

CONTRACT OF SALE

CONTRACT OF SALE (this "Contract"), made as of the ____ day of _____, 2009 (the "Effective Date"), by and between **SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK**, a New York not-for-profit hospital corporation (the "Seller"), with offices at 170 West 12th Street, New York, New York 10011, on the one hand, and **THE SALVATION ARMY**, a New York corporation, with offices at 120 West 14th Street, New York, New York 10011 ("Purchaser"), on the other hand (Seller and Purchaser shall hereinafter be collectively referred to as the "Parties").

WITNESSETH:

WHEREAS, Seller is the owner of those certain plots, pieces and parcels of land located in the City and State of New York, County of Richmond, being designated and described as Block 534, Lots 1, 25 and 40, as shown on the Tax Map of Richmond County ("Lot 1", "Lot 25" and "Lot 40"), respectively) and being portions of the former Bayley Seton Campus; and

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, the Lot 25 and Lot 40 as hereinafter more particularly described in accordance with the terms and conditions set forth in this Contract; and

WHEREAS, Seller, on behalf of Sisters of Charity Health Care System Nursing Home (D/B/A St. Elizabeth Ann's Health Care & Rehabilitation Center) ("SEA"), an affiliate of Seller, has previously filed an application with the Department of Buildings for a variance to increase the floor area ratio permitted on an adjacent parcel owned by SEA which adjacent parcel is currently part of the same zoning lot as Lot 25 and Lot 40 (the "Special Use Permit"); and

WHEREAS, Seller must modify that certain Utility Easement Agreement, recorded in February 28, 2008 as Document No. 241612 in order to provide necessary utility easements for certain adjacent landowners in the manner set forth in that certain Amendment to Utility Agreement attached here to as Exhibit A and made a part hereof (the "Amendment to Utility Easement Agreement"); and

WHEREAS, Seller must modify that certain Temporary Utility and Remediation Agreement, recorded in February 28, 2008 as Document No. 241613 in order to provide necessary utility easements for certain adjacent landowners in the manner set forth in that certain Amendment to Temporary Utility and Remediation Agreement attached here to as Exhibit B and made a part hereof (the "Amendment to Temporary Utility and Remediation Agreement"); and

WHEREAS, Seller intends to relocate certain access roads such that the same are located on Lot 1 and to preserve certain signage rights for Seller on Lot 25 and Lot 40 in the manner set forth in that certain Signage Preservation and Road Relocation Agreement attached hereto as Exhibit C and made a part hereof (the "Signage Preservation and Road Relocation Agreement"); and

WHEREAS, Lot 25 and Lot 40 currently obtains its utilities utilizing certain utility lines and the power plant located on Lot 1 (the "Utility Services") and Purchaser will continue to obtain the Utility Services from the owner of Lot 1 on a temporary basis and Seller agrees to

permit such temporary usage as more particularly described in that certain Agreement as to Separation of Utilities attached hereto as Exhibit D and made a part hereof (the "Agreement as to Separation of Utilities"); and

WHEREAS, Seller has agreed to amend that certain Declaration of Easement for Right of Way recorded February 28, 2008 as Document No. 241611 pursuant to that certain Amendment to Declaration attached hereto as Exhibit E and made a part hereof (the "Amendment to Declaration"); and

WHEREAS, Seller must obtain an easement for certain utility lines, services, and connections over Lot 25 as more particularly set forth in that certain Utility Easement Agreement attached hereto as Exhibit F and made a part hereof (the "Utility Easement Agreement"); and

WHEREAS, in the event Seller has not received the Special Use Permit on or prior to the Closing Date, as hereinafter defined, the closing hereunder shall occur in escrow pursuant to the terms of that certain Closing Escrow Agreement between Seller, Purchaser and Purchaser's title company in substantially the form attached hereto as Exhibit G and made a part hereof (the "Closing Escrow Agreement");

WHEREAS, the Parties otherwise agree as hereinafter described in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Parties agree as follows:

1. **Premises.**

1.1 Subject to the terms and conditions set forth in this Contract, Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase and acquire from Seller all of Seller's right, title and interest in and to the following (collectively, the "Premises"): (i) the land known as Lot 25 and Lot 40 after the subdivision and as approximately described on Schedule A-1 and A-2 attached hereto and made a part hereof (the "Land"); (ii) all of the buildings, structures and improvements situated on the Land (the "Buildings"); (iii) the land lying in the bed of any street or highway in front of or adjoining the Land to the center line thereof, all rights of way, open or proposed streets, alleys, easements, strips or gores of land adjacent thereto and to any unpaid award for any taking by condemnation or any damage to the Land by reason of a change of grade of any street or highway; (iv) the appurtenances and all the estate, privileges and rights of Seller in and to, or otherwise pertaining to, the Land and Building; and (v) the fixtures, equipment and other personal property attached or appurtenant to and used in connection with the operation of the Buildings.

