Agreement, *provided that* the University notifies the Foundation of such termination within ten (10) days after the earlier of *(x)* the Foundation's notification or *(y)* the expiration of the time during which the Foundation was to have responded to the University's notification; or (ii) waive any such Unpermitted Exceptions and proceed to Closing, without any reduction of or adjustment to the Purchase Price. If the University elects to terminate pursuant to this Section 5.3.2, then no party shall have any further rights, claims or obligations arising out of this Agreement (provided that, for the avoidance of doubt, the indemnity obligations of the University to the Foundation as set forth in the Access Agreement shall survive the termination of this Agreement). The University's failure to give notice of termination within the 10-day period shall mean that the University has conclusively elected to waive the Unpermitted Exception and to proceed to Closing in accordance with clause (ii).

5.4. **Obligation to Satisfy Certain Exceptions**. Any exception to title consisting of: (i) a mortgage, security agreement or other debt security created by the Foundation or any other lien created by the Foundation that can be satisfied by payment of a liquidated sum certain, or (ii) a judgment or attachment against the Foundation, or (iii) any construction lien incurred for labor or materials supplied to or on behalf of the Foundation, or (iv) any delinquent real estate taxes, will, in each case, automatically be deemed to be disapproved without the need for any formal notice of objection from the University, and the Foundation covenants to pay, bond or otherwise cause such exceptions to be satisfied, removed of record or affirmatively insured over by the University's title company on or before the Closing. The Foundation may use all or any portion of the Purchase Price paid at the Closing to do so.

5.5. **No Obligation**. Neither the Foundation nor the University will have any obligation to institute litigation or otherwise incur legal costs or, except as provided in Section 5.4 with respect to the Foundation, expenses in order to correct or remove any Unpermitted Exception. In no event will the Foundation have or incur any liability to the University for damages by reason of the Foundation's failure to remove any Unpermitted Exceptions.

6. CONDITION OF PROPERTY; NO RELIANCE; ACCESS.

6.1. **'AS IS', 'WHERE IS' Condition**. Subject only to the provisions of Section 6.4 with respect to the environmental condition of the Property and Sections 7 and 8 with respect to casualty and eminent domain, and except as otherwise provided in this Agreement, the University accepts the Property, including all building systems, fixtures and other improvements, **"AS IS"**, **"WHERE IS"**, with all faults, defects and environmental conditions as of the date of this Agreement. **THE UNIVERSITY ACKNOWLEDGES AND AGREES WITH THE FOUNDATION THAT: EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT (I) THE FOUNDATION HAS NOT, DOES NOT AND WILL NOT MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR**

ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION (INCLUDING THE PRESENCE OR ABSENCE OF LATENT DEFECTS), MERCHANTABILITY, SUITABILITY, ADEQUACY, HABITABILITY OR FITNESS FOR ANY PARTICULAR USE, OR WITH RESPECT TO THE VALUE, PROFITABILITY OR MARKETABILITY OF THE PROPERTY, OR ITS COMPLIANCE OR NON-COMPLIANCE WITH ENVIRONMENTAL LAW OR OTHER LAWS OR THE PRESENCE OR ABSENCE OF HAZARDOUS SUBSTANCES OR ANY RELEASE THEREOF THEREON, THEREFROM, THEREUNDER OR NEARBY; AND (II) THE UNIVERSITY IS PURCHASING THE PROPERTY IN AN "AS-IS, WHERE IS" CONDITION "WITH ALL FAULTS" AND "WITHOUT RECOURSE" TO THE FOUNDATION AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE FOUNDATION.

6.2. **No Reliance on the Foundation**. The University is entering into this Agreement on the basis of the University's own independent knowledge, evaluation and investigation, and the University does not rely on any statement or representation by the Foundation or any of the Foundation's representatives not contained in this Agreement. Except as expressly set forth in Section 15.1 of this Agreement (none of which will survive the Closing), the Foundation does not make, and specifically disclaims, any representations, warranties or covenants of any kind or character, express or implied, with respect to the Property, including but not limited to representations, warranties or covenants as to: (a) matters of title (other than the Foundation's covenant against grantor's acts in the deed to be delivered at Closing), zoning, permitted uses, tax consequences, environmental conditions, street access, construction materials or methods, operating projections, valuations, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the operational, environmental or physical condition of the Property; (b) the Property's value, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose; or (c) the Property's condition, state of repair or lack of repair.

6.3. **Compliance Certificates**. The University shall be solely responsible for obtaining, at the University's cost and expense, any certificate of occupancy or continued occupancy, certificate of zoning compliance, fire inspection certificate or other certificate, license, permit or authorization required by the Municipality in connection with the transfer of the Property (collectively, "**Compliance Certificates**"). In the event that any repairs, corrective actions or changes to the Property (collectively, "**Compliance Measures**") are required by any governmental authority as a condition of or incident to the issuance of any Compliance Certificate, the University shall effectuate any such Compliance Measures at its sole cost and expense. The University shall be responsible for paying, at its cost and expense, any inspection fees, application fees and similar fees required in order to obtain inspections of the Property incident to seeking or obtaining any Compliance Certificates, including any reinspection, reapplication or similar fees imposed by any governmental authority to inspect or verify the Compliance Measures upon completion. The Foundation will cooperate with the University to make the Property available for inspection by the applicable governmental authority or agency, and if required by such authority or agency shall consent in writing to or countersign the application at the University's reasonable request. The University's failure to apply for or obtain any Compliance Certificate shall *not* be grounds to delay or postpone the Closing or excuse the University from completing the purchase of the Property at Closing.

6.4. **Access and Indemnity; Contingency**. Pending the Closing, the University and the University's agents and representatives shall be afforded access to the Property to perform whatever investigations and evaluations the University deems necessary or desirable. All such access and investigations shall be conducted in accordance with, and subject to the terms and conditions of, the Access and Indemnification Agreement dated December 6, 2006 between the Foundation and the University (the "**Access Agreement**"). If the University determines, in its sole, absolute, and non-reviewable discretion, that the environmental condition of the Property is unsatisfactory, then the University may terminate this Agreement by giving written notice of such decision to the Foundation in accordance with Section 20.6; provided, however, that the University shall be deemed to waive such termination right if such written notice is not received by the Foundation by 6:00 p.m., New Jersey time, on the thirtieth (30th) day following the Execution Date. If the Foundation receives a timely notice of termination from the University pursuant to this Section 6.4, then no party shall have any further rights, claims or obligations arising out of this Agreement (provided that, for the avoidance of doubt, the indemnity obligations of the University to the Foundation pursuant to the Access Agreement shall survive termination of this Agreement).

7. **CASUALTY**. Pending the Closing, the risk of loss or damage to any portion of the Property, including loss or damage by natural forces, is assumed by and shall be the sole responsibility of the Foundation. If all or any portion of the Property is damaged by fire or any other casualty during such period, then the Foundation shall be obligated to place the Property in a safe, non-hazardous condition, in compliance with good safety practices and all applicable laws. No such damage shall relieve any party of any of their respective obligations under this Agreement.

8. **EMINENT DOMAIN.** In the event that pending Closing eminent domain proceedings are instituted against all or any substantial portion of the Property, and, in the reasonable opinion of the University, such condemnation or eminent domain proceedings would materially interfere with the University's desired use of the Property (specifically excluding the Historic Precinct), then the University may terminate this

Agreement upon written notice to the Foundation given within ten (10) days after the initiation of such proceedings.

8.1. **Assignment of Recovery**. If the University does not so terminate this Agreement, or in the event that pending Closing eminent domain proceedings are instituted against less than a substantial portion of the Property (including proceedings for purposes of widening any adjoining public roadway or obtaining easement rights for any utility installation), then the parties shall proceed to Closing without any abatement of the Purchase Price, and the Foundation shall turn over or assign to the University at the Closing the net award received or receivable by the Foundation by reason of the taking (less any out-of-pocket expenses incurred by the Foundation to recover the award).

8.2. **Effect of Termination**. If this Agreement is terminated pursuant to this Section 8, then no party shall have any further rights, claims or obligations arising out of this Agreement (provided that, for the avoidance of doubt, the indemnity obligations of the University to the Foundation as set forth in the Access Agreement, which shall survive the termination of this Agreement).

9. **ADJUSTMENTS AT CLOSING**. The following adjustments will be made at the Closing as of the Closing Date:

9.1. **Property Taxes**. The Property is not currently subject to real estate taxes, so no adjustment for real estate taxes is required; provided, however, that if, pending the Closing, any change in the use of the Property by the Foundation causes the Property to be subject to real estate taxes, then such taxes shall be adjusted on a per diem basis as of the Closing Date.

9.2. **Assessments**. Municipal assessments for improvements (including all installments becoming due in the future), if any, will be paid and allowed by the Foundation on account of the Purchase Price if construction of the improvement began on or before the Execution Date. However, all assessments for improvements for which construction does not begin until after the Execution Date will be the sole responsibility of the University.

9.3. **Rents**. Rent under the Existing Lease shall be adjusted (but only if and when collected) for the month in which the Closing occurs, on a per diem basis based on the actual number of calendar days in the month. The unapplied balance of any security deposit then being held by the Foundation as landlord under the Existing Lease, plus all accrued interest thereon, will be allowed as a credit against the Purchase Price at Closing and, pursuant to the assignment and assumption document referred to in Section 17.2.9 and Section 17.3.4, the University shall assume the obligation to repay the security deposit, if any, subject to and in accordance with the Existing Lease.

9.4. **Other**. The University will be responsible for paying (i) the premiums for any title insurance coverage desired by the University, and (ii) all real estate transfer taxes payable in connection with recording the Foundation's deed (whether otherwise payable by the grantor or the grantee). The Foundation will pay the recording fees for discharging or canceling of record any mortgage or lien on the Property which the Foundation is obligated pursuant to Section 5.4 to remove.

10. **BROKER.** Each party represents and warrants to the other that it has not engaged the services of or otherwise dealt with any real estate broker or other person with respect to the transactions contemplated by this Agreement. The Foundation agrees to indemnify, defend and hold the University harmless against any loss, liability or expense (including, without limitation, reasonable attorneys' fees) by reason of any claim for a real estate sales commission made by any real estate broker or other person alleging dealings, conversations or negotiations with the Foundation. The University agrees to indemnify, defend and hold the Foundation harmless against any loss, liability or expenses (including, without limitation, reasonable attorneys' fees) by reason of any claim for a real estate sales commission made by any real estate broker or other person alleging dealings, conversations or negotiations with the University. The provisions of this Section 10 shall survive the Closing.

11. **HISTORICAL DOCUMENTS.** The Foundation and John Kean are the owners of, or have the exclusive right to possess, the Historical Documents. Subject to the terms and conditions of this Section 11, the Foundation and John Kean wish to donate to the University, and the University wishes to accept such donations, of all of the Historical Documents (except for the Priority Documents, which will remain on loan to the University pursuant to the terms of Section 11.4).

11.1. **Cataloging Period.** The Foundation is currently identifying, cataloging and making digital copies of the Historical Documents. The parties recognize that this process will not be completed prior to the Closing and agree that, from the Closing Date until the expiration of the Cataloging Period (as defined below), LHM will continue the cataloging process and the Foundation shall cause LHM to retain an employee or an independent contractor, during the entire Cataloging Period, as the Foundation's representative to participate in the process of identifying, cataloging and copying the Historical Documents (the "**Cataloging Representative**"). The initial Cataloging Representative shall be Kenneth Summers, provided that the Foundation shall be entitled to replace the Cataloging Representative from time to time in its sole discretion. The "**Cataloging Period**" means the period beginning on the Closing Date and ending on the first to occur of (i) the completion of the identification and cataloging process with respect to the Historical Documents, determined in the Foundation's reasonable discretion, and (ii) the third anniversary of the Closing Date, unless the Cataloging Period is extended by the mutual agreement of the parties.

11.2. **Access Period**. From the Closing Date until the Donation Date (the "**Access Period**"), the Foundation will continue to maintain possession of, and control over, the original Historical Documents. During the Access Period, (i) the Foundation will make available to the University copies of those Historical Documents that have been catalogued, and (ii) the University will not have access to any of the original Historical Documents unless the Foundation consents to such access in writing.

11.3. **Donation of Historical Documents; Protocols**. On the Donation Date, the Foundation and John Kean will (i) donate to the University all of the original Historical Documents that are not designated by the Foundation as Priority Documents pursuant to Section 11.4, subject to the remaining terms and conditions of this Section 11, and (ii) execute and deliver to the University assignments or other instruments evidencing the donations, in form reasonably satisfactory to the University. With respect to the Historical Documents donated by John Kean, the University will obtain appraisals from a qualified appraiser in a format acceptable to John Kean, and will provide copies to John Kean. The University, the Foundation and John Kean acknowledge that in order to preserve the integrity and value of the Historical Documents, a responsible set of protocols (the "**Protocols**") must be developed governing the handling, storage, display, transport, reproduction and insuring of the Historical Documents. The University, the Foundation and John Kean shall cooperate to establish and approve the Protocols, and shall seek, in good faith, to agree upon the Protocols as promptly as possible, but in any event sufficiently in advance of the Donation Date so as not to delay the Donation Date. After the Donation Date, (x) the University, the Foundation and John Kean may, from time to time, amend or supplement the Protocols by written agreement, and (y) the University shall, at all times, maintain the Historical Documents in accordance with the Protocols, as the same may be amended and/or supplemented by the Foundation, John Kean and the University.

11.4. **Priority Documents**. The Foundation and John Kean shall be entitled, at any time prior to the expiration of the Access Period, to deliver to the University a written schedule identifying up to one hundred (100) of the Historical Documents as "Priority Documents" (the "**Priority Documents**"), which schedule may be revised and/or supplemented by the Foundation and John Kean at any time prior to the expiration of the Access Period. Subject to the remaining terms and conditions of this Section 11, on the Donation Date, the Foundation and John Kean shall loan the original Priority Documents to the University for a period of 98 years at an annual rental fee of $1.00. At the expiration of such 98-year period, the University shall return the Priority Documents to the Foundation. In the event that, at any time during the term of the loan, any Priority Document is lost, stolen or damaged by casualty, then the Foundation shall be entitled to select, in its sole and absolute discretion, any other Historical Document that had been donated to the University or any other historical document acquired by the University to replace the lost, stolen or damaged document as a Priority Document.

11.5. **Location and Display**. From and after the Donation Date, the location and display of the Historical Documents shall be subject to the Foundation's prior approval, such approval not to be unreasonably withheld, conditioned or delayed if the Protocols are being observed by the University. Notwithstanding the foregoing, from and after the date that the Ice House is converted into a Secure Facility pursuant to Section 16.3.4, the original Historical Documents shall at all times remain in a Secure Facility located on the Property. The University agrees that, from and after the Donation Date (i) any exhibit of the Historical Documents shall include in the immediate vicinity a sign indicating that the documents were donated and/or loaned to the University, as the case may be, by the Foundation or John Kean, and, at the option of the Foundation, such sign shall include a reference to Liberty Hall Museum, (ii) any publication of the Historical Documents by the University shall give credit to the Foundation and John Kean, and include a reference to the Liberty Hall Museum, (iii) it shall transport, handle, care for, and display the Historical Documents in a manner consistent with the Protocols; and (iv) LHM shall be entitled to make copies of the Historical Documents and retain and display such copies at the Museums.

11.6. **Disclaimer**. The Foundation and John Kean do not make (and hereby disclaim) any representations and/or warranties to the University in respect of the Historical Documents or any rights in the Historical Documents, including, but not limited to, title, quiet enjoyment, authenticity, copyright or moral rights. The Foundation and John Kean shall not have any liability to the University in respect of, and the University hereby expressly and to the full extent permitted by law releases the Foundation and John Kean from, any and all claims, damages, expenses, fees or losses that may be incurred by or threatened against the University as a result of the Historical Documents being loaned and/or donated to the University, in the possession of the University, or displayed or reproduced by the University.

11.7. **Security; Audit**. From and after the Donation Date, the University agrees to take all reasonable steps necessary to secure and protect the Historical Documents from loss, theft, damage or injury and to treat them in accordance with the Protocols and otherwise in a manner consistent with maintaining its own most valuable assets at all times the Historical Documents are in its possession, control or custody. The Historical Documents, the facility in which they are maintained by the University and the Protocols being observed by the University may be inspected and audited by the Foundation, John Kean or their respective duly authorized representatives (at the expense of the Foundation or John Kean, as the case may be) at any time during business hours to ensure that the University is complying with the Protocols and the other provisions of this Section 11.

11.8. **Return of Historical Documents.** Notwithstanding anything to the contrary in this Section 11, and without prejudice to any other rights or remedies that the Foundation may have pursuant to this Agreement or any other Transaction

Document, the University shall, upon receipt of a written demand from the Foundation, for no consideration, return all of the Historical Documents, including, for the avoidance of doubt, the Priority Documents, to the Foundation if at any time any of the following events occurs: (i) the University's status as a university is revoked or it ceases to offer an undergraduate degree program in history; (ii) the University (a) cannot pay debts as they come due, or (b) files a petition in bankruptcy or makes an assignment for the benefit of creditors or seeks relief under any other insolvency law, or (c) has a receiver, trustee, fiscal agent, custodian or guardian appointed for it or for any of its assets, or (d) is the subject of an involuntary bankruptcy or other insolvency proceeding which is not dismissed within ninety (90) days after being filed; (iii) there occurs a default on the part of the University under the Mortgage or the Ground Lease, and such default continues beyond applicable grace, notice and cure periods, if any; (iv) the University fails, in any material respect, to observe the Protocols and such failure continues for ten (10) days after written notice from the Foundation; or (v) the University fails to keep any other promise or undertaking made by it in Sections 11.4, 12.4.3, 16.3.4 or 16.4 where such failure continues for thirty (30) days after written notice from the Foundation.

11.9. **Survival**. The terms and covenants of this Section 11 shall survive the Closing.

12. MATTERS RELATING TO LHM.

12.1. **Certificate of Incorporation and Bylaws**. LHM's Certificate of Incorporation and Bylaws, copies of which are attached to this Agreement as ***Exhibits A*** and ***B***, respectively, provide that (i) the purpose of LHM is to operate and preserve the Museums, the Historic Precinct and the heritage that goes with it; (ii) LHM shall have two members, divided into two classes, with the University as the Class A Member and the Foundation as the Class B Member; (iii) LHM's board of trustees shall initially consist of five (5) members, two (2) of which were elected by the Class A Member and three (3) of which were elected by the Class B Member; (iv) on or before the Closing Date, the Class A Member shall elect one (1) additional trustee and the Class B Member shall elect two (2) additional trustees; (v) from and after the Closing Date, LHM's board of trustees shall consist of eight (8) members, three (3) of which shall be elected by the Class A Member (to the exclusion of the Class B Member) and five (5) of which will be elected by the Class B Member (to the exclusion of the Class A Member); (vi) other than with respect to the election of trustees, there shall be no difference in the members' relative rights and limitations; and (vii) LHM's board of trustees shall have the right to appoint from time to time one or more ex-officio board members with the consent of the members.

