November 12th, 2013

Mr. and Mrs. Russell Crane
532 Newtons Corner Road
Howell, NJ 07731

**Re: Option Agreement for the purchase of 117 Channel Drive, Point Pleasant Beach, NJ 08742 (the "Subject Property as defined below")**

Dear Russ:

This Option Agreement sets forth the terms, conditions and qualifications for Oceanside Realty, LLC, or its assignee or nominee **("Purchaser"),** to purchase an option to buy the Subject Property free and clear of all liabilities, liens and encumbrances, other than utility easements and other restrictions of record which, individually and in the aggregate, do not materially affect the value of the Subject Property from Seller (as defined below) on the terms stated herein.

WHEREAS Russell Crane and Sheila Crane (individually and/or collectively referred to hereinafter as "Crane") represent that Russell Crane and Sheila Crane shall use the proceeds under that certain Secured Promissory Note (the "Note") of even date herewith to acquire Nancy Gallagher's fifty percent (50%) membership interest in Wills Hole, LLC and fifty percent (50%) interest in Laurelton Welding Service, Inc. after which Russell Crane and Sheila Crane will own one-hundred percent of the issued and outstanding interests of Wills Hole, LLC, and Laurelton Welding Service, Inc. free and clear of any and all encumbrances, claims, and liens whatsoever. Wills Hole, LLC is sometimes referred to hereinafter as the "Seller."

WHEREAS Russell Crane and Sheila Crane represent that Wills Hole, LLC is the owner of fee simple title to the Subject Property, described in more detail as follows:

Subject Property. The Subject Property shall consist of all land, buildings, structures, fixtures and other improvements of any kind and nature presently situated on, in, under or about the real property.

Additional Property. Contemporaneously with the conveyance of the Subject Property, Seller shall convey to Purchaser (i) all intangible personal property owned by Seller relating to the Subject Property (the **"Intangible Property"),** including, without limitation, all warranties and guarantees pertaining to the Subject Property, as set forth on Exhibit A of this Agreement and (ii) all licenses, permits, certificates of occupancy, authorizations and approvals (the **"Permits")** used in connection with the

ownership, operation or occupancy of the Subject Property, as set forth on Exhibit B of this Option Agreement (the "Subject Property, the "Intangible Property" and the "Permits" are hereinafter collectively called the **"Property").**

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as provided herein.

A. Grant of Option. For and in consideration of $10,000 ("Option Fee") payable to Seller within ten business days of the date of this Option Agreement and for providing Russell Crane and Sheila Crane with financing in the amount of $675,000 pursuant to Note to effectuate the acquisition of Nancy Gallagher's fifty percent (50%) membership interest in Wills Hole, LLC, Seller does hereby grant to Purchaser the exclusive right and option ("Option") to purchase the Property upon the terms and conditions set forth herein.

B. Exercise of Option. Purchaser may exercise its exclusive right to purchase the Property pursuant to the Option at any time beginning on March 15, 2014 and ending on December 31, 2015 ("Option Term") by giving written notice to Seller. The date of sending said notice shall be the "Option Exercise Date." In the event that Purchaser does not exercise its exclusive right to purchase the Property granted by the Option during the Option Term, Seller shall be entitled to retain the Option Fee, and this Option Agreement shall become absolutely null and void and neither party hereto shall have any other liability, obligation or duty hereunder or pursuant to this Option Agreement.

C. Purchase Price. In the event that Purchaser exercises its exclusive Option as provided in the preceding paragraph, Seller agrees to sell and Purchaser agrees to buy the Property. The total purchase price (the **"Purchase Price")** for the Property shall be Two Million and No/I 00 Dollars $2,000,000, reduced by the Option Fee and any amounts outstanding that are owed to Purchaser, or a principal or owner of Purchaser, by Crane and/or Seller at "Closing" (as hereinafter defined) including amounts owing under the Note.