1.2 Purchaser has inspected the Premises and the personal property included in this sale, is acquainted with their condition and Purchaser agrees to purchase same in their "as is" condition and state of repair as of the date hereof, reasonable wear and tear and work performed by or on behalf of Purchaser excepted and without any representation or warranty being made by Seller with respect thereto, except as expressly set forth in this Contract. Purchaser hereby acknowledges that, except as otherwise specified herein or as set forth in the Environmental Reports referred hereto in Schedule B, neither Seller nor or any agent, employee

or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, has made any warranty or representation, express or implied, or arising by operation of law, including without limitation, any warranty of condition, habitability, merchantability or fitness for a particular purpose of the Premises or any portion thereof, or with respect to the economical, functional, environmental or physical condition of the Premises. Seller hereby specifically disclaims any warranty or representation, oral or written, express or implied, past, present or future of, as to, or concerning: (i) the nature and condition of the Premises or any part thereof, including without limitation, as to its water, soil or geology, or the suitability thereof, for any and all activities and uses which Purchaser may elect to conduct thereon, or any improvement Purchaser may elect to construct thereon, or any income to be derived therefrom or expenses to be incurred with respect thereto, or any obligation or any other matter or thing relating to or affecting the same; (ii) the presence of any Environmental Conditions (as defined in the Bayley Seton Lot 25 and 40 Environmental Indemnification Agreement attached hereto as Exhibit H), on, in or under the Premises or on, in or under any property adjacent to or abutting the Premises; (iii) the manner of construction or condition or state of repair or lack of repair of the Buildings; (iv) the condition of any of the personal property included in the sale; (v) the past performance of or revenues from the Premises; (vi) the compliance of the Premises or the operation of the Premises or portions thereof, with any laws, rules, ordinances, regulations or requirements of any governmental authority; (vii) the availability of any financing for the purchase, alteration, rehabilitation, development or operation of the Premises from any source; or (viii) the floor plans, blueprints, drawing, schematics or other diagrams or specifications, rents, expenses, income or sales information relating to the Premises. Seller is not liable for any verbal or written information, statement, or "set-up" or other information pertaining to the Premises provided to Purchaser by any real estate broker or any other person or entity.

1.3 The Parties acknowledge and agree that the Premises have environmental conditions and that Purchaser has conducted its own environmental investigation of the Premises by engaging GZA Geo-Environmental, Inc. ("GZA") and Property Solutions, Inc. ("PSI") and Martin & Associates. Purchaser shall be assuming remediation obligations and liabilities at the Premises and Seller shall be indemnified from such liabilities with respect thereto in accordance with and limited by the terms and conditions of the Bayley Seton Lot 25 and 40 Environmental Indemnification Agreement. Accordingly, at Closing, the Parties will enter into the Bayley Seton Lot 25 and 40 Environmental Indemnification Agreement, in a form attached hereto as Exhibit H and made a part hereof.

1.4 Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Premises, it being the express agreement and intention of the Parties that, as a material inducement for Seller to enter into this Contract, that Purchaser has agreed to purchase all of the Premises in accordance with the terms hereof.

2. Purchase Price.

2.1 In consideration of the sale of the Premises in accordance with the terms of this Contract, Purchaser shall pay Seller the sum of Seven Million Six Hundred Twenty-Two Thousand Two Hundred Forty-Two and No/100s Dollars (\$7,622,242.00) (the "Purchase Price"), plus or minus adjustments made pursuant to the terms hereof, which shall be payable at Closing.

2.2 No portion of the Purchase Price is allocated to any of the personal property that may be included in the sale of the Premises.

3. **Acceptable Funds.**

3.1 Unless otherwise provided herein, all money payable by Purchaser to Seller under this Contract shall be either:

(a) good, unendorsed certified check of Purchaser or official check drawn on a bank, savings bank, trust company or savings and loan association which is a member of the New York Clearing House Association, payable to the order of or as directed by Seller; or

(b) money, other than the Purchase Price, payable to Seller at Closing, may be by check of Purchaser up to the amount of \$2,000.00; or

(c) at the option of Seller, by Federal Reserve wire transfer to an account or accounts designated by Seller in writing.

4. **Permitted Encumbrances.**

4.1 The Premises are being sold and shall be conveyed subject to the following "Permitted Encumbrances":

(a) Schedule B, Item 5 of that certain Commitment for Title Insurance No. HLC-08-1191 issued by Hudson Land Company, LLC as agent for Fidelity National Title Insurance Company, dated October 10, 2008 and annexed hereto as Exhibit I and made a part hereof; and

(b) covenants, easements, restrictions and agreements of record, provided same are not violated by the Buildings; and

(c) building, zoning, subdivision and other governmental laws, codes and regulations, and landmark, historic and wetlands designations; and

(d) consents for the erection of any structures on, under or above any streets, alleys, roads or highways which abut the Premises; and

(e) any state of facts a current, accurate survey of the Premises would disclose, provided same do not render title uninsurable at standard rates; and

(f) Intentionally Omitted; and

(g) all encroachments of the Premises upon any street, road, alley, highway or adjoining Premises; and

(h) all encroachments upon and affixations to the Premises from any adjoining premises provided same do not render title uninsurable at standard rates; and

(i) rights, if any, relating to the construction and maintenance by any public utility of wires, poles, pipes, conduits and appurtenances thereto, on, under or across the Premises; and