12.2. **Initial Board of Trustees**. The individuals designated by the Foundation and the University to serve as the initial trustees of LHM are set forth on ***Schedule 1***.

12.3. **Lease of Historic Precinct**. At the Closing, LHM and the University shall enter into a Ground Lease for the Historic Precinct identical in form and substance to ***Exhibit C***. The terms of the Ground Lease will provide for, among other things: (i) the lease of the Historic Precinct, including the Museums and all other buildings and improvements within the Historic Precinct, to LHM for a term of ninety-eight (98) years; (ii) annual rent of $1.00; (iii) the University, at its sole cost and expense, to maintain the pathways, roads and grounds of the Historic Precinct (including, without limitation, snow removal) and to provide security services for the Historic Precinct, in a manner similar in quality and scope as is provided by the University with respect to its existing campus; (iv) a limited right of access to the Historic Precinct by the University for the purposes of providing such maintenance and security services and for emergency vehicular access; (v) a limited license for the University to install and maintain geothermal wells underneath the gravel parking lot in the Historic Precinct (the "**Parking Lot**") to serve the new museum that the University intends to construct on the Property (the "**KU Museum**"), provided that (A) all construction activities in connection with the installation, maintenance or repair of the wells may only take place during the months of January, February and March, unless the Foundation otherwise provides its consent, and (B) that such installation, maintenance and related access by the University will not unreasonably interfere with LHM's use of the Parking Lot; and (vi) a limited license permitting the use of those parking spaces in the Parking Lot reserved for the handicapped by visitors to the KU Museum who are handicapped.

12.4. **Funding of LHM**.

12.4.1. LHM's senior officer shall prepare an operating budget for the Museums and the Historic Precinct on an annual basis (the "**Operating Budget**"). The Operating Budget will set forth LHM's anticipated expenses for each calendar year, including expenses for deferred maintenance of the Museums and the other buildings and improvements within the Historic Precinct, and any revenues anticipated to be generated by LHM during such year, all of which shall be subject to the review and approval of LHM's board of trustees.

12.4.2. Each Applicable Year, the Foundation shall contribute to LHM a portion of the funds necessary for LHM's operations, as set forth in the Operating Budget; provided, however, that once the Foundation has contributed an amount equal to five percent (5%) of the Foundation's total endowment (the "**Annual Contribution Amount**") to LHM in any given Applicable Year, the Foundation shall not be required to provide any additional funds to LHM during such Applicable Year. The Annual Contribution Amount shall be pro-rated for any period of less than an Applicable Year, whether at the commencement of LHM's operation or at the end of LHM's operation.

12.4.3. Each Applicable Year, in the event that LHM's operating expenses exceed the Annual Contribution Amount, the University shall contribute to LHM the funds necessary to cover the shortfall; provided, however, that once the University has contributed $200,000 (as adjusted pursuant to this Section 12.4.3, the "**University Funding Cap**") to LHM in any given Applicable Year, the University shall not be required to provide any additional funds to LHM during such Applicable Year. The University Funding Cap shall be (i) pro-rated for any period of less than an Applicable Year whether at the commencement of LHM's operation at the Historic Precinct or at the end of LHM's operation at the Historic Precinct, and (ii) adjusted annually (but never decreased) effective at the beginning of LHM's sixth (6th) Applicable Year. The adjusted University Funding Cap shall be the amount determined by multiplying $200,000 by a fraction whose numerator is the CPI for the first calendar month preceding the month in which the adjustment date falls and whose denominator is the CPI for January 2007; provided, however, that in no event shall the University Funding Cap ever be reduced by reason of this adjustment. For the avoidance of doubt, the value of any services or benefits provided by the University or its affiliates (including, without limitation, security services) to LHM or for the benefit of the Museums or the Historic Precinct shall not have the effect of reducing the University's funding obligation for purposes of determining whether the University has funded an amount equal to the University Funding Cap under this Section 12.4.3.

12.5. **Foundation Employees**. LHM shall offer employment, effective as of the Closing Date, at rates of pay the same as those being paid by the Foundation, to the following employees and/or independent consultants of the Foundation (collectively, the "**Transferred Employees**"): Kenneth Summers, as the Cataloging Representative, William Schroh, as Museum Director, Richard J. O'Neill, as Executive Director, and Jeff Eckert, as Manager of Buildings and Grounds. LHM shall be obligated to continue the employm[illegible]loging Representative until the expiration of the Cataloging [illegible]he employment of William Schroh and Richard J. O'Neill for at [illegible]ing the Closing Date.

12.6. **For[illegible]tion Mortgage**. If the Foundation recovers ownership of the Hist[illegible] the exercise of any of its remedies under the Mortgage (a "**Forecl**[illegible]ent, effective as of the date of the Foreclosure, (i) all of the Unive[illegible]I's board of trustees shall cease to be trustees of LHM; (ii) the U[illegible]Class A Member in LHM shall automatically be deemed forfeit[illegible]HM's sole Member shall be the Foundation.

12.7. **Surviva**[illegible]nts of this Section 12 shall survive the Closing.

13. **SETBACK AREA**. At the Closing, the Foundation shall enter into a release (the "**Setback Release**"), in form reasonably satisfactory to the Foundation and the University, pursuant to which the Foundation will release whatever rights it has with respect to that certain deed restriction creating a 200 foot setback contained in the 1954 deed for the parcel of land owned by the University located across Morris Avenue from the Property (the "**Setback Area**"); provided, however, that the Foundation shall only release its rights with respect to the shaded portion of the Setback Area, as shown on the survey attached as ***Schedule 2***, and the Foundation shall retain its rights with respect to the remaining portion of the Setback Area.

14. **LICENSE OF "LIBERTY HALL" TRADEMARKS**. The Foundation grants LHM, effective as of the Closing Date, a limited, nonexclusive, royalty-free license to utilize the "Liberty Hall" tradename and trademark(s), as these may be amended, modified or augmented from time to time by the Foundation (the "**Licensed Property**"). LHM is licensed only to use the Licensed Property in connection with the operation of the Museums and the Historic Precinct, and no other rights in or to the Licensed Property shall be inferred or be deemed to be granted to or on behalf of LHM. LHM shall have no right to sell or sublicense the Licensed Property for use by anyone else. The license granted pursuant to this Section 14 is non-exclusive, and nothing contained in this Agreement shall be deemed to preclude the Foundation from granting to anyone else concurrent or other license rights involving the Licensed Property. The license granted pursuant to this Section 14 shall automatically terminate upon the first to occur of (i) the expiration or earlier termination of the Ground Lease, and (ii) the occurrence of any of the events set forth in Section 11.8. The terms and covenants of this Section 14 shall survive the Closing.

15. **THE FOUNDATION'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

15.1. **Representations and Warranties**. The Foundation represents and warrants to the University as follows:

15.1.1. **Corporation Status; Authorization**. The Foundation is a not-for-profit corporation organized and existing under the laws of the State of New Jersey. The Foundation has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The signing, delivery and performance of this Agreement have been authorized by the Foundation's trustees, and no further corporate action is required on the part of the Foundation in order to authorize this Agreement or the transactions contemplated by this Agreement. This Agreement is the legal, valid and binding obligation of the Foundation, enforceable against the Foundation in accordance with its terms.

15.1.2. **No Conflict**. The Foundation's execution, delivery and performance of this Agreement will not violate or result in a breach under any other contract or agreement to which the Foundation is a party. The Foundation has not entered into any other outstanding agreement for the sale of the Property nor has the Foundation granted any person other than the University any outstanding right or option to acquire the Property. The Foundation has not sold or transferred, or agreed to sell or transfer, separate from the Property, any development rights or air rights attributable or attendant to the Property.

15.1.3. **Environmental Matters.** To the Foundation's actual knowledge (without having made any independent investigation):

15.1.3.1. During the Foundation's period of ownership of the Property, (i) there has not occurred any release, spill, discharge, disposal or dumping of Hazardous Substances from or onto the Property in violation of applicable environmental laws; and (ii) except for appropriate and customary quantities of cleaning agents, equipment lubricants and supplies, and such Hazardous Substances as are routinely utilized or generated in the ordinary course of the operations of the Museums, the operations at the Property do not involve the use, storage or disposal of Hazardous Substances in material quantities or in violation of applicable environmental laws.

15.1.3.2. The Foundation has not received written notice that it has violated any environmental laws applicable to the Property.

15.1.4. **No Pending Proceedings.** As of the date of this Agreement, (i) the Foundation has received no written notice of and, without having made any independent investigation, the Foundation has no actual knowledge of any pending or threatened condemnation or eminent domain proceedings with respect to the Property, and (ii) the Foundation is not a party to any pending or, to the Foundation's knowledge, threatened litigation with respect to the Property, whether or not covered by insurance. The Foundation is not a party to any pending tax appeal or other proceeding involving the real estate taxes assessed against the Property for any fiscal period.

15.1.5. **Violations; Assessments.** As of the date of this Agreement, the Foundation has not received written notice from any governmental authority of any violations of applicable law with respect to the Property which remain uncured nor, to the Foundation's actual knowledge (without having made any independent investigation), is the issuance of any such notice of violation pending or threatened. As of the date of this Agreement, the Foundation has received no written notice of any pending assessment against the Property for sidewalks, street replacement, water/sewer improvements or other public improvements.

15.1.6. **Existing Lease.** A true and complete copy of the Existing Lease has been provided to Buyer. As of the date of this Agreement, the Foundation has received no notice from the tenant under the Existing Lease asserting that the Foundation is in material default of any of its obligations as landlord under the Existing Lease.

15.2. **True and Accurate; No Survival**. All representations and warranties of the Foundation contained in this Agreement are intended to be, and shall continue to remain, true and accurate as of the Closing (or, if made as of a specific date, shall continue on the Closing Date to be true and accurate as of such specific date), but shall not survive the Closing.

15.3. **Covenants**. From the Execution Date to Closing:

15.3.1. The Foundation shall give the University prompt notice of any discharge or release of Hazardous Substances at or from the Property of which the Foundation has actual knowledge.

15.3.2. The Foundation shall give the University prompt notice of its receipt of any summons, citation, directive, order, claim, letter or other written communication, actual or threatened, from any federal, state or local agency or authority concerning any alleged violation of law at the Property.

15.3.3. The Foundation shall not amend, cancel, extend or otherwise change in any manner any of the terms, covenants or conditions of the Existing Lease, nor shall the Foundation shall not enter into any new lease, create any easements or give any licenses which bind the Property after Closing, nor shall any legal action be taken in connection with the Property, without the prior written consent of the University. Notwithstanding the foregoing, the Foundation may take appropriate legal action against the tenant under the Existing Lease which is permitted by the Existing Lease or applicable law.

15.3.4. The Foundation shall maintain and keep the Property, the building(s) and improvements thereon, including mechanical equipment of every kind used in the operation thereof, in substantially the same condition it is in on the Execution Date, reasonable wear and tear and damage by casualty excepted.

16. **THE UNIVERSITY'S REPRESENTATIONS, WARRANTIES AND COVENANTS.**

16.1. **Representations and Warranties**. The University represents and warrants to the Foundation as follows:

16.1.1. **Binding Obligation.** The signing, delivery and performance of this Agreement have been authorized by all necessary action of the University, and no further action is required on the part of the University in order to authorize this Agreement or the transactions contemplated by this Agreement. This Agreement is the legal, valid and binding obligation of the University, enforceable against the University in accordance with its terms. The University's execution, delivery and performance of this Agreement will not violate or result in a breach under any other contract or agreement to which the University is a party.

16.1.2. **Financial Capacity.** The University has sufficient liquid funds available, without regard to any financing and without taking into account the proceeds of any projected sale or other disposition of any asset of the University or the University's affiliates, to complete the purchase of the Property, fund up to the University Funding Cap, and fulfill the University's other obligations under this Agreement and the other Transaction Documents.

16.2. **True and Accurate; No Survival.** All representations and warranties of the University contained in this Agreement are intended to be, and shall continue to remain, true and accurate as of the Closing, but shall not survive the Closing.

16.3. **Covenants.** From and after the Closing:

16.3.1. The University shall, at its cost and expense, continue to provide replacement housing for Bob Kirkland on its campus for at least five (5) years following the Closing Date.

16.3.2. The University shall not permit any construction or erection on the Property of any (i) surface parking (whether paved ground level parking or a parking structure), except within the area specifically designated for parking on the survey attached as ***Schedule 2***; or (ii) building or other structure in excess of eighty-two (82) feet in height, above current ground level. In addition, there shall be maintained a permanent, thirty (30) foot wide, natural buffer area running along the entire eastern boundary of the Historic Precinct, in which no buildings, structures, pavements or other surface improvements or disturbances shall be permitted (other than the proposed access driveway shown on the survey attached as ***Schedule 2***). The foregoing covenants shall run with the land for the benefit of the Historic Precinct and shall be set forth in the deed for the Property or in a separate Declaration, in form and substance reasonably satisfactory to the University and the Foundation, that will be recorded in the Union County Clerk's office at Closing.

16.3.3. In order to protect the Museums and prevent unauthorized access to the Historic Precinct, after Closing LHM intends to construct (i) a high quality fence that completely encloses the Historic Precinct, with gates at the existing roads providing ingress and egress to and from the Museums, and (ii) a simple guard house. The fence type (*e.g.*, wood, iron, steel, etc.) and style shall be selected in consultation with the University but shall be consistent with the architectural style of the Museums. The guard house shall be a simple structure designed, and located on the Property, in consultation with the University, and shall consist of enough space for a bathroom, cot and work area. The University shall reimburse LHM from time to time for the costs of constructing the fence and guard house within thirty (30) days after LHM h submitted to the University invoices marked "paid" by LHM's contractors or other satisfactory documentation evidencing construction costs have been paid by LHM.

16.3.4. In order to protect the Historical Documents, after Closing LHM intends to fit-up and convert the "Ice House" building located in the Historic Precinct (the "**Ice House**") into a Secure Facility. The plans for the project sha be prepared in consultation with the University but shall be consistent with preserving th historic features of the Ice House. The University shall reimburse LHM from time to time for the costs of converting the Ice House into a Secure Facility within thirty (30) days after LHM has submitted to the University invoices marked "paid" by LHM's contractors or other satisfactory documentation evidencing construction costs have been paid by LHM; provided, however, that once the University has contributed $350,000 to LHM in respect of this project, the University shall not be required to provide any additional funds to LHM pursuant to this Section 16.3.4. After the Ice House is converted into a Secure Facility, the University shall be entitled, space permitting to store a limited number of its own art works, artifacts and other valuable items within the Ice House, provided that any such storage shall be at the University's risk and LHM shall not be responsible for any damage, theft or other loss with respect to the University's property.

16.3.5. The terms and covenants of this Section 16.3 shall survive the Closing.

16.4. **Kirkland Parcel.** The University agrees as follows:

16.4.1. If prior to the first anniversary of the Closing Date the Kirkland Parcel is conveyed by the Foundation pursuant to the Commerce Agreement or any other bona fide contract with a third party (any such contract for the sale of the Kirkland Parcel, including the Commerce Agreement, being referred to herein as a "**Kirkland Parcel Contract**"), and the Net Sale Proceeds (as define below) are less than the Guaranteed Amount (as defined below), then, within fifteen (15) business days after the closing of such a sale, the University shall pay to the Foundation the difference between the Net Sale Proceeds and the Guaranteed Amount in immediately available funds by certified check or bank check, or federal funds wire transfer. The Kirkland Parcel Contract, and any amendments thereto, shall be subject to the prior written approval of the University, which approval shall not be unreasonably withheld, conditioned or delayed.

16.4.2. If the Kirkland Parcel is not conveyed by the Foundation prior to the first anniversary of the Closing Date (unless the failure to consummate the sale results from a default by the Foundation under a Kirkland Parcel Contract), then the Foundation will sell, and the University will purchase, the Kirkland Parcel on the following terms:

16.4.2.1. The closing of the sale of the Kirkland Parcel will occur not later than fifteen (15) business days after the first anniversary of th Closing Date. The purchase price for the Kirkland Parcel will be the Guaranteed Amount, and such amount will be paid by the University at the closing in immediately available funds by certified check or bank check, or federal funds wire transfer.

16.4.2.2. The Foundation will convey the Kirkland Parcel to the University in fee simple by a bargain and sale deed with a covenant against grantor's acts, subject to the interest of the contract purchaser under any Kirkland Parcel Contract. Title to the Kirkland Parcel must be good and marketable and free and clear of mortgages, liens and encumbrances created by the Foundation, except for the Permitted Exceptions, the interest of the contract purchaser under any Kirkland Parcel Contract and any other title exceptions waived by the University.

16.4.2.3. The University will be responsible for paying (i) the premiums for any title insurance coverage desired by the University and (ii) all real estate transfer taxes payable in connection with recording the Foundation's deed (whether otherwise payable by the grantor or the grantee).

16.4.2.4. At the closing of the sale of the Kirkland Parcel the Foundation will deliver to the University: (i) the items listed in Section 17.2 (with the exception of Section 17.2.7, which shall have been delivered at the Closing) as to the Kirkland parcel, to the extent not previously delivered to the University; and (ii) an assignment and assumption agreement with respect to any outstanding Kirkland Parcel Contract, in form and substance reasonably satisfactory to the Foundation and the University, providing for, among other things, the assignment by the Foundation of all of its right, title and interest under such contract to the University, the assumption by the University of all of the Foundation's obligations under such contract and the indemnification of the Foundation by the University for any claims that may be asserted against the Foundation in connection with such contract. The University shall countersign the assignment and assumption agreement at the closing.

16.4.3. "**Net Sale Proceeds**" means the net proceeds of sale actually received by the Foundation in consideration for the sale of the Kirkland Parcel, after all closing adjustments, deductions and transaction costs of any kind, including but not limited to legal fees, accounting fees, real estate transfer taxes, recording fees and buyer's credits of any kind, and net of any liabilities or obligations of the Foundation paid or required to paid out of its share of the proceeds in accordance with the terms of the Kirkland Parcel Contract.

