SURPLUS PROPERTY/INTERNET AUCTION

Background Facts

· The State of New Jersey (the "State") is authorized to sell surplus property by public auction.

· The properties available for purchase through this public auction have all been determined by the State to be surplus property.

· All auctions will be held on and conducted over the internet within this State website as more fully described in this introductory brochure and the various links listed on this online auction home page.

· In the event the highest offer bid in accordance with the terms of the auction exceeds $500,000, the sale will be contingent upon legislation approving such sale.

· Each property to be auctioned will be open for inspection by all prospective purchasers (the "Open House"). No questions about the auction process or any of the properties will be allowed or answered at the Open House. Moreover, no testing of any portion of the property including but not limited to improvements shall be permitted during the Open House. The specific date(s) and hours of the Open House shall be listed on the web site for each property to be auctioned.

· At each Open House a document room will be provided during the hours specified on the web site for each property to be auctioned. For any vacant parcels to be auctioned, the document room will be provided at the DPMC office located at 28 West State Street, 4th Floor, Trenton, New Jersey. The precise location within the DPMC office and the specific date(s) and hours of the document room shall be listed on the web site for each vacant parcel to be auctioned. All participants will be entitled to review and make a copy of any of the property documents at the rate of (i) 75 cents per page for the first ten pages; (ii) 50 cents per page for pages 11-20 and (iii) 25 cents per page for each additional page thereafter. Each participant specifically acknowledges and understands that the State has made available the property documents without any representation or warranty that such property documents are accurate, complete or up to date. To the State’s knowledge but without any independent investigation, the property documents contain the information readily available to the State for disclosure and review by all prospective participants.

· After the State has issued the notification of which bidder bid the highest
amount for a property, information pertaining to such auction, including but not limited to the amounts bid by each bidder during both the open and blackout bidding sessions and the underlying names as well as the registered identities of the bidders, will be considered a public record.

The information contained in this brochure is subject to inspection and verification by all parties relying on it. The State of New Jersey assumes no liabilities for its accuracy, errors or omissions. This offering may be withdrawn or modified without notice at any time.

**Registration Requirements**

- In order to participate in an auction for one or more of the offered properties, a party must first register through the State "Register" link on this State auction home page. All required information fields on the registration page must be completed in full. By registering, the participant represents that all of the information provided is true and correct as of the date of completion, has an ongoing duty to inform the State if any information changes and acknowledges that the State shall rely upon the truth of the statements set forth in the registration.

- The participant will also be required to check the box on the registration page that such party has read and agreed to the terms and conditions of this document and the auction process as well as the provisions of the Agreement of Sale (the "Agreement") attached hereto as Exhibit A.

- Any party is entitled to view the properties on the State website without registering to participate in any auction.

- In addition to the required registration information, each interested party must also submit a registration fee in the amount of approximately **10% (ten) of the initial minimum bid** by certified check or cashier’s check of a duly accredited financial institution made payable to the TREASURER, STATE OF NEW JERSEY and hand delivered or mailed to:

  State of New Jersey  
  28 W. State Street  
  4th Floor  
  P.O. Box 229  
  Trenton, New Jersey 08625  
  Attn: Gene Hayman

No interest on the registration fee shall be due or payable to the
interested party at any time.

· The entire registration process must be completed in full by no later than 4:00 p.m. on the Friday immediately prior to the Tuesday commencement date of the auction as more fully described in the "Property Information” section below in which the party wishes to participate (the "Registration Deadline”).

· Upon completion in all respects of this State website registration including payment of the above registration fee in appropriate form and amount by the Registration Deadline, the State will inform the bidder by return e-mail that the bidder is eligible to participate in the upcoming auction(s)(the "Eligibility Notice”).

· The Eligibility Notice will include a computer generated registration number and password. The bidder will have the opportunity to change to its own preferred password if so desired. The bidder must utilize its registration number and password in order to log onto the balance of this State website and submit any bid electronically.

Auction Process

· Only bidders who (i) have completed the registration process in full including the delivery of the registration fee by the Registration Deadline and (ii) have received an Eligibility Notice as set forth above shall be eligible to participate in an auction.

Property Information

· The following information will be listed on each property to be auctioned:

   a. Specific Location (Block/Lot)/Municipality/County:
   b. Description:
   c. Commonly Known As:
   d. Open House Date(s):
   e. Registration Deadline:
   f. Amount of Deposit Required:
   g. Minimum Bid:
   h. Bid Increment at Start of Bid:
   i. Time of Start of Bidding:
   j. Time of End of Bidding:
   k. "Blackout Session" - Date/Time When Bid will no longer be Publicly Disclosed:
   l. Date by Which 10% Deposit must be made:
   m. Date by Which Agreement must be signed:
   n. Date of Inspection/Walk-Through:
All surplus property internet auctions will be conducted through this State website for a pre-determined period with established commencement and expiration dates and times.