(j) variations between the record lot lines of the Premises and those shown on the official tax map of the Richmond County; and

(k) real estate taxes, water charges, sewer rents, vault charges and other assessments (collectively, "Real Estate Taxes"), subject to adjustment as provided herein; and

(l) assessments or installments thereof arising after the date of this Contract, whether or not a lien as of Closing, which are due and payable on or after Closing, and

(m) any other matter of title, survey inspection or otherwise not expressly referred to herein, provided Purchaser's title company, which is a member of the New York Board of Title Underwriters ("Purchaser's Title Company") will affirmatively insure, without additional premium, against collection from or enforcement against the Premises; and

(n) standard exceptions contained in the form of title insurance policy then issued by Purchaser's Title Company and;

(o) any of the documents contemplated to be delivered hereunder, either as a Closing deliverable or as a condition to the Closing hereof; and

(p) Mortgage made by Bayley Seton Hospital to The United States of America, acting by and through the Secretary of Health and Human Services, dated November 25, 1981 recorded December 2, 1981 in Reel 2 Page 4699; and

(q) Zoning Declaration as recorded in Reel 2641, Page 323 and in Reel 2667, Page 55; and

(r) Waiver of Legal Grade recorded in Reel 4067, Page 109.

5. **Form of Title.**

5.1 Seller shall convey and Purchaser shall accept such title as any reputable title company which is a member of the New York Board of Title Underwriters will be willing to approve and insure at standard rates in accordance with their standard form of title policy, subject to the Permitted Encumbrances.

6. **Closing.**

6.1 Simultaneously with the delivery of this Contract, Seller shall deliver into escrow pursuant to the terms of the Closing Escrow Agreement the following:

(a) a bargain and sale deed, with covenants against grantor's acts, in proper statutory form for recording so as to transfer full ownership to the Premises, free of all

liens and encumbrances other than the Permitted Encumbrances, duly executed and acknowledged by Seller (the "Deed"). The Deed shall contain a easement granting ingress and egress for fire and emergency vehicles over a portion of the driveway located on Lot 1 from Lot 25 out to Brownell Street, as the same shall be more particularly described in the Deed. The Deed to be delivered pursuant to this Section shall contain a covenant by Seller as required by Section 13(5) of the Lien Law and Section 509 of the Not-For-Profit Corporation Law; and

(b) a properly completed New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (Form TP-584) duly executed by Seller; and

(c) a properly completed New York City Real Property Transfer Tax Return duly executed and acknowledged by Seller; and

(d) a properly completed New York State Real Property Transfer Report (RP-5217NYC), duly executed by Seller; and

(e) a properly completed non-multiple dwelling affidavit duly executed by Seller in accordance with the provisions of Section 27-2099(c) of the Administrative Code of the City of New York; and

(f) an affidavit which sets forth Seller's tax identification number, and states that Seller is not a "foreign person", as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"), duly executed and acknowledged by Seller; and

(g) if required, a properly completed IRS Form 1099 designation statement, as required under the Code, naming Purchaser's lender, if any, or Purchaser's attorneys as the "reporting person", as such term is defined in the Code; and

(h) evidence of authority, good standing and due authorization of Seller, to enter into the within transaction and to perform all of its obligations hereunder, including without limitation, the execution and delivery of all documents to be delivered by Seller under this Contract, and setting forth such additional facts, if any, needed to show that the transaction is duly authorized and is in conformity with Seller's organizational documents and to enable Purchaser's Title Company to omit all exceptions regarding Seller's standing, authority and authorization; and

(i) the Amendment to Utility Easement Agreement and related transfer tax documents, duly executed by Seller; and

(j) Agreement as to Separation of Utilities, duly executed by Seller;
and

(k) the Signage Preservation and Road Relocation Agreement, duly executed by Seller; and

(l) the Amendment to Declaration and related transfer tax documents, duly executed by Seller; and

(m) the Amendment to Temporary Utility and Remediation Agreement and related transfer tax documents, duly executed by Seller; and

(n) the Utility Easement Agreement and related transfer tax documents, duly executed by Seller; and

(o) 2008 Declaration of Zoning Lot Subdivision and Restrictions (Subdivides Existing Lots 1 and 25); and

(p) Exhibit I Certification of Parties in Interest (SVC MC Lot 1); and

(q) Exhibit III Zoning Lot Description and Ownership Statement Re: SVC MC 2008 Zoning Lot; and

(r) Exhibit I Certification of Parties in Interest (TSA Lots 25 and 40), which shall be updated at the time of the release of the Zoning Lot Subdivision Documents showing that TSA is the owner of Lots 25 and 40; and

(s) Exhibit III Zoning Lot Description and Ownership Statement Re: TSA 2008 Zoning Lot (items (n) – (r) shall be referred to herein collectively as the “Zoning Lot Subdivision Documents”); and

(t) Bayley Seton Lot 25 and Lot 40 Environmental Indemnification Agreement, duly executed by Seller; and

(u) all such further conveyances, assignments, confirmations, approvals, consents and any and all such further instruments which are reasonably required in order to complete the transfers, assignments and conveyances provided for in this Contract.