16.4.4. The "**Guaranteed Amount**" means $1,850,000 *plus* (i) $304.11 for each day between the Closing Date and the date (the "**Kirkland Parcel Closing Date**") that the Kirkland Parcel is sold to the University pursuant to Section 16.4.2 or to the buyer under a Kirkland Parcel Contract; *plus* (ii) an amount equal to all real estate taxes paid on the Kirkland Parcel by the Foundation with respect to the period between the Closing Date and the Kirkland Parcel Closing Date; *plus* (iii) an amount equal to any other carrying costs reasonably incurred by the Foundation relating to the Kirkland Parcel, such as insurance premiums, with respect to the period between the Closing Date and the Kirkland Parcel Closing Date.

16.4.5. The terms and covenants of this Section 16.4 shall survive the Closing.

17. **CLOSING AND CLOSING DOCUMENTS.**

17.1. **Time and Place.** The Closing will take place on the Closing Date, beginning at 10:00 a.m., at the offices of the Foundation's counsel, unless the University and the Foundation mutually agree in writing on another time or location.

17.2. **The Foundation's Deliveries.** At the Closing, the Foundation will deliver to the University:

17.2.1. A bargain and sale deed with a covenant against grantor's acts, in recordable form (including, if requested by the University and *provided that* the survey has been certified to the Foundation, an updated metes and bounds legal description of the Property based on the University's survey);

17.2.2. An affidavit of title in form and substance reasonably acceptable to the University's title company;

17.2.3. A certification that the Foundation is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code;

17.2.4. A discharge for any mortgage created by the Foundation encumbering any portion of the Property or, in the case of an institutional mortgage, a payoff letter from the mortgage holder stating the payoff amount as of a reasonably current date, together with the per diem rate of interest if payment is made after such date, sufficient for the title company to remove same as objections to the title policy issued to the University at Closing;

17.2.5. A title closing statement setting forth all credits, adjustments and prorations made at the Closing, signed by the Foundation;

17.2.6. The current real estate tax bills for the Property;

17.2.7. The Setback Release, in recordable form;

17.2.8. Documents of authority of the Foundation authorizing the transactions contemplated by this Agreement;

17.2.9. An assignment and assumption of the Existing Lease, signed by the Foundation, pursuant to which the Foundation shall transfer to the University, effective as of the Closing Date, the unapplied balance of any security deposit held by the Foundation under the Existing Lease (including all accrued interest thereon) and all of the Foundation's right, title and interest as landlord under the Existing Lease;

17.2.10. To the extent not previously delivered to the University, copies of any blueprints, building plans and similar documents relating to the Property that are in the Foundation's possession; and

17.2.11. Such transfer tax, disclosure and other instruments which may be required to be executed, filed and delivered by the seller of real estate under the laws of the State of New Jersey.

17.3. **The University's Deliveries**. At the Closing, the University will deliver to the Foundation and LHM, as applicable:

17.3.1. The Purchase Price as provided in Section 4.2;

17.3.2. The title closing statement referred to in Section 17.2.5, countersigned by the University;

17.3.3. Documents of authority of the University authorizing the transactions contemplated by this Agreement;

17.3.4. An assignment and assumption of the Existing Lease, signed by the University, pursuant to which the University shall assume, effective as of the Closing Date (and shall indemnify and hold the Foundation harmless against), all of the Foundation's obligations as landlord under the Existing Lease arising from and after the Closing Date, including obligations with respect to any tenant security deposit;

17.3.5. The Mortgage signed by the University; and

17.3.6. The Ground Lease signed by the University.

17.4. **LHM Deliveries**. At the Closing, LHM will deliver to the University the Ground Lease signed by LHM.

17.5. **Merger at Closing**. Except only as provided to the contrary in this Agreement, the Foundation's delivery of the deed and other closing documents referred to in Section 17.2 will constitute full and complete satisfaction of all of the Foundation's obligations under this Agreement and, upon delivery of such documents to the University, the Foundation shall have no further obligations to the University under this Agreement.

18. **DEFAULT BY THE UNIVERSITY**. If the Closing does not take place by reason of the University's default or if there is a default by the University under Section 16.4, then, as the Foundation's *sole* remedy, the University shall pay to the Foundation, as liquidated damages in full satisfaction of any claims of the Foundation against the University under this Agreement, a default payment in the amount of $250,000.00 (the "**Default Payment**"). The University specifically agrees that, if the Closing does not take place by reason of the University's default or if there is a default by the University under Section 16.4, the Foundation shall conclusively be presumed to have suffered damages in the amount of the Default Payment and shall be entitled to receive such amount without proving the Foundation's damages in court. The University agrees that the Default Payment represents a reasonable estimate of the damages to be incurred by the Foundation as a result of the University's default, and the University waives any right, claim or defense the University may otherwise have to (i) require the Foundation to prove actual damages, or (ii) establish that the Foundation has suffered actual damages in a lesser amount. The University acknowledges that the University's waiver is a material inducement to the Foundation for entering into this Agreement with the University and that, but for such waiver, the Foundation would not have entered into this Agreement with the University. The provisions of this Section 18 shall survive the Closing.

19. **DEFAULT BY THE FOUNDATION**. If the Closing does not take place by reason of the Foundation's default, the University may elect, as the University's *sole* remedy, either to (i) enforce the Foundation's obligations by bringing an action in specific performance, or (ii) terminate this Agreement. If the University elects to terminate, the Foundation shall pay to the University, as liquidated damages, a default payment in the amount of $250,000.00, and neither the Foundation nor the University will have any further rights, claims or obligations arising out of this Agreement (except, for the avoidance of doubt, the indemnity obligations of the University to the Foundation as set forth in the Access Agreement shall survive the termination of this Agreement).

20. **MISCELLANEOUS.**

20.1. **Prevailing Party**. In the event of litigation among the parties concerning this Agreement or the transactions contemplated by this Agreement, the prevailing party, as determined by the court having jurisdiction, will be entitled to recover from the other parties all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such litigation, including any appellate proceedings.

20.2. **Entire Agreement**. This written Agreement and the Access Agreement embody the entire understanding and agreement among the Foundation, the University and LHM in relation to the sale of the Property and the other matters contemplated by this Agreement, and supersede all term sheets, expressions of interest, correspondence, emails, and all other prior or contemporaneous negotiations or discussions. No promise, condition, representation or warranty, express or implied, not set forth in this Agreement or the Access Agreement shall bind any party. For the avoidance of doubt, the parties acknowledge and agree that this Agreement is not intended to, and does not, supersede the agreements and understandings contained in that certain Memorandum of Understanding dated as of June 22, 2005 between the University and the Foundation relating to the proposed East Campus Shuttle Bus Link, and such agreements and understandings shall remain in full force and effect.

20.3. **Modification and Waiver.** None of the terms and conditions of this Agreement may be modified, waived or cancelled other than by a writing signed by the Foundation, the University and LHM, specifying such modification, waiver or cancellation. A waiver at any time of compliance with any of the terms and conditions of this Agreement shall not constitute or be deemed to constitute a modification, cancellation or waiver of such terms and conditions or of any prior or subsequent breach unless expressly so stated.

20.4. **Binding Effect.** This Agreement is binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

20.5. **No Assignment.** The University shall not assign all or any part of the University's rights under this Agreement without the Foundation's consent, which may be withheld or conditioned in the Foundation's sole discretion. The Foundation shall have no obligation to recognize, or convey title to, any unpermitted assignee, and any unpermitted assignment shall, at the Foundation's option, be null and void.

20.6. **Notices.** Any notice pursuant to this Agreement must be in writing and shall be deemed to have been duly given: (i) four (4) business days after being mailed by certified or registered mail, return receipt requested, from a United States postal facility located in New Jersey; (ii) one (1) business day after being sent by Federal Express, or other nationally recognized courier service providing delivery confirmation, for next business-day delivery; or (iii) when personally served. Notices are to be addressed to the parties at the following addresses, or to an alternate address as may be specified by a party to the others via a notice given as provided in this Section 20.6:

If to the University:
Kean University
1000 Morris Avenue
Union, New Jersey 07083
Attention: President

with a copy to:
Sonnenschein Nath & Rosenthal LLP
101 JFK Parkway
Short Hills, New Jersey 07078
Attention: Robert W. Cockren, Esq.

and an additional copy to:
Lindabury, McCormick, Estabrook & Cooper, PC
53 Cardinal Drive
P.O. Box 2369
Westfield, NJ 07091-2369
Attention: Robert S. Burney, Esq.

If to the Foundation:
Liberty Hall Foundation
1003 Morris Avenue
Union, New Jersey 07083
Attention: Richard J. O'Neill

with a copy to:
Orloff, Lowenbach, Stifelman & Siegel, P.A.
101 Eisenhower Parkway
Roseland, New Jersey 07068
Attention: Joel D. Siegel, Esq.

If to LHM:
Liberty Hall Museum, Inc.
1003 Morris Avenue
Union, New Jersey 07083
Attention: Richard J. O'Neill

with a copy to:
Orloff, Lowenbach, Stifelman & Siegel, P.A.
101 Eisenhower Parkway
Roseland, New Jersey 07068
Attention: Joel D. Siegel, Esq.

If to John Kean:
176 North Shore Point
John's Island
Vero Beach, Florida 32963

with a copy to:
Orloff, Lowenbach, Stifelman & Siegel, P.A.
101 Eisenhower Parkway
Roseland, New Jersey 07068
Attention: Joel D. Siegel, Esq.

20.7. **No Recording.** The parties agree that neither this Agreement nor any memorandum or notice hereof shall be recorded. The University agrees not to file any lis pendens or other equivalent instrument in connection herewith. In furtherance of the foregoing, the University (a) acknowledges that the filing of a lis pendens or other evidence of the University's rights or the existence of this Agreement against the Property could cause significant monetary and other damages to the Foundation and (b) hereby indemnifies the Foundation from and against any and all claims, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees incurred in the enforcement of the foregoing indemnification obligation) arising out of the breach by the University of any of its obligations under this Section 20.7. Any breach of the provisions of this Section 20.7 shall constitute a default by the University. The provisions of this Section 20.7 shall survive the termination of this Agreement.

20.8. **Section Headings.** The respective section and subsection headings contained in this Agreement are for convenience of reference only, and will not be deemed to modify, limit, define or describe in any respect any of the provisions of this Agreement.

20.9. **Section, Schedule and Exhibit References.** All references made in this Agreement to Sections, Schedules or Exhibits will refer to sections of, or schedules or exhibits to, this Agreement.

20.10. **Construction.** All references made and pronouns used in this Agreement will be construed in the singular or plural, and in such gender as the sense and circumstances require.

20.11. **Saturday, Sunday or Holiday.** If any date upon which an action or a transaction is to take place falls on a Saturday, Sunday or a legal holiday, then the action or transaction shall take place on the first business day immediately following that date.

20.12. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to any New Jersey conflicts-of-laws rules which might otherwise make the laws of a different jurisdiction govern or apply.

20.13. **Consent to Jurisdiction.** In any litigation relating to or arising out of this Agreement or the performance or enforcement of this Agreement, the parties consent to the personal jurisdiction of the courts of New Jersey and the United States District Court for the District of New Jersey. Each party agrees that service of process may be made on it at the address set forth in the beginning of this Agreement and in the manner specified for the giving of notices in Section 20.6. Each party waives any objection to service of process so made or to jurisdiction or venue in such courts including, without limitation, any objection based on the grounds of forum non conveniens.

20.14. **Signature in Counterparts.** This Agreement may be signed in counterparts and by fax, all of which when taken together will constitute a single Agreement. Delivery of a signed counterpart by fax shall constitute sufficient delivery.

20.15. **Limitation on Third Parties.** Nothing in this Agreement is intended to nor shall create any rights for or confer any benefits or rights on any third party.

21. **DEFINITIONS.** For purposes of this Agreement, the following capitalized terms have the indicated meanings:

"**Access Agreement**": As defined in Section 6.4.

"**Access Period**": As defined in Section 11.2.

"**Applicable Year**": Each twelve month period ending on the last day of the month immediately preceding the month in which the Closing Date occurs of each year during LHM's operation at the Historic Precinct.

"**Cataloging Period**": As defined in Section 11.1.

"**Cataloging Representative**": As defined in Section 11.1

"**Closing**": The meeting of the Foundation, the University and LHM to be held on the Closing Date at which the parties will consummate the transactions contemplated by this Agreement.

"**Closing Date**": The date which is sixty (60) days after the Execution Date, unless the Foundation and the University mutually agree in writing on a different date.

"**Commerce Agreement**": As defined in Section 2.5.

"**CPI**": The Consumer Price Index for Urban Wage Earners and Clerical Workers, New York, New York-Northern New Jersey–Long Island, NY–NJ-CT-PA, All Items (1982 - 1984 = 100), or any comparable successor index compiled and published under the authority of the Bureau of Labor Statistics, United States Department of Labor, provided that in the event that the CPI is discontinued, LHM shall designate a reasonably similar consumer price index which is then being published.

"Donation Date": The date that is thirty (30) days after the last to occur of (i) the expiration of the Cataloging Period, (ii) the completion of construction by LHM or the University of a Secure Facility (whether interim or permanent); and (iii) the establishment of the Protocols to the mutual satisfaction of the University and the Foundation.

"Execution Date": The date on which this Agreement was signed by the last of the Foundation, LHM and the University.

"Existing Lease": The existing Lease for the one-family house and barn on the Property with an address of 42 North Avenue dated August 5, 2006 between the Foundation, as landlord, and Dorothy Pechin and Herbert Pechin, as tenant.

"Ground Lease": The ground lease for the Historic Precinct to be entered into at the Closing between the University, as landlord, and LHM, as tenant, which will be in the form of attached ***Exhibit C***.

"Hazardous Substances": Any pollutant, dangerous substances, toxic substances and hazardous chemical, hazardous substance, hazardous pollutant, hazardous waste or any similar term as defined in or pursuant to the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. 9601 et seq.; the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq.; the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Clean Water Act, 33 U.S.C. 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq. and any rules or regulations promulgated thereunder or in any other applicable federal, state or local law, rule or regulation dealing with environmental protection; *provided, however,* that radon, non-friable asbestos or asbestos-containing materials, fuel and lubricants in parked vehicles and closed building systems, freon and other refrigerants in sealed loop air conditioning units, and polychlorinated biphenyls in sealed transformer units or other electrical components, shall *not* be considered "Hazardous Substances" for purposes of this Agreement.

"Historical Documents": The valuable collection of historical papers and documents located in a vault within the Historic Precinct, and the papers of Congressman Robert W. Kean, Sr. located in the Ice House, but specifically excluding (i) the stamp collection, whether such stamps are loose or affixed to envelopes, (ii) all rare books and maps, (iii) all Kean family photographs and other Kean family memorabilia, and (iv) the items listed on attached ***Schedule 5*** which are in John Kean's possession, copies of which will be provided to the University.

"Historic Precinct": A portion of the Property encompassing the Museums, certain other buildings and improvements and all related access roads, and as more particularly described on attached ***Schedule 3***.

"**Ice House**": As defined in Section 16.3.4.

"**Kirkland Parcel**": The real property in the Municipality identified on the Municipality's tax maps as Block 102, Lot 2, consisting of approximately 3.1 acres, together with (i) any and all improvements thereon, (ii) the Foundation's right, title and interest, if any, in the bed of any public street or road adjoining the land, and (iii) all easements, rights-of-way, hereditaments, privileges and appurtenances belonging and inuring to the benefit of the land.

"**Mortgage**": The first priority mortgage on the Historic Precinct made by the University in favor of the Foundation and delivered at Closing as security for the University's obligations pursuant to the Ground Lease and Sections 11, 12 and 16.4 of this Agreement, which will be in the form of attached ***Exhibit D***.

"**Municipality**": The Township of Union, Union County, New Jersey.

"**Museums**": The Liberty Hall Museum and the Liberty Hall Fire Museum, together with all of the related historic buildings and infrastructure improvements located in the Historic Precinct, including, without limitation, what are commonly referred to as the "Main House", the "Ice House", the "Carriage House", the "Wagon Shed", the "Blue House" and the "Gardens".

"**Permitted Exceptions**": The title exceptions described on attached ***Schedule 4***.

"**Property**": The real property in the Municipality identified on the Municipality's tax maps as Block 101, Lot 4.03, consisting of approximately 23 acres, together with (i) any and all improvements thereon, (ii) the Foundation's right, title and interest, if any, in the bed of any public street or road adjoining the land, and (iii) all easements, rights-of-way, hereditaments, privileges and appurtenances belonging and inuring to the benefit of the land, and, for the avoidance of doubt, specifically excluding all furniture, furnishings, fixtures, equipment, appliances, art work and any other contents that are located within any of the improvements.

"**Priority Documents**": As defined in Section 11.4.

"**Protocols**": As defined in Section 11.3.

"**Purchase Price**": As defined in Section 4.1.

"**Secure Facility**": A facility specifically designed to maintain the Historical Documents, including state-of-the-art climate control, fire detection/prevention and theft alarm systems, and all other services and equipment that would customarily be provided at, or installed in, a museum or similar facility that stores priceless artifacts.

"**Setback Release**": As defined in Section 13.

"**Transaction Documents**": This Agreement, the Mortgage, the Ground Lease any other agreements, instruments and documents, now or hereafter existing, that are in any way related to the transactions contemplated herein or therein, together with all amendments, modifications, renewals or extensions thereof.