The Purchase Price shall be paid, at Closing, as follows:

Purchaser shall deliver to Seller by bank certified or cashier's check or by check of the "Title Company" (as hereinafter defined) an amount equal to the difference between the Purchase Price (reduced by the Option Fee) and (i) amounts outstanding that are owed to Purchaser, or a principal or owner of Purchaser, by Crane and/or Seller at Closing, including amounts due and owing under the Note, and (ii) Seller's share of **Proration** (as hereinafter defined).

D. Agreement of Sale. In the event that Purchaser exercises its exclusive Option as provided above, Purchaser shall cause to be prepared and delivered to Seller within thirty (30) days of such Option exercise an Agreement of Sale (the **"Agreement of**

**Sale")** with respect to the Property. The Agreement of Sale will contain customary representations and warranties and will be subject to customary conditions for real estate purchases of this kind.

To assist Purchaser in preparing an Agreement of Sale, Seller shall provide to Purchaser within fifteen (15) days after Purchaser's exercise of Option (i) a copy of the legal description of the Subject Property, (ii) a copy of Seller's owner's title insurance policy covering the Subject Property, and (iii) copies of all of the Existing Loan Documents (with recording information, where applicable) covering the Subject Property. The Agreement of Sale shall contain such provisions substantially similar to the following:

**(1)** Title.

(a) Title to Subject Property. Title to the Subject Property shall be good and marketable and free and clear of all liens, easements, reservations, restrictions, tenancies, leases, security interests, and all encumbrances. To the extent Seller is unable to convey title to the Subject Property to Purchaser at Closing as required herein, Purchaser shall have the option of (i) taking such title as Seller can convey with abatement of the Purchase Price to the extent of monetary liens of an ascertainable amount *(i.e.,* mortgages, judgments, mechanics liens and similar matters), and waiving the unfulfilled conditions, if any, or (ii) terminating the Agreement of Sale and Purchaser's obligations thereunder and having the Option Fee returned to Purchaser.

(2) Closing. The Closing **("Closing")** of the transaction evidenced by the Agreement of Sale shall take place on December 31, 2015 or at such earlier time as Purchaser may elect upon sixty (60) days prior written notice to Seller provided that the earliest date that Purchaser can so elect is two (2) months after Purchaser exercises its exclusive Option (the **"Closing Date").**

(3) Purchaser's Due Diligence Period. Purchaser and Purchaser's agents, employees, architects, engineers, accountants, contractors and other representatives (collectively, **"Purchaser's Representatives")** shall have the right and permission from the date of the execution of this Option Agreement until March 15, 2014 **("Purchaser's Due Diligence Period")** to enter the Subject Property, and any part thereof, at all reasonable times and from time to time, for the purpose of inspecting, appraising, surveying, examining, and testing Subject Property. Purchaser shall, at Purchaser's sole cost and expense, promptly repair any damage to the Subject Property caused by Purchaser or Purchaser's Representatives as a result of any such entry, inspection, examination or test. It is specifically understood and agreed that during Purchaser's Due Diligence Period, Purchaser and/or Purchaser's Representatives shall have the right (but not the obligation) to undertake a physical, structural and mechanical inspection, any environmental inspections and any other inspections of the Property.

Seller shall cooperate with Purchaser and Purchaser's Representatives in any of Purchaser's investigations, including without limitation, complying with any reasonable request for information and records and warranting that responses to such requests are true and complete. Should Purchaser determine that the Property is unsuitable, physically or economically, on terms satisfactory to Purchaser in Purchaser's sole and absolute discretion, or should Purchaser determine not to purchase the Property for any other reason whatsoever, whether relating to the physical condition of the Property, or otherwise, or for no reason, Purchaser shall have the right, upon written notice to Seller at any time prior to the expiration of Purchaser's Due Diligence Period, to terminate this Option Agreement and/or Agreement of Sale. IfPurchaser terminates the Option Agreement and/or Agreement of Sale Seller shall retain the Option Fee and the parties shall have no further obligation or liability to the other under this Option Agreement and/or Agreement of Sale.