6.2 Simultaneously with the delivery of this Contract, Purchaser shall deliver into escrow pursuant to the terms of the Closing Escrow Agreement the following:

(a) a properly completed New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (Form TP-584) duly executed by Purchaser; and

(b) a properly completed New York City Real Property Transfer Tax Return duly executed and acknowledged by Purchaser; and

(c) a properly completed New York State Real Property Transfer Report (RP-5217NYC), duly executed by Purchaser; and

(d) the Amendment to Utility Easement Agreement and related transfer tax documents, duly executed by Purchaser; and

(e) Agreement as to Separation of Utilities, duly executed by Purchaser; and

(f) the Signage Preservation and Road Relocation Agreement, duly executed by Purchaser; and

(g) the Amendment to Declaration and related transfer tax documents, duly executed by Purchaser; and

(h) the Amendment to Temporary Utility and Remediation Agreement and related transfer tax documents, duly executed by Purchaser; and

(i) the Utility Easement Agreement and related transfer tax documents, duly executed by Purchaser; and

(j) Bayley Seton Lot 25 and Lot 40 Environmental Indemnification Agreement, duly executed by Purchaser; and

(k) Environmental Impairment Policy ("EIL" as such term is defined in the Environmental Indemnification Agreement) binder, with complete copy of the full EIL Policy to be delivered immediately upon Purchaser's receipt of same; and

(l) evidence of authority, good standing and due authorization of Purchaser to enter into the within transaction and to perform all of its obligations hereunder, including without limitation, the execution and delivery of all documents required to be delivered by Purchaser under this Contract, and setting forth such additional facts, if any, needed to show that the transaction is duly authorized and is in conformity with Purchaser's organizational documents; and

(m) all such further instruments which are reasonably required in order to complete the transfers, assignments and conveyances provided for in this Contract.

6.3 In addition to the foregoing, Purchaser shall deliver into escrow immediately available funds equal to the aggregate of the Purchase Price, the Commission, the premium for the Environmental Impairment Policy and Purchaser's estimated closing costs on or prior to the date required pursuant to the Closing Escrow Agreement.

6.4 The "Closing Date" shall mean the date that the closing conditions set forth in Article 8 hereof are satisfied. The "Closing" means the satisfaction of the closing conditions set forth in Article 8 hereof and the delivery of all documents required hereunder.

7. **Intentionally Omitted.**

8. **Conditions To Closing**

8.1 **Conditions Precedent to Obligations of Purchaser.** The obligations of Purchaser to consummate the transactions contemplated hereunder are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser in whole or in part to the extent permitted by applicable law):

(a) Seller shall have delivered, or caused to be delivered, to Purchaser all of the items set forth in clauses (a) through (u) of Section 6.1 and the satisfaction of all conditions and obligations pursuant to the terms of the Closing Escrow Agreement; and

(b) Seller shall have received the Special Use Permit; and

(c) Seller shall have caused the Zoning Lot Subdivision Documents to be filed in the New York City Land Records with the Richmond County Clerk's office creating an independent Zoning Lot comprised of Lots 25 and 40.

8.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transaction contemplated hereunder are subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by Seller in whole or in part to the extent permitted by applicable law):

(a) Intentionally Omitted

(b) approval of the Board of Directors of Seller, and such other entities to which approval must be obtained in accordance with the organizational rules of governance of Seller; and

(c) approval of the transactions contemplated by this Agreement by the United States Bankruptcy Court for the Southern District of New York in the case entitled *In Re Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincents Catholic Medical Centers et. al.* (Case No. 05-14945-PCB); and

(d) Purchaser shall have delivered, or caused to be delivered, to Purchaser all of the items set forth in clauses (a) through (m) of Section 6.2 and the satisfaction of all conditions and obligations pursuant to the terms of the Closing Escrow Agreement.

9. **Transfer Taxes.**

9.1 On the Closing Date, as the case may be, Seller shall pay all fees and charges payable, if any, to the order of the appropriate State, City or County officer in the amount of any applicable transfer tax payable by reason of the delivery of the Deed.

10. **Broker.**

10.1 Purchaser and Seller each hereby represents to the other that it has not dealt with any broker in connection with the transactions contemplated herein other than First Service Williams and J. Delbert Smith Associates, Inc. (collectively, the "Brokers"). Purchaser covenants and agrees that, in the event any claim is made for a broker's commission, finder's fee or other sums by any person(s) with whom Purchaser has dealt with respect to the transactions contemplated by this Contract other than the Brokers, Purchaser shall indemnify and hold Seller harmless from and against any and all such claims and any damages, costs or expenses, including without limitation reasonable attorneys' fees, incurred by Seller in connection therewith. Seller covenants and agrees that, in the event any claim is made for a broker's commission, finder's fee or other sums by any person(s) with whom Seller has dealt with respect to the transactions

contemplated by this Contract other than the Brokers, Seller shall indemnify and hold Purchaser harmless from and against any and all such claims and any damages, costs or expenses, including without limitation reasonable attorneys' fees, incurred by Purchaser in connection therewith. Any brokerage commission which may be due and owing to the Brokers in connection with a sale of the Premises by Seller to Purchaser shall be paid by Purchaser (the "Commission"). The provisions of this Section 10.1 shall survive Closing and the termination of this Contract.