* * *

[Signatures follow on next page]

[Signature Page to Agreement for Sale of Real Estate and Formation of Historic Precinct]

LIBERTY HALL FOUNDATION,
a New Jersey not-for-profit corporation

By: ______________________________
Name: Joel D. Siegel
Title: President

KEAN UNIVERSITY,
a New Jersey state university

By: ______________________________
Name:
Title:

LIBERTY HALL MUSEUM, INC.,
a New Jersey not-for-profit corporation

By: ______________________________
Name:
Title:

Agreed and accepted as to Section 11 only:

____
JOHN KEAN

[Signature Page to Agreement for Sale of Real Estate and Formation of Historic Precinct]

LIBERTY HALL FOUNDATION,
a New Jersey not-for-profit corporation

By:______________________________
Name:
Title:

KEAN UNIVERSITY,
a New Jersey state university

By:______________________________
Name: Dawood Farahi
Title: President

LIBERTY HALL MUSEUM, INC.,
a New Jersey not-for-profit corporation

By:______________________________
Name:
Title:

Agreed and accepted as to Section 11 only:

____
JOHN KEAN

[Signature Page to Agreement for Sale of Real Estate and Formation of Historic Precinct]

LIBERTY HALL FOUNDATION,
a New Jersey not-for-profit corporation

By:______________________________
Name:
Title:

KEAN UNIVERSITY,
a New Jersey state university

By:______________________________
Name:
Title:

LIBERTY HALL MUSEUM, INC.,
a New Jersey not-for-profit corporation

By: [signature]
Name:
Title:

Agreed and accepted as to Section 11 only:

[signature]
JOHN KEAN

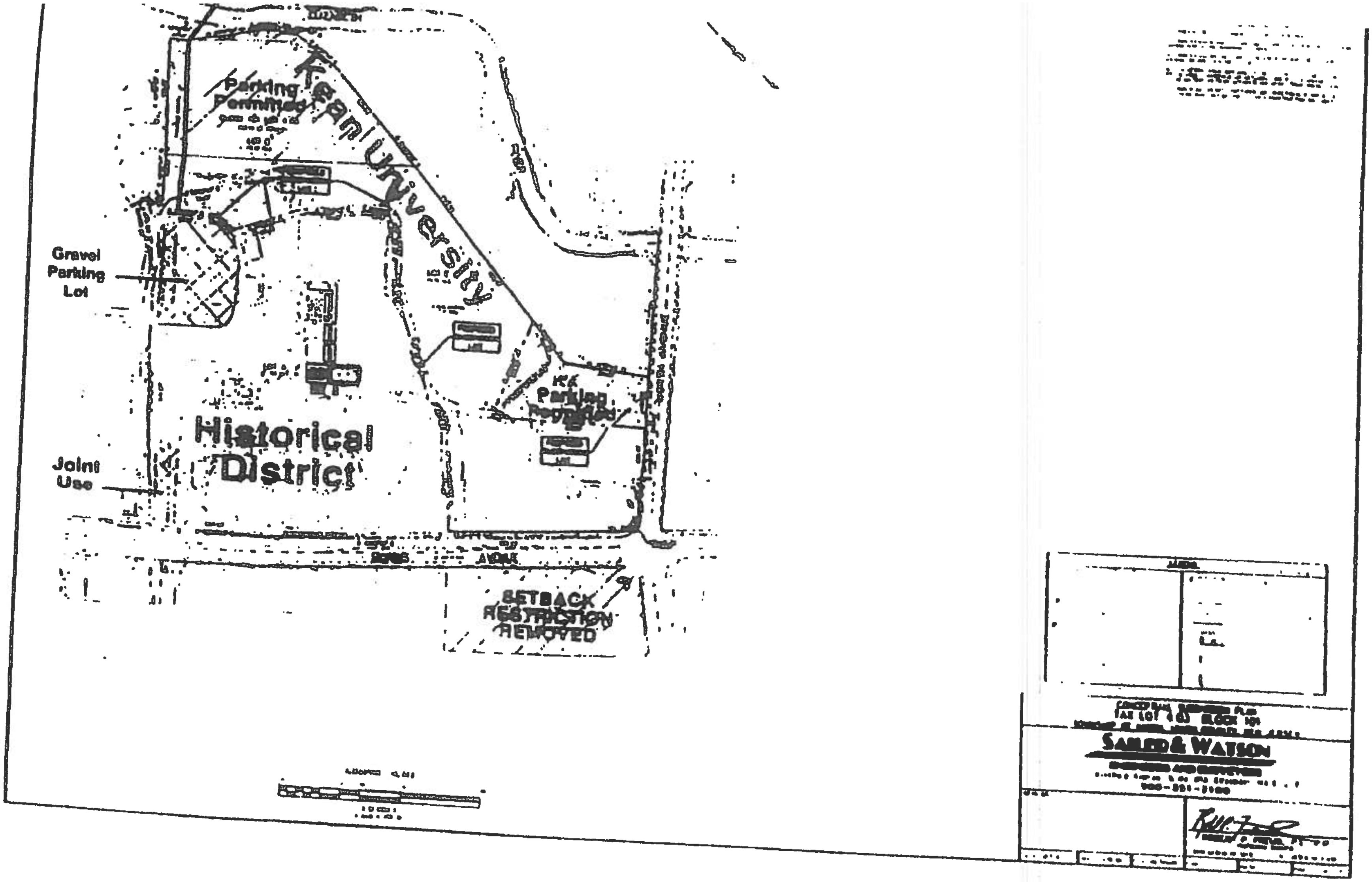
Schedule 1

<u>Initial Board of Trustees of LHM</u>

Dr. Dawood Farahi (University designee)
Robert W. Cockren, Esq. (University designee)
John Kean (Foundation designee)
Joel D. Siegel, Esq. (Foundation designee)
Pamela S. Kean (Foundation designee)

Schedule 2

Survey



Kean University
Parking Permitted
Gravel Parking Lot
Historical District
Joint Use
Parking Permitted
SETBACK RESTRICTION REMOVED

Schedule 3

Legal Description of Historic Precinct

DESCRIPTION OF HISTORICAL DISTRICT
PART OF TAX LOT 4.03 BLOCK 101
TOWNSHIP OF UNION, UNION COUNTY, NEW JERSEY
NOVEMBER 29, 2006 JOB NO. 05728

All that certain tract, lot or parcel of land situate, lying and being in the Township of Union, County of Union, State of New Jersey, and being described as follows:

BEGINNING at a point in the northeasterly line of Morris Avenue (84 feet wide), said point being distant 478.52 feet northwesterly from the intersection of the northeasterly line of Morris Avenue and the northwesterly line of North Avenue (50 feet wide), as both street lines are extended, and running thence;

1. Along the northeasterly line of Morris Avenue, North 42 degrees 42 minutes 54 seconds wEst, a distance of 431.02 feet to a point, thence;

2. Still along the northeasterly line of Morris Avenue, North 42 degrees 33 minutes 54 seconds West, a distance of 297.97 feet to a point, thence;

3. North 45 degrees 58 minutes 20 seconds East, a distance of 614.57 feet to a point, thence;

4. North 37 degrees 37 minutes 25 seconds East, a distance of 58.81 feet to a point, thence;

5. Northeasterly, along a non-tangent curve to the left, having a radius of 188.00 feet, an arc distance of 50.13 feet (chord bearing = North 37 degrees 09 minutes 12 seconds East, chord distance = 49.98 feet) to a point, thence;

6. South 53 degrees 32 minutes 13 seconds East, a distance of 35.35 feet to a point, thence;

7. South 41 degrees 05 minutes 38 seconds East, a distance of 97.87 feet to a point of curvature, thence;

8. Southerly, along a curve to the right, having a radius of 75.00 feet, an arc distance of 80.55 feet (chord bearing = South 10 degrees 19 minutes 36 seconds East, chord distance = 76.73 feet) to a point, thence;

9. South 62 degrees 06 minutes 29 seconds East, a distance of 168.23 feet to a point, thence;

10. South 48 degrees 13 minutes 45 seconds East, a distance of 174.67 feet to a point, thence;

11. South 36 degrees 50 minutes 26 seconds East, a distance of 54.18 feet to a point, thence;

12. Southwesterly, along a non-tangent curve to the right, having a radius of 195.00 feet, an arc distance of 116.17 feet (chord bearing = South 35 degrees 28 minutes 05 seconds West, chord distance = 114.46 feet) to a point of reverse curvature, thence;

13. Southwesterly, along a curve to the left, having a radius of 210.00 feet, an arc distance of 92.10 feet (chord bearing = South 39 degrees 58 minutes 12 seconds West, chord distance = 91.37 feet) to a point of tangency, thence;

14. South 27 degrees 24 minutes 20 seconds West, a distance of 239.01 feet to a point, thence;

15. Southerly, along a non-tangent curve to the right, having a radius of 90.00 feet, an arc distance of 93.84 feet (chord bearing = South 14 degrees 18 minutes 47 seconds West, chord distance = 89.65 feet) to a point of tangency, thence;

16. South 44 degrees 10 minutes 59 seconds West, a distance of 225.64 feet to the northeasterly line of Morris Avenue and the point and place of BEGINNING.

CONTAINING 479,461 square feet or 11.0 acres of land, more or less.

The foregoing description was prepared by the undersigned surveyor for the firm of Sailer & Watson, and is based on a plan entitled, "Conceptual Subdivision Plan, Tax Lot 4.03 Block 101," made by Sailer & Watson dated November 29, 2006.

James R. Watson, P.L.S. Date
N.J.P.L.S. 30750
N.Y.P.L.S. 50196
N.J.P.P. 3363

Schedule 4

Permitted Exceptions

1. The Mortgage.

2. The Ground Lease.

3. The Existing Lease.

4. Zoning ordinances, regulations and municipal building codes, and all other governmental laws, ordinances, regulations or restrictions now in effect or adopted after the date of this Agreement.

5. Such facts as an accurate, current survey would disclose, *provided that*:
   (i) Nothing contained in the survey would render title unmarketable;
   (ii) Any buildings on the Property (exclusive of any shed or other outbuilding) do not encroach onto any adjoining property; and
   (iii) There are no material encroachments from adjoining properties onto the Property.

6. The rights of utility companies, whether or not of record, with respect to supplying utility services to the improvements located on the Property.

7. The lien of real estate taxes, assessments, water charges and sewer rents not yet due and payable.

8. Sub-surface conditions not disclosed by a recorded instrument.

9. All standard exclusions, conditions and stipulations set forth in the ALTA 1992 Owner's Standard Form B policy of title insurance.

SCHEDULE 5
Documents Owned by John Kean and Excluded as "Historical Documents"

Letters

	Dated	**Locatior**
1 From Roger Sherman (signer)	10 June 1855	New Have
1 Thomas Jefferson to John Kean	14 Aug.1790	
1 John Jay to Arthur Lee	26 Jan.1780	
1 John Jay to Maria (Jay) Banyer	12 Oct.1823	
1 Elias Boudinot to John Kean	30 June 1792	
1 George Washington to John Kean	10 Nov 1791	
1 Jacob Morris to Col. Lewis Morris	28 May 1785	
1 Alexander Hamilton to John Kean	29 Nov 1793	
1 Alexander Hamilton to John Kean	14 Feb.1792	
1 Alexander Hamilton to John Kean	12 Mar.1794	
1 Alexander Hamilton to Susan Livingston Kean	23 Jan.1799	
1 Gen. H.G. Wright to Cong. John Kean, Jr.	21 Dec.1883	
1 Letter to Susan Kean	25 May1796	
1 Indenture - Will of Susan Kean Niemcewicz	20 may 1820	
1 Indenture - Will of Susan Kean Niemcewicz	22 July 1829	
1 Letter Stanislas Malachowski to J.U. Niemċewicz	24 June 1807	
1 Robert Livingston to John Kean	8 Nov.1788	
1 Wiliam Preston Griffin to ?	1800	
1 Edward Everett to Charles Gorham Barney (JK maternal Grandf)	24 Nov.1860	

Documents

1 State of the Emissions of Money of Individual States	3 March 1789	

2	Deed: Between Peter Kean, Kuther Brandish and Robert Watts	June 1827
1	Diploma Julian U. Niemcei	
1	Certificate from Theodore Roosevelt appointing Beekman Winthrop Governor of Puerto Rico	27-Apr-04
1	Proclamation from Major General James Pattison, Commander British Forces City of NY	20 July 1779
1	Invitation to Cong. John Kean Jr.Opening of the Brooklyn Bridge	
1	Appointment of John Kean as commissioner to settle the debts of the several states and the federal gov. by John Jay, Chief Justice	25 Aug.1790
1	Framed check drawn on the Bank of the United States signed by John Kean, Cashier	20 Fed.1794
1	Photostat of Commission of Mathias Potter as Lieutenant in his majesty's company issued by William Franklin	14 Sept.1774
1	Survey of land in NJ for the executors of Peter V.B. Livingston	22 Aug.1796
1	Hand Written diary of J.U. Neimceiwz during his years in prison	
1	Bill in the Chancery of New Jersey at the suit of John Earl of Stairs and others Proprieters of the Eastern Division of NJ including Mr. Nevill's speeches concerning the riots committed in New Jersey. "Printed by James Parker in New York, 1747. A few copies to be sold by him and Benjamin Franklin in Philadelphia."	1747
2	Certificates signed by George Washington and Thomas Jefferson appointing John Kean of S. Carolina as a commissioner to settle the accounts between the several states	1790 -92
1	John Kean Charitable Donation for fire relief Boston 7/20/1794	15 April 1795
1	Receipt Elias Boudinot from James Mott	11 May 1796
1	Indenture George Carteret to Hon. Arthur Earle	4 May 1667
1	J.U. Neimceiwz Passport	

Exhibit A

Certificate of Incorporation of LHM

NJ

FILED
DEC 2 1 2006
STATE TREASURER

0100973044

CERTIFICATE OF INCORPORATION

OF

LIBERTY HALL MUSEUM, INC.

(Pursuant to N.J.S.A. 15A:2-8)

The undersigned, who is at least 18 years of age, for the purpose of forming a corporation pursuant to the provisions of the New Jersey Nonprofit Corporation Act, certifies as follows:

FIRST: The name of the corporation is LIBERTY HALL MUSEUM, INC.

SECOND: The corporation is organized and shall be operated exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), including, for such purposes, the operation and preservation of the Liberty Hall Museum and the Liberty Hall Fire Museum, together with all of the related land, historic buildings, gardens, and infrastructure improvements, and the heritage attendant to them.

THIRD: The qualifications for members ("Members") and the manner of their admission shall be as set forth by the Bylaws of the corporation.

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FOURTH: The relative rights and limitations of the different classes of Members shall be as set forth in the Bylaws of the corporation.

FIFTH: Trustees ("Trustees") shall be elected as set forth in the Bylaws of the corporation.

SIXTH: The address of the corporation's initial registered office is: c/o Orloff, Lowenbach, Stifelman & Siegel, P.A., 101 Eisenhower Parkway, Roseland, New Jersey 07068; the name of the corporation's initial registered agent at that address is Joel D. Siegel, Esq.

SEVENTH: The number of Trustees constituting the initial Board of Trustees of the corporation is five, the names and addresses of whom are as follows:

Dr. Dawood Farahi
Kean University
1000 Morris Avenue
Union, New Jersey 07083

Robert W. Cockren
Sonnenschein, Nath & Rosenthal, LLP
101 JFK Parkway
Short Hills, NJ 07078

John Kean
176 No. Shore Point
Vero Beach, Florida 32963

Joel D. Siegel
9 Wilshire Drive
Livingston, New Jersey 07039

Pamela S. Kean
176 No. Shore Point
Vero Beach, Florida 32963

EIGHTH: (a) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its Members, Trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

(b) No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

(c) Notwithstanding any other provision contained in this Certificate of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code; (ii) by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2), or 2522(a)(2) of the Code; or (iii) if the corporation is a private foundation, by a private foundation under N.J.S.A. 15:19-2 (or the corresponding provision of any future New Jersey statute).

(d) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code.

(e) The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code.

(f) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code.

(g) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.

(h) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

NINTH: Upon the dissolution of the corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board of Trustees shall determine.

TENTH: To the extent permitted under the New Jersey Nonprofit Corporation Act, no Member, Trustee or officer of the corporation shall be personally liable to the corporation for damages with respect to the breach of any duty owed to the corporation; PROVIDED, HOWEVER, that this Article shall not relieve a Member, Trustee or officer from liability for any such breach of duty based upon any act or omission: (i) in breach of such person's duty of loyalty to the corporation; (ii) not in good faith or involving a knowing violation of law; or (iii) resulting in receipt by such person of any improper personal benefit.

ELEVENTH: The name and address of the corporation's sole incorporator are as follows:

Eugenia Yudanin, Esq.
Orloff, Lowenbach, Stifelman & Siegel, P.A.
101 Eisenhower Parkway
Roseland, New Jersey 07068

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Incorporation on December 21, 2006.

Eugenia Yudanin
Eugenia Yudanin, Incorporator

Exhibit B

Bylaws of LHM

BY-LAWS

OF

LIBERTY HALL MUSEUM, INC.

* * * * * * * * * *

ARTICLE I - MEMBERS AND MEETINGS OF MEMBERS

Section 1. Membership. The members of LIBERTY HALL MUSEUM, INC. (the "Museum") shall be divided into the Class A member (the "Class A Member") and the Class B member (the "Class B Member"), with each class having the rights and obligations set forth in these By-laws. The Class A Member and the Class B Member are referred to collectively as the "Members". The Class A Member shall be Kean University. The Class B Member shall be the Liberty Hall Foundation.

Section 2. Rights of Members. The Members shall have the general right to vote for all purposes, including the election of trustees and the amendment of these By-Laws, as provided by law and the By-laws. Except as expressly provided in the By-Laws, each Member shall be entitled to one vote and there shall be no difference in the Members' relative rights and limitations.

Except as may be otherwise required by law or by the Certificate of Incorporation of the Museum, any right of a Member to vote and any right, title, and interest of any Member in or to the Museum, shall cease and divest on termination of such Member's membership, including without limitation a termination of the Class A Member's membership by reason of a Foreclosure (as defined in and pursuant to the Agreement for Sale of Real Estate and Formation of Historic Precinct made as of December __, 2006 by and among the Museum, the Liberty Hall Foundation and Kean University (the "Agreement")). No Member shall be entitled to share in the distribution of the assets of the Museum upon the dissolution of the Museum.

Section 3. Biennial Meeting. The biennial meeting of the Members shall be held in December of each even-numbered year for the purpose of electing trustees and for the transaction of such other business as may come before the meeting.

Section 4. Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by the President, the Board of Trustees or any Member by notice given to the Members as provided in Section 5 of this Article I.

Section 5. Place of Meeting; Notice. All meetings of Members shall be held at the principal office of the Museum or at such other place within the State of New Jersey as shall be specified in the notice of meeting. Written or printed notice stating the place, day and hour of the meeting shall be given not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, to each Member. Notice of any meeting need not be given to any Member who signs a waiver of notice before or after the meeting. Attendance of a Member at a meeting, either in person or by proxy, constitutes waiver of notice and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, unless the Member attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of affairs.

Section 6. Quorum. All of the Members, represented in person or by proxy, shall constitute a quorum at any meeting.

Section 7. Method of Voting. The Members shall vote by voice vote on all matters, including the election of trustees, unless any Member demands voting by written ballot prior to the vote. In the event a written ballot is demanded, the person presiding at the meeting shall designate one person, who may not be a nominee for trustee if the vote be to elect trustees, as inspector to tally the ballots and report the results of the voting. Except for elections of trustees, whenever any action is to be taken by vote of the Members, the affirmative vote of all of the Members shall be required to authorize such action.

Section 8. Presiding Officers at Meetings. The President and the Secretary of the Museum shall act as chair and recording secretary of each meeting of the Members unless the Members present at the meeting shall decide otherwise.