A pre-determined initial minimum bid will be established by the State, in its sole discretion, for each property on its property auction page. The bidder should be aware that this initial minimum bid may be in a different amount for each of the offered properties.

The State shall determine, in its sole discretion, the time and duration of each auction, stipulated bid increments and all other requirements of each auction process.

An auction will typically be conducted over a nine (9) business day period commencing on 9:00 a.m. on a Tuesday and concluding on the second Friday thereafter at 5:00 p.m. The dates for each auction will be specifically noted on the web pages for the properties to be auctioned. Bids can be submitted on weekends and weekdays before and after regular business hours but this website and all auctions will only be available for technical support by the State during business hours (i.e Monday-Friday 9:00 a.m.-5:00 p.m.).

All bids must be submitted electronically through this State website.

Each property auction page will also establish the minimum increments that must be bid in excess of the initial minimum bid or the then current highest bid. The bidder should be aware that the bid increment may change depending on the then dollar amount having been submitted for the property. Higher valued properties will typically have higher established bid increments than lower valued properties. Accordingly, bid increments may increase during the course of the auction.

It is the responsibility of the bidder to check this State website after 9:00 a.m. on a daily basis each business day for any messages from the State about any revisions or updates regarding the auction process or procedure or any other information respecting any of the properties to be auctioned.

A bid cannot be withdrawn in any manner or under any circumstances once made and shall be considered to be an irrevocable offer to purchase.

The auction will be divided into an "open" and "blackout" bidding session.

During the open session, a bidder will receive confirmation for every bid.
made and whether its bid was accepted or rejected if below the amount of
the initial minimum bid or current highest bid. Further, each bidder will be
entitled to continuously monitor the auction page and view the then highest
bid and submit a higher bid(s) if desired. Any property auction that receives
more than five (5) bids during the open session will be highlighted on this
State website with a red letter "h" to denote the property as a hot auction.

- The open session portion of the auction will be closed six (6) hours prior
to the expiration of the auction (i.e at 10:00 a.m. of the second Friday of the
auction). At this point in time the blackout session begins and this State
website will then no longer update the latest high bid. Instead, only the final
highest bid offered during the open session will remain posted. During the
blackout session, all bidders will be invited to increase their bids in any
amount above the highest bid offered during the open session without regard
to the increment requirement that existed during the open session.
Throughout the blackout session, the bidder will not be informed if its bid is
the highest or has been rejected for not exceeding the latest highest bid.
Bidders may make as many bids as they deem appropriate during the
blackout session.

- Promptly after the conclusion of the blackout session, each bidder on the
property will be notified by e-mail as to whether its bid was the highest one
submitted. The bidder that submitted the highest bid at the end of the
auction will be awarded the purchase of the property (the "Successful
Bidder"). The results will also be posted on the web page for the property.

- Notwithstanding the foregoing, in the event of a tie in the highest bid between
two or more bidders at the conclusion of the blackout session, the first bidder
in time during the auction to have submitted the highest bid will be awarded
the purchase of the property.

- Upon request, an unsuccessful bidder may have its registration fee returned
without interest after the completion of the auction.

- Any dispute regarding the bidding process or award of sale of any property
shall be governed by N.J.A.C. 17:11-8.3 and treated in the same manner as
a Challenge to a Notice of Proposed Lease.

- The State reserves the right to reject any or all bids on any property for good
cause.
OBLIGATIONS OF SUCCESSFUL BIDDER

· Each registered bidder that participates in the bidding process and who becomes the Successful Bidder on any Auction agrees to comply with the following requirements and obligations:

1. The Successful Bidder who is awarded the purchase of a property will be bound by and shall accept in full the terms of the Agreement without modification.

2. **EO 134 Requirements**

   · The Successful Bidder must be found to be in compliance with the requirements of Executive Order 134 now codified as P.L. 2005, C.51 (hereinafter identified for ease of reference as “E O 134”) by no later than the closing date set forth in the Agreement.

   · E O 134 imposes restrictions to insulate the State procurement process from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof. Refer to website [http://www.state.nj.us/treasury/purchase/execorder134.htm](http://www.state.nj.us/treasury/purchase/execorder134.htm) for further information. The Successful Bidder shall be responsible to download the E O 134 documents from the website and complete them within the time periods set forth in this brochure.