11. **Assessments.**

11.1 If, on the Closing Date, the Premises or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, or which the first installment is then a charge or lien, or has been paid, all the unpaid installments of any such assessment which are due and payable prior to the Closing Date, shall be paid by Seller. The unpaid installments of such assessment or assessments which are due and payable after the Closing Date shall be paid and discharged by Purchaser, and Purchaser shall take title to the Premises subject thereto without reduction of the Purchase Price.

12. **Apportionments.**

12.1 To the extent applicable, the following shall be apportioned as of midnight of the day before the day of respective Closing: (a) Real Estate Taxes on the basis of the fiscal year for which assessed; and (b) fuel located or stored at the Premises. Any errors or omissions in computing apportionments shall be subsequently corrected and paid by the responsible party, which obligations shall survive Closing Date for a period of twelve (12) months.

12.2 Except as otherwise herein provided, the customs in respect to title closings recommended by the Real Estate Board of New York shall apply to the apportionments at Closing.

13. **Water Meter Readings.**

13.1 If there is a water meter or meters which relate to the Premises, Seller shall furnish an actual reading or readings to a date not more than thirty (30) days before Closing and the unfixed water charge and sewer rents, if any, shall be apportioned, on the basis of such last reading. However, if there is a water meter on the Premises which has not been read nor the charge fixed to the date of Closing of title, then same shall be apportioned, on the basis of the last meter reading. In addition, the Parties acknowledge and agree that water charges will be addressed in the Agreement Regarding Separation of Utilities subsequent to the Closing for all or portions of the Premises.

14. **Use of Purchase Price to Pay Encumbrances.**

14.1 Seller has the option to credit Purchaser, as an adjustment of the Purchase Price, with the amount equal to any unpaid Real Estate Taxes, together with any interest and penalties thereon, to a date not less than three (3) business days after Closing, provided that official bills therefore computed to said date are produced at Closing, if applicable.

14.2 In the event there are any liens or encumbrances which Seller is obligated or elects to pay and discharge at Closing, Seller may pay and discharge such lien and encumbrance out of the balance of the Purchase Price, provided Seller has made arrangements with Purchaser's Title Company in advance of Closing for Seller to deposit with the Purchaser's Title Company sufficient monies (which shall include all recording charges) required by it to issue an ALTA Owner's Title Policy to Purchaser free of any such liens and encumbrances. Upon request made at least three (3) business days prior to Closing, Purchaser shall provide Seller with separate checks with comply with Section 3(a), above, aggregating up to the balance of the Purchase Price, to facilitate the satisfaction of any such liens or encumbrances. The existence of any such Real Estate Taxes, liens or encumbrances shall not be deemed objections to title if Seller shall comply with the foregoing requirements.

15. **Seller's Inability to Convey Title.**

15.1 Purchaser has caused Purchaser's Title Company to conduct an examination of title to the Premises and has forwarded to Seller's counsel a copy of the title report, including any continuations and/or supplements thereto, (collectively, the "Title Report") issued by Purchaser's Title Company. As of the date hereof, Purchaser acknowledges and agrees that the condition of title as shown on that certain proforma title policy attached hereto as Exhibit I is acceptable to Purchaser.

15.2 In the event any continuation of the Title Report performed after the date hereof but prior to the Closing Date shows any title objections which are not a Permitted Encumbrance hereunder (collectively and individually, a "Title Defect"), Seller may elect (but shall not be obligated) to attempt to cure or remove such Title Defect. In the event Seller elects to attempt to cure or remove any Title Defect and is unable to do so on or before the Closing Date, Seller shall be entitled to adjourn the Closing in order to cure or remove such Title Defect for a period of up to thirty (30) days. In the event Seller elects not to cure or remove a Title Defect or shall, for any reason, be unable to cure or remove any Title Defect within the time periods set forth in the preceding sentence, Seller shall have the right to terminate this Contract, provided, however, if Seller elects to terminate this Contract, Purchaser shall have the right to void such termination and accept such title to the Premises as Seller shall be able to convey without abatement in the Purchase Price and without any liability on the part of Seller. Upon a termination of this Contract, this Contract shall be deemed null and void and the Parties hereto shall be entirely relieved and released of any and all obligation and liability to the other in connection with this Contract, except for those obligations which are to survive Closing.

15.3 Notwithstanding any contrary provision contained in this Contract, it is specifically agreed that Seller shall not be required to bring any action, proceeding or incur any expense to obtain such title as it has agreed to convey hereunder or to cure or remove any Title Defect, provided, however, Seller shall satisfy any mortgage executed by Seller which encumbers the Premises.