Section 9. Action Without a Meeting. Except as otherwise provided by law, any action required or permitted to be taken pursuant to authorization voted at a meeting of the Members may be taken without a meeting if, prior or subsequent to such action, all of the Members consent thereto in writing. Such written consents may be executed in counterparts, and shall be filed with the minutes of the Museum.

Section 10. Authorized Persons of Members. The President of each Member shall be authorized to act for or on behalf of such Member under these Bylaws pursuant to the authority granted to such President by the Board of Trustees of such Member.

ARTICLE II - TRUSTEES

Section 1. Number; Term of Office. The initial Board of Trustees shall consist of five persons, two of which were elected by the Class A Member, and three of which were elected by the Class B Member. At or before the Closing (as defined in the Agreement), the Class A Member shall elect one additional trustee, and the Class B Member shall elect two additional trustees. From and after the date of the Closing, the Board of

Trustees shall consist of eight persons, three of which shall be elected by the Class A Member (to the exclusion of the Class B Member), and five of which shall be elected by the Class B Member (to the exclusion of the Class A Member), at each biennial meeting of the Members. The trustees elected at each biennial of Members shall hold office for two years, and until their successors are elected and qualify. The trustees shall have the right to appoint from time to time one or more ex-officio Board members with the consent of the Members.

Section 2. Regular Meetings. A regular meeting of the Board of Trustees for the purpose of electing officers and transacting such other business as may come before the meeting shall be held without notice immediately following and at the same place as the biennial meeting of the Members. The Board of Trustees may provide, by resolution, the place, day and hour for additional regular meetings which may be held without notice.

Section 3. Special Meetings. Special meetings of the Board of Trustees may be called by the President or any trustee. Written notice of any special meeting shall be given to each trustee at least 3 days prior thereto.

Section 4. Place of Meeting; Waiver of Notice. Meetings of the Board of Trustees shall be held at such place as shall be designated in the notice of meeting. Notice of any meeting need not be given to any trustee who signs a waiver of notice before or after the meeting.

Section 5. Quorum. A majority of the trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees.

Section 6. Manner of Acting. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

Section 7. Action Without a Meeting. Any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board of Trustees may be taken without a meeting if, prior or subsequent to such action, all of the trustees consent thereto in writing. Such written consents may be executed in counterparts, and shall be filed with the minutes of the Museum.

Section 8. Vacancies. Any vacancy in the Board of Trustees may be filled by the Member that elected the trustee whose position became vacant.

Section 9. Committees. The Board of Trustees, by resolution adopted by a majority of the entire board, may appoint from among its members an executive committee and one or more other committees. To the extent provided in such resolution, each such committee shall have and may exercise all the authority of the Board, subject to the limitations on the permissible scope of the power of any such committees allowed by law. The Board of Trustees, by resolution adopted by a majority of the entire Board, may fill any vacancy in any committee; abolish any committee at any time; and remove any trustee from membership on any committee at any time, with or without cause.

Section 10. Duties. The Board of Trustees shall manage the activities of the Museum.

Section 11. Removal of Trustees. Any one or more of the trustees may be removed from office, either with or without cause, by the Member that elected such trustee(s); provided, however, that if there is a Foreclosure, then, effective as of the date of the Foreclosure, all of the trustees elected by the Class A Member shall resign from the Board of Trustees and, in the event of their failure so to resign, the Class B Member shall be entitled to remove such trustees from office effective as of the date of the Foreclosure.

Section 12. Meeting by Telephone. A member of the Board of Trustees or a committee of the Board may participate in a meeting of the Board of Trustees or such committee by means of a telephone conference call or any other means of communication by which all persons participating in the meeting are able to hear each other.

ARTICLE III - OFFICERS

Section 1. Election. At its regular meeting following the biennial meeting of the Members, the Board of Trustees shall elect or appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers or agents as it shall deem necessary or desirable. One person may hold two or more offices.

Section 2. Vacancies. Any vacancy occurring among the officers, however caused, may be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. President. Subject to the control of the Board of Trustees, the President shall in general supervise and control all of the activities of the Museum. Unless otherwise directed by the Board of Trustees, all other officers shall be subject to the authority and supervision of the President. The President may enter into and execute in the name of the Museum contracts or other instruments in the regular course of business or contracts or other instruments not in the regular course of business which are authorized, either generally or specifically, by the Board of Trustees. He or she shall have the general powers and duties of management usually vested in the office of President of a not for profit corporation.

Section 4. Vice President. The Vice President or Vice Presidents shall perform such duties and have such authority as may be delegated to them from time to time by the President or by the Board of Trustees. In the absence of the President or in the event of the President's death, inability, or refusal to perform his or her duties, the Vice President (or such Vice President as the President shall designate if there be more than one Vice President) shall perform the duties and be vested with the authority of the President.

Section 5. Secretary. The Secretary shall cause notices of all meetings to be served as prescribed in these By-laws or by statute, shall keep or cause to be kept the minutes of all meetings of the Members and of the Board of Trustees, shall have charge of the corporate records and seal of the Museum, and shall keep a register of the post-office address of each Member which shall be furnished to him or her by such Member. He or she shall perform such other duties and possess such other powers as are incident to the office of Secretary or as are assigned by the President or by the Board of Trustees.

Section 6. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Museum, shall keep or cause to be kept regular books of account for the Museum, and shall perform such other duties and possess such other powers as are incident to the office of Treasurer or as shall be assigned to him or her by the President or by the Board of Trustees.

ARTICLE IV - INDEMNIFICATION

The Museum shall indemnify every person who is or was a Trustee, officer, employee or agent against all expenses and liabilities to the extent permitted under N.J.S.A. 15A:3-4 (or the corresponding provision of any future New Jersey statute) (the "Act").

ARTICLE V - CERTIFICATES OF MEMBERSHIP

The Board of Trustees may from time to time prescribe the form and contents of any certificates of membership which the Museum may decide to issue.

ARTICLE VI - EXECUTION OF DOCUMENTS

Section 1. Commercial Paper. All checks, notes, drafts and other commercial paper of the Museum shall be signed by the President of the Museum or by such other person or persons as the Board of Trustees may from time to time designate.

Section 2. Other Instruments. All deeds, mortgages and other instruments shall be executed by the President of the Museum or any Vice President, or such other person or persons as the Board of Trustees may from time to time designate.

ARTICLE VII - FISCAL YEAR

The fiscal year of the Museum shall be the calendar year.

ARTICLE VIII - SEAL

The seal of the Museum shall be circular in form, have the words "LIBERTY HALL MUSEUM, INC." and the words and figures "2006 New Jersey" in the center thereof.

ARTICLE IX - PROHIBITION AGAINST SHARING IN CORPORATE EARNINGS

No Member, trustee, officer, or employee of or member of a committee of or person connected with the Museum, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Museum, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Museum in effecting any of its purposes as shall be fixed by the Board of Trustees; and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Museum. All members of the Museum shall be deemed to have expressly consented and agreed that upon such dissolution or winding up of the affairs of the Museum, whether voluntary or involuntary, the assets of the Museum, after all debts have been satisfied, then remaining in the hands of the Board of Trustees shall be distributed, transferred, conveyed, delivered, and paid over, in such amounts as the Board of Trustees may determine or as may be determined by a court of competent jurisdiction upon application of the Board of Trustees, exclusively to charitable, religious, scientific or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE X - EXEMPT ACTIVITIES

Notwithstanding any other provision of these By-laws, no Member, trustee, officer, employee, or representative of the Museum shall take any action or carry on any activity by or on behalf of the Museum not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law), or by an organization contributions to which are deductible under Sections 170(c)(2), 2055(a)(2) or 2522(a)(2) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States internal revenue law).

ARTICLE XI - AMENDMENT

These By-laws may be altered, amended or repealed and new By-laws may be adopted by the affirmative vote of the Members at any regular or special meeting of the Members, if notice of the proposed alteration or amendment is contained in the notice of the meeting. The power to make, alter, amend and repeal By-laws is reserved to the Members, and the Board of Trustees shall have no power to make, amend, alter or repeal By-laws.

ARTICLE XII - FORCE AND EFFECT OF BY-LAWS

These By-laws are subject to the provisions of the Act and the Certificate of Incorporation as they may be amended from time to time. If any provision in these By-laws is inconsistent with a provision in the Act or the Certificate of Incorporation, the provision of the Act or the Certificate of Incorporation shall govern to the extent of such inconsistency.

Adopted: Organizational meeting of the Board of Trustees held on December __, 2006.

Exhibit C

Form of Ground Lease

GROUND LEASE AGREEMENT

BETWEEN

KEAN UNIVERSITY,

LESSOR

AND

LIBERTY HALL MUSEUM, INC.,

LESSEE

DATED: _______ __, 2007

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GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT dated as of the ___ day of _____, 2007 ("this Lease"), is made by and between **Kean University**, a New Jersey state university having a mailing address at 1000 Morris Avenue, Union, NJ 07083 (the "Lessor"), and **Liberty Hall Museum, Inc.**, a New Jersey non-profit corporation having a mailing address at 1003 Morris Avenue, Union, NJ 07083 (the "Lessee").

RECITALS:

WHEREAS, Lessor has on this date purchased certain land located in the Township of Union, County of Union, State of New Jersey (the "Property"), pursuant to an Agreement for Sale of Real Estate and Formation of Historic Precinct (the "Sale Agreement") dated as of December 22, 2006 by and among Lessor, Lessee and Liberty Hall Foundation; and

WHEREAS, the Sale Agreement provides, *inter alia*, that Lessor shall lease to Lessee a portion of the Property designated in the Sale Agreement as the "Historic Precinct", and that Lessor and Lessee shall enter into this Lease.

NOW THEREFORE, in consideration of the mutual covenants, promises and undertakings of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency is hereby acknowledged, the parties agree as follows:

ARTICLE I: LEASED PREMISES

Lessor hereby leases the Leased Premises (as defined below) to Lessee, and Lessee hereby leases the Leased Premises from Lessor, for and during the Term (as defined herein).

(a) Leased Premises. The "Leased Premises" shall consist of approximately eleven (11) acres of land described in ***Schedule A*** attached hereto and incorporated herein, together with any Museum Improvements (as defined herein) that now are or may in the future be constructed thereon, all rights, easements and appurtenances pertaining thereto, including, without limitation, any and all rights of ingress and egress to streets, street beds and roadways, if any, associated therewith and all improvements located thereon; subject only to the covenants, restrictions, easements, agreements, conditions and matters referred to in ***Schedule B*** attached hereto and incorporated herein (the "Permitted Encumbrances").

1.2 Lessor Representation. Other than any that may be listed on Schedule B, Lessor represents that there are no lessees, occupants or other parties presently occupying or having any right to occupy the Leased Premises or any portion thereof.

ARTICLE II: TERM

2.1 Inception Date. The inception date of this Lease is the date first above written (the "Inception Date").

2.2 Term. The commencement date of the term of this Lease (the "Term") shall be the Inception Date. The expiration date of the Term shall be the end of the ninety-eighth (98^{th}) Lease Year.

2.3 Lease Year. The first "Lease Year" shall mean the period beginning on the Inception Date and ending in the following calendar year on the last day of the month in which the Inception Date occurs and each twelve (12) month period thereafter shall be deemed a Lease Year.

ARTICLE III: FIXED NET RENT AND ADDITIONAL RENT

3.1 Fixed Net Rent. Lessee shall pay to Lessor Fixed Net Rent of $1.00 per year on each yearly anniversary of the Inception Date.

3.2 Additional Rent. Additional Rent shall include Lessee's utilities (e.g., water, sewer, gas, electric, telecommunications) pertaining to the Museum Improvements and real estate taxes specifically attributable to the Leased Premises, such portions thereof, the Museum Improvements or such portions thereof, if any. Lessee's obligation to pay Additional Rent hereunder shall commence on the first of the month following the Inception Date. In the event of non-payment, Lessor shall have all the rights and remedies provided herein for non-payment of the Fixed Net Rent. The term "Museum Improvements" shall mean the Museums (as defined in the Sale Agreement) and all other structures (not necessarily enclosed), buildings or improvements now on or hereafter erected or placed on or in the Leased Premises by Lessee. Lessee will indemnify Lessor from and against all liabilities, claims, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in connection with any failure by Lessee to timely pay Additional Rent (including any assessments paid in installments pursuant to Section 4.4) in accordance with the terms of this Lease.

3.3 Lessor May Cover Default. If Lessee shall default in making any payment, required to be made by this Lease or shall default in performing any term, covenant or condition of this Lease on the part of Lessee to be performed, which shall involve the expenditure of money by Lessee, Lessor at its option may (but shall not be obligated to do so), upon the giving of at least fifteen (15) days prior written notice to Lessee, make such payment on behalf of Lessee, or expend such sum as may be reasonably necessary to perform and fulfill such term, covenant or condition. Any and all sums so paid or expended by Lessor, with interest thereon at the then Prime Rate (as announced in the Wall Street Journal) from the date of such payment or expenditure, shall be due from Lessee as Additional Rent hereunder, and shall be repaid by Lessee to Lessor on demand, but no such payment or expenditure by Lessor shall be deemed a waiver of Lessee's default, nor shall it affect any other remedy of Lessor by reason of such default. Said default, if any, however, shall be deemed cured upon reimbursement by Lessee.

ARTICLE IV: TAXES, ASSESSMENTS AND UTILITY CHARGES

4.1 Included Charges. The Leased Premises and the Museum Improvements are not currently subject to real estate taxes. If, for any reason, the Leased Premises or the Museum Improvements become subject to real estate taxes, then Lessee shall pay and discharge all such real estate taxes (but only such amounts as are specifically attributable to the Leased Premises or such portion thereof, or the Museum Improvements or such portions thereof). Lessee shall also pay and discharge all charges for water, gas, electricity, steam and all other public utility or similar service or services furnished to the Leased Premises or the Museum Improvements during the Term hereof. Lessor shall permit Lessee to obtain all bills for utilities and impositions (specifically including real estate taxes, if any) with respect to the Leased Premises or the Museum Improvements which are Lessee's responsibility under this Lease directly from the issuing authorities, and agrees, at Lessee's request, to provide written directions to the issuing authorities to that effect. If Lessor receives any bills with respect to the Leased Premises or the Museum Improvements which are Lessee's responsibility, Lessor shall promptly forward such bills to Lessee in time to permit Lessee to take advantage of any available discounts and to avoid any fine or penalty for late payment or nonpayment. Upon Lessor's request, Lessee will furnish copies of official receipts or other satisfactory evidence of payment of bills for any such charges.

4.2 Contest. Lessee may contest in good faith by appropriate proceedings at its own expense, any such tax, assessment, water, water meter or sewer rent or charge or similar item, provided that Lessee shall have deposited with the Lessor, if required by Lessor, the amount of the item so contested (or where permitted by law paid the same under protest). Nothing herein contained, however, shall relieve Lessee of the obligation and duty to pay and discharge such contested items, as finally adjudicated, with interest and penalties, and all other charges directed to be paid in or by any such adjudication. Any such contest or legal proceeding shall be begun by Lessee as soon as reasonably possible after the imposition of any contested item and shall be prosecuted to final adjudication with all promptness and dispatch; except, however, that Lessee may in its discretion consolidate any proceeding to obtain a reduction in the assessed valuation of the Leased Premises and the Museum Improvements for tax purposes relating to any tax year with any similar proceeding or proceedings relating to one or more other tax years. At the request of Lessee, Lessor may join with Lessee in any such contest at Lessor's sole cost and expense. Anything to the contrary notwithstanding, Lessee shall pay all such contested items before the time when the Leased Premises or any part thereof might be forfeited as a result of nonpayment or if Lessor shall be subject to any criminal penalty or liability arising out of the non-payment thereof. Lessor shall not, without Lessee's prior approval, make or finally agree to any settlement, compromise or other disposition of any such proceedings or discontinue or withdraw any such proceedings, or accept any refund or other adjustment of or credit for any tax, assessment, water rent, rate or charge, sewer rent or other governmental fee, imposition or charge aforementioned as the result of any such proceedings. Any refunds resulting from any contest by Lessee shall belong to Lessee, even if Lessee brought the action in Lessor's name.

4.3 Allocation Upon Expiration of Term. Both at the commencement and at the expiration of the Term, all taxes, assessments, water, water meter or sewer rents or charges, duties, impositions, fees and charges for public utility or similar services, and all fees, payments and other charges of every kind and nature, provided to be paid by Lessee under this Article, whether accrued or prepaid as the case may be, and including any assessments which have been converted into installments, shall be apportioned between Lessor and Lessee in accordance with the usual practice and custom then in effect in the Township of Union, New Jersey.

4.4 Installments. If by law any assessment for a public improvement with respect to the Leased Premises or any Museum Improvements thereon is payable, at the option of the taxpayer, in installments, Lessee may, whether or not interest shall accrue on the unpaid balance thereof, pay the same, and any accrued interest or any unpaid balance thereof, in installments, as each installment becomes due and payable, but in any event before any fine, penalty, interest or cost may be had thereto for non-payment of any installments or interest, or if Lessor shall be subject to any criminal penalty or liability arising out of the non-payment thereof.

4.5 Tax Exemptions. Lessor and Lessee covenant and agree that during the Term each will cooperate with the other in obtaining and retaining any tax exemptions for which the Leased Premises may be eligible pursuant to any statute, law, ordinance, rule or regulation now or hereafter enacted, and each will execute and file any and all documents and instruments reasonably necessary to retain any such exemption, provided that if either party shall unreasonably fail or refuse to so cooperate or so execute any such documents or instruments, then the other party is hereby authorized to act as the attorney-in-fact of the non-cooperating party for the purpose of so acting or so executing such documents or instruments. Lessee shall deliver to Lessor copies of all preliminary and final certificates or other instruments evidencing any such tax exemption obtained for the Leased Premises as and when Lessee receives such certificates or other instruments from the appropriate governmental agency.

ARTICLE V: NO SALE, TRANSFER OR ASSIGNMENT OF FEE BY LESSOR

Lessor may not sell, transfer or assign its fee interest in the Leased Premises to any person or entity without first obtaining the written consent of Lessee and the holder of the Mortgage (as defined in the Sale Agreement); provided, however, that such consent shall not be required in connection with any sale, transfer or assignment of the fee interest in the Leased Premises to the State of New Jersey or the Kean University Foundation, provided that (i) any such sale, transfer or assignment is expressly subject and subordinate to this Lease and the Mortgage, and (ii) Kean University continues to be obligated to perform the maintenance and other duties of Lessor required by the terms of this Lease.