   · If the Successful Bidder fails to demonstrate that it has complied with E O 134 by the date of the closing, the State, in its sole discretion as determined in the best interest of the State, shall be entitled to either extend the closing date for a time period to be determined unilaterally by the State, terminate the Agreement and offer the property again to the next highest bidder or recommence the auction process. In the event this Agreement is terminated, the Successful Bidder will have released the State from any and all obligation to sell the property to this Successful Bidder and the Successful Bidder and any and all affiliates of the Successful Bidder shall thereafter be ineligible to submit a bid to the State for any rebid of the property or any other State property for sale. Moreover, the State will retain the deposit required under the Agreement if the Successful Bidder does not become qualified pursuant to the E O 134 as more fully described in paragraph 5 below.

3. The Successful Bidder agrees to accept the awarded property in its "as is" condition without warranties including but not limited to the environmental status of the property or contingencies. The Successful Bidder will be permitted a limited right of inspection of the awarded property (but not cancellation of the Agreement) as discussed below.
4. The State shall promptly forward to the Successful Bidder the Agreement in the same form as set forth in Exhibit A, filled in with the property description, the purchase price, total deposit required, remaining deposit to be paid and closing date.

5. The Successful Bidder shall have the option of applying the registration fee against the deposit due under the Agreement or having this fee remain on file for use by the party in a subsequent auction subject to the following requirements:

   · If the fee is to remain on file, the Successful Bidder shall be obligated to pay the entire deposit due under the Agreement by a certified or cashier’s check of a duly accredited financial institution; or

   · Should the registration fee be applied against the deposit, the Successful Bidder shall be required to only pay any additional deposit by certified check or cashier’s check required by the terms of the Agreement in the manner set forth above. In such event, the Successful Bidder will be required to submit another registration fee in order to participate in a subsequent auction.

   · The entire deposit check or additional deposit check, as the case may be, together with the executed Agreement and fully completed EO 134 documents shall be forwarded by the Successful Bidder to the State by personal delivery or recognized overnight carrier that provides proof of delivery to the address below and must be received by the State within ten (10) business days of the Successful Bidder’s receipt of the completed Agreement (unless this time period is extended by the State for good cause in its sole discretion):

     State of New Jersey
     28 W. State Street
     4th floor
     P.O. Box 229
     Trenton, New Jersey 08625
     Attn: Gene Hayman

6. Failure to return both the Agreement as executed by the Successful Bidder, the balance of the deposit and the fully completed EO 134 documents within the ten (10) business day period (unless this time period is extended by the State for good cause in its sole discretion)
shall result in forfeiture of the registration fee to the State as the parties acknowledge that the amount of the damages to the State resulting from such a breach would be difficult, if not impossible, to determine and the retention of the deposit would be justified and reasonable. If this event occurs, the Successful Bidder will have released the State from any and all obligation to sell the property to this Successful Bidder and the property may, in the sole discretion of the State as determined in its best interest, be offered to the next highest bidder or will be offered for sale again by the State pursuant to this auction process. The Successful Bidder and any and all affiliates of the Successful Bidder shall thereafter be ineligible to submit a bid to the State for this property or on any other State property for sale for a period of five (5) years.

7. Other than the above referenced requirements, the awarded purchase of the property is not contingent on any act of the Successful Bidder, including but not limited to the Successful Bidder obtaining financing for the balance of the purchase price.

8. If the purchase price exceeds $500,000 this transaction will be subject to and contingent upon legislation enacted authorizing this sale.

9. The Successful Bidder will be responsible for obtaining a title search at its own cost and expense and delivering this search to the State by no later than forty-five (45) days after the full execution of the Agreement as more fully described therein. Where applicable, any approvals required to bring the Property into compliance with local, county and state regulations are also the responsibility of the Successful Bidder.

10. Inspection of the Property by the Successful Bidder and its consultant, if any, may be performed within fifteen (15) days after the full execution of the Agreement. No testing will be permitted and the Successful Bidder will not be permitted to cancel the Agreement following the inspection, regardless of the results of such inspection.

11. At the closing the State shall deliver to the Successful Bidder a Bargain and Sale Deed without covenants and the parties will deliver to each other the additional documents set forth in the Agreement. The Successful Bidder shall also pay for all recording fees and realty transfer taxes. All utilities and taxes, if any, shall be adjusted by the parties as of the date of the closing.