(4) Items to be Furnished to Purchaser by Seller. Within thirty (30) days after the date of this Option Agreement, to the extent that Seller has these documents, Seller shall furnish to Purchaser the following:

(a) A copy of any survey of the Subject Property in Seller's possession or available to Seller.

(b) A copy of any environmental reports (including, without limitation, any Phase I or Phase II reports and the results of any air, water or soil analysis or tank integrity testing or any analysis of any asbestos or materials containing asbestos or any material containing petroleum, polychlorinated biphenyls or urea formaldehyde foam) covering the Subject Property, or any part thereof.

(c) A copy of all final plans and specifications, including architectural, foundation, mechanical, electrical, engineering and soil reports, if any, for the Subject Property and any improvements thereon in Seller's possession, showing the location and detail of all improvements on the Subject Property.

(d) Copies of all building permits and final certificates of occupancy for all improvements on the Subject Property and the spaces occupied by any tenants, if applicable, and all other licenses, permits, authorizations, consents, certificates and approvals, if any, required by all governmental authorities having jurisdiction to operate the Subject Property.

(e) A list of all supply, service, management or maintenance contracts, warranties or other agreements, if any, affecting the operation of the Subject Property, together with true and correct copies thereof.

(f) A copy of any documentation with the Borough of Point Pleasant Beach, New Jersey, evidencing the obligation of Seller to complete any improvements to the Subject Property (the **"Point Pleasant Beach Agreement").**

(5) Damage, Destruction or Condemnation Prior to Closing. Prior to Closing all risk of loss of, or damage to, or destruction of the Property (whether by fire, flood, hurricane, tornado or other casualty, or by the exercise of the power of eminent domain, or otherwise) shall belong to and be borne by the Seller.

(6) Proration. At Closing, the following items shall be adjusted or prorated between Seller and Purchaser:

(a) Real Estate Taxes. Real estate taxes for the Subject Property for the calendar year of Closing shall be prorated to the Closing Date. If, for any reason, real estate taxes for the calendar year of Closing have not been assessed on the Subject Property, such proration shall be estimated based upon taxes for the immediately preceding calendar year, and adjusted between Seller and Purchaser when the exact amounts are available. If, at Closing, the Subject Property or any part thereof is affected by an assessment which is payable in installments, of which the first installment is then a charge or a lien, or has been paid, then all unpaid installments of such assessments, including those which are to become due and payable after Closing, shall be deemed to be due and payable and to be a lien upon the Subject Property and shall be paid and discharged by Seller at Closing. It is understood and agreed that any assessment affecting the Subject Prope1ty as of Closing (whether payable in one-lump sum or installments) shall be paid in full by Seller.

(b) Utilities. Seller shall obtain readings of the water, electric, gas and other utility meters servicing the Subject Property as of the date not earlier than two (2) business days prior to the Closing Date. At or prior to Closing, Seller shall pay all charges based upon such meter readings, adjusted to include a reasonable estimate of the additional charges due for the period from the dates of their respective readings until the Closing Date. If Seller is unable to obtain readings of any meters prior to the Closing Date, Closing shall be completed without such readings and upon obtaining such readings, Seller shall pay the charges incurred prior to the Closing Date as reasonably determined by Purchaser based upon such readings.

(7) Expenses. Seller shall pay all realty transfer taxes required to be paid in connection with the conveyance of the Subject Property to Purchaser and Seller's own attorneys' fees. Purchaser shall pay the cost of an Owner's Policy of Title Insurance, any survey of the Subject Property obtained by Purchaser, all costs for any inspections, tests or analysis of the Subject Property conducted by Purchaser, any recording fees for the Deed to the Subject Property, and Purchaser's own attorneys' fees.