ARTICLE VI: USE OF THE PREMISES

6.1 Use of Leased Premises. Unless Lessor otherwise provides its prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), the Leased Premises shall be used only to operate the Museums, together with any ancillary and accessory uses in connection therewith (the "Permitted Use"), plus certain Special Uses (as discussed below), and in all events in compliance in all material respects with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Leased Premises, and to the use and occupancy thereof. Compliance with the terms and conditions of this Section shall be at Lessee's sole cost and expense.

6.2 Special Uses. Lessee may use the Leased Premises and the facilities thereon for special events and/or in connection with the Museums' programming including, but not limited to, weddings and other catered affairs, fund raising activities, evening and off-hour museum programming and other special events (the "Special Uses"). Such Special Uses shall be permitted so long as they are conducted in accordance with applicable laws.

6.3 Signage. Lessee may, without Lessor's consent, maintain all existing signage and place additional signage for the Museums on the Leased Premises; provided that all additional signage is of a style and size consistent with the existing signage on the Leased Premises and that such additional signage complies with all applicable laws.

ARTICLE VII: MAINTENANCE AND ALTERATIONS

7.1 Lessee's Maintenance and Repairs. While this Lease remains in effect Lessee shall, at its own cost and expense, maintain the Museum Improvements now on or hereafter constructed or placed on the Leased Premises and keep the same and all parts thereof in a safe condition, subject to wear and tear, damage from the elements, casualty and condemnation excepted, and shall, at Lessee's sole discretion but at no cost or expense to Lessor, make all needed repairs and replacements in and to any Museum Improvements now on or hereafter constructed or placed upon the Leased Premises, including fixtures, machinery and equipment now or hereafter belonging to or connected with the Leased Premises or used in the operation of the Museum Improvements.

7.2 Lessor's Services. While this Lease remains in effect Lessor shall, at its own cost and expense, be responsible for (i) maintaining the pathways, roads and grounds of the Leased Premises, including, without limitation, snow removal, and (ii) providing security services for the Leased Premises and the Museum Improvements, in each case in a manner similar in quality and scope as is provided by Lessor with respect to its campus.

7.3 Alterations. Lessee shall have the right throughout the Term to alter, demolish or replace all or any parts of the Museum Improvements and may construct and install any additional improvements, fixtures, facilities or accessories related to the Museum Improvements as Lessee deems advisable or appropriate, consonant with the Permitted and Special Uses. All alterations and additions shall be performed in material compliance with applicable laws. Title to all such improvements, fixtures, facilities or accessories shall vest in Lessee and shall be subject to the terms of this Lease.

ARTICLE VIII: LESSEE TO COMPLY WITH LAWS

8.1 Compliance. Lessee shall, at Lessee's own cost and expense, promptly comply in all material respects with all present and future requirements of every applicable statute, law, ordinance, rule, regulation, directive, or order, now or thereafter made by any Federal, state, county, municipal or other public body, department, bureau, district, officer or authority, with respect to (i) the Leased Premises, the Museum Improvements and appurtenances thereto; and (ii) the use or occupancy of the Leased Premises and the Museum Improvements, including the making of any alteration or addition in or to any structure upon, connected with, or appurtenant to, the Leased Premises (collectively, "Legal Requirements").

8.2 Contest. Lessee shall have the right at its expense and, if legally required, in Lessor's name, to contest by appropriate legal proceedings the amount or validity of any Legal Requirements imposed with respect to the Leased Premises and/or the Museum Improvements and to defer payment thereof or compliance therewith pending the resolution of such contest, subject to the following conditions: (i) the contest is promptly and diligently prosecuted by Lessee without cost or expense to Lessor; (ii) Lessee posts any bond or other security for payment of the contested charge as required by applicable Legal Requirements; and (iii) Lessor is not subject to any civil or criminal penalties or sanctions, and the Leased Premises is not subjected to risk of forfeiture or the imposition of a lien, by reason of the contest or Lessee's deferral of payment or compliance in connection therewith. If the contest is successful, Lessee shall be entitled to the benefit of any refunds or savings attributable thereto.

ARTICLE IX: TITLE TO THE MUSEUM IMPROVEMENTS

Title to the Museum Improvements shall be in Lessee, subject to Lessor's reversionary interest therein upon the expiration or earlier termination of the Term; provided, however, that Lessee acknowledges and agrees that, notwithstanding its ownership interest in the Museum Improvements, Lessee shall not be permitted to relocate an entire Museum building to any location outside of the Leased Premises without first obtaining Lessor's written consent.

ARTICLE X: INSURANCE

10.1 Lessee's Insurance. Throughout the Term, Lessee shall maintain, or cause to be maintained, the following insurance coverages with respect to the Leased Premises:

(a) Hazard Insurance. Hazard insurance policies covering loss or damage to the Museum Improvements by fire or other casualty included within the "all risk" and extended coverage clauses of insurance policies which are then standard in the area, in amounts deemed necessary by Lessee in its sole discretion, subject to a deductible determined by Lessee;

(b) Public Liability Insurance. Comprehensive public liability insurance coverage with combined single limit coverage of not less than ***[$2,000,000]*** (which may be provided by an "umbrella" policy); and

(c) Worker's. Compensation. Workers' compensation or similar coverage for the benefit of Lessee's employees.

10.2 Lessee's Insurance Certificates. Lessee shall name Lessor, and any party designated by Lessor, as an additional insured under the policies carried pursuant to Section 10.1 above. All of the insurance policies required pursuant to Section 10.1 above (i) must be acceptable to Lessor, in the commercially reasonable exercise of its judgment, and (ii) will provide that the party named as an additional insured shall be given a minimum of ten (10) days written notice by any such insurance company prior to the cancellation, termination or alteration of the terms or limits of such coverage. Lessee will deliver to Lessor copies of the foregoing insurance policies or certificates thereof within thirty (30) days after the Inception Date and evidence of all renewals or replacements of same prior to the expiration date of such policies. All such policies may be maintained under a blanket insurance policy of the insuring party.

ARTICLE XI: EVENTS OF DEFAULT

11.1 Events of Default. It shall constitute an event of default (an "Event of Default") under this Lease if:

(a) Lessee uses the Leased Premises for any use other than a Permitted Use or a Special Use;

(b) Lessee shall fail to pay any installment of Fixed Net Rent or any Additional Rent or other charges, or any part thereof, as and when the same is due, and such failure continues for a period of thirty (30) days after written notice from Lessor;

(c) Any party defaults in the observance or performance of any other term, covenant or condition of this Agreement, and such default continues for thirty (30) days after notice thereof; provided, however, that if such default is capable of being cured but cannot reasonably be cured within such 30-day period by virtue of the nature of such default, the period to cure will be extended for an additional ninety (90) days if, but only if, such party commences to cure such default within such initial 30-day period and thereafter diligently prosecutes such cure to completion within such additional 90-day period; or

(d) There occurs a default on the part of the Lessor under the Sale Agreement or the Mortgage, and such default continues beyond applicable grace, notice and cure periods, if any.

11.2 Waiver of default. No default shall be deemed waived unless in writing and signed by the non-defaulting party.

ARTICLE XII: REMEDIES UPON AN EVENT OF DEFAULT

12.1 Event of Default by Lessee. If an Event of Default by Lessee occurs then Lessor shall have the following rights:

(a) Lessor may give Lessee notice that Lessor intends to terminate this Lease on the termination date specified in such notice, which shall be not less than ninety (90) days after the Event of Default has occurred.

(b) This Lease and Lessee's rights hereunder shall terminate on the termination date specified in the notice given pursuant to Section 12.1(a), and Lessor shall thereupon have the absolute right to take possession of the Leased Premises, unless prior to such date all arrearages of Fixed Net Rent and Additional Rent are paid in full and all other Events of Default existing at the time the notice is given are cured. In such event, Lessor shall have the right, on ten (10) days' written notice to Lessee, to re-enter upon and repossess the Leased Premises by summary proceedings, ejectment or otherwise, and may remove Lessee and all of the personal property on the premises therefrom, unless prior to that date all arrearages of Fixed Net Rent and Additional Rent are paid in full and all other Events of Default existing at the time the notice is given are cured. Lessor shall not be responsible for any property damage occurring in connection with such re-entry.

12.2 Event of Default by Lessor. If an Event of Default by Lessor occurs then, in addition to any other rights and remedies available under this Agreement or the Sale

Agreement, Lessee shall be entitled to pursue all rights and remedies available under applicable statute, at law, or in equity.

12.3 Attorneys' Fees. Without limiting the foregoing, the prevailing party in any action or proceeding commenced with respect to an Event of Default shall be entitled to recover any and all expenses, court costs and reasonable attorneys' fees incurred in connection therewith.

ARTICLE XIII: ACCESS RIGHTS

13.1 Maintenance, Security and Emergencies. Lessor and its agents, employees, contractors and authorized representatives may enter the Leases Premises at all reasonable times for the purpose of providing the maintenance and security services referred to in Section 7.2 of this Lease. Lessor shall also have the limited right to enter the Leased Premises with emergency vehicles as may reasonably be necessary to access the Adjacent Property (as defined below) in the event of an emergency.

13.2 Geothermal Wells. Lessor owns certain real property located adjacent to the Leased Premises (the "Adjacent Property") and intends to construct a museum on the Adjacent Property (the "KU Museum"). Lessor shall have the right to install and maintain geothermal wells underneath the gravel parking lot on the Leased Premises to serve the KU Museum, and to access the Leased Premises for the foregoing purposes, provided that: (i) Lessee shall be notified of the proposed size and location of the wells; (ii) the wells shall not interfere with Lessee's use and enjoyment of the Leased Premises or the Museum Improvements, affect Lessee's use of the parking lot on the Leased Premises, or affect any of Lessee's rights under this Lease; and (iii) all construction activities (including, without limitation, excavation) relating to the installation, maintenance or repair of the wells may only take place during the months of January, February or March (the "Non-Operating Period"). Notwithstanding the foregoing clause (iii), if an emergency situation exists with respect to the wells at any time other than during a Non-Operating Period and the required repairs cannot reasonably be delayed until the next Non-Operating Period, Lessor may make such repairs during the period of emergency provided that (A) Lessee has provided its prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) and (B) Lessor proceeds with the repairs diligently and in a manner that results in the least disruption to the operation of the Museums and the use of the parking lot in which the wells are located.

13.3 Handicapped Parking. Lessee shall permit Lessor's visitors to the KU Museum who are handicapped to use the parking spaces in the Leased Premises reserved for the handicapped.

ARTICLE XIV: LESSEE'S LIABILITY

The rights and remedies of Lessor upon the occurrence of an Event of Default shall be limited to those granted in Article XII hereof, to wit, to re-enter and repossess the Leased Premises in accordance with law, and terminate this Lease and thereafter Lessee shall have no further liability or obligation to Lessor.

ARTICLE XV: CONTRACTOR'S LIENS

If any contractor's (including any mechanic's, laborer's or materialman's) lien is filed against the Leased Premises by reason of labor performed or materials furnished for Lessee, Lessee shall cause the lien to be discharged within ninety (90) days after receipt of notice of such filing by payment, deposit, bond, order of a court of competent jurisdiction or otherwise; provided, however, that if such lien relates to labor performed or material furnished by Lessor or its agents or contractors pursuant to Article VII, then Lessor shall cause the lien to be discharged within such ninety (90) day period by payment, deposit, bond, order of a court of competent jurisdiction or otherwise.

ARTICLE XVI: CONDEMNATION

16.1 Lessor shall give Lessee prompt written notice of any proposed taking of all or any part of the Leased Premises or the Museum Improvements pursuant to the power of eminent domain. Lessee may appear at any negotiations or proceedings with respect to such taking and may be represented by counsel at its sole expense.

16.2 If the entire Leased Premises is taken by any governmental or other body under the exercise of the power of eminent domain, or by agreement with such body in anticipation or in lieu of such taking, this Lease will terminate as of the date possession of the Leased Premises is delivered to the condemnor. Rent shall be apportioned as of the same date.

16.3 If only part of the Leased Premises is subject to a taking as described above, then as to that part of the Leased Premises not taken, this Lease will continue in full force and effect, without any abatement or reduction in rent.

16.4 The disposition of the proceeds of any award, payment or other compensation for a taking of all or any part of the Leased Premises (the "Taking Proceeds"), specifically excluding the proceeds of any award, payout or other compensation for a taking of all or any part of the Museum Improvements (the "Improvements Taking Proceeds") will be governed by the provisions of Section 16.5 if this Lease is not terminated as a result of such taking, and by the provisions of Section 16.6 if this Lease is terminated as a result of such taking.

16.5 If this Lease is not terminated as a result of a taking, then the Taking Proceeds shall be apportioned and distributed as follows:

(a) First, to Lessee to be applied by Lessee to the cost of the repair and restoration of the remaining portions of the Leased Premises to the condition it was in prior to the taking; and

(b) The balance, if any, to Lessor.

16.6 If this Lease is terminated as a result of a taking, then whether or not any Taking Proceeds are apportioned by the condemning authority, Lessor and Lessee agree that the Taking Proceeds shall be paid to Lessor.

16.7 All Improvements Taking Proceeds, and all proceeds of any award, payment or other compensation for a taking of any portion of the equipment, machinery, supplies, furniture, furnishings, artwork and other personal property located within the Museum Improvements or otherwise necessary or useful in connection with the operation of the Museum Improvements (collectively, "Personal Property"), or for loss of business or business interruption, temporary takings or limitations on use of the Museum Improvements, shall be paid to Lessee.

ARTICLE XVII: NO MORTGAGE

From and after the Inception Date and throughout the Term, neither Lessor nor Lessee shall grant any mortgage or deed of trust encumbering the fee or leasehold estates in the Leased Premises other than the Mortgage.

ARTICLE XVIII: ASSIGNMENT AND SUBLETTING

18.1 Lessor Consent Required. Lessee's interest under this Lease may be assigned or transferred by Lessee if Lessee has obtained the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed by Lessor; provided, however, that Lessee may sublet or license all or any portion of the Leased Premises without Lessor's consent provided that (i) Lessee remains primarily liable to Lessor under this Lease and (ii) the use of the Leased Premises by the subtenant or licensee is in accordance with Article 6.

18.2 Lessor Consent Not Required. Notwithstanding the provisions of Sections 18.1 to the contrary, Lessor's consent shall not be required in connection with any sale, transfer or assignment incidental to the exercise of any remedy provided for in the Mortgage.

18.3 Release of Lessee. Any seller, transferor or assignor of Lessee's interest as permitted under this Lease shall be released from all obligations under this Lease which have not arisen or occurred as of the date of such sale, transfer or assignment, provided that (i) the purchaser, transferee or assignee of such interest executes and delivers, in form reasonably satisfactory to Lessor, an agreement in writing expressly assuming all obligations of Lessee under this Lease arising after the date of sale, transfer or assignment, and (ii) if Lessor's consent is required, Lessor consents to such sale, transfer or assignment. Lessor shall not require Lessee or any purchaser, transferee or assignee to pay any consideration to Lessor as a condition of Lessor's consent to a sale, transfer or assignment.

ARTICLE XIX: QUIET ENJOYMENT

Lessor covenants and agrees that upon paying Fixed Net Rent and Additional Rent and observing and performing all of the other covenants and terms of this Lease required to be observed and performed by Lessee in all material respects, Lessee shall quietly have and enjoy the Leased Premises without hindrance or molestation by Lessor or by anyone claiming by, from, through or under Lessor, all as provided in this Lease.

ARTICLE XX: SURRENDER

On the last day of the Term hereof, or on the earlier termination of the Term, Lessee shall peaceably and quietly leave, surrender and deliver the Leased Premises and the Museum Improvements (in their then current condition) to Lessor, except for the Personal Property which Lessee may have placed, installed or affixed on, in, or to the Leased Premises or the Museum Improvements for use in connection with the operation and maintenance of the Leased Premises and the Museum Improvements (whether or not said property is deemed to be fixtures). At any time at or prior to the end of the Term or on the earlier termination of the Term, Lessee, in its sole discretion, shall be entitled to remove all or any portion of its Personal Property. If Lessee fails to remove any of its Personal Property at or prior to the expiration or earlier termination of the Term, then such property shall be deemed abandoned by Lessee and shall become the property of Lessor, and Lessor may dispose of such property as Lessor elects, without accountability to Lessee but without cost or expense to Lessee.

ARTICLE XXI: WARRANTIES AND REPRESENTATIONS

21.1 Lessor hereby warrants and represents to Lessee that:

(a) Lessor has full power and authority to enter into this Lease and the person executing this Lease on behalf of Lessor is authorized to do so.

(b) This Lease does not violate the provisions of any instrument heretofore executed and binding on Lessor.

(c) Lessor has obtained any and all required consents and approvals in order to enter into this Lease (including any mortgagee).

21.2 Lessee hereby warrants and represents to Lessor that:

(a) Lessee has full power and authority to enter into this Lease and the person executing this Lease on behalf of Lessee is authorized to do so.

(b) This Lease does not violate the provisions of any instrument heretofore executed and binding on Lessee.

(c) Lessee has obtained any and all required consents and approvals in order to enter into this Lease (including any mortgagee).

ARTICLE XXII: DAMAGE OR DESTRUCTION

22.1 Lessee shall give Lessor prompt notice of any casualty loss or other damage which has a material effect on the Museum Improvements ("Damage").

22.2 In the case of Damage, and except as provided in Section 22.3, Lessee shall, as promptly as is reasonably possible, undertake to restore the damaged Museum Improvements to a safe condition and shall take reasonable and customary steps to prevent any unauthorized individuals from accessing the damaged Museum Improvements, in compliance with all applicable laws. In such event, this Lease will continue in full force and effect, without any abatement or reduction in rent.

22.3 If the Museum Improvements are so extensively damaged that Lessee, in its sole discretion, determines that it is not economically feasible to reconstruct the Museum Improvements or restore them to a safe condition, or if Lessee is unable to secure the governmental approvals necessary to reconstruct the Museum Improvements to Lessee's specifications, then Lessee shall have the right, at its option, to terminate this Lease upon thirty (30) days' written notice to Lessor. Upon termination, Lessee shall vacate and surrender the Museum Improvements to Lessor (subject to the provisions of Article 20), and Lessor and Lessee shall be relieved of any further obligations under this Lease. Lessee shall, from time to time, consult with Lessor and keep Lessor reasonably informed as to Lessee's intentions and progress with respect to reconstructing or demolishing the damaged Museum Improvements, and otherwise restoring the Leased Premises to a safe condition.

22.4 The net insurance proceeds from any casualty, loss or damage to the Museum Improvements or any of Lessee's Personal Property shall be paid to and retained by Lessee, whether or not this Lease is terminated pursuant to Section 22.3.