15.4 Seller shall cure or remove any violations of law or governmental ordinances, orders or requirements noted in or issued by the Departments of Housing and Buildings, Transportation and/or Water and Environmental and/or other Federal, state, county or municipal department, agency, authority or bureau having jurisdiction over the Premises (each, a

"Governmental Authority") arising prior the date hereof as evidenced by the municipal report issued by Hudson Land Company, LLC dated June 3, 2009 (collectively the "Existing Violations") and shall pay any amounts due in connection with any violation of law and any lien attaching to the Premises pursuant to the Administrative Code of the City of New York as a result of such Existing Violations. In addition, Seller shall cure or remove any violations of law or governmental ordinances, orders or requirements noted in or issued by a Governmental Authority and arising after the date hereof but prior to the Closing Date (the "Interim Violations"); provided, however, that Seller shall have no obligation to spend an amount in excess of \$100,000.00 in order cure and remove any Interim Violations. Other than the customary and ordinary searches conducted and inquiries made by Express Research Services at the request of Purchaser's title company, Purchaser shall have no right to, and shall not, make any searches or inquiries of Governmental Authorities for the purposes of determining whether notes or notices of Violations have been noted or issued with respect to the Land. Seller shall promptly notify Purchaser and provide Purchaser with a copy of all notes or notices of Interim Violations which Seller shall receive after the date hereof through the Closing Date. Notwithstanding the foregoing, Seller shall be permitted to satisfy the provisions of this Section 15.4 after the Closing Date and the obligations of this Section 15.4 shall expressly survive the Closing. In addition and notwithstanding the foregoing to the contrary, Seller shall have no obligation to remove any Existing Violation or Interim Violation which shall be or be deemed to be cured or removed as a result of the intended demolition of the improvement to which the violation relates.

16. **Default.**

16.1 If Purchaser shall default in the performance of its obligations hereunder, Seller shall have, as its sole remedy, the right to terminate this Contract by notice thereof to Purchaser, in which event this Contract shall be deemed null and void and no party shall have any further rights or obligations hereunder, except for those rights, obligations, and remedies that specifically survive the termination of this Contract.

16.2 If Seller shall default in the performance of its obligations hereunder, Purchaser, at its option, shall have the following remedies as its sole and exclusive remedies: (a) terminate this Contract by written notice thereof to Seller; or (b) seek to specifically enforce the terms and conditions of this Contract subject to any limitations on Seller's obligation to deliver title as may be contained in this Contract.

17. **Notices.**

17.1 Any notice or other communication required or permitted under this Contract shall be in writing and shall be considered given two (2) days after same is mailed with any nationally recognized overnight delivery service (with proof of delivery) or by facsimile transmission (provided that such facsimile transmission is confirmed by the sender by overnight delivery in the manner described above) sent to the intended addressee at the address set forth below or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Contract will be as follows:

If to Seller: Saint Vincents Catholic Medical Centers of New York
Office of Legal Affairs
170 West 12th Street
New York, NY 10011
Attention: Chief Legal officer
Telephone No. (212) 604-7528
Facsimile No.

With a copy to: Saint Vincents Catholic Medical Centers of New York
Corporate Real Estate Services
130 West 12th Street
New York, NY 10011
Telephone No. (212) 604-7518
Facsimile No.

With a copy to: Garfunkel, Wild & Travis, P.C.
111 Great Neck Road
Great Neck, New York 11021
Attention: Judith A. Eisen, Esq.
Telephone No. (516) 393-2220
Facsimile No. (516) 466-5964

If to Purchaser: The Salvation Army
120 West 14th Street
New York, New York 10011
Attention: Lt. Col. Guy Klemanski
Telephone No. (212) 337-7201
Facsimile No. (212) 337-7212

With a copy to: Scancarelli, Jacobson & Uzzo, LLP
22 West First Street, Suite 521
Mount Vernon, New York 10550
Attention: Howard Jacobson, Esq.
Telephone No. (914) 699-0600
Facsimile No. (914) 664-2543

Notices hereunder may be given by counsel for the Parties described above, and such notices shall be deemed given by said party for all purposes.

18. **Representations.**

18.1 Seller hereby makes the following representations and warranties to Purchaser:

(a) Seller is not party to any management, service, supply or maintenance agreement with respect to or affecting the Premises which is not cancelable on or prior to the Closing Date; and

(b) To Seller's knowledge, there are no pending or threatened assessments affecting the Premises; and

(c) There are no leases, tenancies, licenses or other rights of present or future occupancy or use, written or oral, for any portion of the Premises.

19. **Survival of Representations, Warranties, Covenants and Other Obligations.**

19.1 Except as otherwise provided in this Contract, no representations, warranties, covenants or other obligations of Seller or Purchaser set forth in this Contract shall survive Closing, and no action based thereon shall be commenced after the Closing.

19.2 The delivery of the Deed and by Seller, and the acceptance thereof by Purchaser after release of the same from escrow if applicable, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed hereunder, except those obligations of Seller which are expressly stated in this Contract to survive Closing.

20. **Intentionally Omitted.**

21. **Miscellaneous.**

21.1 **Entire Agreement.** This Contract, including the schedules and exhibits, contains a complete statement of all the arrangements between the Parties with respect to its subject matter, supersedes any previous agreements between them relating to that subject matter, and cannot be changed or terminated orally.