(8) Broker's Commissions. Seller shall represent and warrant that it has not engaged any agent or realtor or broker incident to the sale of the Subject Property. Purchaser shall represent and warrant that it has not engaged any agent, realtor or broker incident to the sale of the Subject Property. Seller shall indemnify, defend and hold Purchaser harmless from and against any claim or demand made by any real estate agent, realtor or broker claiming any commission by, through or under an agreement with Seller

incident to the sale of the Subject Property, and all expenses related thereto, including without limitation, court costs and attorneys' fees. Purchaser shall indemnify, defend and hold Seller harmless from and against any claim or demand made by any real estate agent, realtor or broker claiming any commission by, through or under an agreement with Purchaser incident to the sale of the Subject Property, and all expenses related thereto, including without limitation, court costs and attorneys' fees. The indemnification obligations of Seller and Purchaser shall survive Closing.

(9) Representations and Warranties. The Agreement of Sale shall contain such representations and warranties of Seller as are customary for real estate purchases of this kind.

(10) Exclusive Dealings. Seller represents and warrants to Purchaser that Seller has not and will not with the execution of this Option Agreement enter into negotiations with any person, entity or third-parties for the sale of the Subject Property.

This Option Agreement constitutes a legally binding and enforceable agreement of Seller, and any breach of such provisions by Seller shall be actionable by Purchaser through pursuit of any remedies at law or in equity, including, but not limited to, specific performance, an action for injunction and/or other damages.

(11) Confidentiality. Prior to Closing, the terms of this Option Agreement are confidential and shall not be disclosed to any individual or entity by either party hereto (except to their counsel, and/or as may be required by any grant/loan/permit/zoning or similar application sought by Purchaser, and/or assignees of Purchaser) without the express written consent of the other party, except as may be required by law.

(12) FIRPTA. Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code") provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform Purchaser that withholding of tax is not required upon the disposition by Seller of a United States real property interest, the Seller shall deliver to Purchaser at Closing a Certification required by Section 1445 of the Code which confirms that Seller is not a foreign entity.

(13) Default. In the event that Purchaser is in default in the observance or performance of its obligations hereunder (other than as a result of Seller's default hereunder) or the Agreement of Sale (other than as a result of Seller's default thereunder), then Seller shall have the right, as Seller's sole and exclusive remedy, to terminate this Option Agreement or Agreement of Sale, as the case may be, and to be paid the Option Fee as liquidated damages for such breach. Upon such termination, Seller and Purchaser shall be released from any and all further liability and obligations hereunder or thereunder (other than with respect to any obligations which expressly survive the termination of this Option Agreement and/or Agreement of Sale), it being understood that Seller's right to terminate this Option Agreement or the Agreement of Sale, as the case may be, and to be paid the Option Fee shall be the sole remedy available

to Seller in the event of Purchaser's default hereunder or thereunder.

(14) Operations Pending Closing.

a. Seller shall not sell the Subject Property or mortgage or encumber the Subject Property with any encumbrance which would survive Closing, or do or permit any act which diminishes title to the Property, and shall take commercially reasonable steps to convey to Purchaser at Closing title to the Property of the quality required by this Option Agreement.

b. Seller agrees that, from the date of this Option Agreement until Closing, Seller shall at its own expense, operate, maintain and repair the Subject Property in the ordinary and usual manner and pursuant to the current maintenance standards.

c. Seller will promptly furnish Purchaser with copies of all written notices received by Seller relating to the Subject Property.

d. Seller agrees that until Closing, Seller will not, without the prior written approval of Purchaser, enter into any contract or commitment with respect to the Subject Property or its operation, the term of which extends beyond the date of Closing (other than contracts in the ordinary and usual course of business and which are cancelable by the owner of the Property without penalty upon giving notice thereof).

e. Seller covenants and agrees with Purchaser: Seller will not grant any other right of possession, use or occupancy of the Subject Property.

f. Seller covenants to keep the Subject Property continuously insured at the coverage in effect on the date of this Option Agreement and maintain in effect all other insurance coverage presently in effect with respect to the Subject Property until the Closing.