22.5 Notwithstanding anything to the contrary in this Article 22, if Lessee shall fail, within one (1) year after the date of the Damage, to either demolish the damaged

Museum Improvements or restore the damaged Museum Improvements to a safe condition (or otherwise take such reasonable and customary steps to prevent unauthorized individuals from accessing the damaged Museum Improvements), and such failure continues for thirty (30) days after written notice from Lessor, Lessor may, but shall not be obligated to, make such repairs or take such steps to the extent Lessor may reasonably deem necessary to restore the damaged Museum Improvements to a safe condition or otherwise protect its students and staff and the general public from injury. All reasonable costs and expenses so incurred by Lessor shall be deemed to be Additional Rent and shall be paid within thirty (30) days after Lessee's receipt of Lessor's demand. If an emergency situation does not exist and the repairs cannot reasonably be performed within the notice period, Lessee shall have such longer period as is reasonably necessary under the circumstances to complete the repairs, so long as (i) there is no violation of applicable laws and (ii) Lessee takes substantial steps to initiate the work within the notice period and afterwards proceeds diligently to completion. For the avoidance of doubt, if Lessee has determined to reconstruct the damaged Museum Improvements, Lessee shall not be obligated to complete such reconstruction within the aforementioned 1-year period, but shall only be obligated to proceed with the reconstruction efforts diligently and maintain the Leased Premises, including the affected Museum Improvements, in a safe condition.

ARTICLE XXIII: NO MERGER OF TITLE

There shall be no merger of this Lease or the leasehold estate created by this Lease with the fee estate in the Leased Premises or any part thereof by reason of the fact that the same person or affiliated persons may acquire or own or hold, directly or indirectly (i) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in any such leasehold estate and (ii) the fee estate in the Leased Premises or ay part thereof of any interest in such estate. No such merger shall occur unless and until all Persons having any interest (including a security interest) in (a) this Lease or the leasehold estate created by this Lease and (b) the fee estate in the Leased Premises or any part thereof, shall join in a written instrument specifically effecting such merger and shall duly record such instrument with the Union County recording office.

ARTICLE XXIV: MISCELLANEOUS

24.1 Entire Agreement. This Lease embodies the entire understanding and agreement of Lessor and Lessee in relation to the subject matter hereof. None of the terms and conditions of this Lease may be changed, modified, waived or cancelled orally or otherwise except by a writing specifying such change, modification, waiver or cancellation, signed by the parties hereto. A waiver by Lessor or Lessee at any time of compliance with any of the terms and conditions of this Lease shall not be considered a modification, cancellation or waiver of such terms and conditions or of any preceding or succeeding breach thereof unless expressly so stated.

24.2 Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective representatives and permitted successors and assigns.

24.3 Notices. Any notice or other communication required or desired to be given under this Lease shall be in writing and shall be sent by (i) personal delivery, (ii) certified mail, return receipt requested, or (iii) Federal Express or other overnight courier service providing delivery confirmation for next business day delivery. Each such notice shall be deemed to be duly given (i) when personally served, (ii) three (3) business days after so mailed in any depository maintained by the United States Postal Service, or (iii) the business day scheduled for delivery. Each such notice shall be addressed to Lessor and Lessee at the addresses specified on the first page of this Lease, or to any other address as may be specified by a party by a notice given as provided in this Section.

24.4 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of New Jersey.

24.5 Section Headings; Section References. Section headings contained in this Lease are for convenience of reference only, and shall not be deemed to modify, limit, define, or describe in any respect any of the provisions of this Lease. All references to Sections or Schedules shall refer to sections or subsections of, as appropriate, and the Schedules attached to, this Lease.

24.6 Memorandum of Lease. Lessor and Lessee each agree, at the other's request, to execute, acknowledge and deliver, in recordable form, a memorandum of lease which sets forth the identity of the parties, the Leased Premises, the Term of this Lease and any other material provisions of this Lease.

24.7 Construction. All references made and pronouns used in this Lease shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

24.8 Subdivision. Lessor shall be permitted to subdivide the Leased Premises from the remaining portion of the Property (the "Remaining Parcel"), provided that any such subdivision does not release or otherwise impair any restrictions or covenants burdening the Remaining Parcel for the benefit of the Leased Premises. Lessee agrees to cooperate with and accommodate Lessor in effectuating such a subdivision; provided, however, that (i) Lessor shall be solely responsible for paying all costs and expenses of the subdivision; and (ii) Lessee shall not incur any out-of-pocket cost or any liability as a result of or in connection with the subdivision. Lessor agrees to indemnify, defend and hold Lessee harmless against any cost, expense, fees, tax, claim or judgment of any kind arising out of or relating to Lessor's subdivision.

IN WITNESS WHEREOF, this Lease has been executed and delivered by Lessor and Lessee as of the date first above written.

ATTEST: KEAN UNIVERSITY

______________________________ By:______________________________

ATTEST: LIBERTY HALL MUSEUM, INC.

______________________________ By:______________________________

SCHEDULE A

LEGAL DESCRIPTION OF LEASED PREMISES

SCHEDULE B

PERMITTED ENCUMBRANCES

1. The Mortgage.

2. Zoning ordinances, regulations and municipal building codes, and all other governmental laws, ordinances, regulations or restrictions now in effect or adopted after the date of this Lease.

3. The rights of utility companies, whether or not of record, with respect to supplying utility services to the improvements located on the Leased Premises.

4. The lien of real estate taxes, assessments, water charges and sewer rents not yet due and payable.

5. Sub-surface conditions not disclosed by a recorded instrument.

6. All standard exclusions, conditions and stipulations set forth in the ALTA 1992 Owner's Standard Form B policy of title insurance.

MORTGAGE

THIS MORTGAGE (referred to below as "**this Mortgage**") is made on ____________________, 2007

by: **KEAN UNIVERSITY**, a New Jersey state university, whose address is 1000 Morris Avenue, Union, New Jersey 07083 (referred to below as the "**University**");

to: **LIBERTY HALL FOUNDATION**, a New Jersey not-for-profit corporation, with an address at 1003 Morris Avenue, Union, New Jersey 07083 (referred to below, together with any subsequent holder of this Mortgage, as the "**Foundation**").

For $1.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the University agrees with the Foundation as follows:

1. **Purpose.**

1.1. This is the mortgage referred to in the Agreement for Sale of Real Estate and Formation of Historic Precinct (the "**Sale Agreement**") dated December 22, 2006 by and among the University, Liberty Hall Museum, Inc. and the Foundation. Capitalized terms used and not otherwise defined in this Mortgage shall have the meanings ascribed to them in the Sale Agreement.

1.2. The University gives this Mortgage to the Foundation in order to secure: (i) its payment and performance obligations under the Ground Lease and Sections 11, 12.4 and 16.4 of the Sale Agreement; and (ii) the payment and performance of the University's obligations under this Mortgage (the obligations described in (i) and (ii) will sometimes be collectively referred to as the "**Obligations**"). The University understands that if it did not grant this Mortgage to the Foundation, the Foundation would not have entered into the Sale Agreement.

2. **Property Mortgaged.** The property subject to this Mortgage (the "**Historic Precinct**") is the same property referred to in the Sale Agreement as the "Historic Precinct", and is a portion of the property designated on the tax maps of the Township of

liens, tax liens or assessment liens regardless of whether or not they are subordinate to the lien created by this Mortgage. If any such lien or encumbrance is recorded against the Historic Precinct or any part of the Historic Precinct, then the University shall obtain a discharge and release of such lien or encumbrance within thirty (30) days after receipt of notice of its existence; provided, however, that the University shall have the right, at its sole cost and expense, to contest by appropriate legal proceedings the amount or validity of any such lien or encumbrance and to defer the payment thereof pending the resolution of such contest, subject to the following conditions: (i) the contest is promptly and diligently prosecuted by the University without cost or expense to the Foundation; (ii) the University posts a bond or deposits cash with the Foundation in an amount which the Foundation determines is sufficient to discharge and release the lien or encumbrance plus pay all fines, interest, penalties and costs which may become due pending the determination of the contest; and (iii) the Historic Precinct is not subject to risk of forfeiture. Upon termination of any proceeding or contest, any monies which have been deposited with the Foundation pursuant to this Section shall be applied toward the payment of the sum secured by the contested lien or encumbrance and the excess, if any, shall be promptly returned to the University. If such proceeding or contest results in the disallowance and discharge of the lien or encumbrance, then all monies deposited with the Foundation shall be promptly returned to the University.

4.5. **Proceedings**. The University shall, within five (5) business days after receipt thereof, notify the Foundation of the commencement, or receipt of notice, of any and all actions or proceedings or other material claims affecting the Property and/or the Foundation's interest under this Mortgage (collectively, "**Proceedings**"). The University shall appear in and defend any Proceedings, at its sole cost and expense. The Foundation shall have the right to institute, maintain and participate in any Proceedings and take such other action as the Foundation may deem appropriate in the good faith exercise of the Foundation's discretion to preserve or protect the Historic Precinct and/or the Foundation's interest under the Mortgage; provided that all such participation by the Foundation shall be at the University's cost and expense in any of the following circumstances: (i) if the University has not instituted or is not diligently conducting such Proceedings in a satisfactory manner as determined by the Foundation in its commercially reasonable discretion; or (ii) an Event of Default has occurred and is continuing. Any money paid by the Foundation for which the University is responsible pursuant to the proviso in the preceding sentence shall be reimbursed to the Foundation in accordance with ***Section 8*** of this Mortgage.

5. **Payments Made for the University.** Subject to the University's right under Section 4.4 to contest liens or encumbrances, the Foundation may, but will never be obligated to, pay any of the following expenses relating to the Property if the University does not pay any of them in full when due or when required to do so: (i) municipal real estate taxes, assessments, water charges, and sewer charges, (ii) other governmental charges, (iii) hazard insurance premiums, (iv) repairs and maintenance, and (v) payments of

claims against the Property, if deemed necessary or advisable by the Foundation to protect its rights under this Mortgage. All payments made by the Foundation pursuant to this ***Section 5*** will constitute part of the Obligations and will be secured by this Mortgage. The University will repay these amounts to the Foundation on written demand and, until paid in full, all such amounts will bear interest at an annual rate of interest (the "**Default Rate**") equal to the "Prime Rate", as established by Citibank (or its successor-in-interest), plus four percent (4%).

6. **Default.** Each of the following will be an "Event of Default" under this Mortgage:

6.1. There occurs a default on the part of the University under the Ground Lease, and such default continues beyond applicable grace, notice or cure periods;

6.2. The University fails to keep any promise or undertaking made by it in Section 11 of the Sale Agreement where such failure continues for thirty (30) days after written notice; provided, however, that if such default is capable of being cured but cannot reasonably be cured within such 30-day period by virtue of the nature of such default, then the period to cure will be extended for an additional ninety (90) days if, but only if, the University commences to cure such default within such initial 30-day period and thereafter diligently prosecutes such cure to completion within such additional 90-day period;

6.3. The University fails to keep any promise or undertaking made by it in Sections 12.4 or 16.4 of the Sale Agreement where such failure continues for thirty (30) days after written notice;

6.4. Any transfer, sale, conveyance, assignment or hypothecation by the University of any interest in the Historic Precinct (whether or not for consideration and whether voluntarily or involuntarily);

6.5. The holder of any mortgage or other lien on the Property starts foreclosure proceedings which could, in the Foundation's reasonable judgment, adversely affect the Historic Precinct, the Foundation's rights under this Mortgage or LHM's rights under the Ground Lease;

6.6. The University's status as a university is revoked or it ceases to offer an undergraduate degree program in history;

6.7. The University (a) cannot pay debts as they come due, or (b) files a petition in bankruptcy or makes an assignment for the benefit of creditors or seeks relief under any other insolvency law, or (c) has a receiver, trustee, fiscal agent, custodian or guardian appointed for it or for any of its assets, or (d) is the subject of an involuntary bankruptcy or other insolvency proceeding which is not dismissed within ninety (90) days after being filed;

6.8. Any representation or warranty contained in this Mortgage is false or misleading in any material respect when made; or

6.9. The University fails to comply with any of its other obligations under this Mortgage, and such failure (if capable of cure or correction) is not remedied within thirty (30) days after written notice.

7. **Rights Upon Default.**

7.1. If the Foundation claims that an Event of Default has occurred under Section 6.1 or Section 6.2, then, before the Foundation shall be entitled to exercise those specific rights and remedies set forth in Sections 7.2.1, 7.2.2 and 7.2.3 below, the parties shall follow the dispute resolution procedures set forth in this Section 7.1. The University acknowledges that this Section 7.1. shall not operate to limit the exercise by the Foundation of any other rights or remedies that it may have at law or in equity in the event of any default by the University under the Ground Lease or Section 11 of the Sale Agreement, including, without limitation, the right to seek specific performance, obtain injunctive relief or to sue for damages.

7.1.1. The existence of an Event of Default under Section 6.1 or Section 6.2 shall be final, binding and conclusive unless within five (5) business days after the University receives written notice from the Foundation of such Event of Default the University gives written notice (the "**Objection Notice**") to the Foundation setting forth in reasonable detail its defense(s) concerning the claimed default(s). If the University challenges the Foundation's claim upon timely notice in accordance with this Section 7.1.1, then in such event:

7.1.1.1. The University and the Foundation shall, for a period of twenty (20) days after the Foundation's receipt of the Objection Notice (the "**Mediation Period**"), attempt in good faith to resolve the dispute. Either the University or the Foundation may engage a qualified mediator to assist in mediating the dispute, and the University shall pay the fees and expenses of the mediator(s). If by the end of the Mediation Period the Foundation and the University have not resolved the dispute, then the matter shall be submitted by the parties to nonbinding arbitration administered by a single arbitrator in accordance with the rules of the American Arbitration Association then in effect. The arbitrator shall be selected by a judge then sitting in Superior Court, General Equity, Union County, New Jersey. Unless the arbitrator determines otherwise, the arbitrator's fees and expenses, and the fees and expenses of the prevailing party (including attorneys' fees) relating to dealing with the dispute shall be paid by the non-prevailing party.

7.2. Subject to Section 7.1, if an Event of Default occurs, the Foundation will have all rights given by law or as otherwise set forth in this Mortgage or the Sale Agreement. These will include, for example:

7.2.1. The right to enter and take possession of the Historic Precinct.

7.2.2. The right to ask a court to appoint a receiver for the University's interest in the Historic Precinct, including any rents. The University consents to the appointment of a receiver.

7.2.3. The right to start a court action for foreclosure of the University's interest in the Historic Precinct. Foreclosure can result in a court-ordered sale of the University's interest in the Historic Precinct, or the partition and sale of the Historic Precinct.

7.2.4. The right to sue the University for any money that it owes the Foundation.

8. **Payment of Expenses.** The University will be responsible for paying ***on demand*** all costs and expenses, including reasonable attorneys' fees, which the Foundation may reasonably incur in enforcing or foreclosing the Mortgage or otherwise collecting the Obligations, including, but not limited to, all appeals and post-judgment collection proceedings. Until paid in full, all such costs and expenses will constitute part of the Obligations, will bear interest at the Default Rate, and will be secured by this Mortgage.

9. **No Oral Changes.** This Mortgage can only be changed by an agreement in writing signed by the Foundation and the University.

10. **Binding Effect.** This Mortgage is binding on the University and on anyone who lawfully succeeds to the University's rights or takes the University's place, but nothing contained in this provision will be deemed to modify or waive the requirements of ***Section 6*** with respect to a sale or transfer of any legal or beneficial interest in the Property. This Mortgage is made for the Foundation's benefit and for the benefit of anyone who takes this Mortgage by transfer or otherwise succeeds to the Foundation's interests.

11. **No Waiver.** The Foundation will remain entitled to exercise any right provided under this Mortgage, the Sale Agreement or applicable law, even if the Foundation has delayed in exercising that right earlier, or have agreed in an earlier instance not to exercise or assert the right.

12. **Governing Law.** This Mortgage will be governed by and interpreted in accordance with the laws of the State of New Jersey.

[Signatures appear on following page]

By signing below, the University agrees to the terms of this Mortgage and ***acknowledges that it has received a true copy of this Mortgage, without charge.***

KEAN UNIVERSITY, a New Jersey
state university

By:______________________________
Name:___________________________
Title:____________________________

Witnessed by:

____
Name:_____________________________
[please print]

ACKNOWLEDGMENT

STATE OF NEW JERSEY :
: ss.
COUNTY OF :

I certify that on _______________, 2007, ____________________ personally appeared before me and acknowledged under oath, to my satisfaction, that:

(a) he personally signed the attached Mortgage in his capacity as the ____________ of Kean University, the entity named as mortgagor in this Mortgage (the "University"); and

(b) he signed, sealed and delivered the Mortgage on behalf of the University as its voluntary act and deed by virtue of authority from its board of trustees.

____
[Notary Public]

Schedule A

Legal Description of the Historic Precinct

AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT

THIS AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT (the "Amendment") is made and entered into as of the 10th day of May, 2007, by and among **LIBERTY HALL FOUNDATION,** a New Jersey nonprofit corporation **("LHF"), THE BOARD OF TRUSTEES OF KEAN UNIVERSITY,** a public institution of higher education of the State of New Jersey **("KU"),** and **LIBERTY HALL MUSEUM, INC.,** a New Jersey nonprofit corporation **("LHM").**

FACTUAL HISTORY; PURPOSE OF AMENDMENT

On December 22, 2006, LHF, KU, and LHM executed and delivered a certain Agreement for Sale of Real Estate and Formation of Historic Precinct (the "Agreement"). The Agreement governs various transactions and arrangements among LHF, KU, and LHM, including the sale by LHF to KU, or to another party, of certain real property which is referred to in the Agreement as the "Kirkland Parcel." The parties wish to amend Sections 16.4.1 and 16.4.2 of the Agreement to reflect a change in the date by which KU, or another party, must purchase the "Kirkland Parcel" from LHF.

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

1. Defined Terms. Capitalized terms used but not specifically defined in this Amendment shall have the meanings ascribed to them in the Agreement, unless a different meaning is clearly required by the context hereof.

2. Amendments to Agreement.

2.1. Sections 16.4.1 and 16.4.2 of the Agreement are hereby amended in their entirety to read as follows:

> 16.4.1. If prior to May 20, 2008, the Kirkland Parcel is conveyed by the Foundation pursuant to the Commerce Agreement or any other bona fide contract with a third party (any such contract for the sale of the Kirkland Parcel, including the Commerce Agreement, being referred to herein as a "**Kirkland Parcel Contract**"), and the Net Sale Proceeds (as defined below) are less than the Guaranteed Amount (as defined below), then, within fifteen (15) business days after the closing of such sale, the University shall pay to the Foundation the difference between the Net Sale

Proceeds and the Guaranteed Amount in immediately available funds by certified check or bank check, or federal funds wire transfer. The Kirkland Parcel Contract, and any amendments thereto, shall be subject to the prior written approval of the University, which approval shall not be unreasonably withheld, conditioned or delayed.