21.2 **Headings.** The section headings of this Contract are for reference purposes only and are to be given no effect in the construction or interpretation of this Contract.

21.3 **Governing Law.** This Contract shall be governed by and construed in accordance with the law of the State of New York applicable to agreements made and to be performed in New York, without giving effect to its conflicts-of-law.

21.4 **Separability.** If any provision of this Contract is invalid or unenforceable, the balance of this Contract shall remain in effect.

21.5 **Assignment.** Purchaser may not assign any of its rights nor delegate any of its duties under this Contract without the prior written consent of Seller in each instance. provided, however, the Purchaser may assign this Contract to an entity controlled by Purchaser.

21.6 **Recording.** Purchaser shall not record this Contract or any memorandum hereof.

21.7 Limitations. Neither party shall assert any claim or shall bring any action against the other, regardless of form, arising out of this Contract, more than twelve (12) months after Closing.

21.8 Jurisdiction. The courts of the United States Bankruptcy Court for the Southern District of New York shall have exclusive jurisdiction over the Parties with respect to any dispute or controversy between them arising under or in connection with this Contract and, by execution and delivery of this Contract, each of the Parties to this Contract submits to the jurisdiction of those courts, including, but not limited to, the in personam and subject matter jurisdiction of those courts, waives any objection to such jurisdiction on the grounds of venue or forum non conveniens, the absence subject matter jurisdiction and any similar grounds, consents to service of process by any manner permitted by law. These consents to jurisdiction shall not be deemed to confer rights on any person other than the Parties to this Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the day and date first above written.

Seller:

SAINT VINCENTS CATHOLIC MEDICAL
CENTERS OF NEW YORK

By: _____

Name:

Title:

Purchaser:

THE SALVATION ARMY

By: _____

Name:

Title:

List of Schedules and Exhibits

| | |
|--------------|--|
| Schedule A-1 | Land (Lot 25) |
| Schedule A-2 | Land (Lot 40) |
| Exhibit A | Amendment to Utility Easement Agreement |
| Exhibit B | Amendment to Temporary Utility and Remediation Agreement |
| Exhibit C | Signage Preservation and Road Relocation Agreement |
| Exhibit D | Agreement as to Separation of Utilities |
| Exhibit E | Amendment to Declaration |
| Exhibit F | Utility Easement Agreement |
| Exhibit G | Closing Escrow Agreement |
| Exhibit H | Bayley Seton Lot 25 and 40 Environmental Indemnification Agreement |
| Exhibit I | Title Commitment – Schedule B, Item 5 |
| Schedule B | Environmental Reports |

SCHEDULE A-1

LAND

Legal Description — Tax Lot 25

BEGINNING at the point formed by the intersection of the northwesterly side of Vanderbilt Avenue (75.0 feet wide) with the southwesterly side of Bay Street (70.0 feet wide).

1. Running thence along said northwesterly side of Vanderbilt Avenue south 55 degrees 29 minutes 22 seconds west 533.34 feet to point.
2. Thence north 34 degrees 30 minutes 38 seconds west 115.00 feet to a point.
3. Thence south 55 degrees 29 minutes 22 seconds west 275.00 feet to a point.
4. Thence north 34 degrees 30 minutes 38 seconds west 34.15 feet to a point of curvature.
5. Thence northeasterly on a curve deflecting to the right having a radius of 30.00 feet, a central angle of 90 degrees 03 minutes 20 seconds, and a distance of 47.15 feet to a point of tangency.
6. Thence north 55 degrees 32 minutes 42 seconds east 307.93 feet to a point of curvature.
7. Thence northerly on a curve deflecting to the left having a radius of 104.85 feet, a central angle of 74 degrees 21 minutes 16 seconds, and a distance of 136.07 feet to a point of tangency.
8. Thence north 18 degrees 48 minutes 34 seconds west 142.11 feet to a point.
9. Thence north 22 degrees 02 minutes 46 seconds west 420.95 feet to a point.
10. Thence north 67 degrees 05 minutes 03 seconds east 218.96 feet to a point on the southwesterly side of Bay Street.
11. Thence along said southwesterly side of Bay Street south 40 degrees 00 minutes 29 seconds east 280.28 feet to an angle point therein.
12. Thence continuing along said southwesterly side of Bay Street south 38 degrees 11 minutes 26 seconds east 238.26 feet to an angle point therein.
13. Thence continuing along said southwesterly side of Bay Street south 30 degrees 35 minutes 26 seconds east 242.96 feet to the point or place of beginning.

SCHEDULE A-2

LAND

Legal Description — Tax Lot 40

BEGINNING at a point on the northwesterly side of Vanderbilt Avenue (75.0 feet wide) distant 533.34 feet southwesterly, as Measured along said northwesterly side of Vanderbilt Avenue, from the point formed by the intersection of said northwesterly side of Vanderbilt Avenue with the southwesterly side of Bay Street.