(15) Additional Seller Representations.

a. There are no parties in possession of any portion of the Subject Property as lessees, tenants at sufferance or trespassers.

b. Except as disclosed by the Environmental Reports, to the best of Seller's knowledge, no Hazardous Waste that would require remediation under any Environmental Law is present on, over or under, or is migrating from the Property or Seller's Adjacent Property. As used herein, the term "Hazardous Waste" shall mean any "hazardous substances", "pollutant or contaminant" or any material containing petroleum, any PCBs or substances containing PCBs, any urea formaldehyde foam, or any asbestos or materials containing asbestos, as those terms are defined pursuant to any Environmental Laws.

(16) Indemnification. Seller agrees to indemnify, defend (with counsel

reasonably acceptable to Purchaser) and hold harmless Purchaser, and reimburse Purchaser for, any and all claims, demands, actions, causes of action, losses (including without limitation, loss of income and loss of value of the Property), costs and expenses (including without limitation, attorneys' fees, court costs, consultant and expert fees), and liabilities (including without limitation, common Jaw and statutory liability), suffered by Purchaser from or in connection with any of the following: (a) Seller's breach of any of the representations or warranties contained in this Option Agreement or Agreement of Sale in any material respect; (b) any accident, injury to or death of a person or persons, or Joss of property, occurring on or about the Subject Property before Closing; (c) violations or notices of violation affecting the Subject Property before Closing issued by any governmental or quasi-governmental authority with jurisdiction; (d) compliance with any present or future Environmental Laws incurred on account of the status of or conditions existing at the Subject Property before Closing as the result of any act or omission of Seller occurring after the date of this Option Agreement; (e) studying or remedying contamination or suspected contamination of the Property by any Hazardous Wastes, which contamination existed before Closing as the result of any act or omission of Seller occurring after the date of this Option Agreement; (f) costs incurred due to any investigation of the Subject Property or any cleanup, removal, remediation or any restoration required by a federal, state or local governmental agency or political subdivision or court arising out of the condition of the Property before Closing as the result of any act or omission of Seller occurring after the date of this Option Agreement; and (g) claims, sums paid for settlement of claims, damages, fines, penalties, judgments or other sanctions incurred, arising out of, relating to or on account of any Environmental Laws or the presence of any Hazardous Wastes arising out of the condition of the Property before Closing as the result of any act or omission of Seller occurring after the date of this Option Agreement.

(17) Governing Law. This Option Agreement is made under, and shall be construed in accordance with, the laws of the State of New Jersey applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts oflaw, and any action to enforce any rights hereunder shall be brought exclusively in the State or Federal Courts within New Jersey.

(18) **Interpretation.** Each and every provision of this Option Agreement has been mutually negotiated, prepared and drafted, and in connection with the construction of any provision hereof, no consideration shall be given to the issue of which party actually prepared, drafted, requested or negotiated any provision of this Option Agreement or its deletion.

(19) Severability. If any term, condition, or provision of this Option Agreement is found to be illegal, or if the application thereof to any party or any circumstance shall to any extent be judicially determined to be invalid or unenforceable, the remainder of this Option Agreement, or the application of such condition, term, or provision to the parties or circumstances, other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each condition, term, and provision of

this Option Agreement shall be valid and enforceable to the fullest extent permitted by law, unless the absence of such illegal, invalid or unenforceable provision materially alters the rights or obligations of any of the parties hereto. Without limiting the generality of the foregoing sentence, to the extent that any provision of this Option Agreement is determined to be illegal, invalid, unenforceable or ineffective under the laws of the State of New Jersey, this Option Agreement shall be considered amended to the smallest degree possible in order to make such term, condition and/or provision of this Option Agreement effective under the laws of the State of New Jersey as is required to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

(20) Successors and Assigns. This Option Agreement and all of the terms and provisions therein shall be binding upon Seller and his or her successors and assigns and shall inure to the benefit of and be enforceable by Purchaser and its successors and assigns.

(21) Counterparts. This Option Agreement may be execute in counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

Seller waives trial by jury and any rights thereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

**AGREED AND ACCEPTED**

Wills Hole, LLC

Russell Crane, Member

Sheila Crane, Member

Russell Crane, an individual

Sheila Crane, an individual

Oceanside Realty, LLC

By:_____