16.4.2. If the Kirkland Parcel is not conveyed by the Foundation prior to May 20, 2008 (unless the failure to consummate the sale results from a default by the Foundation under a Kirkland Parcel Contract), then the Foundation will sell, and the University will purchase, the Kirkland Parcel on the following terms:

16.4.2.1. The closing of the sale of the Kirkland Parcel will occur not later June 4, 2008. The purchase price for the Kirkland Parcel will be the Guaranteed Amount, and such amount will be paid by the University at the closing in immediately available funds by certified check or bank check, or federal funds wire transfer.

16.4.2.2. The Foundation will convey the Kirkland Parcel to the University in fee simple by a bargain and sale deed with a covenant against grantor's acts, subject to the interest of the contract purchaser under any Kirkland Parcel Contract. Title to the Kirkland Parcel must be good and marketable and free and clear of mortgages, liens and encumbrances created by the Foundation, except for the Permitted Exceptions, the interest of the contract purchaser under any Kirkland Parcel Contract and any other title exceptions waived by the University.

16.4.2.3. The University will be responsible for paying (i) the premiums for any title insurance coverage desired by the University, and (ii) all real estate transfer taxes payable in connection with recording the Foundation's deed (whether otherwise payable by the grantor or the grantee).

16.4.2.4. At the closing of the sale of the Kirkland Parcel the Foundation will deliver to the University: (i) the items listed in Section 17.2 (with the exception of Section 17.2.7, which shall have been delivered at the Closing) as to the Kirkland Parcel, to the extent not previously delivered to the University; and (ii) an assignment and assumption agreement with respect to any outstanding Kirkland Parcel Contract, in form and substance reasonably satisfactory to the Foundation and the University, providing for, among other things, the assignment by the Foundation of all of its right, title and interest under such contract to the University, the assumption by the University of all of the Foundation's obligations under such contract and the indemnification of the Foundation by the University for any claims that may be asserted against the Foundation in connection with such contract. The University shall countersign the assignment and assumption agreement at the closing.

SECOND AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT

THIS SECOND AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT (this "Amendment") is made and entered into as of the 8th day of May, 2008, by and among **LIBERTY HALL FOUNDATION**, a New Jersey nonprofit corporation ("LHF"), **THE BOARD OF TRUSTEES OF KEAN UNIVERSITY**, a public institution of higher education of the State of New Jersey ("KU"), and **LIBERTY HALL MUSEUM, INC.**, a New Jersey nonprofit corporation ("LHM").

FACTUAL HISTORY; PURPOSE OF AMENDMENT

LHF, KU, and LHM are parties to a certain Agreement for Sale of Real Estate and Formation of Historic Precinct dated December 22, 2006, as previously amended by an Amendment to Agreement for Sale of Real Estate and Formation of Historic Precinct date May 10, 2007 (the "Agreement"). The Agreement governs various transactions and arrangements among LHF, KU, and LHM, including the sale by LHF to KU, or to another party, of certain real property which is referred to in the Agreement as the "Kirkland Parcel." The parties wish to amend Sections 16.4.1 and 16.4.2 of the Agreement to (i) extend the date by which KU, or another party, must purchase the "Kirkland Parcel" from LHF and (ii) clarify that KU will reimburse LHF for LHF's legal fees in the event that the Kirkland Parcel is ultimately sold to KU and not a third party.

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

1. Defined Terms. Capitalized terms used but not specifically defined in this Amendment shall have the meanings ascribed to them in the Agreement, unless a different meaning is clearly required by the context hereof.

2. Amendments to Agreement.

2.1. Sections 16.4.1 and 16.4.2 of the Agreement are hereby amended in their entirety to read as follows:

> 16.4.1. If prior to August 31, 2008, the Kirkland Parcel is conveyed by the Foundation pursuant to the Commerce Agreement or any other bona fide contract with a third party (any such contract for the sale of the Kirkland Parcel, including the Commerce Agreement, being referred to herein as a "**Kirkland Parcel Contract**"), and the Net Sale

Proceeds (as defined below) are less than the Guaranteed Amount (as defined below), then, within fifteen (15) business days after the closing of such sale, the University shall pay to the Foundation the difference between the Net Sale Proceeds and the Guaranteed Amount in immediately available funds by certified check or bank check, or federal funds wire transfer. The Kirkland Parcel Contract, and any amendments thereto, shall be subject to the prior written approval of the University, which approval shall not be unreasonably withheld, conditioned or delayed.

16.4.2. If the Kirkland Parcel is not conveyed by the Foundation prior to August 31, 2008 (unless the failure to consummate the sale results from a default by the Foundation under a Kirkland Parcel Contract), then the Foundation will sell, and the University will purchase, the Kirkland Parcel on the following terms:

16.4.2.1. The closing of the sale of the Kirkland Parcel will occur not later September 19, 2008. The purchase price for the Kirkland Parcel will be the Guaranteed Amount, and such amount will be paid by the University at the closing in immediately available funds by certified check or bank check, or federal funds wire transfer.

16.4.2.2. The Foundation will convey the Kirkland Parcel to the University in fee simple by a bargain and sale deed with a covenant against grantor's acts, subject to the interest of the contract purchaser under any Kirkland Parcel Contract. Title to the Kirkland Parcel must be good and marketable and free and clear of mortgages, liens and encumbrances created by the Foundation, except for the Permitted Exceptions, the interest of the contract purchaser under any Kirkland Parcel Contract and any other title exceptions waived by the University.

16.4.2.3. The University will (i) pay the premiums for any title insurance coverage desired by the University, and all real estate transfer taxes payable in connection with recording the Foundation's deed (whether otherwise payable by the grantor or the grantee), and (ii) reimburse the Foundation for all of its legal fees incurred in connection with the sale of the Kirkland Parcel after the Closing Date, including fees relating to any Kirkland Parcel Contract.

16.4.2.4. At the closing of the sale of the Kirkland Parcel the Foundation will deliver to the University: (i) the items listed in Section 17.2 (with the exception of Section 17.2.7, which shall have been delivered at the Closing) as to the Kirkland Parcel, to the extent not previously delivered to the University; and (ii) an assignment and assumption agreement with respect to any outstanding Kirkland Parcel Contract, in form and substance reasonably satisfactory to the Foundation and the University, providing for, among other things, the assignment by the Foundation of all of its right, title and interest under such contract to the University, the assumption by the University of all of the Foundation's obligations under such contract and the indemnification of the Foundation by the University for any claims that may be asserted against the Foundation in connection with such contract. The University shall countersign the assignment and assumption agreement at the closing.

2.2. Except to the extent amended by this Section 2 (in which case the terms of this Section 2 shall prevail), the terms and provisions of the Agreement shall remain in full force and effect.

3. Execution and Delivery; Enforceability. This Amendment has been duly executed and validly delivered by the parties hereto and constitutes the legal, valid, and binding obligations of the parties hereto, enforceable against them in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally, or general equitable principles.

4. Counterpart Signatures. This Amendment may be executed in any number of counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

* * * * *

[End of text of Amendment – signature page follows]

Signature page of Amendment

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date and year first written above.

LIBERTY HALL FOUNDATION

By: ______________________
Joel D. Siegel
President

THE BOARD OF TRUSTEES OF KEAN UNIVERSITY

By: ______________________
Dawood Farahi
President

LIBERTY HALL MUSEUM, INC.

By: ______________________
John Kean
President

THIRD AMENDMENT TO
AGREEMENT FOR SALE OF REAL ESTATE
AND FORMATION OF HISTORIC PRECINCT

THIS THIRD AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT (this "Amendment") is made and entered into as of the ___ day of September, 2008, by and among **LIBERTY HALL FOUNDATION,** a New Jersey nonprofit corporation (**"LHF"**), **THE BOARD OF TRUSTEES OF KEAN UNIVERSITY,** a public institution of higher education of the State of New Jersey (**"KU"**), and **LIBERTY HALL MUSEUM, INC.,** a New Jersey nonprofit corporation (**"LHM"**).

FACTUAL HISTORY; PURPOSE OF AMENDMENT

LHF, KU, and LHM are parties to a certain Agreement for Sale of Real Estate and Formation of Historic Precinct dated December 22, 2006, as previously amended by an Amendment to Agreement for Sale of Real Estate and Formation of Historic Precinct dated May 10, 2007 and a Second Amendment to Agreement for Sale of Real Estate and Formation of Historic Precinct dated May 8, 2008 (collectively, the "Agreement"). The Agreement governs various transactions and arrangements among LHF, KU, and LHM, including the sale by LHF to KU, or to another party, of certain real property which is referred to in the Agreement as the "Kirkland Parcel." The parties wish to amend Sections 16.4.1 and 16.4.2 of the Agreement to extend the date by which KU, or another party, must purchase the "Kirkland Parcel" from LHF.

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

1. Defined Terms. Capitalized terms used but not specifically defined in this Amendment shall have the meanings ascribed to them in the Agreement, unless a different meaning is clearly required by the context hereof.

2. Amendments to Agreement.

2.1. Sections 16.4.1 and 16.4.2 of the Agreement are hereby amended in their entirety to read as follows:

> 16.4.1. If prior to January 15, 2009, the Kirkland Parcel is conveyed by the Foundation pursuant to the Commerce Agreement or any other bona fide contract with a third party (any such contract for the sale of the Kirkland Parcel, including the Commerce Agreement, being referred to herein as a "**Kirkland Parcel Contract**"), and the Net Sale

Proceeds (as defined below) are less than the Guaranteed Amount (as defined below), then, within fifteen (15) business days after the closing of such sale, the University shall pay to the Foundation the difference between the Net Sale Proceeds and the Guaranteed Amount in immediately available funds by certified check or bank check, or federal funds wire transfer. The Kirkland Parcel Contract, and any amendments thereto, shall be subject to the prior written approval of the University, which approval shall not be unreasonably withheld, conditioned or delayed.

16.4.2. If the Kirkland Parcel is not conveyed by the Foundation prior to January 15, 2009 (unless the failure to consummate the sale results from a default by the Foundation under a Kirkland Parcel Contract), then the Foundation will sell, and the University will purchase, the Kirkland Parcel on the following terms:

16.4.2.1. The closing of the sale of the Kirkland Parcel will occur not later then January 22, 2009. The purchase price for the Kirkland Parcel will be the Guaranteed Amount, and such amount will be paid by the University at the closing in immediately available funds by certified check or bank check, or federal funds wire transfer.

16.4.2.2. The Foundation will convey the Kirkland Parcel to the University in fee simple by a bargain and sale deed with a covenant against grantor's acts, subject to the interest of the contract purchaser under any Kirkland Parcel Contract. Title to the Kirkland Parcel must be good and marketable and free and clear of mortgages, liens and encumbrances created by the Foundation, except for the Permitted Exceptions, the interest of the contract purchaser under any Kirkland Parcel Contract and any other title exceptions waived by the University.

16.4.2.3. The University will (i) pay the premiums for any title insurance coverage desired by the University, and all real estate transfer taxes payable in connection with recording the Foundation's deed (whether otherwise payable by the grantor or the grantee), and (ii) reimburse the Foundation for all of its legal fees incurred in connection with the sale of the Kirkland Parcel after the Closing Date, including fees relating to any Kirkland Parcel Contract.

16.4.2.4. At the closing of the sale of the Kirkland Parcel the Foundation will deliver to the University: (i) the items listed in Section 17.2 (with the exception of Section 17.2.7, which shall have been delivered at the Closing) as to the Kirkland Parcel, to the extent not previously delivered to the University; and (ii) an assignment and assumption agreement with respect to any outstanding Kirkland Parcel Contract, in form and substance reasonably satisfactory to the Foundation and the University, providing for, among other things, the assignment by the Foundation of all of its right, title and interest under such contract to the University, the assumption by the University of all of the Foundation's obligations under such contract and the indemnification of the Foundation by the University for any claims that may be asserted against the Foundation in connection with such contract. The University shall countersign the assignment and assumption agreement at the closing.

2.2. Except to the extent amended by this Section 2 (in which case the terms of this Section 2 shall prevail), the terms and provisions of the Agreement shall remain in full force and effect.

3. Execution and Delivery; Enforceability. This Amendment has been duly executed and validly delivered by the parties hereto and constitutes the legal, valid, and binding obligations of the parties hereto, enforceable against them in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally, or general equitable principles.

4. Counterpart Signatures. This Amendment may be executed in any number of counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

* * * * *

[End of text of Amendment – signature page follows]

Signature page of Amendment

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date and year first written above.

LIBERTY HALL FOUNDATION

By: ______________________
Joel D. Siegel
President

THE BOARD OF TRUSTEES OF KEAN UNIVERSITY

By: ______________________
Dawood Farahi
President

LIBERTY HALL MUSEUM, INC.

By: ______________________
John Kean
President

FOURTH AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT

THIS FOURTH AMENDMENT TO AGREEMENT FOR SALE OF REAL ESTATE AND FORMATION OF HISTORIC PRECINCT (this "Amendment") is made and entered into as of the 3rd day of February, 2009, by and among **LIBERTY HALL FOUNDATION,** a New Jersey nonprofit corporation **("LHF"), THE BOARD OF TRUSTEES OF KEAN UNIVERSITY,** a public institution of higher education of the State of New Jersey **("KU"),** and **LIBERTY HALL MUSEUM, INC.,** a New Jersey nonprofit corporation **("LHM").**

FACTUAL HISTORY; PURPOSE OF AMENDMENT

LHF, KU, and LHM are parties to a certain Agreement for Sale of Real Estate and Formation of Historic Precinct dated December 22, 2006, as previously amended by an Amendment to Agreement for Sale of Real Estate and Formation of Historic Precinct dated May 10, 2007, a Second Amendment to Agreement for Sale of Real Estate and Formation of Historic Precinct dated May 8, 2008 and a Third Amendment to Agreement for Sale of Real Estate and Formation of Historic Precinct made in September, 2008 (collectively, the "Agreement"). The Agreement governs various transactions and arrangements among LHF, KU, and LHM, including the sale by LHF to KU, or to another party, of certain real property which is referred to in the Agreement as the "Kirkland Parcel." The parties wish to amend Sections 16.4.1 and 16.4.2 of the Agreement to extend the date by which KU, or another party, must purchase the "Kirkland Parcel" from LHF.

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

1. Defined Terms. Capitalized terms used but not specifically defined in this Amendment shall have the meanings ascribed to them in the Agreement, unless a different meaning is clearly required by the context hereof.

2. Amendments to Agreement.

2.1. Sections 16.4.1 and 16.4.2 of the Agreement are hereby amended in their entirety to read as follows:

> 16.4.1. If prior to March 18, 2009, the Kirkland Parcel is conveyed by the Foundation pursuant to the Commerce Agreement or any other bona fide contract with a third party (any such contract for the sale

of the Kirkland Parcel, including the Commerce Agreement, being referred to herein as a "**Kirkland Parcel Contract**"), and the Net Sale Proceeds (as defined below) are less than the Guaranteed Amount (as defined below), then, within fifteen (15) business days after the closing of such sale, the University shall pay to the Foundation the difference between the Net Sale Proceeds and the Guaranteed Amount in immediately available funds by certified check or bank check, or federal funds wire transfer. The Kirkland Parcel Contract, and any amendments thereto, shall be subject to the prior written approval of the University, which approval shall not be unreasonably withheld, conditioned or delayed.

16.4.2. If the Kirkland Parcel is not conveyed by the Foundation prior to March 18, 2009 (unless the failure to consummate the sale results from a default by the Foundation under a Kirkland Parcel Contract), then the Foundation will sell, and the University will purchase, the Kirkland Parcel on the following terms:

16.4.2.1. The closing of the sale of the Kirkland Parcel will occur not later then March 31, 2009. The purchase price for the Kirkland Parcel will be the Guaranteed Amount, and such amount will be paid by the University at the closing in immediately available funds by certified check or bank check, or federal funds wire transfer.

16.4.2.2. The Foundation will convey the Kirkland Parcel to the University in fee simple by a bargain and sale deed with a covenant against grantor's acts, subject to the interest of the contract purchaser under any Kirkland Parcel Contract. Title to the Kirkland Parcel must be good and marketable and free and clear of mortgages, liens and encumbrances created by the Foundation, except for the Permitted Exceptions, the interest of the contract purchaser under any Kirkland Parcel Contract and any other title exceptions waived by the University.

16.4.2.3. The University will (i) pay the premiums for any title insurance coverage desired by the University, and all real estate transfer taxes payable in connection with recording the Foundation's deed (whether otherwise payable by the grantor or the grantee), and (ii) reimburse the Foundation for all of its legal fees incurred in connection with the sale of the Kirkland Parcel after the Closing Date, including fees relating to any Kirkland Parcel Contract.

16.4.2.4. At the closing of the sale of the Kirkland Parcel the Foundation will deliver to the University: (i) the items listed in Section 17.2 (with the exception of Section 17.2.7, which shall have been delivered at the Closing) as to the Kirkland Parcel, to the extent not previously delivered to the University; and (ii) an assignment and assumption agreement with respect to any outstanding Kirkland Parcel

Contract, in form and substance reasonably satisfactory to the Foundation and the University, providing for, among other things, the assignment by the Foundation of all of its right, title and interest under such contract to the University, the assumption by the University of all of the Foundation's obligations under such contract and the indemnification of the Foundation by the University for any claims that may be asserted against the Foundation in connection with such contract. The University shall countersign the assignment and assumption agreement at the closing.

2.2. Except to the extent amended by this Section 2 (in which case the terms of this Section 2 shall prevail), the terms and provisions of the Agreement shall remain in full force and effect.

3. <u>Execution and Delivery; Enforceability</u>. This Amendment has been duly executed and validly delivered by the parties hereto and constitutes the legal, valid, and binding obligations of the parties hereto, enforceable against them in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally, or general equitable principles.

4. <u>Counterpart Signatures.</u> This Amendment may be executed in any number of counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

* * * * *

[End of text of Amendment – signature page follows]

Signature page of Amendment

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date and year first written above.

LIBERTY HALL FOUNDATION

By: Joel D. Siegel ____________________
Joel D. Siegel
President

THE BOARD OF TRUSTEES OF KEAN UNIVERSITY

By: ____________________
Dawood Farahi
President

LIBERTY HALL MUSEUM, INC.

By: ____________________
John Kean
President

Signature page of Amendment

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