1. Running thence north 34 degrees 30 minutes 38 seconds west 115.00 feet to a point.
2. Thence south 55 degrees 29 minutes 22 seconds west 275.00 feet to a point.
3. Thence south 34 degrees 30 minutes 38 seconds east 114.83 feet to a point on said northwesterly side of Vanderbilt Avenue.
4. Thence along said northwesterly side of Vanderbilt Avenue north 55 degrees 37 minutes 15 seconds east 74.28 feet to an angle point therein.
5. Thence continuing along said northwesterly side of Vanderbilt Avenue north 55 degrees 29 minutes 22 seconds east 200.72 feet to the point or place of beginning.

EXHIBIT A

AMENDMENT TO UTILITY EASEMENT AGREEMENT

EXHIBIT B

AMENDMENT TO TEMPORARY UTILITY AND REMEDIATION AGREEMENT

EXHIBIT C

SIGNAGE PRESERVATION AND ROAD RELOCATION AGREEMENT

EXHIBIT D

AGREEMENT AS TO SEPARATION OF UTILITIES

EXHIBIT E
AMENDMENT TO DECLARATION

EXHIBIT F
UTILITY EASEMENT AGREEMENT

EXHIBIT G
CLOSING ESCROW AGREEMENT

EXHIBIT H

**BAYLEY SETON LOT 25 AND 40 ENVIRONMENTAL INDEMNIFICATION
AGREEMENT**

EXHIBIT I

TITLE COMMITMENT

SCHEDULE B, ITEM 5

SCHEDULE B
ENVIRONMENTAL REPORTS

1. Phase I Environmental Site Assessment, Bayley Seton Hospital, 75 Vanderbilt Avenue, Staten Island, New York, File No: 75480.10; GZA GeoEnvironmental; August 31, 2004.
2. Analytical Data Tables (6), Phase II Environmental Site Assessment for Bayley Seton Hospital, Seven Trent Laboratories; 2006.
3. Site Plan of Bayley Seton Hospital, 75 Vanderbilt Avenue, Staten Island, New York, Project No: 12.0075706.00; GZA GeoEnvironmental; May 9, 2006.
4. Phase I Environmental Site Assessment Update/Phase II Scoping, Staten Island Kroc Center, Bayley Seton Hospital Property, Staten Island, New York, File No. 12.0075706; GZA GeoEnvironmental; May 12, 2006.
5. Proposal for Services, Phase II Site Investigation, Proposed Staten Island Kroc Center, Bayley Seton Hospital Property, Staten Island, New York, File No: 12.P000051.07 (Revision 1); GZA GeoEnvironmental; June 14, 2006.
6. Appendix B: Soil Boring Logs for Bayley Seton Hospital Project, File No: 12.0075706.10; GZA GeoEnvironmental; August 15, 2006.
7. Figures 1 & 3-12 for Bayley Seton Hospital Project, Project No: 12.0075706.10; GZA GeoEnvironmental; August 23, 2006, September 22, 2006 and October 10, 2006.
8. Appendix A: AGS Subsurface Geophysical Survey Report, Reference No: 06-265-1; Advanced Geological Services; September 12, 2006.
9. Laboratory Results, Job No. V530 – Bayley Seton Hospital; Seven Trent Laboratories; September 29, 2006.
10. Laboratory Results, Job No. V493 – Bayley Seton Hospital; Seven Trent Laboratories; September 20, 2006.
11. Laboratory Results, Job No. V770 – Bayley Seton Hospital; Seven Trent Laboratories; September 29, 2006.
12. Laboratory Results, Job No. V879 – Bayley Seton Hospital; Seven Trent Laboratories; September 29, 2006.
13. Laboratory Results, Job No. W325 – Bayley Seton Hospital; Seven Trent Laboratories; September 28, 2006.
14. Phase II Soil and Groundwater Investigation Report, Bayley Seton Hospital Property, 75 Vanderbilt Avenue, Staten Island, New York, File No: 12.0075706.10; GZA GeoEnvironmental; October 2006.

15. Analytical Tables (15), Phase II Environmental Site Assessment for Bayley Seton Hospital Project; GZA GeoEnvironmental; October 2006.
16. Table 1: Site Building Details, Bayley Seton Hospital, Staten Island, New York; Author Unknown; Date Unknown.
17. Table 2: Tank Summary, Bayley Seton Hospital, Staten Island, New York; Author Unknown; Date Unknown.
18. Table 3: Estimated Order of Magnitude Phase II Costs, Bayley Seton
19. May 12, 2006 GZA / TSA Phase I ESA Update II Scoping, Staten Island Kroc Center
20. Phase II Environmental Report – GZA, October 2006
21. Hazardous Materials Investigation – GZA, November 2006
22. Groundwater Investigation Report of NYSDEC PBS Spill # 06-06219 – GZA, January 2006
23. June 4, 2007 GZA Site Investigation Spill Nos. 9511313 and 0407344
24. GW Investigation Report PBS 2-0934304, Spill No. 06-06219, January 12, 2007
25. GZA / TSA Phase II Soil & Groundwater Investigation Report – October 2006
26. GZA / SVC MC Proposal for Remediation Services, Order of Magnitude Estimates, November 2006 and February 2007 (Revised)
27. Property Solutions / TSA Environmental Questionnaire Prepared by SVC MC – April 2007